

REPORT ON EXAMINATION AS TO THE CONDITION OF

ATLANTIC SOUTHERN DENTAL FOUNDATION LLC

PHILADELPHIA, PA 19106

AS OF DECEMBER 31, 2022

N.A.I.C. GROUP CODE 4917

N.A.I.C. COMPANY CODE 11217

FILED

April 8, 2024

Commissioner

New Jersey Department

of

Banking and Insurance

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State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF INSURANCE

OFFICE OF SOLVENCY REGULATION

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JUSTIN ZIMMERMAN
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January 25, 2024

Honorable Justin Zimmerman Acting
Commissioner of Banking and Insurance

State of New Jersey
20 West State Street
Trenton, New Jersey 08625

Commissioner:

In accordance with the authority vested in you by the Revised Statutes of New Jersey, an examination has been made of the assets and liabilities, method of conducting business and other affairs of the:

ATLANTIC SOUTHERN DENTAL FOUNDATION, LLC

PHILADELPHIA, PA 19106

N.A.I.C. GROUP CODE 4917

N.A.I.C. COMPANY CODE 11217

a domestic insurer duly authorized to transact the business of insurance in the State of New Jersey. Hereinafter, Atlantic Southern Dental Foundation, LLC will be referred to in this report as the "Company" or "ASDF".

SCOPE OF EXAMINATION

The previous examination of the Company was conducted by the New Jersey Department of Banking and Insurance (“NJDOBI”) as of December 31, 2017. The current examination covers the subsequent five-year period through December 31, 2022. The examination of ASDF was conducted pursuant to N.J.S.A. 17:23-22 and was included in a coordinated full scope risk-focused examination of the BeneCare Group, and its insurance subsidiaries (“Group”) led by the NJDOBI pursuant to N.J.S.A. 17:27A-5 and N.J.S.A. 17:27A-5.2. The Connecticut Insurance Department participated in the examination and a concurrent examination was conducted on insurance affiliate, Connecticut Dental Practice Organization, Inc. During this five-year period under examination, the Company’s assets increased from \$3,258,103 to \$4,318,282. The liabilities decreased from \$758,717 to \$645,745 and its surplus as regards policyholders increased from \$2,443,211 to \$3,572,537.

The NJDOBI conducted the examination in accordance with the 2022 edition of the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiners Handbook (the “NAIC Handbook”). The NAIC Handbook requires NJDOBI to plan and perform the examination in order to evaluate the financial condition and identify prospective risks of the Company. To meet these objectives NJDOBI obtained information regarding the Company’s corporate governance environment, identified and assessed inherent risks to which it is exposed and evaluated the Company’s system of internal controls and procedures used to mitigate identified risks. The examination also included assessing the principles used and significant estimates made by management, as well as, evaluating the overall Financial Statement presentation, management’s compliance with Statutory Accounting Principles and Annual Statement instructions when applicable to domestic state regulations.

According to the NAIC Handbook, “One of the increased benefits of the enhanced risk focused approach is to include consideration of other than financial risks that could impact the insurer’s future solvency. By utilizing the enhanced approach, the examiner reviewed the “financial” and “enterprise” risks that existed at the examination “as of” date and will be positioned to assess “financial” and “enterprise” risks that extend or commence during the time the examination was conducted and “prospective” risks which are anticipated to arise or extend past the point of examination completion. Under this approach, the examiner is positioned to make appropriate recommendations for future supervisory plans (i.e., earlier statutory exams, limited-scope exams, key areas for financial analysts to monitor, etc.) for each insurer.”

All accounts and activities of the Company were considered in accordance with the risk focused examination process. The examination report only addresses regulatory information revealed by the examination process in accordance with the NAIC Handbook. All other financial matters were reviewed and determined not to be material for discussion in this report.

COMPLIANCE WITH PRIOR EXAMINATION REPORT RECOMMENDATIONS

Contingent Liabilities

2017 Examination Recommendation: It is recommended that the Company report all special deposits that are held by states under Common Interrogatories - Investment, Interrogatory Number 25.28 in future annual statements.

The Company has complied with this recommendation.

HISTORY AND KIND OF BUSINESS

ASDF is a Partnership formed under a Joint Venture agreement dated December 23, 1983, between three equal partners - Atlantic Dental Foundation, Inc. ("ADF"), Southern Dental Foundation, Inc. ("SDF"), and Dental Benefit Management, Inc. ("DBMI"). The Partnership is owned by the participating dentists in both Foundations and DBMI.

The Atlantic Southern Dental Foundation (Partnership) was incorporated on March 21, 1984, as a dental plan organization pursuant to N.J.S.A. 17:48D-1. ASDF contracts with organizations (sponsors) to provide dental services to the sponsor's eligible employees. ASDF will receive monthly premiums based on a contractual fixed price with its sponsors. The Atlantic Dental Foundation, Southern Dental Foundation and the DBMI each maintain separate Board of Directors and two representatives of all three entities comprise the six members Management Committee which manages the affairs of ASDF.

On September 10, 2003, a resolution was passed by the Management Committee approving the formation and funding of a dental service corporation pursuant to N.J.S.A. 17:48C-1. The Management Committee further resolved to authorize the officers of ASDF to take all steps to create and form the organization and to invest \$25,000 in this endeavor. In 2004, DBMI agreed to advance funds to Dental Practice Association of New Jersey, Inc. in the amount of \$25,000 in the form of a surplus note to help the entity meet its minimum capital requirements. At the same time a Joint Cooperation Agreement was executed that agreed to provide an additional \$100,000 to fund the Dental Practice Association of New Jersey, Inc. as required by N.J.S.A. 17:48C-25 and during 2005 the Partnership advanced funds to the Dental Practice Association of New Jersey, Inc. in the form of a \$100,000 surplus note. The notes bear interest at 1% above prime. The repayment of the notes and or accrued interest shall be paid only if approved by the NJDOBI. The Notes were endorsed by the owner of DBMI and by the Management Committee of Atlantic Southern Dental Foundation. In 2021, DBMI formed a holding company, BCDP Holdings, Inc. ("BCDPH"), whereby both entities have identical ownership and management. BCDPH replaced DBMI's partnership interest in ASDF. DBMI and ASDF entered into a Management Services Agreement to allow DBMI to continue the performance of the management duties of ASDF in accordance with the joint venture agreement. Effective January 1, 2022, the original joint venture agreement was replaced by an operating agreement between ADF, SDF and BCDPH to operate ASDF as a limited liability company in accordance with provisions of the "New Jersey Revised Uniform Limited Liability Company Act", and each party has contributed all their respective interests in the Partnership to the Company. The duties of each member remains the same as under the original joint venture agreement. As of December 31, 2022, the surplus notes are paid off.

As of December 31, 2022, ASDF is licensed to write business within the confines of New Jersey, Delaware and Pennsylvania. ASDF also began writing business in Maryland with the purchase of the assets and assumption of the liabilities of the Dental Practice Association of Maryland under a January 1, 2004, Transfer Agreement. Under the Agreement, if the Company elects to cease writing business in Maryland, it is required to donate one-half of any remaining surplus to a charity associated with Maryland dentistry chosen by the Maryland dentists participating in the BeneCare (Dental Benefit Management, Inc.) program.

The registered office of the Company is located at 3430 Atlantic Avenue, Atlantic City, New Jersey 08401. The mailing address and primary location of books and records is 555 East City Avenue, Suite 600, Bala Cynwyd, Pennsylvania 19004. The registered agent for whom due process may be served is Robert P. Lang, Esquire.

The Dental Practice Association of New Jersey, Inc. (DPANJ) was incorporated on June 25, 2003, and its Certificate of Incorporation was also filed with the NJDOBI on June 25, 2003. On September 10, 2003, a resolution was passed by the Management Committee of ASDF approving the formation and funding of the Dental Practice Association of New Jersey, Inc. to operate as a dental service corporation pursuant to N.J.S.A. 17:48C-1.

TERRITORY AND PLAN OF OPERATION

ASDF is licensed to write business within the confines of New Jersey, Maryland, Delaware and Pennsylvania. Please find below the membership summary of operations for the examination period:

On January 1, 2004, pursuant to a Transfer Agreement, ASDF received the assets and assumed the liabilities of the Dental Practice Association of Maryland. ASDF commenced business in Maryland effective January 1, 2004. The Transfer Agreement was approved by both the NJDOBI and the Maryland Insurance Administration. Should ASDF cease doing business in Maryland, it is required under the Transfer Agreement to donate one-half of any remaining surplus, to a charity associated with Maryland dentistry chosen by the Maryland dentists participating in the BeneCare program.

ASDF does not utilize capitation-based payments for participating dentists. Rather the Company operates within a network of participating dentists under a payment methodology per N.J.S.A. 17:48D-2 which was agreed upon by NJDOBI on December 26, 2006. This allows the Company to implement payment withholds based upon the methodology utilized.

All claims for ASDF are processed by their Administrative Agent, DBMI in accordance with the Management Services Agreement with ASDF. DBMI's claims processing and payment procedures are HIPPA compliant.

CORPORATE RECORDS

ASDF's corporate records are held in their main administrative office at 555 East City Avenue, Suite 600, Bala Cynwyd, PA 19004.

The Audit Committee and Management Committee meetings for ASDF are held jointly. A review of the minutes of the Audit Committee and Management Committee meetings noted that they were well attended by the Company's Management Committee. The Management Committee minutes also indicated that the Company's overall business transactions were adequately supported and approved.

Dental Practice Association of New Jersey, Inc's by-laws stipulate that the annual meeting of the Board of Trustees shall be held at a time and place as established at the first meeting of the Board. The Board may, by resolution, dispense with any annual meeting and, instead, circulate a resolution and transact business by way of such resolution without the need to be physically present at any particular location.

The Chairman of the Board, or any three Trustees, may call for special meetings of the Board and fix the time and place for said meetings. Notice shall be given at least three days before the time set for the meeting.

The Board of Trustees governs the business of the Company. The Chairman of the Board shall be a member of the Board and preside at all meetings of the Board. The number of Trustees shall not be less than 14 and shall at all times be an even number of persons. Trustees shall serve a term of three (3) years and serve until their successors are duly elected to replace them. Officers shall be elected annually by the Trustees at their annual meeting; and vacancies may be filled at any meeting of the Board. A majority of Trustees shall constitute a quorum and must be present in person or by proxy for the transaction of business.

MANAGEMENT AND CONTROL

ASDF historically operated as a Joint Venture comprised of a partnership of three entities: ADF, SDF, and DBMI which was governed by a Joint Venture Agreement. In 2021, DBMI formed a holding company, BCDPH, whereby both entities have identical ownership and management. BCDPH replaced DBMI's partnership interest in ASDF. Effective January 1, 2022, the original Joint Venture agreement was replaced by an operating agreement between ADF, SDF and BCDPH to operate ASDF as a limited liability company and each party has contributed all their respective interests in the Partnership to the Company. The duties of each member remain the same as under the original joint venture agreement.

The Company is managed by the "Management Committee" which consists of two (2) representatives from each entity in the original Joint Venture.

To comply with N.J.S.A. 17:27A-4(d)(4), the Company has established the following committee.

The Management Committee consists of the following individuals:

- Lee Serota, President DMB, BeneCare Dental Plans, 555 East City Avenue, Suite 600, Bala Cynwyd, PA 19004
- Phyllis Serota, Controller DBM, BeneCare Dental Plans, 555 East City Avenue, Suite 600, Bala Cynwyd, PA 19004
- Ira Mendelson, Dentist ADF, BeneCare Dental Plans, 555 East City Avenue, Suite 600, Bala Cynwyd, PA 19004
- Stanley Cohen, Dentist ADF, BeneCare Dental Plans, 555 East City Avenue, Suite 600, Bala Cynwyd, PA 19004
- Dr. Sidney Whitman, Dentist, SDF, BeneCare Dental Plans, 555 East City Avenue, Suite 600, Bala Cynwyd, PA 19004
- Dr. Harris Colton, Dentist, SDF, BeneCare Dental Plans, 555 East City Avenue, Suite 600, Bala Cynwyd, PA 19004

Members of the Management Committee remain members indefinitely until they are unable or unwilling to continue in their capacity as members, or are otherwise removed. Any vacancy will be filled by the representation of the departing member. Any transaction of business must be unanimously approved, and all members must vote on any transaction of business.

Under the Joint Venture Agreement, the policies and procedures agreed upon by the Management Committee shall be carried out by the DBMI as administrator of the ASDF.

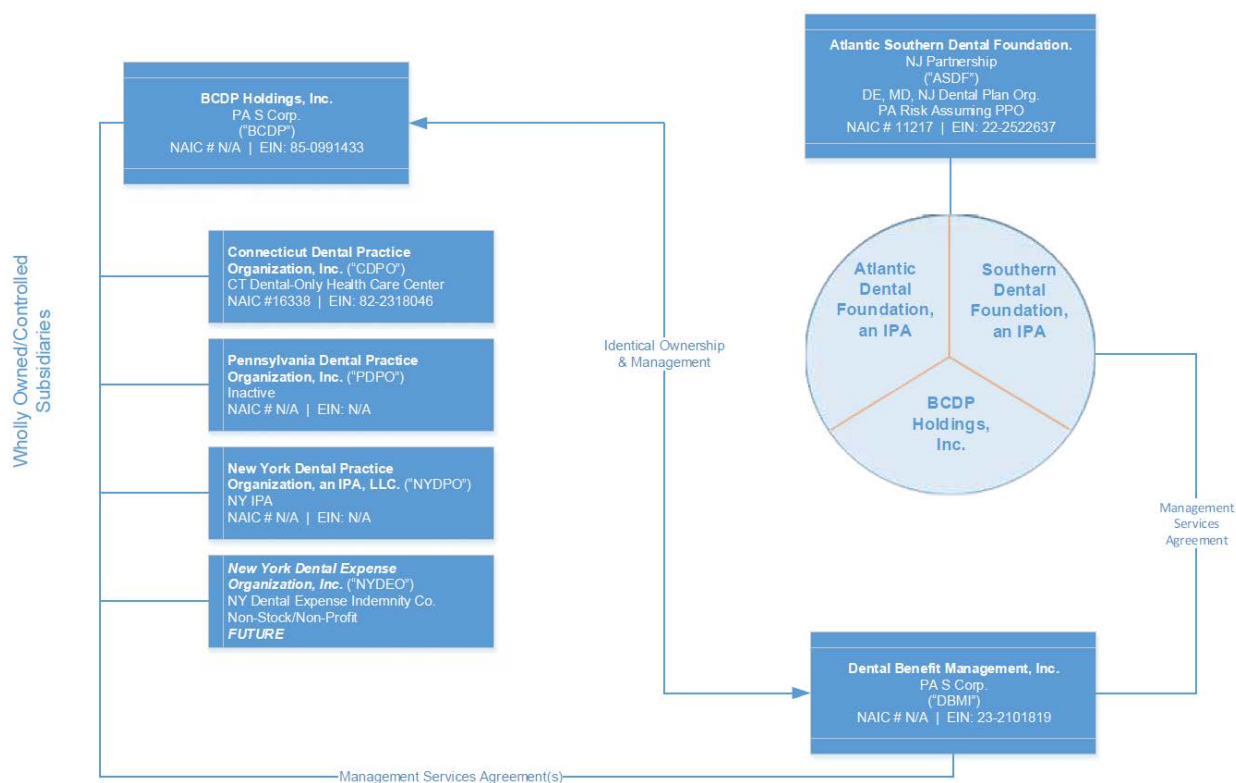
REGULATION OF INSURANCE HOLDING COMPANY SYSTEMS

ASDF is not a member of an insurance holding company system as defined in N.J.S.A. 17:27A-1 since they are a Dental Plan Organization (DPO) in New Jersey.

Since the Company is not a member of an insurance holding company system, it is not subjected to the various registration requirements of N.J.S.A. 17:27A-3.

Therefore, the Company is not subjected to filing the holding company registration statement that is required under N.J.S.A. 17:27A-3.

An organizational chart of this system follows:



INTER-COMPANY AGREEMENTS

Operating Agreement:

ASDF was created under the terms of a joint venture agreement dated December 14, 1983, between ADF, SDF, and DBMI to provide dental services to participating employee groups under the provisions of the NJ Dental Plan Organization Act approved on February 3, 1980. Each member holds a one-third (1/3) partnership interest in ASDF whereby ADF and SDF each contribute professional dental services in the context of a prepaid dental plan to employee groups and DBMI is responsible for all aspects of ASDF's administrative operations.

Effective January 1, 2022, the original Joint Venture Agreement was replaced by an Operating Agreement between ADF, SDF, and BCDP to operate ASDF as a limited liability company in accordance with the provisions of the "New Jersey Revised Uniform Limited Liability Company Act." In addition, each party has

contributed all their respective interests in the Partnership to the Company. The duties of each member remains the same as under the original Joint Venture Agreement.

DBMI provides administrative services to ASDF under the terms of a Management Agreement. In return, ASDF pays DBMI a monthly administrative fee based on monthly enrollment levels in ASDF's plans at a predetermined per member per month rate (PMPM). ASDF also pays DBMI for the adjudicated dental claims process by DBMI for its contracted group dental plans.

POLICY ON CONFLICT OF INTEREST

ASDF, its governing body, its agents and the dentists and patients it serves, has a fiduciary duty to administer its affairs honestly and prudently and exercising their best care, skill, and judgment for the sole benefit of ASDF. ASDF maintains a conflict-of-interest policy directed to the Management Committee and all individuals who can influence the actions of ASDF, but does not require its officers, directors, or key employees to complete a conflict-of-interest statement. Conflict of Interest Questionnaires are completed by the Company's officers and reported to the Management Committee. If there are any suspected conflicts, these are disclosed to the entire ASDF Management Committee. The Management Committee shall determine whether a conflict exists and any applicable action that needs to be taken.

FIDELITY BOND AND OTHER INSURANCE COVERAGES

ASDF maintains fidelity bond coverage of \$500,000 for protection against theft, forgery, and fraud in compliance with N.J.A.C. 11:10-1.11.

Additionally, ASDF also maintains \$2,000,000 of professional liability and \$1,000,000 of directors' and officers' liability coverage.

ACCOUNTS AND RECORDS

DBMI maintains ASDF's accounts and records and provides all processing of revenue and expenses.

ASDF's books of account are maintained on a proprietary electronic accounting system. Financial information needed in conjunction with the verification of assets and the determination of liabilities was made available in detail and summary form and was tested and reconciled to the general ledger and the annual statement. All of the Company's books and records are maintained at the Company's administrative office in Philadelphia, Pennsylvania.

Claim reserves and payments are recorded utilizing the Plan Administration, Claims Adjudication, Payment Processing and Enrollment Eligibility (PACE) management system. The PACE system allows DBMI to use the same platform to manage indemnity, PPO and specific co-payment programs. Claims are entered into PACE directly through batch processing by dentists and claims processing clearinghouses with the utilization of practice management software. Paper claims are outsourced to Data Dimensions Corporation which digitalize paper claims prior to entry into the PACE system. Claims received are reviewed to ensure information on the claim is accurate such as subscriber; dependent, dentist and procedure performed. The claims are then uploaded into the PACE system on an individual claim basis. The claim database will also provide a check to ensure all claim information is accurate. Once a claim is processed, the system will generate checks and the signature of Phyllis Serota is stamped on the checks. There are no manual signatures needed for claim checks. The checks paid by the system are then entered into a check register which feeds the general ledger system and posts the checks paid.

Premium receipts are actually premiums received from the Company Sponsors. Invoices are developed based upon each Sponsor's contract (which is based upon the number of enrolled members and rate charged per member). Once a payment is received, via a post office, it is recorded on Excel spreadsheet and the amount is posted to the Company's cash receipts system. The cash receipt system directly feeds the general ledger system. Interest receipts on any income are posted per journal entry based upon monthly investment statements.

ADVERTISING AND SALES MATERIAL

A review of the ASDF advertising and sales materials disclosed that the Company is in compliance with N.J.S.A 17:18-10 and that there were no material inconsistencies between the Company's sales material and their policies.

CONTINUITY OF OPERATIONS

A business continuity plan is necessary to help ensure the Company can adequately recover from a system failure or business interruption in a timely fashion and without the loss of significant data. Management should assess how the Company's reputation and financial status would be impacted in the event of a major processing disruption and based on this assessment, develop an appropriate continuity plan that would help to ensure the Company can adequately recover from a system failure or business disruption in a timely fashion.

The Company's comprehensive Business Continuity Plan, which includes a Disaster Recovery Plan, was reviewed by the examination team.

FINANCIAL STATEMENTS AND OTHER EXHIBITS

- Exhibit A** Statement of Assets, Liability and Unassigned Funds as of
December 31, 2022.....pg. 11
- Exhibit B** Summary of Revenue and Expenses for the Five-Year Period Ending
December 31, 2022.....pg. 12
- Exhibit C** Capital and Surplus Account for the Five-Year Period Ending
December 31, 2022.....pg. 13

EXHIBIT A

ATLANTIC SOUTHERN DENTAL FOUNDATION, LLC
STATEMENT OF ASSETS, LIABILITY AND UNASSIGNED FUNDS
AT DECEMBER 31, 2022

	Current Examination at 12/31/22	Balance Per Company at 12/31/22	Examination Change	Note Number
<u>Assets</u>				
Cash and Short-Term Investments	4,234,643	4,234,643	0	
Premiums In the Course of Collection	83,639	83,639	0	
Total Admitted Assets	<u>\$ 4,318,282</u>	<u>\$ 4,318,282</u>	<u>\$0</u>	
<u>Liabilities</u>				
Claims Unpaid	498,109	498,109	0	1
Unpaid Claims Adjustment Expense	15,419	15,419	0	1
General Expenses Due or Accrued	132,217	132,217	0	
Total Liabilities	<u>\$ 645,745</u>	<u>\$ 645,745</u>	<u>\$0</u>	
<u>Surplus and Other Funds</u>				
Special Surplus Funds	100,000	100,000	0	
Unassigned Funds (Surplus)	<u>3,572,537</u>	<u>3,572,537</u>	<u>0</u>	
Surplus as Regards Policyholders	<u>\$ 3,672,537</u>	<u>\$ 3,672,537</u>	<u>\$0</u>	
Total Liabilities, Surplus and Other Funds	<u>\$ 4,318,282</u>	<u>\$ 4,318,282</u>	<u>\$0</u>	

EXHIBIT B**ATLANTIC SOUTHERN DENTAL FOUNDATION, LLC
SUMMARY OF REVENUE AND EXPENSES FOR THE
FIVE-YEAR PERIOD ENDING DECEMBER 31, 2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Revenues:</u>					
Net Premium Income	<u>6,808,178</u>	<u>6,752,632</u>	<u>5,714,277</u>	<u>6,371,942</u>	<u>5,768,510</u>
Total Revenues	\$ 6,808,178	\$ 6,752,632	\$ 5,714,277	\$ 6,371,942	\$ 5,768,510
<u>Hospital and Medical:</u>					
Other Professional Services	<u>5,478,030</u>	<u>5,622,782</u>	<u>4,082,812</u>	<u>5,038,814</u>	<u>4,685,852</u>
Total Hospital and Medical	\$ 5,478,030	\$ 5,622,782	\$ 4,082,812	\$ 5,038,814	\$ 4,685,852
Claims Adjustment Expenses	164,341	168,683	122,484	151,165	140,576
General Administrative Expenses	1,016,970	983,809	913,137	999,136	940,392
Increases in Reserves for Life and A&H Contracts	<u>-</u>	<u>95,118</u>	<u>130,541</u>	<u>(151,460)</u>	<u>(74,199)</u>
Total Underwriting Deductions	\$ <u>6,659,341</u>	\$ <u>6,870,392</u>	\$ <u>5,248,974</u>	\$ <u>6,037,655</u>	\$ <u>5,692,621</u>
Net Underwriting Gain (Loss)	\$ <u>148,837</u>	\$ <u>(117,760)</u>	\$ <u>465,303</u>	\$ <u>334,287</u>	\$ <u>75,889</u>
<u>Investment Income:</u>					
Net Investment Income Earned	36,795	46,195	90,838	315	33,277
Net Realized Capital Gains (Losses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Investment Gain (Loss)	\$ <u>36,795</u>	\$ <u>46,195</u>	\$ <u>90,838</u>	\$ <u>315</u>	\$ <u>33,277</u>
Net Income Before Federal Income Taxes	\$ 185,632	\$ (71,565)	\$ 556,141	\$ 334,602	\$ 109,166
Federal and Foreign Income Taxes Incurred	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	\$ <u>185,632</u>	\$ <u>(71,565)</u>	\$ <u>556,141</u>	\$ <u>334,602</u>	\$ <u>109,166</u>

EXHIBIT C:

ATLANTIC SOUTHERN DENTAL FOUNDATION, LLC
CAPITAL AND SURPLUS ACCOUNT FOR THE
FIVE-YEAR PERIOD ENDING DECEMBER 31, 2022

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Capital and surplus					
December 31, Previous Year	\$ 2,543,211	\$ 2,728,894	\$ 2,671,476	\$ 3,124,960	\$ 3,560,858
Net Income	185,632	(71,565)	556,141	334,602	109,166
Change in net unrealized capital gains (losses)					
Change in net unrealized foreign exchange capital gain (loss)					
Change in net deferred income tax					
Change in nonadmitted assets	51	14,147	(2,657)	1,296	2,513
Change in unauthorized and certified reinsurance					
Change in treasury stock					
Change in surplus notes					
Cumulative effect of changes in accounting principles					
Capital changes:					
Paid in					
Transferred from surplus (Stock Dividend)					
Transferred to surplus					
Surplus adjustments:					
Paid in					
Transferred to capital (Stock Dividend)					
Transferred from capital					
Dividends to stockholders					
Aggregate write-ins for gains (losses)	-	-	-	-	-
Net change in capital and surplus	185,683	(57,418)	553,484	335,898	111,679
Capital and surplus					
December 31, Current Year	\$ 2,728,894	\$ 2,671,476	\$ 3,224,960	\$ 3,460,858	\$ 3,672,537

NOTES TO FINANCIAL STATEMENTS

Note 1 – Claims Unpaid and Unpaid Claims Adjustment Expenses

The reserves for claims unpaid and claims adjustment expenses as reported by the Company at December 31, 2022 were \$498,109 and \$15,419, respectively. A review of these reserves by Actuarial Specialists from the firm Taylor-Walker Consulting, LLC, engaged by the NJDOBI – Office of Solvency Regulation, was completed and the review indicated that no reserve adjustment was necessary.

SUMMARY OF EXAMINATION RECOMMENDATIONS

No examination recommendations

SUBSEQUENT EVENTS

Subsequent to the examination date, ASDF entered into a Master Service Agreement with DBMI on January 1, 2023 which replaced the original Management Agreement that was in place as of the examination date, whereby DBMI provides services to ASDF's operations, including but not limited to, claims processing, banking and cash flow, marketing and sales, investment management, client services, records for inspection, client contract negotiation and execution, and bookkeeping and accounting services. ASDF shall pay to management of DBMI a fixed fee per plan participant in each sponsoring group's plan as mutually agreed upon between ASDF and management of DBMI at the time of execution of such sponsor agreement, Managements fees per plan shall not exceed ten percent (10%) of premium and shall be based on expected costs.

On December 18, 2023, ASDF moved its main administrative office to 555 East City Avenue, Suite 600, Bala Cynwyd, Pennsylvania, 19004.

CONCLUSION

A regular statutory financial condition examination was conducted by the undersigned with the assistance of examiners of the New Jersey Department of Banking and Insurance examination staff.

The courteous assistance and cooperation of the Company's officers and employees is acknowledged.

Respectfully Submitted,



Carl Richard, CFE
Examiner-In-Charge
Representing the State of New Jersey

Under the supervision of,



Nancy Lee Chice, CFE
Certified Financial Examiner
New Jersey Department of Banking and Insurance
Office of Solvency Regulation

AFFIDAVIT

The undersigned hereby certifies that an examination has been made of Atlantic Southern Dental Foundation LLC and the foregoing report is true to the best of my knowledge and belief

Respectfully Submitted,

Carl Richard Jr.

Carl Richard, CFE
Examiner-In-Charge
Representing the State of New Jersey

Under the supervision

Nancy Lee Chice

Nancy Lee Chice, CFE
Certified Financial Examiner
New Jersey Department of Banking and Insurance
Office of Solvency Regulation

State of New Jersey
County of Mercer

Subscribed and sworn to before me, Sheila M. Tkacs on this 8th of March 2024.

Sheila M. Tkacs
Notary Public of New Jersey

My commission expires: July 2025

