



**Financial Affairs Division**  
**Arizona Department of Insurance**

2910 North 44<sup>th</sup> Street, Suite 210, Phoenix, Arizona 85018-7269

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Web: <https://insurance.az.gov>

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PREPAID DENTAL PLAN ORGANIZATION UCAA PRIMARY APPLICATION SUPPLEMENT

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Prior to submitting your application, contact the Life and Health Division, Prepaid Dental Section at (602) 364-2393 to discuss further requirements and to request copies of the Arizona Administrative Code (AAC), Title 20, Chapter 6, Article 18 Prepaid Dental Rules and Review Guidelines.

In addition to the NAIC's UCAA Primary Application [http://www.naic.org/industry\\_ucaa.htm](http://www.naic.org/industry_ucaa.htm), provide the following:

1. An originally certified (by the Arizona Corporation Commission) copy of the ACC filed, Arizona Department of Insurance approval stamped, Articles of Incorporation. ARS § 20-706.A and ARS § 20-1003.A.1.
2. A list of the names, addresses and official positions of the persons who are to be responsible for the conduct of the affairs of the applicant, including all members of the board of directors, board of trustees, executive committee, or other governing board or committee, the principal officers in the case of a corporation, and the partners or members in the case of a partnership or association. ARS § 20-1003.A.3.
3. If the prepaid dental plan organization is a corporation, evidence that the board of directors of the corporation includes:
  - Dentists who are duly licensed pursuant to title 32, chapter 11 and who have contracted with the corporation to render dental service to members. ARS § 20-1003.A.4.
  - Members of the prepaid dental plan, who shall comprise at least one-third of the members of the board. ARS § 20-1003.A.4.
4. A copy of any contract made or to be made between any providers or persons listed in Item 4 and the applicant. ARS § 20-1003.A.5.
5. A statement generally describing the prepaid dental plan organization and its dental plan or plans, facilities and personnel. ARS § 20-1003.A.6.
6. A copy of the form of membership coverage that is to be issued to the members. ARS § 20-1003.A.7.
7. A copy of the form of any group contract that is to be issued to employers, unions, trustees or other applicants. ARS § 20-1003.A.8.
8. Copies of all contracts with Third Party Administrators or Managing General Agents.
9. Copies of each standard contract for dental providers and copies of each non-standard contract that is contemplated.
10. A copy of any agreement with an insurer, a hospital or a medical service corporation, a government or any other organization for insuring the payment of the cost of prepaid dental services or the provisions for automatic applicability of an alternative coverage in the event of a discontinuance of the plan.
11. A copy of the schedule of charges to be used.
12. A description of the proposed method of marketing the plan, a financial plan that includes a three-year projection of the initial operating results anticipated and a statement as to the sources of working capital as well as any other sources of funding. ARS § 20-1003.A.10.
13. A statement reasonably describing the geographic area or areas to be served, as approved by the director. ARS § 20-1003.A.12.
14. A "Program of Compliance" prepared pursuant to AAC, Title 20, Chapter 6, Article 18 and presented in the order of those dental rules, is to be filed with this application. The Life and Health Division will complete a review relative to the AAC Prepaid Dental Rules and advise the Financial Affairs Division and the applicant of the determination.

15. A check in the amount of \$150.00 (Bylaws \$75.00, Certificate of Authority \$75.00) made payable to the *Arizona Department of Insurance*. ARS § 20-1003.A.13.
16. A check in the amount of \$100.00 made payable to the *Arizona Insurance Examiners' Revolving Fund*.
17. For each of the company's officers and directors and the company's UCP's officers and directors, two blue FBI fingerprint cards and a fee of \$22.00 per individual. The check should be made payable to the *Arizona Department of Insurance*.
18. Documentation that each officer responsible for conducting the affairs of the prepaid dental plan organization has a fidelity bond in the amount of fifty thousand dollars. ARS § 20-1004.4.
19. A prepaid dental plan organization shall maintain on deposit with the Arizona State Treasurer through the Director's office a surety bond, guaranteeing services under the plan, or cash or securities eligible for investment of capital funds of domestic insurers, in an amount not less than twenty-five thousand dollars nor more than two hundred thousand dollars, depending on the number of members entitled to dental care services pursuant to contracts issued by the plan. The deposit shall be held by the Arizona State Treasurer in trust for the benefit and protection of persons covered by a prepaid dental plan. ARS § 20-1005. See **Form E003I** for information and instructions.
20. The number of members entitled to dental care services pursuant to contracts issued by the plan. ARS § 20-1005.
21. A completed **NAIC Company Code Application**. This Department will forward the Company Code Application to the NAIC for the company.
22. The location at which the company's books and records will be maintained and available for Department review.
23. Conflict of interest procedure and disclosure statements.
24. A copy of the Minutes of all meetings of the Incorporators, Directors, Shareholders, and Committees, inception to date.
25. A copy of the Stockholder Register.
26. Financial statements showing the applicant's assets, liabilities and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of the applicant's most recent regular certified financial statement shall satisfy this requirement unless the Director determines that additional or more recent financial information is required. ARS § 20-1003.A.9.
27. The source, nature and amount of funds or other considerations used or to be used in effecting the acquisition of the company's capital stock. If any funds are borrowed, submit copies of notes and all agreements relating to the transaction.
28. A copy of the executed Surplus Note or Contribution Agreement if surplus is borrowed.
29. Detail of the paid and accrued organizational expenses.
30. A description and copy of any lease, lease/purchase commitment and/or contract that encumbers assets or incurs liabilities.
31. A Confirmation Form **BNKCONFAD**. Reproduce as many of the confirmation forms necessary for your Company to complete one Confirmation Form for each account (i.e. checking, savings, trust deposit, money market, etc.). Be sure to provide the correct name and address for each financial institution. Do not provide any balance amount(s) as that information will be provided by the financial institution. It is very important that you provide an account number and sign the Confirmation Form authorizing the financial institution to release the information to the Arizona Department of Insurance. Providing complete and accurate information helps expedite this process and minimize delays.

Return the completed and signed Confirmation Forms, along with stamped envelopes addressed to each financial institution. Also enclose an equal number of postage paid envelopes addressed to:

Cary Cook, Chief Financial Compliance Officer  
Arizona Department of Insurance  
2910 North 44th Street, Suite 210  
Phoenix, Arizona 85018

Within ten days after any significant modification of information previously furnished pursuant to ARS § 20-1003.A, a prepaid dental plan organization shall file notice of that modification with the Department. ARS § 20-1003.B

A prepaid dental plan organization at all times shall maintain for protection of members a financial reserve consisting of two per cent of prepaid charges collected from members for the plan, until such reserve totals five hundred thousand dollars. Such reserve shall be in addition to the deposit prescribed by ARS § 20-1005. ARS § 20-1006.A.

Send the application materials to:

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Arizona Department of Insurance  
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Phoenix, AZ 85018-7269

The Department may utilize the services of financial analysts and/or examiners to assist in its review. A statement for services rendered may be forthcoming and is payable as these services are performed.