

DELTA DENTAL OF MINNESOTA
**BROKER
UPDATE**

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YOUR CLIENTS CAN FEEL CONFIDENT ABOUT OUR STABILITY, SERVICE AND PRODUCTS

As we wrap up 2009, looking at our small group customers that form the backbone of our business, it's evident how they are struggling to get back on their feet amid the severe economic downturn.

Healthcare reform is top of mind, there are new laws to understand and renewal season is upon us where many benefit carriers are hiking rates to meet their own objectives.

That's a lot of pressure for a small business just trying to compete.

My message to you and your clients remains the same: By choosing Delta Dental of Minnesota, your customers both large and small can be confident in the stability, service and products that have made us the state's leading dental benefits provider for 40 years.

Stability

- **Our rates are consistent.** In 2010, renewal rate increases for our pooled plans range from 0 to 3 percent, and over the past six years the average rate increase for our commercial pooled products has been 3.5 percent or less a year.

- **Largest network.** Delta Dental Premier® is the largest network in Minnesota and across the country. In Minnesota, it's nearly 1.5 times larger than the closest competing network—that's an additional 750+ dentists.

- **Top financial ratings.** For 11 consecutive years, we've earned an "A" rating (Excellent) from A.M. Best.

Service

- **Personal service through Delta Dental Connect.** Our dedicated team works exclusively with brokers and your smaller customers. It's a model you won't find anywhere else in Minnesota for pre-sale and post-sale assistance.

- **Fast implementation.** After a sale, the time it takes from new pooled group submission to underwriting approval is about three days. The entire set-up process from pre-underwriting to the group's receipt of the Welcome Kit typically takes only five to seven business days.

We also stand out by accepting new group submissions after the effective date.

- **Unmatched customer service.** More than 99 percent of claims are paid in 10 business days with 99 percent processing and payment accuracy. Phone calls are answered in an average of 15 seconds. More than 97 percent of questions are resolved during the first call.

Products

- **Enhanced options for our most popular plans.** Our Dental Flex (voluntary) plan now has higher annual maximum options and both Millennium Choice and Dental Flex have higher orthodontic lifetime maximum options.

Don't forget how you benefit from working with us. **We continue to pay industry-leading 10-percent flat commissions for pooled group sales.** But here's the real value in selecting us: When you place a group with us, you never have to sweat the details. You can focus your time on growing your business because you don't have to worry about the service your current clients are receiving. No surprises from year to year.

If you're already placing your pooled groups with us, we thank you. If you're not, we simply ask for an opportunity to earn your business. Call Delta Dental Connect for a pooled group quote at 1-800-906-5250 or visit www.deltadentalmn.org to run your own quote anytime.



Chris Earl – Chief Sales Officer
Delta Dental of Minnesota



RATE INCREASES RANGING FROM 0 TO 3 PERCENT FOR POOLED PLANS IN 2010

Averaged over a six-year period, commercial pooled products have had rate increases of 3.5 percent or less a year

It's no surprise: Your groups will once again see stable renewal premiums in 2010. And just like 2009, groups that have the Delta Dental Premier plan will see no rate increase.

Evaluating data for the past six years, the average rate increase for all Delta Dental of Minnesota commercial pooled products has been 3.5 percent or less a year.

“Our history of stable, consistent rates proves that Delta Dental of Minnesota isn't a carrier that will surprise brokers or their groups at renewal,” said Renae Styve-Krmpotich, manager, Delta Dental Connect broker and small group services. “Especially in today's challenging market, we make it easy to place a client with us and even easier to stay with us because you know we have the long-term interests of your client in mind.”

Small renewal rate increases account for inflation in provider reimbursement rates, product enhancements and group loss ratios.

Delta Dental of Minnesota is able to keep rates affordable because:

- We offer the largest network in the state. It's nearly 1.5 times the size of the closest competing network. More than 80 percent of dentists statewide and 96 percent of Twin Cities metro-area dentists participate in our networks. Why is that important? Network providers agree to rates that are often lower than their usual fees. This results in lower claim costs, which keep premiums affordable.
- We operate very efficiently, with a lower than average percentage of premium dollars going to operating costs.

Longer lead-times for pooled group renewal notification

As we told you this summer, our pooled group renewal notification lead-time increased from 45 days prior to renewal to 90 days prior to renewal. This change was in response to brokers who requested a longer window of time before renewal.

In particular, the longer pooled group renewal notification window allows for more coordination time, especially in scenarios where medical renewals are involved.

POOLED PLAN RATE INCREASES

	2010	6-YEAR AVERAGE
Delta Dental Premier®	0%	2.25%
Delta Dental PPOSM and Delta Dental Premier – Dual-option Program-Millennium Choice	2%	3.42%
Delta Dental PPO Plus Premier – Voluntary Network Program-Dental Flex	2%	3.50%
Voluntary Non-network program-Discover	2%	2.75%
Delta Dental PPO	3%	2.88%

DELTA DENTAL OF MINNESOTA BROKER SURVEY RESULTS

Thanks to all brokers who completed our annual survey, and congratulations to Gary Stone from Gallagher Benefit Services Inc., who we randomly selected among respondents in the drawing for Crest/Oral-B personal dental care products. We're pleased to share with you the results of several key questions posed in the survey:

- **How satisfied are you with your Account Manager overall?**
More than 98% satisfied
- **How satisfied are you with the Delta Dental Connect representatives overall?**
More than 95% satisfied
- **How satisfied are you with the range of products offered by Delta Dental of Minnesota?**
More than 93% satisfied
- **How satisfied are you with Delta Dental's performance on the following: Overall day-to-day dental plan administration?**
More than 96% satisfied
- **How do you rate Delta Dental of Minnesota compared to the best other insurance company you know?**
Four out of five brokers said we were "better" or "much better."

ENHANCED OPTIONS FOR MILLENNIUM CHOICE AND DENTAL FLEX

We're pleased to announce that we've enhanced our two most popular plans for community-rated groups, providing you and your clients with added flexibility and choice.

Delta Dental PPOSM Plus Premier

Voluntary network program – Dental Flex

- We've added \$1,500 and \$2,000 orthodontic lifetime maximum options to give your clients more choices when they select the optional orthodontic coverage.
- We've added \$1,500 and \$2,000 annual maximum options. Whatever option is selected applies whether the member sees a Delta Dental PPO dentist, a Delta Dental Premier[®] dentist or seeks treatment out of network.

Delta Dental PPO and Delta Dental Premier

Dual-option program – Millennium Choice

- We've added \$1,500 and \$2,000 orthodontic lifetime maximum options to give your clients more choices when they select the optional orthodontic coverage.

We know that especially in this turbulent market, we need to be creative and flexible with our products. As always, please let us know how we can work together more closely to offer an array of solutions that address client needs.

DELTA DENTAL ACTIVE IN HEALTHCARE REFORM DEBATE

As a leading advocate for oral health, Delta Dental is taking an active role in the health care reform debate. Earlier this year, Delta Dental launched a new Web site – www.AdvanceOralHealth.com – that details key principles and policy implications:

- Dental is an inseparable part of health and overall wellness.
- Dental benefits function far differently and far more efficiently than medical coverage; third-party dental carriers (including stand-alone dental carriers) provide added value.
- Private dental coverage creates affordable access for millions of Americans.

- Dental coverage should not be neglected in the debate over how to fix healthcare.

Delta Dental is running advertising in Capitol Hill media highlighting the importance of oral health and its connection to overall health. Delta Dental is also emphasizing the importance of the current tax treatment of dental benefits – something you understand very well – in advertising and public relations efforts.

Stay tuned for updates – and ways you may consider getting involved.

MICHELLE'S LAW

A new federal law was enacted that provides for continuation of dependent coverage for students who would otherwise lose eligibility under the terms of the plan because of a reduction in their full-time class status due to medical reasons or a medically necessary leave of absence from school itself.

Effective October 1, 2009, if an unmarried dependent child who was attending a postsecondary educational institution on a full-time basis and is currently covered under his/her parent's dental benefit policy becomes seriously ill or is injured, (s)he may continue to be covered. In order to remain covered, a physician must provide written documentation supporting the need for a medical leave.

Under the law, the student may remain covered under his/her parent's plan until the earlier of 12 months or until the coverage would otherwise terminate under the policy.

If an unmarried dependent child becomes disabled for an indefinite period of time, (s)he may be considered incapacitated. If the dental plan has an incapacitated dependent provision, the subscriber can apply to continue coverage. To be eligible, the dependent:

- Must be incapable of self-support because of mental retardation or any mental or physical disability.
- Became disabled before reaching the age limit for coverage.
- Depends on the subscriber for financial support and maintenance.

In these cases, the subscriber needs to provide documentation of the illness, injury or incapacitation. The subscriber should print and complete the Disabled Dependent/Michelle's Law Application found at www.deltadentalmn.org. It's located in the "Subscribers" section under "Forms & Publications." Once the subscriber completes the form together with the child's physician, they should send it to the employer's benefit representative who will provide the necessary information to Delta Dental.

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