



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF INSURANCE

OFFICE OF SOLVENCY REGULATION

PO BOX 325

TRENTON, NJ 08625-0325

TEL (609) 292-7272

FAX (609) 292-6765

PHIL MURPHY  
Governor

MARLENE CARIDE  
Commissioner

SHEILA OLIVER  
Lt. Governor

August 28, 2019

XXXXXXXXXX  
XXXXXXXXXX.  
XXXXXXXXXX

Re: 2019 3<sup>rd</sup> Qtr. Quarter Dental Plan Organizations (DPO) Report Filings

Dear XXXXXXXX,

**The 3<sup>rd</sup> Quarter reports shall be received in this office no later than close of business (5:00 P.M.) Friday November 15, 2019** in accordance with Statutory Accounting Practices using the most current format for the quarterly NAIC Health Blank, and in accordance with the NAIC quarterly instructions for the Health Blank. Contact the NAIC directly at (816) 842-3600 if you require copies of the quarterly instructions. These instructions implement the requirements of the Accounting Practices and Procedures effective **January 1, 2019**. The NAIC Health Blank forms are available for purchase through several independent insurance service companies throughout the United States.

The Commissioner of Banking and Insurance has the regulatory authority per N.J.A.C. 11:10-1.14(b) to impose enforcement remedies against any DPO that fails to reply to any inquiry of the Commissioner or fails to file quarterly or annual reports pursuant to this subchapter shall be subject to penalties pursuant to N.J.S.A. 17B:21-2.

This letter is reasonable notice and any DPO that files late will be fined \$100.00 per day.

**Please note that any additional or revised quarterly filing requirements are outlined in bold.**

- (1) The following manuals should be obtained and maintained current:
  - (a) ANNUAL AND QUARTERLY STATEMENT INSTRUCTIONS – HEALTH
  - (b) ACCOUNTING POLICIES AND PROCEDURES MANUAL EFFECTIVE **JANUARY 1, 2019 (AS OF MARCH 2019)**  
THIS VALUABLE RESOURCE CONTAINS THE STATEMENT OF STATUTOY ACCOUNTING PRINCIPLES (SSAP), EXTRACTS FROM NAIC MODEL LAWS, INTERPRETATIONS OF SSAP, ISSUE PAPERS AND POLICY STATEMENTS OF THE NAIC
  - (c) PURPOSES AND PROCEDURES MANUAL OF THE NAIC SECURITIES VALUATION OFFICE (SVO)

These may be obtained from:  
National Association of Insurance Commissioners  
Publications Department

2301 McGee Street  
Suite 800  
Kansas City, MO 64108-2604  
Telephone (816) 783-8300  
Facsimile (816) 460-7593  
Email [www.naic.org/1pubcat/](http://www.naic.org/1pubcat/)

- (2) Original signatures are required on all filings. The President and Secretary, or in their absence, two principal officers must sign the quarterly statement. All requests for exceptions from normal filings must be submitted at least 30 days prior to the due date.
- (3) All DPOs are required to complete the blanks and supplemental schedules in their entirety. If a specific schedule is not applicable to the DPO that should be so indicated using “N/A” or “None”. Any deviations from the instructions in this announcement, without the permission of the Commissioner of Banking and Insurance will be considered a violation of filing requirements and cause the entire statement filing to be rejected. Accordingly, per N.J.A.C 11:10-1.14(b), the Department may also impose the maximum penalties and enforcement measures available under statute for failure to file proper or timely financial statements.
- (4) The DPO shall segregate assets into categories of “Admitted Assets” and “Non-Admitted Assets.” The later will be excluded by the Department in considering the DPO’s minimum statutory net worth, solvency, and deposit requirements.

See SSAP #4 “Assets and Nonadmitted Assets” for further guidance. Assets not specifically identified as an admitted asset within the Accounting Policies and Procedures Manual shall be considered Nonadmitted.

See SSAP#84 “Health Care Receivables” for further guidance.

Guidance on allowable Goodwill can be found in SSAP #68.

- (5) All DPOs are required to comply with the requirements of N.J.S.A. 17B:20 regarding Investments.
- (6) A Management Discussion and Analysis (MD&A) letter. This letter is primarily a narrative document setting forth information which enables the Department to enhance its understanding of the DPO’s financial position, results of operations, changes in capital and surplus accounts and cash flow. (See Attached NAIC MD&A instructions for specific format and detailed guidance.)
- (7) DPO Quarterly Supplement Attachments A, B, C, D and E.
  - (a) DPO Quarterly Supplement Attachment A which includes information regarding Restricted Deposits, General Surplus, and Special Contingent Surplus, if applicable.
  - (b) DPO Quarterly Supplement Attachment B which included projections versus actuals for **2019**.
  - (b1) If your DPO is not a separate legal entity in New Jersey, please provide a second Attachment “B” which reflects your New Jersey business only.
  - (c) DPO Quarterly Supplement Attachment C (Quarterly General Interrogatories) detailing:
    - Group Contracts

Group Enrollees  
Non-Group Enrollees  
Benefit Plans  
Full Time Equivalent Dentists

- (d) DPO Quarterly Supplement Attachment D (Quarterly General Interrogatories) detailing:  
Specialty Pools
- (e) DPO Quarterly Supplement Attachment E (Quarterly General Interrogatories) detailing:  
Payments Withholds
- (8) All items must be identified. If you use the “other” category, please identify what is included in “other.”
- (9) All expenses paid to medical providers (including dentists) should be included on line #9 “Hospital/medical benefits” of the Statement of Revenue and Expenses. They should not be included on line #10 “Other Professional Services” or line #29 “Aggregate write-is for other income or expenses.”
- (10) **Due to changes in the NAIC Database and the Affordable Care Act, all DPOs domiciled in New Jersey should check the “Hospital, Medical & Dental Service or Indemnity” box on the Jurat Page in the section, “Licensed as business type.” DPOs not domiciled in New Jersey are to check the box as directed by their state of domicile.**
- (11) MAILING ADDRESS

Every DPO shall submit three (3) signed copies of the Quarterly Report and DPO Quarterly Supplement Attachments A, B, and C to:

Kwame Asare  
NJ Department of Banking and Insurance  
Office of Solvency Regulation

PO Box 325 (if sent by United States Postal Services)  
Trenton, NJ 08625-0325

20 West State Street, 10<sup>th</sup> Floor (if sent by FedEx or UPS)  
Trenton, NJ 08608-1206

Contact me at (609) 940-7409 or e-mail me at [richard.kartes@dobi.nj.gov](mailto:richard.kartes@dobi.nj.gov) if you have any questions concerning this correspondence.

Sincerely,

Richard K. Kartes  
Supervisor  
Health Entities Financial Operations  
Office of Solvency Regulation

CC: Steven P. Kerner, Jr., Chief Insurance Examiner  
Diana Sherman Assistant Chief, Health Entities Financial Operations  
Kwame Asare, Supervisor, Office of Solvency Regulation

# State of New Jersey



## Department of Banking and Insurance

### Dental Plan Organization (DPO) Supplement to the Quarterly Report of

---

**(Name of DPO)**

---

**Address**

For the Calendar Quarter Ended  
September 30, 2019

Submitted By:

---

(Printed Name & Title of Responsible Financial Officer Completing Report)

---

(Original Signature of Officer )

(Date)

---

(Telephone Number)

(Fax Number)

(Email Address)

Name of DPO \_\_\_\_\_

For the Calendar Quarter Ended September 30, 2019

**ATTACHMENT A**

**Restricted Deposit**

Deposit Required Per NJAC 11:10-1.8(a)	Market Value of Deposit at <b>09/30/2019</b>
\$50,000	\$ _____

**General Surplus**

General Surplus <u>required</u> per NJAC 11:10-1.8(a) 3, (the greater of \$100,000 or 1% of the current annual premium at <b>12/31/18</b> ).	\$ _____
General Surplus at quarter ended <b>09/30/19</b>	\$ _____

**Special Contingent Surplus (if applicable)**

Special Contingent Surplus per NJS 17:48D-7 Full Time Equivalent Dentists (FTE) = _____	
Contingent Surplus quarter ended <b>09/30/19</b>	\$ _____

Name of DPO \_\_\_\_\_

For the Calendar Quarter Ended September 30, 2019

**ATTACHMENT B**

**2019 Actuals/Projections**

(All costs in 000's)

	<b>4<sup>th</sup> QTR "18" Actual</b>	<b>1<sup>st</sup> QTR "19" Actual</b>	<b>2<sup>nd</sup> QTR "19" Actual</b>	<b>3<sup>rd</sup> QTR "19" Projection</b>	<b>3<sup>rd</sup> QTR "19" Actual</b>
Premium					
Other Income					
Total Revenue					
Primary Capitation					
Specialist Pool Exp.					
Total Medical Exp.					
Medical Loss Ratio					
Total Admin. Exp.					
Admin. Exp. Ratio					
Income/Loss					
Taxes					
Net Income/Loss					
Membership#					
Member Months##					
General Surplus					
Gen. Surp. Req.					
Restricted Deposits					
FTE Dentists (Prim)					
FTE Dent. (Special)					
Contingent Surp.					

**Do not revise projections during the calendar year unless instructed to by the Department**

# At end of Quarter (Include both Employees and Dependents)  
 ## Summary of members for all three months in the quarter . Member months exposed equals the sum of the number of months that each enrollee was covered during the quarter (e.g., if 100 enrollees were covered for 3 months and 50 enrollees were covered for 2 months, the total member months exposed would be 400 (100X3+50X2)).

Name of DPO \_\_\_\_\_

For the Calendar Quarter Ended September 30, 2019

**ATTACHMENT C**

**DPO QUARTERLY GENERAL INTERROGATORIES**

1. List the number of group and non-group contracts in force and the group and non-group enrollees at **09/30/18** and **09/30/19**:

Date	Group Contracts	Group Employees	Group Dependents	TOTAL Enrollees
09/30/19				
09/30/18				

Date	Non-Group Contracts	Non-Group Subscribers	Non-Group Dependents	TOTAL Enrollees
09/30/19				
09/30/18				

2. List in reverse chronological order how many types of benefit plans are being offered.

Quarter end	Benefit Plans
09/30/19	_____
09/30/18	_____
09/30/17	_____

3. In reverse chronological order, specify the number of “full-time equivalent dentists” (FTE) as defined at N.J.A.C. 11:10-1.3 under contract with the DPO at the end of the quarter specified.

Date	FTE
09/30/19	_____
09/30/18	_____
09/30/17	_____





Column 12 The actual percentage of the Withhold for the Quarter just ended (100% -(Column 10 divided by Column 8))  
Column 13 The percentage of the Withhold that will being used for the next Quarter