

EXECUTIVE SUMMARY

A targeted market conduct examination of HumanaDental Insurance Company, also referred to as the “Company”, was conducted pursuant to, but not limited to K.S.A. 40-222. The examination period was from January 1, 2010 through December 31, 2012. The exam focused on dental business, with a review of complaint and claims handling, operations and management, and underwriting and rating as it relates to the issuance of policies.

There were two Standards failed, one involving untimely responses on claim-related complaints, and the other on policies filed as “group” products but being sold exclusively to individuals. Regardless of error ratios, the exam team has made several recommendations based on the issues revealed during the examination.

Recommendations

OPERATIONS AND MANAGEMENT

1. When receiving communications from the Kansas Insurance Department (KID), timely responses from the Company are expected. If additional time is needed, the Company shall contact KID (prior to the deadline) to request an extension.

COMPLAINT HANDLING

1. The Company shall ensure a reply is sent on claims related communications within the ten working day requirement of K.A.R. 40-1-34, Section 6(c).

CLAIM HANDLING

1. The Company shall ensure procedures are in place to process claims timely.
2. The Company shall ensure proper documentation is retained in order to accurately reconstruct a claim file.

UNDERWRITING AND RATING

1. The Company must cease selling the Dental Value (HI215) policy to individuals and work with the Kansas Insurance Department Accident & Health Division to file appropriate individual policy forms and rates.
2. The Company must cease the issuance of new Preventive Plus (PPO) certificates under the People’s Benefit Alliance group policy. If the Company wishes to use a different association to market the Preventative Plus (PPO), they should have this reviewed by the Kansas Insurance Department prior to policy issuance. If the Company continues to market directly to individuals, appropriate individual forms and rates must be filed and approved.

3. The Company must cease collecting multiple association dues and provide refunds to individuals who paid the extra amount due to having multiple types of insurance. The Company must submit proof of such refunds to the Department within 45 days of the final exam report.