

Broker Update

Winter 2005

Dental Flex proves a perfect match for Hopkins Center Drug and other Schwarz Williams clients

With rising health care and benefit costs putting the squeeze on many small to mid-size groups, employers are looking for ways to offer comprehensive benefit packages that are rich in options but sensitive to the company's bottom line.

For Joan Kohl, an account manager with human resources consulting firm Schwarz Williams in Minneapolis, it makes Delta Dental's *Dental Flex* voluntary product an attractive choice for many of her clients.

Through several positions during her eight-year tenure at Schwarz Williams, Kohl has had extensive experience working with Delta Dental. And her firm has been doing business with Delta Dental since 1977 – expanding from its roots as a traditional insurance agency to a firm that provides a full range of consulting services across the

human resources spectrum.

“Dental Flex is very popular with my small group accounts for a number of reasons,” she says. “It’s easy to understand, it’s a solid product with strong network options and Delta Dental is a trusted, recognized name. At the same time, the price is right. Employees have the choice of enrolling in a dental plan and the company comes out as the hero for making it available.”

Hopkins Center Drug is just one example of a growing number of businesses that are discovering voluntary dental as a great addition to their overall benefits mix. Purchased by new owners several years ago, Hopkins Center Drug previously had not offered a dental plan to employees.

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DDPMN again receives high marks from A.M. Best and Standard and Poor's

Delta Dental Plan of Minnesota consistently earns high financial ratings and is one of the most highly rated dental plans in the country. Recently, A.M. Best gave DDPMN an A rating (Excellent) for the seventh consecutive year. Standard and Poor's (S & P) reaffirmed its AA- rating (Very Strong) for the seventh consecutive year as well.

According to A.M. Best, Delta Dental's ongoing business diversification strategy, market dominance in Minnesota and favorable risk-based capital were key factors that contributed to its rating.

S & P's rating is based on DDPMN's strong competitive position in its core market, operating expertise and strong earnings.

“We're pleased to see that our financial ratings have been re-affirmed,” said Dani Fjelstad, executive vice president of Finance and Business Development, and chief financial officer. “It demonstrates Delta Dental's stability and strength, which provides security to our groups.”

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Delta Dental Plan of Minnesota is co-sponsoring a study to examine the health impact that periodontal disease may have on Minnesotans who are pregnant, have diabetes or suffer from cardiovascular disease. The study is part of our ongoing commitment to improving oral health. We will share the results as soon as they're available.

2005 in Review

Thank you for the vital role you played in another very successful year. Working together with you, we've furthered our mission of providing clients with first-class service and access to top-quality, affordable dental benefit solutions.

SALES RECAP

Business highlights from another robust year include:

- Approximately 700 new groups enrolled (through October)
- 98% customer retention rate
- Continued operational efficiency, with a lower than average percentage of premium dollars going to operating costs.

SERVICE RESULTS

We're proud to report that our key service statistics have remained consistently excellent in 2005:

- Better than 97% satisfaction among groups (359 large group customers responded to our survey)
- Better than 98% broker satisfaction (143 brokers responded to our survey)
- 99% of claims paid in 10 business days with a 99% accuracy rate

SUPPORT

Mid-size and large companies of 100+ employees – With any questions, please don't hesitate to contact:

- Your client's dedicated account manager
- The Employer Services line at 651-994-5300 locally or 1-866-318-9449 toll-free.

So far in 2005, the Employer Services line has received more than 35,000 calls, and our representatives have responded in 11 seconds on average. Our representatives have assisted group administrators and brokers with a range of post-sale questions involving enrollment, billing, claims and benefits. When you call the Employer Services line, selecting "Option 4" puts you in direct connection with the Group Administrator and Broker Helpline.

2005 in Review (cont.)

Pooled group business (5-199 employees) – One call puts you in touch with:

- Employer Services at 651-994-5300 locally or 1-866-318-9449 toll-free.
- DeltaConnect, our Broker and Small Group Support Services team, at 651-406-5920 locally or 1-800-906-5250 toll free.

The DeltaConnect team has resources in Gilbert and the Twin Cities metro area and is dedicated to supporting you statewide and helping in any way possible as you consult with your clients. Responding to more than 1,000 calls per month, the team has played a critical role in meeting your pooled group business needs this year. To continue exceeding your expectations, we added staff and expanded our service hours from 7 a.m. to 7 p.m. Monday through Thursday and from 7 a.m. to 5 p.m. on Friday.

Dental Flex (cont.)

Kohl contacted the new owners to establish a relationship and began advising them on aspects of their benefits package including their health plan, COBRA, flex accounts and more. When it came to a dental plan, Dental Flex was the right fit.

Chris Beckmann, a co-owner of the business, has appreciated having the support of Kohl and the team at Schwarz Williams. "They've been great. When it comes to our benefits, they take care of any issues immediately and have been a big help to us," she says.

During enrollment, Hopkins Center Drug offered the Dental Flex plan to its employees. "Most people who didn't already have a plan through a spouse enrolled immediately," Beckmann says. Currently, 20 employees have Dental Flex coverage.

According to Kohl, the enrollment process went smoothly. "When the DeltaConnect transition took place, I had questions about the level of personal service I'd receive," she says. "But there's been absolutely no drop in service. When I call, I'm always in touch with a person, not voicemail."

In particular, Kohl praises DeltaConnect representative

Hope Wolf. "She's been so wonderful to work with – even when I confirm an answer to a question more than once, she's patient and helpful."

Beckmann also says the enrollment process with Delta Dental has been a positive experience. "It was painless – we sent in the forms along with the first month's premium we collected, and we were set. Our employees have had no trouble using their benefits and visiting their dentists. We are very happy."

For more information about how Dental Flex can meet the needs of your clients, contact the DeltaConnect team.

DeltaConnect serves as a sales and service resource for brokers and group administrators, offering assistance for any questions about our pooled products for groups of 5 to 199 employees.

**651-406-5920 (local)
1-800-906-5250 (toll free)**

Modest 3 to 5 percent rate increases announced for pooled groups in 2006

For many employers, health insurance premiums again are slated to rise at double-digit rates in 2006. In contrast, Delta Dental pooled group clients can expect single-digit dental premium increases averaging in the range of three to five percent next year.

These rate increases are in line with previous years and reflect a moderate move to keep pace with inflation in provider reimbursement rates and group loss ratios.

“Retention remains strong and we continue to add new groups to the pool,” said Chris Earl, chief sales officer. “These reasonable increases help ensure stability for the future. By keeping a close eye on inflationary pressures and closely evaluating the

utilization and loss experience of our pooled business, we can effectively guard against major surprises down the road.”

Delta Dental is able to keep rates affordable because:

- We offer the two largest networks in the state. More than 80 percent of dentists statewide and 96 percent of Twin Cities metro-area dentists participate in our networks. Our relationships with these network providers lead to lower claim costs.
- We operate very efficiently, with a lower than average percentage of premium dollars going to operating costs.



2006 Rate Increases – Pooled Plans

DeltaPremier® Program	4%
DeltaPreferred Option® Program	3%
Millennium Choice	5%
Voluntary Program	
Discover	4.5%
Dental Flex	4%



A New Look in 2006

In 2006, you'll begin to notice some graphic design changes as we incorporate Delta Dental Plans Association's new national brand guidelines.

We will provide more details soon about the changes, which will not affect our products, benefits or services.

BrokerUpdate is published for participating brokers. Article ideas and questions from readers are welcome. **Publisher:** Delta Dental Plan of Minnesota. **Send questions or comments to:** Brian Huss, Manager, Marketing Communications, Delta Dental Plan of Minnesota, 3560 Delta Dental Drive, Eagan, MN 55122, E-mail: bhuss@deltadentalmn.org.

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