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WAYNE METCALF
INSURANCE COMMISSIONER

PRESS STATEMENT
FOR IMMEDIATE RELEASE

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State Investigating Dental Plan

HONOLULU – July 10, 2001 – Insurance Commissioner Wayne Metcalf announced today that the Insurance Division (Division) is investigating Hawaii Dental Health Plan (HDHP), a pre-paid dental plan, because of the numerous unpaid claims complaint the Division has received. The Division issued a cease and desist order requiring HDHP to cooperate with a State examination of its financial health and take immediate action to respond to each unpaid claims complaint received by the Division against HDHP. The order also imposes a fine against HDHP for not submitting to an earlier examination and for not responding to the complaints received by the Division.

The Division also has filed a petition asking the court to stop HDHP from: (1) violating the State's insurance laws, (2) offering or selling pre-paid dental plans in the State, (3) collecting any more premiums from Hawaii residents, and (4) engaging in any further business in the State. The hearing on the petition is scheduled for today, July 10, 2001.

The Division received numerous complaints for unpaid claims of dental services against HDHP. "Unpaid claims are a "red flag" that often indicates that an insurer is experiencing financial difficulties. In order to protect HDHP's policyholders and dentists,

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the Division finds it necessary to examine the financial condition of HDHP,” Metcalf stated.

On May 22, 2001, Governor Benjamin Cayetano signed Act 132, which subjects dental plans like HDHP to examination by the Division. Metcalf noted that without the Legislature’s and Governor’s support in enacting Act 132, the Division would not have the authority to conduct an examination of HDHP, thereby limiting the Division’s ability to protect the best interests of the consumers. “By enacting Act 132, the Legislature and Governor have demonstrated their continuing support for consumer protection activities,” stated Metcalf.

The Hawaii Insurance Division oversees the Hawaii insurance industry, issues licenses; examines the fiscal condition of Hawaii-based companies; reviews rate and policy filings; and investigates insurance related complaints.

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