

STATE OF INDIANA)
) SS: BEFORE THE INDIANA
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
IDA Insurance Trust)
550 West North Street, Suite 300)
Indianapolis, Indiana 46202)

Examination of: **IDA Insurance Trust**


NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of IDA Insurance Trust, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on February 2, 2021, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of IDA Insurance Trust shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

Date April 12, 2021


Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7017 3040 0000 9294 9834

STATE OF INDIANA)
) SS: BEFORE THE INDIANA
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
IDA Insurance Trust)
550 West North Street, Suite 300)
Indianapolis, Indiana 46202)

Examination of: **IDA Insurance Trust**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the IDA Insurance Trust (hereinafter “Company”) for the time period January 1, 2014 through December 31, 2018.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on April 27, 2020.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on February 2, 2021 and was received by the Company on February 10, 2021.

The Company did not file any objections.

NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the IDA Insurance Trust as of December 31, 2018.
2. That the Examiner’s Recommendations are reasonable and necessary in order for the IDA Insurance Trust to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 12 day of
April, 2021.



Stephen W. Robertson
Insurance Commissioner
Indiana Department of Insurance

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

[Handwritten signature]

[Handwritten signature]

STATE OF INDIANA

Department of Insurance

REPORT OF THE LIMITED SCOPE EXAMINATION

OF

IDA INSURANCE TRUST

**A MULTIPLE EMPLOYER WELFARE ARRANGEMENT
NAIC Co. CODE 15943**

As of

December 31, 2018

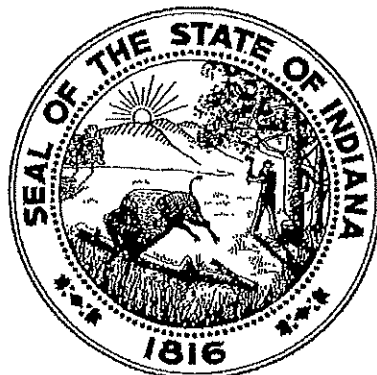


TABLE OF CONTENTS

SALUTATION.....	1
SCOPE OF EXAMINATION.....	3
HISTORY.....	3
TERRITORY AND PLAN OF OPERATION.....	3
GROWTH OF THE TRUST.....	4
MANAGEMENT AND CONTROL.....	4
Trustees.....	4
Trust Officers.....	4
Board of Trustees.....	5
CORPORATE RECORDS.....	5
Trust Agreement.....	5
Bylaws.....	5
Minutes.....	5
CONTRACT DOCUMENTATION.....	6
FIDELITY BOND.....	7
ACCOUNTS AND RECORDS.....	7
FINANCIAL STATEMENTS.....	8
COMMENTS ON THE FINANCIAL STATEMENTS.....	10
OTHER SIGNIFICANT ISSUES.....	10
SUBSEQUENT EVENTS.....	10
AFFIDAVIT.....	11



STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

Indiana Department of Insurance

Stephen W. Robertson, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-2385
Fax: 317-232-5251
Website: in.gov/idoi

April 27, 2020

Honorable Stephen W. Robertson, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4032, an examination has been made of the affairs and financial condition of:

IDA Insurance Trust
550 West North Street, Suite 300
Indianapolis, Indiana 46202

hereinafter referred to as the "Trust", a Multiple Employer Welfare Arrangement (MEWA), formed to provide health (medical and prescription drugs) and other benefits covering all eligible employees of participating dentists that are located in the State of Indiana.

The examination was conducted in Indianapolis, Indiana at the corporate offices of the Trust and also at the offices of Ingardus, LLC.

The Report of Examination, reflecting the status of the Trust as of December 31, 2018, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES 317-232-2413 COMPANY COMPLIANCE 317-232-3495 CONSUMER SERVICES 317-232-2395/1-800-622-4461 FINANCIAL SERVICES 317-232-2390 MEDICAL MALPRACTICE 317-232-2402 COMPANY RECORDS 317-232-5692 STATE HEALTH INSURANCE PROGRAM 1-800-452-4800

SCOPE OF EXAMINATION

The Trust has not been previously examined by representatives of the Indiana Department of Insurance (the Department). The present limited scope examination was conducted by Ingardus, LLC (Ingardus), and covered the period from January 1, 2014 through December 31, 2018, and included all material transactions and events occurring subsequent to the examination date and noted during the course of this examination.

The limited scope examination was conducted using agreed upon procedures provided by the Department. Ingardus performed the examination of the Trust to evaluate its statutory compliance, financial condition, and identify possible prospective risks of the Trust. During the examination, Ingardus obtained certain information pertaining to the Trust, including corporate governance matters. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation of the Trust.

All accounts and activities of the Trust were considered in accordance with the limited scope examination process. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Trust's financial statements.

This limited scope examination report is consistent with Indiana Code § 27-1-3.1-10. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but were separately communicated to the Department and/or the management of the Trust.

HISTORY

The Indiana Dental Association (IDA) formed the IDA Insurance Trust for the purpose of transitioning its fully insured association health plan to a self-funded multiple employer welfare arrangement. The IDA Insurance Trust Agreement was effective July 23, 2013. The Trust began offering health coverage to participating employers effective January 1, 2014.

TERRITORY AND PLAN OF OPERATION

The Trust offers group medical benefits to eligible employees of participating dentists throughout the State of Indiana. The medical benefit offered is self-funded. As of December 31, 2018, the Trust had 1,055 participating dentist groups.

GROWTH OF THE TRUST

The following exhibit summarizes the financial results of the Trust during the examination period:

<u>Year</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Fund Balance</u>	<u>Change in Fund Balance</u>
2018	\$ 9,867,418	\$ 2,585,319	\$ 7,282,099	\$ 2,337,477
2017	7,588,319	2,643,697	4,944,622	1,036,190
2016	6,695,876	2,787,444	3,908,432	508,634
2015	5,803,990	2,404,192	3,399,798	1,780,622
2014	2,795,840	1,176,664	1,619,176	1,619,176

The Trust's assets are held in qualified financial institutions. From January 1, 2014 through December 31, 2018, the Trust's Fund Balance exceeded the minimum statutory balance requirements set forth in 760 IAC 1-68-10.

MANAGEMENT AND CONTROL

Trustees

The IDA Insurance Trust Agreement states that a Trustee must be employed by or maintain an ownership interest in a participating employer and reside in the State of Indiana. Further, a Trustee may not be an employee of IDA or IDA Insurance Services Corporation. The bylaws require that the Trustees elect the officer positions of President, Vice President and Secretary/Treasurer.

The following is a listing of persons serving as Trustees as of December 31, 2018, and their respective participating dental practice employer:

<u>Name</u>	<u>Participating Dental Employer</u>
Jim Lipton, DDS	James Lipton, DDS, PC
Bernard Asdell, DDS	Michiana Oral & Maxillofacial Surgery
Jason Flannagan, DDS	First Impressions Family Dental Care
Brian Henry, DDS	Tecumseh Dental Center
David Holwager, DDS	Eastern Indiana Dental Society
Megan Keck, DDS	Keck Family Dentistry
Catherine Periolat, DDS	Periolat Family Dentistry
Patrick Tromley, DDS	Evansville Main Street Family Dental

Trust Officers

The following is a listing of persons serving as officers of the Trust as of December 31, 2018:

<u>Name</u>	<u>Title</u>
Jim Lipton, DDS	President
Vacant	Vice President
Brian Henry, DDS	Secretary/Treasurer

Board of Trustees

The Trustees manage the Trust. Their duties include overseeing the administration of the Trust, approving premium rates, engaging third party service providers and managing investments, pursuant to the provisions of the Trust Agreement. The Trust does not have any employees. All operational functions that are not performed by the Trustees are outsourced to vendors.

The Indiana Dental Association and its for-profit subsidiary the IDA Insurance Services Corporation, perform the daily administrative tasks for the Trust and provide the Trustees with reporting of the Trust's activities. Additionally, the Trust uses a network of advisors, accountants, auditors, outside legal counsel and an outsourced actuary to provide additional oversight and advice to the Board of Trustees, in order to mitigate risk, promote transparency, and assist the Trust in achieving its goals.

CORPORATE RECORDS

Trust Agreement

The IDA Insurance Trust Agreement was amended effective July 23, 2013.

The Trust Agreement is consistent with Indiana statutory requirements and the examination noted the absence of any instances where the Trust was operating contrary to its Trust Agreement.

Bylaws

The Trust's Bylaws were adopted August 14, 2013. There were no amendments of the bylaws during the examination period.

Minutes

The Board of Trustees and committee meeting minutes were reviewed for the period under examination through the fieldwork date.

CONTRACT DOCUMENTATION

Administrative Services Agreement

Effective January 1, 2018, the Trust and Anthem Insurance Companies, Inc., doing business as Anthem Blue Cross and Blue Shield (Anthem), entered into an Administrative Service Agreement whereby Anthem agreed to provide claims and administration services for the Trust. The Administrative Services Agreement was amended on an annual basis during the examination period.

Plan Document and Summary Plan Description

The Trust's Health Plan Summary Plan Description, updated annually, defines the Trust's medical insurance benefit offerings as administered by Anthem. The Summary Plan Descriptions are comprehensive documents which describe plan coverages and exclusions, claim processes, resources available, and include language concerning compliance and statutory requirements. The examination noted the absence of any instances where the Trust provided benefits were contrary to the benefits defined in the plan documents selected for review.

Operating Service Agreement

Effective January 1, 2018, the Trust entered into an agreement with IDA Insurance Services Corporation to provide non-fiduciary administrative services required for the proper operation and management of the Trust. The Trust does not have any employees to perform such services.

Consulting Agreement

Effective January 1, 2014, the Trust entered into an agreement with Hays Companies (Hays), whereby Hays agreed to provide the following services: objective setting, program design, vendor evaluation, marketing, data analysis, program monitoring, and compliance support.

Administrative Services Agreement

Effective January 1, 2017, the Trust entered into an agreement with The Howard E. Nyhart Company, Incorporated to provide premium invoicing and processing for the Trust for the 2018 plan year. The Administrative Services Agreement was amended on an annual basis during the examination period.

Actuarial Services Agreement

Effective October 13, 2017, the Trust entered into an agreement with The Howard E. Nyhart Company, Incorporated to provide the required actuarial certification of the Trust's operations and funding. The actuarial report of the Trust as of December 31, 2018 was signed by Suraj Datta, ASA, MAAA and Randy Gomez, FSA, MAAA on March 14, 2019.

Accounting Services Agreement

Effective January 6, 2014, the Trust entered into an accounting services agreement with CliftonLarsonAllen LLP to provide accounting services. Services include, but are not limited to, managing and paying payables, receivables, ledger accounting, bank and investment reconciliations, periodic report, tax assistance, support of the annual financial audit, and regulatory reporting assistance.

Legal Services Agreement

Effective January 1, 2014, the Trust entered into a Legal Services Agreement with Bose McKinney & Evans LLP to provide legal support services. As of December 31, 2018 there were no pending litigation matters identified during the examination.

Independent Audit Agreement

Effective December 18, 2018, the Trust entered into an agreement with Brady Ware & Schoenfeld to conduct the annual audit for the Trust. The independent audit report as of December 31, 2018 was issued with an unqualified opinion.

FIDELITY BOND

The Trust protects itself against loss from any fraudulent or dishonest acts through the purchase of a fidelity crime bond issued by U.S. Specialty Insurance. The bond has a policy aggregate limit of liability of \$500,000. No exceptions were noted with regard to the fidelity coverages purchased by the Trust.

REINSURANCE

Excess Loss Fund Insurance Protection

The Trust has a stop loss policy with Anthem. The coverage applies to medical and prescription drugs. For the policy period of January 1, 2018 through December 31, 2018, the specific stop loss limit was \$300,000 and the minimum aggregate stop loss limit was \$15,135,900.

ACCOUNTS AND RECORDS

The Trust's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The Trust's accounting procedures, practices, and account records were deemed satisfactory.

IDA INSURANCE TRUST
Statement of Assets, Liabilities and Fund Balance
As of December 31, 2018

	Per Examination*
ASSETS	
Cash- interest bearing	\$ 1,528,222
Certificates of deposit	8,250,000
Accounts receivable	20,723
Prepaid expenses	10,060
Accrued interest	58,413
Total Assets	\$ 9,867,418
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	6,408
Claims payable	266,386
Premiums received in advance	1,310,265
Obligation for claims incurred but not reported	1,002,260
Total Liabilities	2,585,319
 Fund Balance	
Restricted reserves - supplemental contribution reserve	2,476,968
Unrestricted reserve	4,805,131
Total Fund Balance	7,282,099
 Total Liabilities and Fund Balance	 \$ 9,867,418

* In accordance with 760 IAC 1-68-1 (12), supplemental contribution fund assets are restricted to being used solely for the payment of outstanding claims. No financial adjustments were proposed; however, some fund balance line items may have been changed, for presentation purposes.

IDA INSURANCE TRUST
Statement of Revenue, Expense and Change in Fund Balance
For the year ending December 31, 2018

	<u>Per Examination*</u>
REVENUE	
Net premiums	
Premiums - Employer contributions	\$ 15,723,520
Reinsurance premiums paid	(1,000,634)
Total net premiums	14,722,886
Interest income	129,881
Total Revenue	14,852,767
 EXPENSES	
Claims paid	11,221,145
Change in claims reserve	(61,524)
Administrative expenses	1,355,669
Total Expenses	12,515,290
 CHANGE IN FUND BALANCE	
Net income	2,337,477
Fund balance, beginning of period	4,944,622
Fund balance, end of period	\$ 7,282,099

* No financial adjustments were proposed; however, some revenue and expense line items may have been moved for presentation purposes.

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2018, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

There were no significant issues identified as of December 31, 2018, based on the results of this examination.

SUBSEQUENT EVENTS

The IDA Insurance Trust Agreement is in process of being Amended and Restated effective January 1, 2020. The changes primarily relate to the establishment of an employer consortium that will become the owner of the Trust.

Additionally, the Trust began offering fully-insured vision benefits starting January 1, 2019.

Lastly, the accounting services for the Trust were moved from CliftonLarsonAllen LLP to the Nonprofit Center for Operations (a DBA of Evangelical Network) effective January 4, 2019.

There were no other events subsequent to the examination date and prior to the completion of field work which were considered material events requiring disclosure in this Report of Examination.

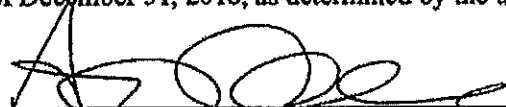
AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that she, in coordination with assistance from Ingardus, LLC, hereinafter collectively referred to as the "Examiners", performed an examination of the IDA Insurance Trust, as of December 31, 2018.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures tailored for this examination by the Indiana Department of Insurance. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of condition of IDA Insurance Trust as of December 31, 2018, as determined by the undersigned.

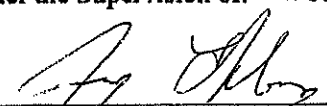


Angela L. Ohlmann, CPA, CGMA, CFE (Fraud), MCM
Ingardus, LLC
State of: Indiana
County of: Marion

DARCY L. SHAWVER
NOTARY PUBLIC

SEAL

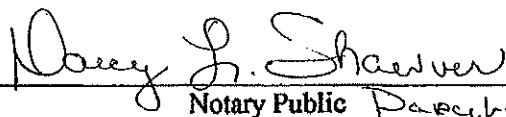
Under the Supervision of: MARION COUNTY, STATE OF INDIANA
MY COMMISSION EXPIRES OCTOBER 4, 2025
COMMISSION NO 706053



Jerry Ehlers, CPA, CFE (Financial), AES
Examiner-in-Charge
Indiana Department of Insurance

On this 18th day of March, 2021, before me personally appeared, Angela L. Ohlmann and Jerry Ehlers, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires: October 4, 2025 
Notary Public Darcy L. Shawver

