



COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION
DIVISION OF INSURANCE

REPORT OF EXAMINATION OF THE
DENTEGRA INSURANCE COMPANY OF NEW ENGLAND

Newton, Massachusetts

As of December 31, 2023

NAIC GROUP CODE 2479

NAIC COMPANY CODE 12210

EMPLOYER ID NUMBER 30-0318743

DENTEGRA INSURANCE COMPANY OF NEW ENGLAND

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COMMONWEALTH OF MASSACHUSETTS
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DIVISION OF INSURANCE

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MAURA T. HEALEY
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COMMISSIONER OF INSURANCE

KIMBERLY DRISCOLL
LIEUTENANT GOVERNOR

May 22, 2025

The Honorable Michael T. Caljouw
Commissioner of Insurance
Commonwealth of Massachusetts
Division of Insurance
One Federal Street, Suite 700
Boston, MA 02110

Honorable Commissioner:

Pursuant to your instructions and in accordance with Massachusetts General Laws, Chapter 175, Section 4, an examination has been made of the financial condition and affairs of

DENTEGRA INSURANCE COMPANY OF NEW ENGLAND

at its home office located at 53 Langley Road, Suite 270, Piccadilly Square, Newton, Massachusetts 02459. The following report thereon is respectfully submitted.

SCOPE OF EXAMINATION

Dentegra Insurance Company of New England (“Company”) was last examined as of December 31, 2019 by the Massachusetts Division of Insurance (“Division”). The current examination was also conducted by the Division and covers the four-year period from January 1, 2020 through December 31, 2023 including any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with standards and procedures established by the National Association of Insurance Commissioners (“NAIC”) Financial Condition (E) Committee and prescribed by the current NAIC *Financial Condition Examiners Handbook* (“Handbook”), the examination standards of the Division and with Massachusetts General Laws. The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify current and prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks.

All accounts and activities of the company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company’s financial statements.

This examination report includes significant findings of fact, as mentioned in the Massachusetts General Laws, Chapter 175, Section 4, and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

The Company is audited annually by Armanino LLP (“Armanino”), an independent certified public accounting firm. The firm expressed unqualified opinions on the Company’s financial statements for the calendar years 2020 through 2023. A review and use of the Certified Public Accountants’ work papers was made to the extent deemed appropriate and effective.

This examination was conducted as part of a coordinated group financial examination in compliance with the *Coordination of Holding Company Group Exams* framework of the Handbook. The Delaware Insurance Department (“Delaware Department”) acted as the lead state, and the Division, acting as a participating state, coordinated with the Delaware Department.

Representatives from the firm of Examination Resources, LLC were retained by the Division to assist in the examination by performing certain examination procedures at the direction of and under the overall management of the Division’s examination staff. The assistance included a review of accounting records, information systems, investments and actuarially determined loss and loss adjustment expense reserves.

SUMMARY OF SIGNIFICANT FINDINGS OF FACT

There were no significant findings identified during the examination.

COMPANY HISTORY

The Company was incorporated under the laws of the Commonwealth of Massachusetts on September 30, 2004, and commenced business on October 1, 2004. As a licensed property and casualty insurer, the Company is subject to the provisions of Massachusetts General Law ("M.G.L.") Chapter 175, Section 4 and other Massachusetts Insurance Laws.

On September 30, 2004, Delta Dental of California ("DDC"), a tax-exempt California corporation, purchased from Lumber Mutual Insurance Company all the outstanding shares of SEACO Insurance Company ("SEACO"). The assets and liabilities were placed into the SEACO Liquidating Trust and the resulting "Clean Shell" and associated licenses were purchased by DDC. SEACO's name was changed to Dentegra Insurance Company of New England at the time of sale. The stated purpose of the Company is to be a for-profit dental insurer in Massachusetts and other states that SEACO had been licensed in.

Stockholder Dividends

During the exam period, the Company did not pay dividends to its parent.

MANAGEMENT AND CONTROL

Board of Directors Minutes

The minutes of meetings of the Board of Directors ("Board") and its Committees for the period under examination were reviewed and indicated that all meetings were held in accordance with the Company's bylaws and the laws of the Commonwealth of Massachusetts. Activities of the Committees were ratified at the meetings of the Board.

Articles of Organization and Bylaws

The articles of organization and bylaws of the Company were reviewed. There were no amendments made to the articles or bylaws during the period under examination.

Board of Directors

According to the bylaws, the powers of the Company shall be exercised, its business and affairs shall be conducted and its property shall be controlled by the Board, except as otherwise provided by the laws of the Commonwealth of Massachusetts, the Articles of Organization or the bylaws. The number of Directors shall be no more than nine (9) or less than five(5).

Dentegra Insurance Company of New England

At December 31, 2023, the Company's Board was composed of five persons, which is in compliance with the Company's bylaws and General Laws of Massachusetts. The members of the Board are as follows:

<u>Name of Directors</u>	<u>Title</u>
Michael J. Castro	Chief Executive Officer of DDC
Sarah M. Chavarria	President of DDC
Michael G. Hankinson, Esq.	Executive Vice President and Chief Legal and Compliance Officer of DDC
Dominic S. Titcombe	Executive Vice President and Chief Information and Product Officer of DDC
Alicia F. Weber	Executive Vice President and Chief Financial Officer of DDC

Officers

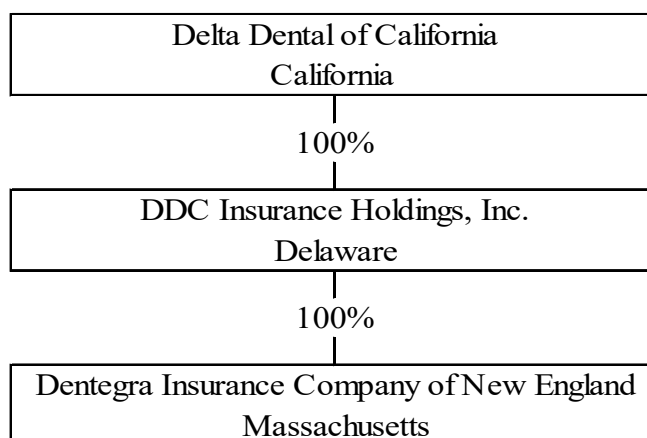
According to the Company's bylaws, the Board shall elect the officers of the Company. The officers of the Company shall be a Chair of the Board, a Secretary, a Treasurer and such other officers, including a President, as the Board may appoint. The Chair, the Secretary and the Treasurer shall be elected annually by the Board at the annual meeting of the Board. Each elected officer shall hold office for one (1) year or until a successor is elected. The officers of the Company as of December 31, 2023 were as follows:

<u>Name of Officers</u>	<u>Title</u>
Michael J. Castro	Chair of the Board
Sarah M. Chavarria	President
Alicia F. Weber	Treasurer
Michael G. Hankinson, Esq.	Secretary

Organizational Chart

At December 31, 2023, the Company is a member of the following organizational structure in this abbreviated organizational chart:

Dentegra Insurance Company of New England



Affiliated Companies

As stated in the Insurance Holding Company System Form B and Form C as filed with the Division, the Company is a member of a holding company system and is subject to the registration requirements of M.G.L., Chapter 175, Section 206C and 211 CMR 7.00. The ultimate controlling entity of the system is DDC.

Transactions and Agreements with Subsidiaries and Affiliates

Management and Services Agreement

Effective January 1, 2005, the Company entered into an agreement with DDC. Pursuant to the terms of the agreement, DDC acts as the sole and exclusive manager of all of the day-to-day operations of the Company.

Administrative Services Agreement

Effective January 1, 2007, the Company entered into an agreement with Delta Dental Insurance Company (“DDIC”). This agreement established the terms in which DDIC collects premiums, establishes claim payment accounts, and provides administrative support for the Company.

Federal Tax Sharing Agreement

Effective January 1, 2011, the Company entered into an agreement with DDC Insurance Holdings, Inc. (“DDCIH”). Pursuant to the terms of this agreement, the Company assigns the responsibility for filing its Federal US tax returns and related activities to DDCIH. The Company agrees to make period tax payments to DDCIH in exchange for the services provided under the agreement.

TERRITORY AND PLAN OF OPERATION

The Company currently is licensed to write business in the following three states or territories: Massachusetts, New York and the District of Columbia; however it does not actively write business in the District of Columbia and New York. The Company's Certificate of Authority is current and in force.

The Company writes group and individual dental only business, and insures the AARP Dental Insurance Plan that is administered by DDIC in the state of Massachusetts.

REINSURANCE

Assumed Reinsurance

The Company did not assume any reinsurance during the period under examination.

Ceded Reinsurance

As of December 31, 2023, the Company ceded business under three separate reinsurance agreements as follows.

Delta Dental of California

Effective January 1, 2006, the Company entered into a quota share reinsurance agreement with DDC. Under the terms of the agreement, DDC agrees to assume a fifty-six percent (56%) quota share of the Company's claims arising out of their AARP contract. Effective on January 1, 2021, the percentage was changed from 56% to 47%.

Hannover Life Reassurance Company of America

Effective January 1, 2006, the Company entered into a quota share reinsurance agreement with Hannover Life Reassurance Company of America ("Hannover"). Under the terms of the agreement, Hannover agrees to assume a thirty-three percent (33%) quota share of the Company's claims arising out of their AARP contract.

Renaissance Life and Health Insurance Company of America

Effective January 1, 2006, the Company entered into a quota share reinsurance agreement with Renaissance Life and Health Insurance Company of America ("RLHIC"). Under the terms of the agreement, RLHIC agrees to assume a ten percent (10%) quota share of the Company's claims arising out of their AARP contract.

FINANCIAL STATEMENTS

The following financial exhibits are based on the statutory financial statements prepared by management and filed by the Company with the Division and present the financial condition of the Company for the period ending December 31, 2023. The financial statements are the responsibility of Company management.

Statement of Assets, Liabilities, Capital and Surplus as of December 31, 2023

Statement of Revenue and Expenses for the Year Ended December 31, 2023

Reconciliation of Capital and Surplus for Each Year in the Five-Year Period Ended December 31, 2023

Dentegra Insurance Company of New England

Statement of Assets, Liabilities, Capital and Surplus As of December 31, 2023

	Per Annual Statement
ASSETS	
Bonds	\$ 890,459
Cash, cash equivalents and short-term investments	5,591,662
Subtotals, cash and invested assets	<u>6,482,121</u>
Investment income due and accrued	7,082
Uncollected premiums and agents' balances	4,585
Amounts recoverable from reinsurers	134,283
Other amounts receivable under reinsurance contracts	6,221
Guaranty funds receivable or on deposit	149
Receivables from parent, subsidiaries and affiliates	271,294
Total Assets	<u><u>\$ 6,905,735</u></u>
LIABILITIES	
Claims unpaid	\$ 10,600
Unpaid claims adjustment expenses	2,000
Aggregate health policy reserves	5,545
Premiums received in advance	70,806
General expenses due or accrued	161,278
Current federal and foreign income tax payable and interest thereon	12,437
Ceded reinsurance premiums payable	341,135
Remittances and items not allocated	1,027
Amounts due to parent, subsidiaries and affiliates	20,464
Total Liabilities	<u><u>\$ 625,292</u></u>
Common capital stock	\$ 2,000,000
Gross paid in and contributed surplus	4,450,000
Unassigned funds (surplus)	(169,557)
Total Capital and Surplus	<u><u>\$ 6,280,443</u></u>
Total Liabilities, Capital and Surplus	<u><u>\$ 6,905,735</u></u>

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Statement of Revenue and Expenses For the Year Ended December 31, 2023

	Per Annual Statement
Member months	48,687
Net Premium income	\$ 1,792,750
Change in unearned premium reserves and reserve for rate credits	(272)
Total Revenues	<u>1,792,478</u>
 Hospital and medical benefits	 <u>1,949,369</u>
Subtotal	1,949,369
 Net reinsurance recoveries	 <u>1,754,432</u>
Total hospital and medical	194,937
 Claims adjustment expenses	 542,561
General administrative expenses	<u>1,018,602</u>
Total underwriting deductions	1,756,100
 Net underwriting gain or (loss)	 36,378
Net investment income earned	28,877
Net gain or loss from agents' or premium balances charged off	(7,866)
Miscellaneous income (expenses)	<u>1,641</u>
Net income after capital gains tax and before federal income tax	59,030
Federal and foreign income taxes incurred	<u>13,408</u>
Net income/(loss)	<u><u>\$ 45,622</u></u>

Dentegra Insurance Company of New England

Reconciliation of Capital and Surplus For Each Year in the Five-Year Period Ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Surplus as regards policyholders, December 31, prior year	\$ 6,223,822	\$ 6,196,704	\$ 6,182,669	\$ 6,137,813	\$ 6,139,422
Net income/(loss)	45,622	50,797	27,568	5,472	22,271
Change in non-admitted assets	10,999	(23,679)	(13,533)	39,384	(23,880)
Net change in capital and surplus for the year	<u>56,621</u>	<u>27,118</u>	<u>14,035</u>	<u>44,856</u>	<u>(1,609)</u>
Capital and surplus, December 31, current year	<u>\$ 6,280,443</u>	<u>\$ 6,223,822</u>	<u>\$ 6,196,704</u>	<u>\$ 6,182,669</u>	<u>\$ 6,137,813</u>

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION

There have been no changes made to the financial statements as a result of this examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

As a result of the examination, no adverse findings, or changes to the financial statements were identified.

INS Consultants, Inc. reviewed the reasonableness of the loss and LAE reserves of the Company as of December 31, 2023. The review was conducted in a manner consistent with the Code of Professional Conduct and the Qualification Standards of the American Academy of Actuaries and the Standard of Practice adopted by the Actuarial Standards Board.

SUBSEQUENT EVENTS

There are no significant subsequent events to include in this report.

SUMMARY OF RECOMMENDATIONS

There were no significant recommendations noted by the examination team for improvements in process, activities and/or controls that should be noted in this report.

SIGNATURE PAGE

Acknowledgement is made of the cooperation and courtesies extended by the officers and employees of the Company during the examination.

The assistance rendered by representatives from Examination Resources LLC, who participated in this examination is hereby acknowledged.

Robert G. Dynan

Robert G. Dynan, CFE
Supervising Examiner & Examiner-In-Charge
Commonwealth of Massachusetts
Division of Insurance