



Dental Loss Ratios: 101

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October 30, 2025



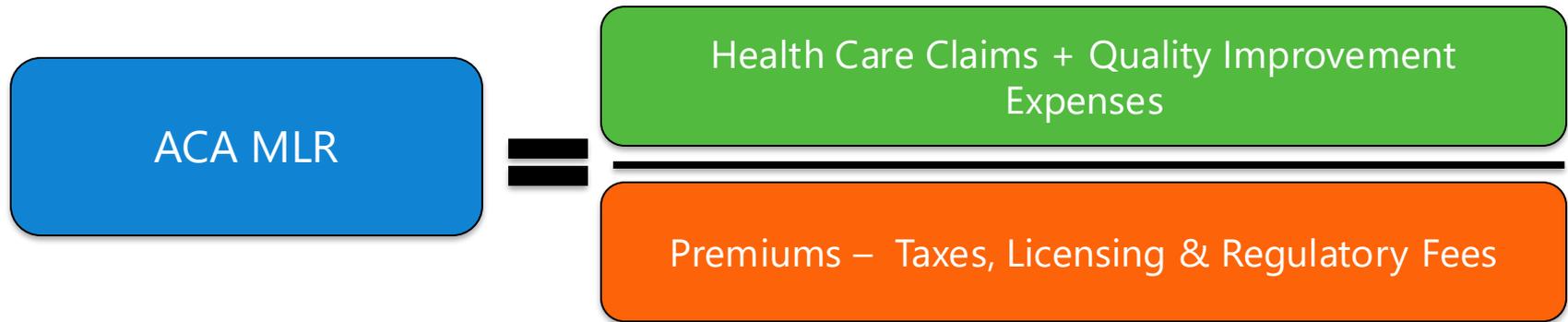
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WASHINGTON STATE

The Affordable Care Act & Medical Loss Ratios

- What is a medical loss ratio (MLR)?
 - An [MLR](#) is the percentage of premium dollars that a health plan spends on medical claims and quality improvement, versus administrative costs and reserves.
- What does the Affordable Care Act (ACA) have to do with MLRs?
 - The ACA requires that health carriers spend a certain minimum percentage of premium dollars on medical care and quality improvement for consumers.
 - The [ACA set minimum medical loss ratios](#) for different health insurance markets.
 - For the individual and small group market, it is 80%. For the large group market, it is 85%.

The Affordable Care Act & Medical Loss Ratios

- How is the MLR calculated?



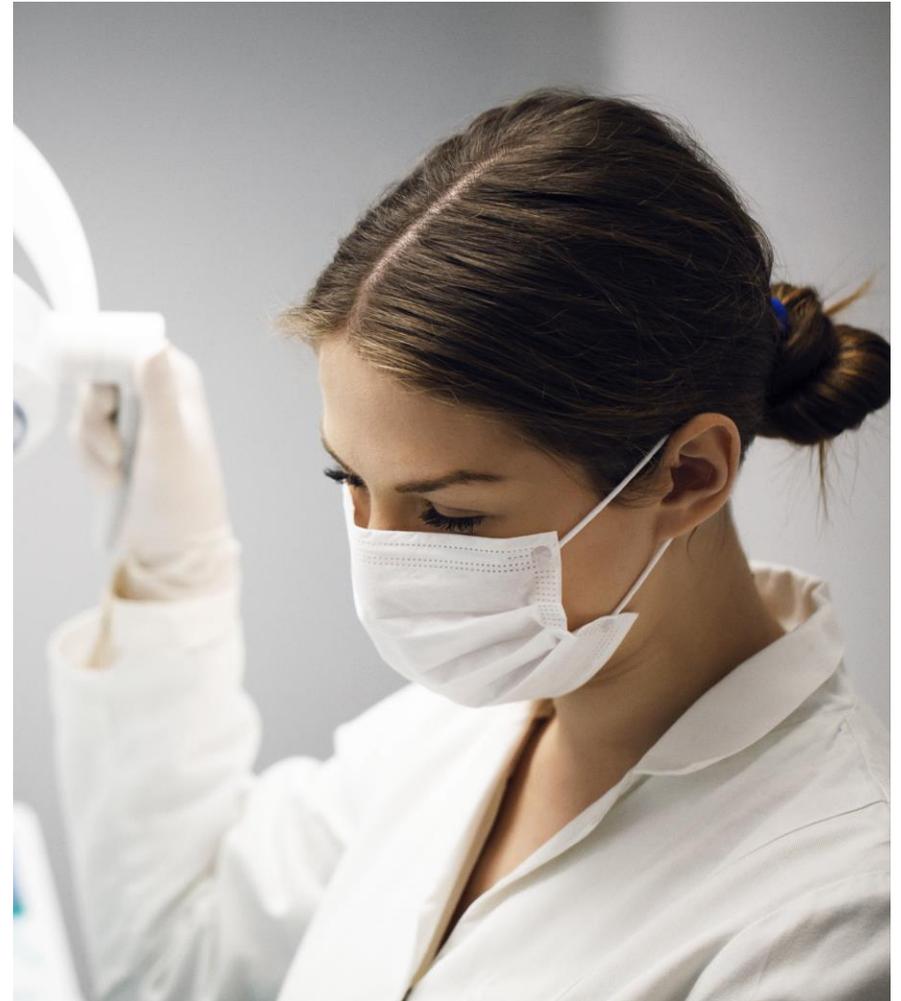
- What happens if a health carrier fails to meet its MLR?
 - The health carrier is required to provide a rebate to its consumers.

Dental Loss Ratios

A dental loss ratio (DLR) is like a medical loss ratio (MLR) but for dental carriers instead of health carriers.

Since dental insurance differs from medical insurance, there may be different considerations when setting a DLR.

With the success of ACA MLRs, DLRs have been proposed in Washington and other states.



States with Dental Loss Ratios

Since 2023, [25 states](#) have considered DLR legislation. Three states have enacted DLR laws.

- [Maine](#)~ DLR is calculated as a standard deviation from the average DLR across the market.
- [North Dakota](#)~ DLR is 75%
- [Montana](#)~ DLR is calculated as a standard deviation from the average DLR across the market.

Washington State~ Dental Loss Ratio

Washington DLR~ RCW 48.43.743

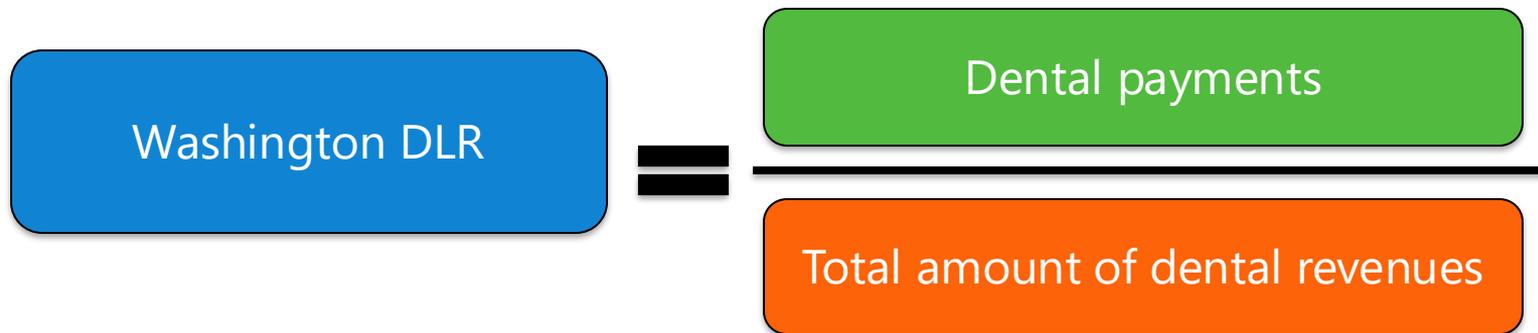
RCW 48.43.743(1):

(1) Each health carrier offering a dental only plan in Washington shall submit to the commissioner on or before April 1st of each year as part of the additional data statement, or as a supplemental data statement, **Washington specific data** for the preceding year that is derived from the carrier's annual statement, including the exhibit of premiums, enrollments, and utilization for the company at an aggregate level and the additional data to the annual statement, which must be based on Washington data and may not include data from other states:

- (a) The total number of dental members;
- (b) The total amount of dental revenue;
- (c) The total amount of dental payments;
- (d) The dental loss ratio that is computed by dividing the total amount of dental payments by the total amount of dental revenues;**
- (e) The average amount of premiums per member per month; and
- (f) The percentage change in the average premium per member per month, measured from the previous year.

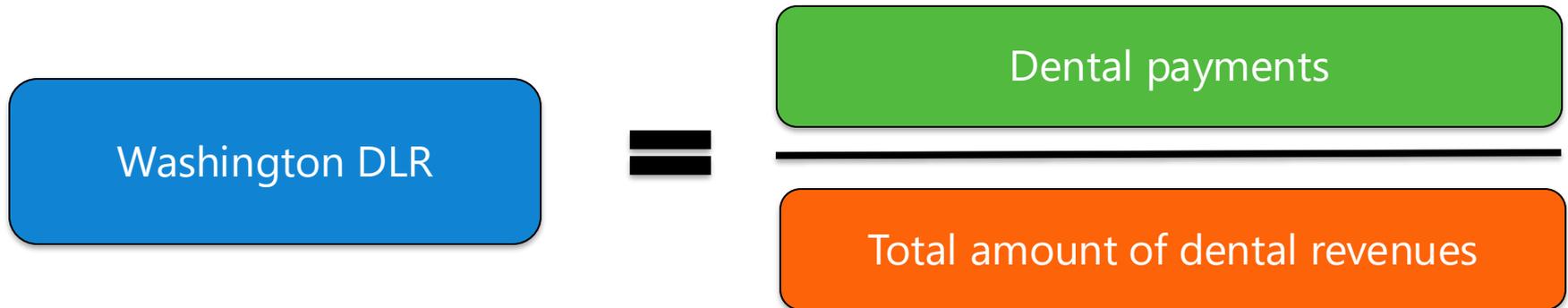
Washington DLR

Washington requires dental carriers to report their DLRs to the OIC, who must make that information publicly available ([RCW 48.43.743](#)).

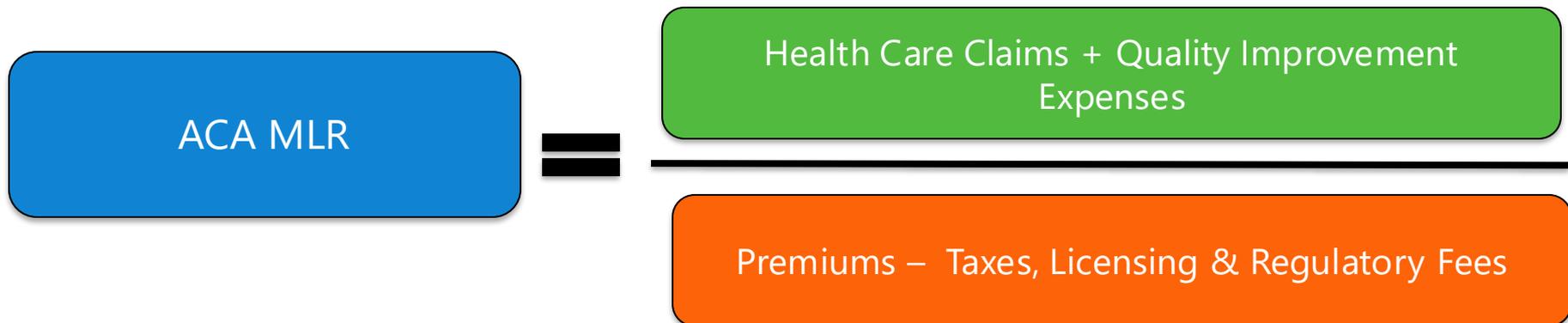


All information required in RCW 48.43.743 is available on [data.wa.gov](#).

Washington DLR vs. ACA MLR



VS.



Washington DLR

- The OIC uses the Accident and Health Policy Experience Exhibit, which provides all the needed information for the reporting requirements in RCW 48.43.743(1).
- This form was developed by the National Association of Insurance Commissioners (NAIC) and is used in their [annual report](#).

Washington DLR

The dental loss ratio that is computed by dividing the total amount of dental payments by the total amount of dental revenues.

$$= \frac{\text{Column 6}}{\text{Column 2}}$$

The following is an example of a filing and how the data would be populated based on that filing.

	1 Direct Premiums Written	2 Direct Premiums Earned	3 Assumed Premiums Earned	4 Ceded Premiums Earned	5 Net Premiums Earned (2+3-4)	6 Direct Incurred Claims Amount
A. INDIVIDUAL BUSINESS						
1. Comprehensive major medical						
2.1 Short-Term Medical - 6 Months or Less						
2.2 Short-Term Medical - Over 6 Months						
2.3 Subtotal Short-Term Medical (2.1+2.2)						
3. Other Medical (Non-Comprehensive)						
4. Specified/Named Disease						
5. Limited Benefit						
6. Student						
7. Accident Only or AD&D						
8. Disability Income - Short-Term						
9. Disability Income - Long-Term						
10. Long-Term Care						
11. Medicare Supplement (Medigap)						
12. Dental						
13. Federal Employees Health Insurance Program						
14. Medicare						
15. Medicaid						
16. Medicare Part D - Stand-Alone						
17. Vision						
18. Other Individual Business						
19. Grand Total Individual						
B. GROUP BUSINESS						
Comprehensive Major Medical						
1.1 Single Employer - Small Employer						
1.2 Single Employer - Other Employer						
1.3 Single Employer Subtotal						
2. Multiple Employer Assns and Trusts						
3. Other Associations and Discretionary Trusts						
4. Other Comprehensive Major Medical						
5. Comprehensive/Major Medical Subtotal						
Other Medical (Non-Comprehensive)						
6. Specified/Named Disease						
7. Limited Benefit						
8. Student						
9. Accident Only or AD&D						
10. Disability Income - Short-term						
11. Disability Income - Long-term						
12. Long-Term Care						
13. Medicare Supplement (Medigap)						
14. Federal Employees Health Benefits Plan						
15. Medicare						
16. Dental						
17. Medicaid						
18. Medicare Part D - Stand-Alone						
19. Vision						
20. Other Group Care						
21. Grand Total Group Business						

Questions?

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Appendix

Washington DLR

SUPPLEMENT FOR THE YEAR _____ OF THE _____

ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR For The Year Ended December 31, 20__ (To Be Filed by April 1)

Affix Bar Code Above

NAIC Group Code _____ FOR THE STATE OF _____ NAIC Company Code _____

	1 Direct Premiums Written	2 Direct Premiums Earned	3 Assumed Premiums Earned	4 Ceded Premiums Earned	5 Net Premiums Earned (2+3-4)	6 Direct Incurred Claims Amount	7 Assumed Incurred Claims Amount	8 Ceded Incurred Claims Amount	9 Net Incurred Claims Amount (6+7-8)	10 Change in Contract Reserve	11 Loss Ratio (6+10/2)	12 Number of Policies or Certificates as of Dec. 31	13 Number of Covered Lives as of Dec. 31	14 Member Months
A. INDIVIDUAL BUSINESS														
1. Comprehensive Major Medical														
2.1 Short-Term Medical - 6 Months or Less														
2.2 Short-Term Medical - Over 6 Months														
2.3 Subtotal Short-Term Medical (2.1+2.2)														
3. Other Medical (Non-Comprehensive)														
4. Specified Named Disease														
5. Limited Benefit														
6. Student														
7. Accident Only or AD&D														
8. Disability Income - Short-Term														
9. Disability Income - Long-Term														
10. Long-Term Care														
11. Medicare Supplement (Medigap)														
12. Dental														
13. Federal Employees Health Insurance Program														
14. Medicare														
15. Medicaid														
16. Medicare Part D - Stand-Alone														
17. Vision														
18. Other Individual Business														
19. Grand Total Individual														
B. GROUP BUSINESS														
1. Comprehensive Major Medical														
1.1 Single Employer - Small Employer														
1.2 Single Employer - Other Employer														
1.3 Single Employer Subtotal														
2. Multiple Employer Annu and Trusts														
3. Other Associations and discretionary Trusts														
4. Other Comprehensive Major Medical														
5. Comprehensive Major Medical Subtotal														
6. Other Medical (Non-Comprehensive)														
7. Specified Named Disease														
8. Limited Benefit														
9. Student														
10. Accident Only or AD&D														
11. Disability Income - Short-term														
12. Disability Income - Long-term														
13. Long-Term Care														
14. Medicare Supplement (Medigap)														
15. Federal Employees Health Benefits Plan														
16. Dental														
17. Medicare														
18. Medicare Part D - Stand-Alone														
19. Vision														
20. Other Group Care														
21. Grand Total Group Business														
C. OTHER BUSINESS														
1. Credit (Individual and Group)														
2. Stop Loss/Excess/Loss														
3. Administrative Services Only	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX			
4. Administrative Services Contracts	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX			
5. Grand Total Other Business														
D. TOTAL BUSINESS														
1. Total Non-Dental Policy Forms														
2. Grand Total Individual, Group and Other Business														



Washington DLR

- Utilizing the Accident and Health Policy Experience Exhibit, we use data from **line A.12.** (Dental – Individual) and **line B.16.** (Dental – Group Business).
- We add them together for each company when providing the specific information required by the law.
- Because this data is available from the Accident and Health Policy Experience Exhibit, we do not require companies to file any additional information with us to compile the DLR report.

FOR THE STATE (

NAIC Group Code.....

	1 Direct Premiums Written	2 Direct Premiums Earned	3 Assumed Premiums Earned	4 Ceded Premiums Earned
A. INDIVIDUAL BUSINESS				
1. Comprehensive major medical				
2.1 Short-Term Medical – 6 Months or Less				
2.2 Short-Term Medical – Over 6 Months				
2.3 Subtotal Short-Term Medical (2.1+2.2)				
3. Other Medical (Non-Comprehensive)				
4. Specified/Named Disease				
5. Limited Benefit				
6. Student				
7. Accident Only or AD&D				
8. Disability Income – Short-Term				
9. Disability Income – Long-Term				
10. Long-Term Care				
11. Medicare Supplement (Medigap)				
12. Dental				
13. Federal Employees Health Insurance Program				
14. Medicare				
15. Medicaid				
16. Medicare Part D – Stand-Alone				
17. Vision				
18. Other Individual Business				
19. Grand Total Individual				
B. GROUP BUSINESS				
Comprehensive Major Medical				
1.1 Single Employer – Small Employer				
1.2 Single Employer – Other Employer				
1.3 Single Employer Subtotal				
2. Multiple Employer Assns and Trusts				
3. Other Associations and Discretionary Trusts				
4. Other Comprehensive Major Medical				
5. Comprehensive/Major Medical Subtotal				
Other Medical (Non-Comprehensive)				
6. Specified/Named Disease				
7. Limited Benefit				
8. Student				
9. Accident Only or AD&D				
10. Disability Income – Short-term				
11. Disability Income – Long-term				
12. Long-Term Care				
13. Medicare Supplement (Medigap)				
14. Federal Employees Health Benefits Plan				
15. Dental				
16. Dental				
17. Medicare				
18. Medicare Part D – Stand-Alone				
19. Vision				
20. Other Group Care				
21. Grand Total Group Business				
C. OTHER BUSINESS				

Washington DLR (Example)

SUPPLEMENT FOR THE YEAR 2024 OF THE Dental Co Inc.

ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR For The Year Ended DECEMBER 31, 2024 (To Be Filed By April 1) FOR THE STATE OF WA



NAIC Group Code: XXXX

NAIC Company Code: XXXXX

Supp210 WA

	1 Direct Premiums Written	2 Direct Premiums Earned	3 Assumed Premiums Earned	4 Ceded Premiums Earned	5 Net Premiums Earned (2+3-4)	6 Direct Incurred Claims Amount	7 Assumed Incurred Claims Amount	8 Ceded Incurred Claims Amount	9 Net Incurred Claims Amount (6+7-8)	10 Change in Contract Reserves	11 Loss Ratio (6 + 10) / 2	12 Number of Policies or Certificates as of Dec. 31	13 Number of Covered Lives as of Dec. 31	14 Member Months
A. INDIVIDUAL BUSINESS														
1. Comprehensive Major Medical														
2.1 Short-Term Medical - 6 Months or Less														
2.2 Short-Term Medical - Over 6 Months														
2.3 Subtotal Short-Term Medical (2.1+2.2)														
3. Other Medical (Non-Comprehensive)														
4. Specified/Named Disease														
5. Limited Benefit														
6. Student														
7. Accident Only or AD&D														
8. Disability Income - Short-Term														
9. Disability Income - Long-Term														
10. Long-Term Care														
11. Medicare Supplement (Medigap)														
12. Dental	366,020	366,020			366,020	171,396			171,396		46.8	809	1,291	17,373
13. Other Health Insurance Program														
14. Medicare														
15. Medicaid														
16. Medicare Part D - Stand-Alone														
17. Vision														
18. Other Individual Business														
19. Grand Total Individual	366,020	366,020			366,020	171,396			171,396		46.8	809	1,291	17,373
B. GROUP BUSINESS														
1. Comprehensive Major Medical														
1.1 Single Employer - Small Employer														
1.2 Single Employer - Other Employer														
1.3 Single Employer Subtotal														
2. Multiple Employer Assns and Trusts														
3. Other Associations and Discretionary Trusts														
4. Other Comprehensive Major Medical														
5. Comprehensive/Major Medical Subtotal														
Other Medical (Non-Comprehensive)														
6. Specified/Named Disease														
7. Limited Benefit														
8. Student														
9. Accident Only or AD&D														
10. Disability Income - Short-term														
11. Disability Income - Long-term														
12. Long-Term Care														
13. Medicare Supplement (Medigap)														
14. Federal Employees Health Benefits Plan														
15. Other														
16. Dental	409,129	409,129			409,129	202,967			202,967		49.6	1,109	2,270	27,543
17. Medicare														
18. Medicare Part D - Stand-Alone														
19. Vision														
20. Other Group Care														
21. Grand Total Group Business	409,129	409,129			409,129	202,967			202,967		49.6	1,109	2,270	27,543
C. OTHER BUSINESS														
1. Credit (Individual and Group)														
2. Stop Loss/Excess Loss														
3. Administrative Services Only	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
4. Administrative Services Contracts	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
5. Grand Total Other Business														
D. TOTAL BUSINESS														
1. Total Non-U.S. Policy Forms														
2. Grand Total Individual, Group and Other Business	775,149	775,149			775,149	374,363			374,363		48.3	1,998	3,561	44,916

Washington DLR

The following columns (for lines A.12. and B.16.) are used for the data points required by RCW 48.43.743(1):

- (a) The total number of dental members = Column 13 (Number of Covered Lives as of December 31)
- (b) The total amount of dental revenue = Column 2 (Direct Premiums Earned)
- (c) The total amount of dental payments = Column 6 (Direct Incurred Claims Amount)
- (d) The dental loss ratio that is computed by dividing the total amount of dental payments by the total amount of dental revenues = Column 6 divided by Column 2
- (e) The average amount of premiums per member per month = Column 2 divided by Column 14 (Member Months)
- (f) The percentage change in the average premium per member per month, measured from the previous year = (e) (current year) minus (e) (prior year) divided by (e) (prior year)

Washington DLR

Looking at the data on lines A.12. and B.16., we get the following results:

- a) The total number of dental members = Column 13 (Number of Covered Lives as of December 31) = **1,291 + 2,270 = 3,561**
- b) The total amount of dental revenue = Column 2 (Direct Premiums Earned) = **\$366,020 + \$409,129 = \$775,149**
- c) The total amount of dental payments = Column 6 (Direct Incurred Claims Amount) = **\$171,396 + \$202,967 = \$374,363**
- d) The dental loss ratio that is computed by dividing the total amount of dental payments by the total amount of dental revenues = Column 6 divided by Column 2 = **\$374,363 / \$775,149 = 48.3%**
- e) The average amount of premiums per member per month = Column 2 divided by Column 14 (Member Months) = **\$775,149 / (17,373 + 27,543) = \$775,149 / 44,916 = \$17.26**
- f) The percentage change in the average premium per member per month, measured from the previous year = (e) (current year) minus (e) (prior year) divided by (e) (prior year) = **(\$17.26 – \$18.06) / \$18.06 = -4.4%**

Washington DLR- annual statement filing instructions

- The Annual Statement Instructions provide definitions for the data points used, as noted on the following slide.
- It may be worth noting that we do not include the Change in Contract Reserves when calculating the DLR, as these reserves are generally established for future losses that have yet to be incurred in the reporting period.
- The portion of the Annual Statement that is used in the DLR calculation is required to be filed no later than April 1.

Washington DLR- annual statement filing instructions

Dental

Policies providing for dental only coverage (dental treatment benefits such as routine dental examinations, preventive dental work, and dental procedures needed to treat tooth decay and diseases of the teeth and jaw) issued as stand-alone dental or as a rider to a medical policy that is not related to the medical policy through premiums, deductibles or out-of-pocket limits. If dental benefits are part of a comprehensive medical plan, then include data under comprehensive/major medical category. Does not include self-insured business, as well as federal employee's health benefits plans (FEHBP), or Medicare and Medicaid programs.

Group Business

Health insurance where the policy issued to employers, associations, trusts, or other groups covering employees or members and/or their dependents, to whom a certificate of coverage may be provided.

Individual Business

Health insurance where the policy is issued to an individual covering the individual and/or their dependents in the individual market. This includes conversions from group policies.

Washington DLR- annual statement filing instructions

Column 2 – Direct Premiums Earned

Fractional premium loadings and policy fees must be included in the Earned Premiums.

The grand total reported should equal:

Health		Underwriting and Investment Exhibit, Part 1, Line 13, Column 1
	Less	Underwriting and Investment Exhibit Part 2D, Line 1, Column 1 CY
	Plus	Underwriting and Investment Exhibit Part 2D, Line 1, Column 1 PY
	Less	Underwriting and Investment Exhibit Part 2D, Line 4, Column 1 CY
	Plus	Underwriting and Investment Exhibit Part 2D, Line 4, Column 1 PY

Property	Exhibit of Premiums and Losses, Column 2 sum of Lines 13 through 15.
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Column 6 – Direct Incurred Claims Amount

This column does not include the “Increase in Policy Reserves.”

The grand total reported should equal:

Health	Underwriting and Investment Exhibit, Part 2, Line 12.1, Column 1 minus Column 14.
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NOTE: This excludes payments for any administrative costs.

Property	Exhibit of Premiums and Losses, Column 6 sum of Lines 13 through 15.
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Washington DLR- annual statement filing instructions

Column 13 – Number of Covered Lives

This is the total number of lives insured, including dependents, under individual policies and group certificates as of Dec. 31 of the reporting year. Reasonable approximations are allowed when exact information is not administratively available to the reporting entity. For Administrative Services Only or Administrative Services Contracts, include the number of lives covered. See *SSAP No. 47—Uninsured Plans*.

Column 14 – Member Months

The sum of total number of lives insured on a pre-specified day of each month of the reported year. Reasonable approximations are allowed when exact information is not administratively available to the reporting entity. For Administrative Services Only or Administrative Services Contracts, include the number of lives covered for each month of the reported year. See *SSAP No. 47—Uninsured Plans*.