

State of Oregon

Department of Consumer & Business Services

Division of Financial Regulation

Agenda: Proposed Acquisition of Dentists Benefits Insurance Company by The Dentist Insurance Company

- Opening Comments – John Paul (JP) Jones
- Overview Presentation – TDIC: Steven Kend, DDS, TDIC Board Chair, Peter DuBois, TDIC President/CEO, and Kevin Roach, TDIC CFO
- Statutory Basis for Approval (ORS 732.528) – Ryan Keeling
- Public Comments – JP Jones

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Agenda cont'd

- There is a sign-up sheet for those who wish to provide comment this evening, and we ask that you sign up before the comment period begins and list your name and affiliation.
- You may also submit written comments and questions to the Oregon Division of Financial Regulation at FormADBIC.INS@oregon.gov or by mail to DBIC Form A, Oregon Division of Financial Regulation, P.O. Box 14480, Salem, OR 97309-0405, following the hearing. The public comment period will close at 5:00 pm Pacific daylight time on Monday October 24, 2016.
- Closing Comments – JP Jones

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TDIC Acquisition of DBIC

Acquisition & TDIC Overview

Steven Kend, DDS, Board Chair
TDIC

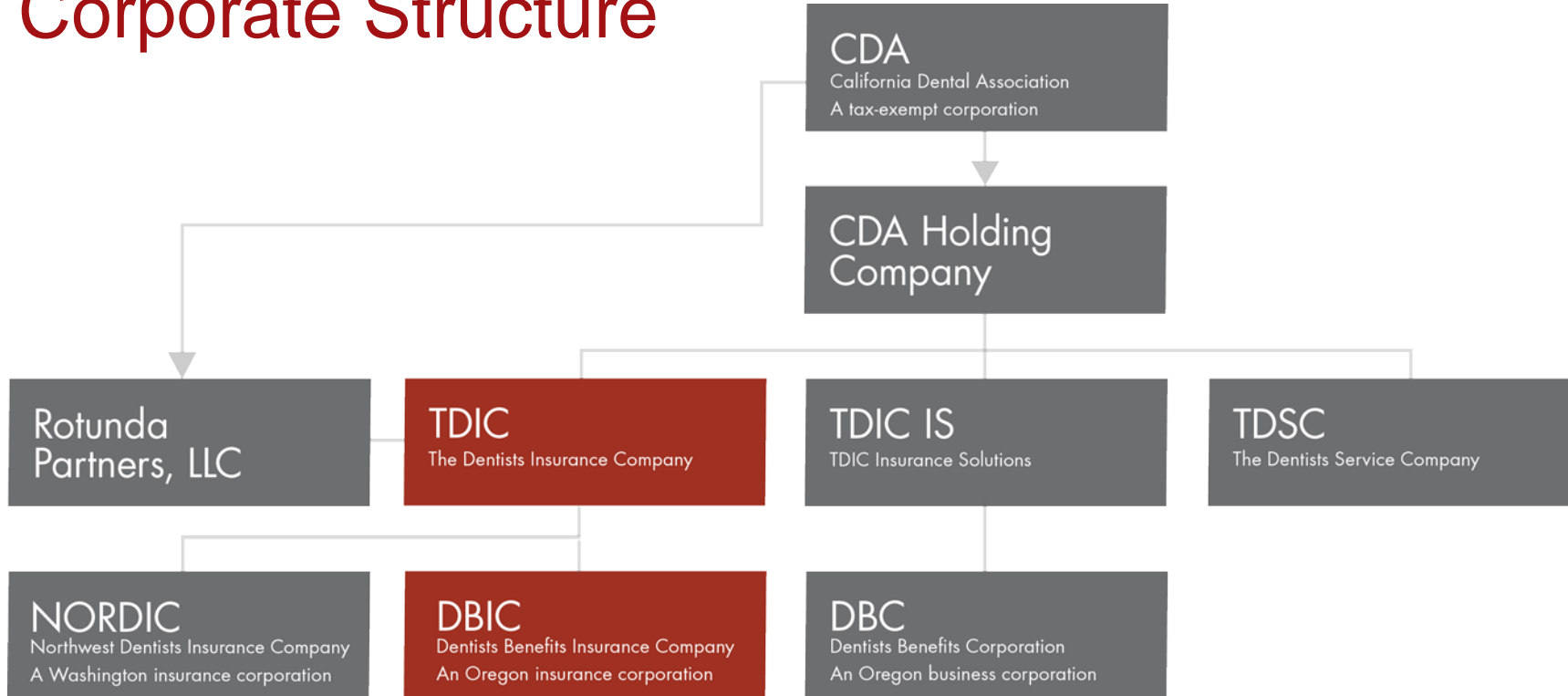
Introductions

- Steven Kend, DDS, TDIC Board Chair
- Peter DuBois, TDIC President/CEO
- Kevin Roach, TDIC CFO

Why are we here?

- The Dentists Insurance Company (TDIC) is in the process of acquiring Dentist Benefits Insurance Company (DBIC).
- The acquisition will benefit TDIC, DBIC and policyholders, as well as the Oregon public.

Corporate Structure



Leadership

- TDIC's management is comprised of experienced and competent leaders who operate the organization with integrity.
- After the acquisition, Peter DuBois will serve as president of DBIC.
- TDIC's Board of Directors is comprised of dentists who fully understand the profession and outside directors with finance and insurance industry expertise.

Our Mission

- We support dental professionals in their practices and service to the public by providing the best value insurance products and related services.
- We have been delivering on this mission for more than 35 years.

Our History

- In 1980, when a climate of skyrocketing professional liability insurance premiums threatened patients' costs and access to care, a bold group of California Dental Association members took action and created The Dentists Insurance Company, TDIC.

Our History

- TDIC was founded by a small group of dentists with three promises that are still true today:
 - To only protect dentists.
 - To protect them better than any other insurance company.
 - To be there when they need us.

Dedicated Expertise

- Build lifelong relationships with our policyholders.
- Review trends, audit services and respond to changing markets and care delivery.
- Develop products and services that help dentists provide care efficiently and confidently.

TDIC Products & Services

Peter DuBois, President/CEO

TDIC

Current Footprint

- TDIC serves nearly 18,000 dentists in 10 states.
- We have endorsements by state dental associations in Hawaii, Alaska, California, Nevada, Illinois, Pennsylvania and New Jersey.
- TDIC is not currently conducting business in Oregon, so the acquisition of DBIC will not reduce competition in any way.

Extensive Product Line

- Professional & Dental Business Liability
- Commercial Property
- Employment Practices Liability
- Workers' Compensation

New Dentist Program

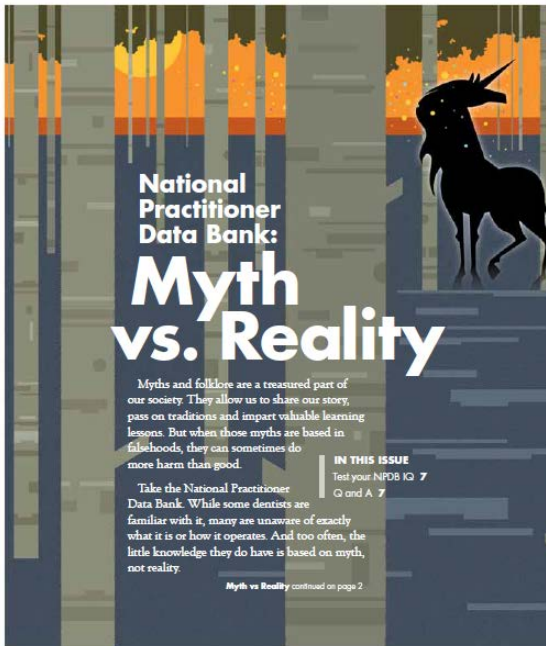
- Dental school students graduate with high debt averaging over \$250,000.
- TDIC recognizes the importance of focusing on insuring new dentists with reasonable rates so they can begin practicing dentistry and repaying educational loans.

New Dentist Program

- TDIC was the first professional liability insurance company to offer reduced premiums to new dentists in their first year.
- We are proud that other carriers have followed our lead, making it easier for recent graduates to begin their professional careers.

Risk Management Resources

- C.E.-credit eligible courses on current professional and employment practices liability issues.
- Free confidential advice line open to all policyholders.
- Library of free online reference guides and forms.
- Signature publication and monthly articles on



National Practitioner Data Bank: Myth vs. Reality

Myths and folklore are a treasured part of our society. They allow us to share our story, pass on traditions and impart valuable learning lessons. But when those myths are based in falsehoods, they can sometimes do more harm than good.

IN THIS ISSUE
 Test your NPOB IQ 7
 Q and A 7

Take the National Practitioner Data Bank. While some dentists are familiar with it, many are unaware of exactly what it is or how it operates. And too often, the little knowledge they do have is based on myth, not reality.

Myth vs Reality continued on page 2.

www.tdicinsurance.com/risk-management/

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Risk Management

Risk Management

Risk management is the practice of identifying and analyzing exposures to loss and taking steps to minimize those exposures. Incorporating risk management strategies into your dental practice takes discipline. However, the payoff to all parties is invaluable. When you commit to protecting your patients and the integrity of your profession, you also better protect yourself against allegations of malpractice.

Risk Management Advice Line

Whenever you are in doubt about handling a situation, call our free confidential **Advice Line** at **800.733.0634** for assistance with questions or concerns about potential liability. Our experienced risk management analysts will work with you to find a solution. Or, schedule a **consultation** with one of our experienced risk management analysts at a time most convenient to you.

Seminars and eLearning

TDIC produces and delivers **C.E.-credit eligible courses** addressing current issues in professional and employment practices liability. Choose the learning format that works best for you: live seminar or eLearning.

Online Resources

Policyholders can download free **reference guides** to gain insight and learn best practices on a variety of dentistry-specific risk management topics.


Risk Management Publications

TDIC publishes timely resources dedicated to keeping dentists well informed of risk management topics. Please visit the **Liability Lifeline** and **RM Matters** pages for each publication for a searchable archive of past issues.

Liability Lifeline

Summer 2016

The Summer 2016 issue of **Liability Lifeline** takes an in-depth look at the National Practitioner Data Bank, dispelling many of the false beliefs about its function, purpose and impact on dental practices. It also describes common liability scenarios, and the role NPOB plays in those cases.



Contact

800.733.0634
 riskmanagement@cda.org

Caution + control: Reducing employment liability

Learn more

Risk Management FAQs

Get answers

Multilingual Informed Consent Forms

Sample forms and letters

- 17 different procedures
- 9 different languages

TDIC Financial Strength

Kevin Roach, CFO
TDIC

Financial Strength

- TDIC has an A (excellent) rating from A.M. Best Company.
- We received our first A rating in 1994 and have maintained it for 22 consecutive years.

A.M. Best Company is a global credit rating agency with a unique focus on the insurance industry. Insurance professionals, brokers, regulators and consumers refer to Best's Credit Ratings as an opinion of the financial strength and creditworthiness of risk-bearing entities and investment vehicles.

Financial Strength

- Stable, secure and growing organization:
 - \$318M investment portfolio, including capital and surplus of \$178M, to meet policyholder obligations and achieve long-term returns.
 - \$67M in direct written premiums in 2015.
 - Continues to grow at nearly 5% annually.

Financial Strength

- Demonstrated excellent financial stability:
 - Capital and surplus to net premiums written ratio of 3-to-1.
 - Well-diversified investment portfolio with target ratio of 65% fixed income and 35% in equities.

TDIC Acquisition of DBIC

Peter DuBois, President/CEO

TDIC

Growth Opportunity

- Combining the strength, knowledge and expertise of TDIC and DBIC will advance services on behalf of both current and prospective policyholders in Oregon.
- Resources will also expand into Alaska, Arizona, Montana and Tennessee.

Acquisition Benefits

- DBIC
- TDIC
- Policyholders
- Public

DBIC Benefits

- DBIC becomes a member of TDIC's financially stable insurance holding company system, with the opportunity to leverage TDIC's experience and its management, operational and financial strengths.
- As a part of the holding company system, DBIC becomes stronger in the Oregon insurance marketplace.

TDIC Benefits

- Acquisition further strengthens TDIC with a broader premium base.
- Addition of DBIC improves financial diversification.

Policyholder Benefits

- Current and prospective policyholders will benefit from TDIC's extensive product line expertise.
 - Current products: Professional & Dental Business Liability, Commercial Property, Employment Practices Liability
 - Potential future product: Workers' Compensation
- Financial strength of holding company system ensures ability to appropriately pay claims.

Policyholder Benefits

- Continued tradition of dentist centric philosophy.
- Strong partnership among the Oregon Dental Association, California Dental Association and TDIC.

Public Benefits

- Risk management resources equip dentists with best practices, latest information and expert guidance to minimize risks when providing patient care.
- Financial strength of new holding company system ensures DBIC remains in a position to appropriately pay claims.

Public Benefits

- As part of the California Dental Association, an organization that supports organized dentistry and works closely with the American Dental Association, TDIC advocates tirelessly on behalf of the profession and for patients.
- Additionally, the Oregon Dental Association is a strong partner of the California Dental Association and of TDIC.

Public Benefits

- TDIC has a strong track record of cooperation with regulators in protection of the public, as well as maintaining stable rates as part of our commitment to access to care.
- We will work diligently with regulators to ensure the transition will be as seamless as possible for all.

Questions?