



STATE OF MAINE
DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION
BUREAU OF INSURANCE



Janet T. Mills
Governor

Robert L. Carey
Superintendent

Joan F. Cohen
Commissioner

February 26, 2026

Robert L. Carey, Superintendent
Maine Bureau of Insurance
34 State House Station
Augusta, ME 04333-0034

Dear Superintendent:

Pursuant to the provisions of 24 M.R.S. §2307 and in conformity with your instructions, a financial examination has been made of the

**MAINE DENTAL SERVICE CORPORATION
D/B/A DELTA DENTAL PLAN OF MAINE**

as of December 31, 2024. The following report is respectfully submitted.

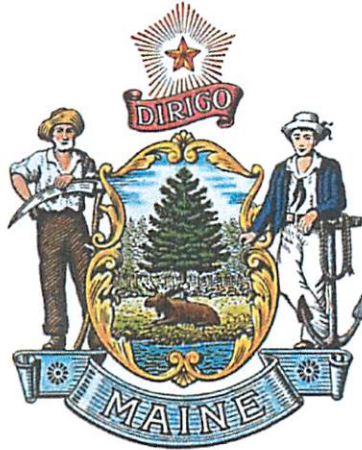
Office Location: 76 Northern Avenue, Gardiner, Maine 04345
Mailing Address: 34 State House Station, Augusta, Maine 04333
www.maine.gov/pfr/insurance

Phone: (207) 624-8475

TTY: Please Call Maine Relay 711

Consumer Assistance: 1-800-300-5000

Fax: (207) 624-8599



**STATE OF MAINE
BUREAU OF INSURANCE**

REPORT OF FINANCIAL EXAMINATION

**MAINE DENTAL SERVICE CORPORATION
D/B/A DELTA DENTAL PLAN OF MAINE
PORTLAND, ME**

AS OF DECEMBER 31, 2024

NAIC COMPANY CODE: 14369

NAIC GROUP CODE: 4763

ACCEPTANCE OF REPORT OF EXAMINATION

WHEREAS a verified Report of Examination of Maine Dental Service Corporation dated February 26, 2026, was delivered to that insurer on April 16, 2026; and

WHEREAS no hearing with respect to the Report of Examination has been requested by Maine Dental Service Corporation;

NOW THEREFORE, I accept the Report of Examination and hereby order it placed on file in the Bureau of Insurance as provided for by 24-A M.R.S. §226 (3).

Dated: May 6, 2026

Robert Carey
Robert L. Carey, Superintendent

TABLE OF CONTENTS

SCOPE OF EXAMINATION	1
SUMMARY OF SIGNIFICANT FINDINGS	2
PRIOR EXAMINATION	2
CURRENT EXAMINATION COMMENTS	2
THE COMPANY	2
HISTORY	2
MANAGEMENT AND CONTROL	2
CORPORATE RECORDS	4
CORPORATE GOVERNANCE	4
TRANSACTIONS WITH AFFILIATES	5
TERRITORY & PLAN OF OPERATION	5
REINSURANCE	6
FINANCIAL STATEMENTS	6
STATEMENT OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS	7
STATEMENT OF REVENUE AND EXPENSES	8
STATEMENT OF CAPITAL AND SURPLUS	9
COMMENTS ON THE FINANCIAL STATEMENTS	10
SUBSEQUENT EVENTS	10
SUMMARY OF RECOMMENDATIONS	10

SCOPE OF EXAMINATION

Maine Dental Service Corporation d/b/a Delta Dental Plan of Maine (DDPME or the “Company”) was last examined as of December 31, 2019, by the State of Maine Bureau of Insurance (MBOI). This examination covered the period from January 1, 2020, to December 31, 2024.

This examination was performed pursuant to the risk-focused approach promulgated by the National Association of Insurance Commissioners (NAIC), in conformity with the 2025 NAIC Financial Condition Examiners Handbook (“the Handbook”) and the laws, rules, and regulations prescribed or permitted by the State of Maine. The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks, and evaluate systems controls and procedures used to mitigate those risks. The examination also included the identification and evaluation of significant risks that could cause the Company’s surplus to be materially misstated both currently and prospectively. The external auditors’ work papers were utilized for this examination to the extent deemed appropriate to enhance the effectiveness and efficiency of this examination.

This examination was coordinated with the State of New Hampshire Insurance Department (NHID), which concurrently examined Delta Dental Plan of New Hampshire (DDPNH), a New Hampshire domestic insurance company and the Company’s affiliate through common management, and Red Tree Insurance Company (RTI), also a New Hampshire domestic insurance company and subsidiary of the Company, and with the State of Vermont Department of Financial Regulation which concurrently examined Delta Dental Plan of Vermont (DDPVT), a Vermont domestic insurance company and the Company’s affiliate through common management. These companies are members of the Northeast Delta Dental (NEDD) Group. The NHID served as the lead state on the coordinated group examination. The MBOI utilized the work of the NHID to the extent deemed appropriate.

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. Comments on various financial statement items, for the purposes of this report, may be limited to examination adjustments, matters requiring clarification, departures from laws, rules and regulations, and/or significant changes in amounts. To the extent deemed necessary, transactions occurring subsequent to the examination date were reviewed.

This examination report includes significant findings of fact, pursuant to 24-A M.R.S. §225 (1), and general information about the Company and its financial condition. There may be other items identified during the examination that, due to their nature, are not included herein, and are instead separately reported to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

PRIOR EXAMINATION

Comment 1:

Claim forms do not comply with 24-A M.R.S. §2186 (3)(A), which states that all applications and claim forms for insurance used by insurers in this State, regardless of the form of transmission, must contain the required fraud warning.

Status:

This comment currently remains unresolved. The Company continues to accept claims submitted on forms which do not contain the required fraud warning.

CURRENT EXAMINATION COMMENTS

See comment from the prior examination above. No new issues have been noted during the current examination.

THE COMPANY

HISTORY

The Company was incorporated in the State of Maine on April 28, 1965, under Special Statute and is now subject to 13-B M.R.S. Conditions of the Company's licensure were set forth in a MBOI letter dated May 19, 1987.

The Company, along with its affiliates, DDPNH and DDPVT, does business under the trade name Northeast Delta Dental.

The Company's statutory home office is in Portland, Maine. The Company maintains a marketing office in Saco, Maine.

MANAGEMENT AND CONTROL

During 1997, the Company, DDPNH, and DDPVT formed New England Dental Administrators LLC (NEDA) whose purpose is to provide third party administrative services for employers wishing to obtain cost efficient, self-funded employee dental benefit plans for their employees.

In January 2009, the Company, DDPNH, and DDPVT formed a holding company, Red Tree Holdings, Inc. (RTH), for the purpose of pursuing other investment opportunities. The Company, DDPNH, and DDPVT each own a one-third interest in RTH. On December 31, 2010, the Company, DDPNH, and DDPVT sold their ownership interests in NEDA to RTH.

In May 2009, RTH formed a wholly owned subsidiary, RTI, which is licensed to provide vision insurance in the states of Maine and New Hampshire. In December 2009, RTH purchased sole membership interest in Combined Services LLC (CS), d/b/a csONE Benefit Solutions, which provides employee benefit insurance brokerage services, flexible employee benefit plan administration services, and COBRA administration services to its customers. CS is also the

Company's general agent amongst the insurance brokers that market the Company's dental benefit plans to employers and individuals.

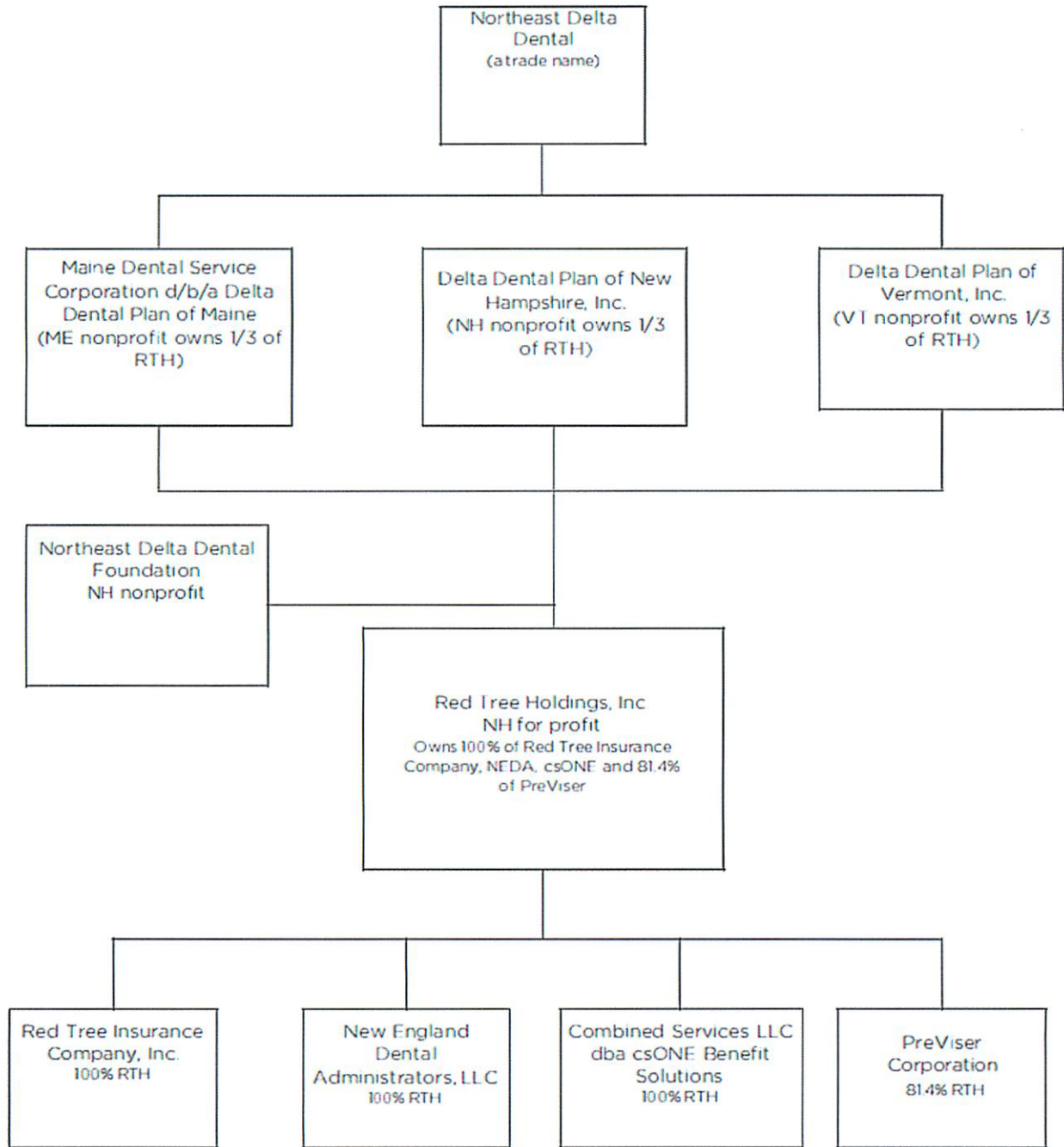
On January 21, 2016, the Board of Directors of RTH authorized and approved the acquisition of all outstanding stock of PreViser Corporation ("PreViser") for \$8.1 million. The Company, DDPVT, and DDPNH each made capital contributions to RTH in the amount of \$2.7 million for the acquisition of PreViser by RTH in 2016. PreViser develops and markets oral health risk assessment software.

In 2018, the Company, DDPNH, and DDPVT each made \$1 million capital contributions to RTH. On January 24, 2018, RTH purchased \$2,670,336 of newly issued common stock from PreViser.

On February 24, 2020 and December 18, 2020, the Company, DDPNH, and DDPVT each made capital contributions of \$542,600 and \$366,300, respectively, to RTH which were used to further capitalize PreViser. As of December 31, 2024, RTH owns 81.4% of PreViser.

In addition, on October 27, 2020, the Company, DDPNH, and DDPVT each made capital contributions of \$400,000 to RTH, which were contributed to RTI. This additional capital was necessary for RTI to become licensed in the state of Vermont.

The following organizational chart is as of December 31, 2024:



CORPORATE RECORDS

The Company’s articles of incorporation, bylaws, and minutes of the board of directors meetings held during the period under examination were reviewed.

CORPORATE GOVERNANCE

The Company is governed and overseen by its board of directors and management team.

As of December 31, 2024, the board of directors of the Company consisted of the following members:

<u>Name</u>	<u>Title</u>
Jeffrey Walawender, DDS*	Chair
Bruce Nickerson, CPA*	Vice Chair
Kristine Avery, SPHR	Director
David Daigler, CPA	Director
Melissa Haidu-Sylvia, DDS	Director
Marcia Minter	Director
Ayla Nelson, DMD	Director
Scott Normandeau	Director
Laura Oakes, DMD*	Director
Grace Odimayo, DMD	Director
Katherin O’Grady	Director
Stephanie Pouzol, DMD	Director
Burton Rankie, DDS*	Director
Kathy Reynolds	Director
Jennifer Thompson	Director

As of December 31, 2024, the officers of the Company consisted of the following individuals:

<u>Name</u>	<u>Title</u>
Thomas Raffio	President & Chief Executive Officer
Katherin O’Grady	Treasurer
Benjamin E. Marcus, Esq.	Clerk

*Subsequent to December 31, 2024, Jeffrey Walawender, DDS, and Burton Rankie, DDS, reached their term limits and are no longer Directors. Benjamin Lamarche, DDS, and Genko Stanilov, DMD, were elected as Directors. Bruce Nickerson, CPA, and Laura Oakes, DMD, were elected as Chair and Vice Chair of the board of directors, respectively.

TRANSACTIONS WITH AFFILIATES

The Company, DDPNH, and DDPVT conduct business under the trade name Northeast Delta Dental. The Company purchases certain services, which include processing of premiums, claims, and provider contracts, marketing, and subscriber group services, from DDPNH under a marketing and administration agreement. The Company provides management services to CS under a management services agreement.

The Company has provided a guarantee to increase RTI’s shareholder’s equity to a minimum of \$2,000,000 if it falls below this amount. This guarantee is required by the MBOI.

TERRITORY & PLAN OF OPERATION

The Company is a not-for-profit tax-exempt organization under 24 M.R.S. Chapter 19 which was established to provide dental benefit programs for employers and individuals through a network of participating member dentists in the State of Maine. Covered individuals can submit claims for

certain dental services which are provided for under written policies. Dental service related benefits are paid up to a maximum amount per covered individual, as defined by the various programs. The Company also provides dental service plan administration for other groups.

REINSURANCE

Through their association with the Delta Dental Plan Association's Federal Marketing Group (FMG), the Company, DDPNH, and DDPVT participate, together as NEDD, in various dental benefit risk sharing arrangements with other Delta Dental Companies, under which NEDD assumes a small portion of the risk for specific dental benefit contracts of Delta Dental of California (DDCA). NEDD participated in the following risk sharing arrangements with DDCA during the period under examination:

- Veterans Affairs Dental Insurance Program
- Federal Employees Dental and Vision Program
- Department of Veterans Affairs Community Care Network Program

As of December 31, 2024, the Company reinsures approximately 0.84% of the risk and expenses associated with each of the three dental benefit contracts.

The Company did not have any ceded reinsurance arrangements during the period under examination.

FINANCIAL STATEMENTS

The Statement of Admitted Assets, Liabilities and Surplus, the Statement of Revenue and Expenses, and the Statement of Capital and Surplus are as presented by management and audited by the Company's external auditors. These financial statements have not been audited by the MBOI and thus the MBOI does not express an opinion on the financial statements as a whole.

**STATEMENT OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS
AS OF DECEMBER 31, 2024**

Assets

Bonds	\$ 48,577,714
Common stocks	22,314,868
Cash, cash equivalents, and short-term investments	11,635,206
Investment income due and accrued	63,949
Uncollected premiums in the course of collection	365,356
Funds held by or deposited with reinsured companies	506,518
Amounts receivable relating to uninsured plans	2,901,001
Total assets	<u><u>\$ 86,364,612</u></u>

Liabilities

Claims unpaid	\$ 2,185,474
Unpaid claims adjustment expenses	157,000
Premiums received in advance	1,878,078
General expenses due or accrued	2,319,831
Amounts due to parent, subsidiaries, and affiliates	633,158
Liability for amounts held under uninsured plans	619,900
Total liabilities	<u><u>\$ 7,793,441</u></u>

Capital and Surplus

Unassigned funds	<u>\$ 78,571,171</u>
Total capital and surplus	<u>78,571,171</u>
Total liabilities, capital and surplus	<u><u>\$ 86,364,612</u></u>

STATEMENT OF REVENUE AND EXPENSES
YEAR ENDED DECEMBER 31, 2024

Member Months	2,098,441
Net premium income	\$ 89,914,493
Aggregate write-ins for other non-health revenues	<u>100,000</u>
Total revenues	90,014,493
Other professional services	68,084,407
Less: Net reinsurance recoveries	<u>(5,310,159)</u>
Total hospital and medical	73,394,566
Claims adjustment expenses	2,809,381
General administrative expenses	<u>16,349,135</u>
Total underwriting deductions	<u>92,553,082</u>
Net underwriting loss	<u>(2,538,589)</u>
Net investment income earned	2,787,526
Net realized capital gain	<u>1,442,652</u>
Net investment gains	<u>4,230,178</u>
Net income	<u>\$ 1,691,589</u>

**STATEMENT OF CAPITAL AND SURPLUS
YEAR ENDED DECEMBER 31, 2024**

Capital and surplus, December 31, 2023	\$ 75,470,595
Net income	1,691,589
Change in net unrealized capital gains	1,404,209
Change in nonadmitted assets	<u>4,778</u>
Net change in capital and surplus	<u>3,100,576</u>
Capital and surplus, December 31, 2024	<u>\$ 78,571,171</u>

COMMENTS ON THE FINANCIAL STATEMENTS

NOTE 1 – RESERVES

Mike Presley, LLC (“consulting actuary”) was engaged to provide actuarial assistance with the financial examination of insurance subsidiaries of NEDD Group, including the Company, as of December 31, 2024. The consulting actuary’s review included: participation in interviews and discussions with key personnel to gain an understanding of the processes to develop and report reserves and liabilities; review of controls to mitigate reserving risks; review of the Appointed Actuary’s 2024 Actuarial Opinion and Memorandum; and testing to verify that the assumptions and methodologies used by the Company to determine liabilities and reserves are reasonable, appropriate, and in line with established actuarial practice. The reserves as reported by the Company were determined to be reasonable based on the review performed by the consulting actuary.

NOTE 2 – CAPITAL AND SURPLUS

The following table describes the capital and surplus changes for the five-year period beginning December 31, 2019:

Capital and surplus, December 31, 2019	\$ 54,439,699
Net income or (loss)	22,242,729
Change in net unrealized capital gains	479,566
Change in nonadmitted assets	1,409,176
Aggregate write-ins for gains in surplus	<u>1</u>
Capital and surplus, December 31, 2024	<u>\$ 78,571,171</u>

SUBSEQUENT EVENTS

No subsequent events that merit disclosure have been identified.

SUMMARY OF RECOMMENDATIONS

It is recommended that the Company continues to work with the MBOI to ensure that the claim forms being used contain the fraud statement required by 24-A M.R.S. §2186 (3)(A).

**STATE OF MAINE
COUNTY OF KENNEBEC, SS**

Vanessa J. Sullivan, being duly sworn according to law deposes and says that, in accordance with authority vested in her by Robert L. Carey, Superintendent of Insurance, pursuant to the Insurance Laws of the State of Maine, she has made an examination of the condition and affairs of the

**MAINE DENTAL SERVICE CORPORATION
D/B/A DELTA DENTAL PLAN OF MAINE**


located in Portland, Maine as of December 31, 2024, and that the foregoing report of examination subscribed to by her is true to the best of her knowledge and belief. The following examiners from the Bureau of Insurance assisted:

Arias Wan, CPA, CFE
Colin J. Greeley, AFE



Vanessa J. Sullivan, CFE

Subscribed and sworn to before me
This 6th day of May, 2026



Notary Public
My Commission Expires: —
ME Bar# 10147