

BrokerUpdate

Fall 2004

No rate increases + greater flexibility make our pooled plans easier to sell

As you know, benefits purchasers today aren't just looking for insurance products that offer great coverage. They're looking for value, flexibility and terrific service—all at an affordable price. Now, more than ever, that's what they'll get when they choose a Delta Dental[®] plan.

Here's a quick overview of some of the improvements we've made to our 2005 product line that will make Delta Dental plans even easier to sell.

No rate changes

There will be no rate increases on pooled products, including Millennium



Choice, DeltaPremier[®], DeltaPreferred Option[®], and our Voluntary products, for groups effective Jan. 1, 2005.

"We're very pleased to share this news," Jack Sattler, vice president of Sales, said. "We're able to

keep our prices stable because our pooled groups are performing well, we've had a good year adding groups to the pool, and retention within the pool has also been very strong."

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

Delta Dental Plan of Minnesota is one of the most highly rated dental plans in the country. For the sixth consecutive year, A.M. Best Co., the insurance ratings organization, gave DDPMN an A (Excellent) rating while Standard and Poor's (S & P) reaffirmed its AA- rating for the fifth consecutive year.

According to A.M. Best, the world's oldest and most authoritative insurance rating and information source,

Delta Dental's strong operating performance, dominant market position, innovative business development and solid information technology infrastructure were key factors that contributed to its rating.

A.M. Best also cited the successful execution of plans designed to limit growth in both utilization and administrative expenses and the company's expandable administrative capacity as contributing to its success.

S & P's rating is based on DDPMN's strong core market business position (DDPMN and its sister companies maintain about 45% market share in MN), its strong capitalization (DDPMN had a capital adequacy ratio of 342% at year-end 2003), and DDPMN's extremely strong earnings (consolidated pretax income was \$16.2 million in 2003 compared with \$12 million in 2002.)

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Coming Next Year: Online Billing

DDPMN is pleased to announce an upcoming online billing capability available at www.deltadentalmn.org in 2005. This new web application will give groups the option to view and print applicable billing documents (invoices, statements, subscriber listing reports and claims detail reports) securely online. An e-mail notification will be sent to groups when new documents are available on the web site. Then, in addition to retrieving current billing online, groups can view three months of billing history.

Watch for more information as we unveil this useful capability.

Meet our large group sales team

Chances are you've worked closely with at least one member of our large group sales team as you've sought to match the right dental plan with your clients' needs. Now we'd like to take the opportunity to introduce you to the rest of the team. Meet Dave Anderson, Mark Springer, Mike Orrie, Ruth Sykora and Julie Klonecz.

Dave Anderson has worked as a senior sales executive for Delta Dental for more than seven years. Prior to coming to Delta Dental, he worked in the insurance field for 10 years, selling dental, life, medical, and disability insurance products. Anderson, who is certified by HIA and LUTCF, has a bachelor's degree in marketing and management and a master's degree in management from St. Mary's University in Winona, MN.

"I was selling small group products in Wisconsin, which was excellent training, but I wanted to get back to the Twin Cities," Anderson said. "I was excited to come to Delta Dental because of its reputation for outstanding

products and excellent customer service."

"Delta Dental is known for its strong networks and competitive prices, but I think what really sets us apart is our staff," Anderson continued. "We have very strong leadership. I have immense confidence in them and what we do."

Anderson said, "We're a solid, stable company with a high level of integrity. Because our employees have confidence in our company and feel a part of the team, they tend to stay with Delta Dental. That stability in our workforce is a benefit to our brokers and groups."

Anderson said he enjoys sales because he gets to work with a variety of people and set his own goals. "The ultimate goal, of course, is to make our brokers and groups look good," he said.

Mark Springer joined Delta Dental as senior sales



Our large group sales team consists of (from left): Ruth Sykora, Dave Anderson, Mike Orrie, Mark Springer, and Julie Klonecz.

executive this June with 17 years of experience in the health care industry. During his career he has had the opportunity to work with public and private companies throughout the U.S. to design and implement benefit programs that reflect the needs of both the employer and employees.

Springer has a bachelor's degree in Business Administration from Minnesota State University—Mankato. He is a member of the National Association of Health Underwriters and has

been actively involved in Minnesota health care policy and reform.

"Over the past 10 years, I've traveled all over the country for business, so it's nice to be back in the local market," Springer said. "I enjoy working with the local brokers and rekindling old relationships in addition to developing new ones. The fact that we are a local company helps us better understand our clients' needs. We can give more personal service because of it."

Pooled plans continued ...

Annual open enrollment for Dental Flex

In response to broker input, we are now offering an annual open enrollment for Dental Flex, giving groups even greater flexibility. Dental Flex has become an increasingly popular product, and this addition promises to make this affordable voluntary plan even more appealing.

Out-of-state requirements become more liberal

Delta Dental will now accept groups with up to 20% of enrollees residing outside of Minnesota without underwriting review. If you have questions about a group's eligibility, please provide its demographics to your Delta Dental sales representative who will determine whether your group qualifies.

Smaller groups now qualify for ortho

Groups with as few as 10 enrolled employees now qualify for orthodontic coverage. Share this news with your existing groups as well as your prospects.

One thing will never change...

Our commitment to you, our brokers. If you have questions or comments about any of these

improvements, or if we can help you with your sales efforts in any way, please let us know:

For groups with 100 employees or fewer, call: DeltaConnectSM at 651-406-5920 or toll-free at 800-906-5250.

For larger groups, call: Your Delta Dental Sales Team at 651-406-5900 or toll-free at 800-328-1188. □

Springer agrees with Anderson that key to Delta Dental's success is its staff. "My success here can be attributed to our great staff in all departments from those who pull together the RFPs, to those who develop the networks, and those who implement our plans," Springer said. "All our areas come together to give our clients the best possible products and service. We go the extra mile for our customers. I can rely on our employees and their experience so I am free to focus my attention on our brokers and groups."

In addition to our commitment to service, Springer said Delta Dental's unmatched networks and the savings they bring and the company's sole focus on dental benefits give Delta Dental the edge over its competition.

"Dental is all we do, and we're very good at it," Springer said. "We're always looking for ways to improve the products and services we provide to our customers."

In addition to sales, Springer has been working to develop a demo CD that would walk our brokers and

clients through all the helpful functions now available on our web site, such as on-line enrollment. Watch for details.

Mike Orrie is Delta Dental's Government and Labor Programs sales representative. In that role Orrie helps union groups identify which dental plan best meets their needs and implements the plan.

Orrie, who graduated from the Carlson School of Business at the University of Minnesota with a bachelor's degree in marketing, has worked at DDPMN for 10 years—first with small groups and now with government and labor union groups.

Prior to coming to Delta Dental, Orrie worked with the Teamsters Health and Welfare Pension Fund in Chicago, IL which, in part, led to his current job.

Focusing on union business comes naturally to Orrie, who grew up with a union perspective. His father was a business agent, vice president, and later trustee of the Teamsters Health and Welfare Pension Funds in Chicago.

"Unions were a part of my upbringing," Orrie said. "I know the local union representatives, and they know me. Building and maintaining a strong relationship with union clients is very important and something I like about my job."

Orrie said he appreciates that union representatives are loyal customers. "The relationship is honored in both directions," Orrie explained. "They say what's on their mind and attach importance to long-term commitment. They realize that with our strong networks we're able to provide the type of value other plans cannot."

Brokers with questions about union clients may call Mike at 651-994-5448.

Ruth Sykora, an implementation coordinator in our sales department, came to Delta Dental two years ago after working for seven years in sales for a major Twin Cities' health provider. Her most recent position was as account management representative.

"I was looking for a new challenge, but I still wanted to stay in the medical/dental

field," Sykora said. "I like the variety my job provides and getting to know the brokers." Sykora, who has been an active member of Toastmasters, said she enjoys giving presentations when Delta Dental implements new groups.

Julie Klonecz, also an implementation coordinator, has a diverse background, working in the medical device sales industry, account reconciliation for a major local retailer, in Claims for Delta Dental, and for just over a year as implementation coordinator. Like Sykora, Klonecz enjoys the variety of duties her job provides and the time spent working with brokers.

"I enjoyed my time in Claims, but I really like the variety the Sales department provides," Klonecz said. "We work hard to provide a personal touch as we strive to meet the needs of our brokers and groups. Identifying and meeting their needs is our #1 priority."

To contact Dave, Mark, Mike, Ruth or Julie, call our Sales department at 651-406-5900 or toll-free at 800-328-1188. □

High marks continued ...

"We are pleased to receive a strong, independent affirmation of our financial stability," said Michael F. Walsh, president and CEO of Delta Dental Plan of Minnesota. "The strong rating is a result of sound business practices and principles and reaffirms our commitment to provide customers access to economical dental benefit options." □

New larger groups join Delta Dental

During the past six months, we've added quite a few groups to our client list, including these large groups. Overall our membership is up more than 211,000 lives from last year. We're pleased to welcome all our new groups to Delta Dental and welcome the opportunity to quote on all your new groups. You'll find that Delta Dental's savings, service, network access, and vast array of dental plans can't be beat. □

Company Name:	Number of lives insured:
Arctic Cat.....	998
Adolfson & Peterson.....	279
Brainerd Independent Schools.....	440
Carleton College.....	400
Cloquet Independent Schools.....	219
Marvin Windows and Doors.....	3,350
Painters and Allied Trades Dist. 82.....	2,000*
Twin Cities Pipe Traders.....	5,000

*effective Jan. 1, 2005



Ask Jack

Jack Sattler is vice president of Sales at Delta Dental® Plan of Minnesota. If you have a question you'd like us to address in Broker Update, please send them to Editor, Marketing Communications, Delta Dental Plan of Minnesota, 3560 Delta Dental Drive, Eagan, MN 55122-3166.

Question:

I have a client in North Dakota who wants to offer a Delta Dental plan. Is there a Delta Dental of North Dakota?

Answer:

Actually, Delta Dental Plan of Minnesota is licensed through Delta Dental Plans Association to sell and service dental plans in North Dakota. We will be expanding our plan offerings in North Dakota in the near future. Contact us to learn about options for your North Dakota groups.

Question:

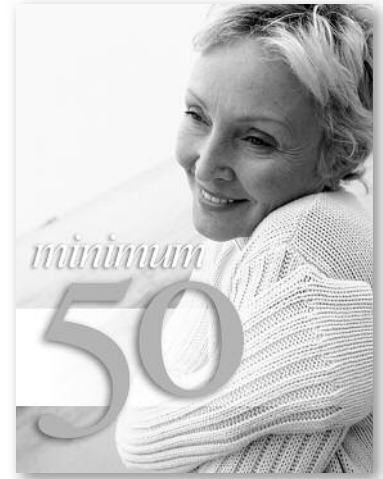
Are Delta Dental's networks stable?

Answer:

Our networks are very stable. Laura Burandt, manager of Network Recruitment and Retention for DDPMN, said "In Minnesota, we have had virtually no turnover during the past year. Nationally, DeltaPremier USA®, has less than a 1% turnover rate—in fact it's 0.21%." Burandt credits this stability to the large number of members Delta Dental can deliver and our regular visits to network dentists. Also, dentists appreciate our excellent service, claims turnaround and claims accuracy. In 2003, Delta Dental processed more than 4.9 million claims, or an average of almost 19,500 claims a day. More than 98% of those claims were processed within 10 business days or less, with a 99% payment accuracy rate.

Delta Dental again offers individual plan for 2005 and lowers age requirement

This year Delta Dental will again offer SingularDental, its individual dental program, directly to Minnesotans. This product is targeted to those who do not have access to group dental plans. This year we are lowering the age requirement from 55+ to 50+, to address this group's concern with dramatically rising health care costs.



This offer is limited to a two-month enrollment period ending Jan. 7, 2005. Features of the plan include:

- no waiting periods
- network savings
- freedom to see any dentist
- 100% coverage of diagnostic and preventive care in-network
- 75% coverage for basic services in-network
- significant coverage for major services in-network

Plans start at just \$18.94 per month for single coverage. Single + 1 and family plans are also available.

While we are pleased to offer SingularDental, group dental plans offered through our brokers remain the mainstay of Delta Dental's product portfolio. □

BrokerUpdate is published for participating brokers. Story ideas and questions from readers are welcome. **Publisher:** Delta Dental® Plan of Minnesota. **Send questions or comments to:** Cathy Schmidtke, Editor, Marketing Communications, Delta Dental Plan of Minnesota, 3560 Delta Dental Drive, Eagan, MN 55122, E-mail: cschmidtke@deltadentalmn.org.