

STATE OF OHIO

DEPARTMENT OF INSURANCE

IN THE MATTER OF:

SUPERIOR DENTAL CARE, INC.
TARGETED MARKET CONDUCT
EXAMINATION

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CONSENT ORDER

The Superintendent of the Ohio Department of Insurance (hereinafter the "Superintendent") is responsible for administering Ohio insurance laws pursuant to Ohio Revised Code (hereinafter "ORC") §3901.011. Superior Dental Care, Inc. (hereinafter the "Company"), is authorized to engage in the business of insurance in the State of Ohio and, as such, is under the jurisdiction of the Superintendent. In response to complaints received by the Superintendent on or about October 2009 concerning the company's compliance with state laws, the Superintendent conducted a market conduct examination of the Company's provider contracting practices to ensure compliance with ORC §§3963.02 through and 3963.04.

The Superintendent alleges that the Company's health care contracts with its providers failed to contain the provisions and disclosures required by ORC §§3963.02 through 3963.04 and that those contracts had not been amended as required since the June 25, 2008 effective date of ORC Chapter 3963. The Superintendent further alleges that the Company's failure to revise any of its health care contracts in the manner required constitutes a pattern or practice of violating ORC Chapter 3963 and is an unfair and deceptive insurance practice pursuant to ORC §3963.09(A).

The Company neither admits nor denies the Superintendent's allegations set forth above. The Company and the Superintendent enter into this Consent Order to resolve such allegations as set forth herein.

IT IS HEREBY AGREED AND CONSENTED TO BY THE PARTIES THAT:

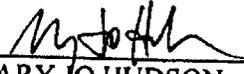
- 1) The Company hereby agrees to review and modify its provider contracting practices to ensure compliance with ORC §§3963.02 through 3963.04. This review and modification shall be outlined in a Corrective Action Plan that is subject to the Superintendent's approval. The Company's Corrective Action Plan shall include an example of each health care contract that has been revised to comply with ORC Chapter 3963. The Corrective Action Plan and related Company reporting are confidential work papers pursuant to ORC §3901.48.
- 2) The Corrective Action Plan shall detail the Company's changes to internal controls and management processes that require review and revision to ensure compliance with state law and regulations. Such controls and processes should ensure that the requirement of Ohio laws and regulations are embedded into the Company's business processes and are self-tested to assure continuing compliance with ORC §§3963.02 through 3963.04. The Corrective Action Plan shall also detail how the Company will reimburse providers whose

compensation from their patients was decreased as a consequence of the Company's 2009 change in calculation of patient deductibles and copayments. The Company shall reimburse these providers within sixty (60) days of the Superintendent's approval of the final Corrective Action Plan as provided in paragraph 3 below.

- 3) The Corrective Action Plan shall be submitted to the Superintendent for approval within sixty (60) days of the Superintendent's execution of this Consent Order. The Superintendent will notify the Company upon approval of the final Corrective Action Plan. The Company will provide as a part of its submission of the Corrective Action Plan to the Superintendent written confirmation that its board of directors ("Board") was presented with the Corrective Action Plan and approved it. Confirmation can include certified copies of the minutes of Board meetings or Board resolutions.
- 4) The Plan will provide, at minimum, the following for each item in the Plan:
 - a. Identification of each corrective action to be taken, including the section of law to which each action relates; and
 - b. How each corrective action is to be addressed, including, without limitation, what will be done, who will do it and the date it will be completed.
- 5) Six (6) months after the date of the Superintendent's written acceptance of the Corrective Action Plan, the Company shall file a report with the Superintendent detailing its compliance with ORC Chapter 3963.
- 6) The Company agrees that this Consent Order is binding on the Company and has the full force and effect of an order of the Superintendent, and that the failure to adhere to one or more of the terms of this Consent Order shall constitute a violation of a lawful Order of the Superintendent, an actionable violation in and of itself without further proof, and may subject the Company to any and all remedies available to the Superintendent.
- 7) The Department and the Company enter into this Consent Order to resolve only the allegations set forth above. The Company hereby waives and releases any and all causes of action, claims, or rights, known or unknown, which it may have against the Department and any employees, agents, consultants, contractors or officials of the Department, in their individual and official capacities, as a result of any acts or omissions on the part of such persons or entities with respect to the specific matters set forth in this Consent Order.
- 8) The Company has been advised that it has a right to a hearing before the Superintendent pursuant to ORC Chapter 119 before the Superintendent may impose any sanctions or penalties; that, at a hearing, the Company would be entitled to appear in person, to be represented by an attorney or other representative that is permitted to practice before the agency; and that, at a hearing, the Company would be entitled to present its position, arguments, or contentions in writing and to present evidence and examine witnesses appearing for and against it. The Company hereby waives all such rights with respect to the specific matters set forth in this Consent Order.

- 9) The Company consents to the jurisdiction of the Superintendent and the Department to determine the issues set forth herein. The Company expressly waives prerequisites to jurisdiction that may exist with respect the specific matters set forth in this Consent Order.
- 10) The Company understands and acknowledges that this Consent Order is a public document pursuant to ORC §149.43 and that the Consent Order shall be entered into the Journal of the Ohio Department of Insurance.

NOW, THEREFORE, IT IS HEREBY ORDERED that the agreement by and between Superior Dental Care, Inc. and the Superintendent, on behalf of the Department, consisting of the terms and conditions set forth above, is approved.

 9-2-10
MARY JO HUDSON
Superintendent of Insurance

**SUPERIOR DENTAL CARE, INC.
ACKNOWLEDGEMENT AND ACCEPTANCE**

By execution hereof, Superior Dental Care, Inc. consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he/she has the authority to bind Superior Dental Care, Inc. to the terms and conditions of this Consent Order.

SUPERIOR DENTAL CARE, INC.

By: Rebecca J York

Print or type name: Rebecca J York

Title: EV.P. + C.E.O.

Date: 8/27/10