

FINANCIAL SERVICES COMMISSION

**FLORIDA OFFICE OF INSURANCE REGULATION
MARKET INVESTIGATIONS**

MARKET CONDUCT FINAL EXAMINATION REPORT

OF

DENTAL NETWORK of AMERICA, INC.

AS OF

MARCH 8, 2006



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PURPOSE AND SCOPE OF EXAMINATION

Under authorization of the Financial Services Commission, Florida Office of Insurance Regulation (Office), Market Investigations, pursuant to Section 636.206, Florida Statutes, a market conduct examination of Dental Network of America, Inc. ("DNoA" or "Company") was performed. The scope of this examination was April 1, 2005 through November 30, 2005. The examination began March 3, 2006 and ended March 8, 2006.

The purpose of this examination was to review the Company's compliance with Chapter 636, Part II, Florida Statutes as effective on April 1, 2005. Chapter 636, Part II, Florida Statutes regulates discount medical plan organizations, entities which, in exchange for fees, dues, charges, or other consideration, provide access for plan members to providers of medical services and the right to receive medical services from those providers at a discount.

The Company's records were examined at its offices located at Two TransAm Plaza Dr., Oakbrook Terrace, IL 60181.

This Final Report is based upon information from the examiner's draft report, additional research conducted by the Office, and additional information and comments provided by the Company in response to the draft report. Procedures and conduct of the examination were in accordance with the Market Regulation Handbook produced by the National Association of Insurance Commissioners.

DESCRIPTION OF COMPANY

Dental Network of America was incorporated in Delaware in 1984 and is a wholly owned subsidiary of Health Care Service Corporation. DNoA was licensed in Florida as a Third Party Administrator (TPA) on April 25, 2004 and as a Discount Medical Plan Organization (DMPO) in Florida on March 24, 2005. They are also licensed as a DMPO in South Dakota, Utah and Nevada.

Although the Company is licensed as a DMPO, it acts as a wholesaler offering its network to other Florida-licensed DMPO's. DNoA has no contact with individual members. It does not set the prices to be charged, the benefits to be provided, send out membership cards, or renew memberships.

PROVIDER NETWORK REVIEW

DNoA "Select," the network used by other Florida-licensed DMPO's, has approximately 19,000 dentists nationwide and provides dental discounts to more than 799,000 members. The Company does not contract with any provider networks.

PROVIDER AGREEMENT REVIEW

A sample of 10 provider agreements was selected to review for compliance with Section 636.214, Florida Statutes. The Company was able to produce all of the requested contracts and all contracts contained the provisions required by Section 636.214(2), Florida Statutes.

FORMS/CHARGES REVIEW

As a wholesaler, the Company is not required to file charges or forms for review.

MARKETER REVIEW

The Company does not have any marketers as it does not offer a discount medical plan.

ACTIVE MEMBERSHIP REVIEW

Members are enrolled through the individual discount medical plan organizations that purchase DNoA's wholesale provider network. DNoA does not offer its own discount medical plan and does not have individual members.

CANCELLATION REVIEW

The Company reported no cancellations during the scope of the examination.

COMPLAINT/GRIEVANCE REVIEW

The Company advised that it had no complaints reported. Policies and procedures are in place to facilitate the resolution of member grievances and complaints as required by Section 636.205(1)(d), Florida Statutes.

WEBSITE REVIEW

As a condition for licensure, a discount medical plan is to establish an Internet website page on which it is to maintain an up-to-date list of the names and addresses of its providers in order to comply with Section 636.226, Florida Statutes. Prior to the onsite examination, a review was conducted of the website, www.dnoa.com. The website contained the requisite link to providers in the DNoA "Select" program.

The homepage of the website gives a brief overview of the various programs it offers, including the discount offerings through DNoA Select. The home page does not contain the disclosures required by Section 636.212, Florida Statutes. The first page reached by the consumer seeking information specifically on the discount program does not inform the consumer of the disclosures required by Sections 636.212(2), (3), (4) and (5), Florida Statutes.

Corrective Action: The Company should ensure its website contains all of the required disclosures.

Subsequent to the examination, the Company reported it has added the required disclosures to its website.

ADVERTISING REVIEW

The Company does not have its own discount medical plan; therefore, there were no advertising pieces to review.

EXAMINATION FINAL REPORT

The Office hereby issues this report as the Final Report, based upon information from the examiner's draft report, additional research conducted by the Office, and additional information and comments provided by the Company in response to the draft report.