

DELTA DENTAL OF MINNESOTA

BROKER UPDATE



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PREDICTABLE OUTCOMES, CONSISTENTLY EXCELLENT RESULTS AMONG KEY REASONS TO CHOOSE DELTA DENTAL OF MINNESOTA

There's a lot to be said for predictability. Especially in business, where it can be the difference between meeting the needs of a client and watching them take their business elsewhere.

Predictability does not mean being rigid or lacking creativity when addressing issues. It means coming through time after time to meet high expectations – delivering on promises made, with no surprises.

Frankly, working together with all of our brokers and agents, *predictable outcomes and consistently great results* are among our top goals, especially in an overall benefits environment experiencing so much unpredictability. Here are just a few examples that illustrate how we're the predictable, consistent dental benefits choice for you and your clients:

Holding the line on rates

In a healthcare environment that's been experiencing double-digit cost inflation every year, we're fighting the trend. The article on page 3 provides details of an extremely low increase in our pooled rates for 2007, again positioning us as a premier option for groups of five to 199 employees.

Financial strength

A.M. Best has rated us A (Excellent) for the eighth consecutive year. Standard and Poor's has reaffirmed its AA- rating (Very Strong) for the eighth consecutive year as well. We remain among the highest rated dental plans in the country.

Outstanding networks, products and service


Your groups continue to have access to the largest networks in the state and nation, and these networks continue to grow larger by the month. Unique dentists, the true measuring stick for network size, number more than 2,600 throughout Minnesota. Members count on the predictability of knowing their dentist is almost sure to be in one of our networks.

Our products have been consistently strong yet we're finding ways to make them even stronger. As you'll read on page 4, in 2007, implant coverage will be included as a standard item for most Millennium Choice, Delta Dental PremierSM and Delta Dental PPOSM pooled groups. Implant coverage remains available as an option on large group plans (100+).

Last and probably most important, everything we do is rooted in a philosophy of predictably excellent service. The results show it's paying dividends. Thanks to you and your efforts, we're retaining nearly 99 percent of our customers year after year. We continue to exceed our new business goals and increase our market share.

There are plenty of other examples, but the point is clear: Delta Dental of Minnesota is there for you – and will be there for you and your clients – as we have been for more than 37 years.

Thank you for your business and your continued support of Delta Dental of Minnesota. We appreciate it!



Chris Earl
Chief Sales Officer
Delta Dental of Minnesota

DELTA DENTAL CONNECTSM ADDS A KEY RESOURCE TO ASSIST WITH POOLED GROUP BUSINESS



The Delta Dental Connect team is pleased to introduce to you our Broker and Small Group Market Specialist – Brenda Metcalf.

Brenda's significant expertise in the broker and small group market will be a tremendous asset for you and your clients. In fact, it's likely that many of you have worked with her in the past. She comes to us with 24 years of combined experience in a range of positions at Blue Cross and Blue Shield of Minnesota, most recently as a Senior Account Consultant with MII Life, Inc.

"I'm excited to join Delta Dental and the Delta Dental Connect team, not only because of the company's excellent reputation, but also to be a part of such a close-knit team that is so dedicated to excellent service," said Metcalf.

Brenda is based in our Twin Cities office but available for in-person meetings statewide to support small-group brokers and their pooled groups of five to 199 employees, specifically for:

- implementation meetings
- open enrollment meetings
- health fairs
- demonstrations of our broker rate calculator

"From recent survey feedback, we understand how important it is to add that personal touch to the sales process," said Metcalf. "That's the role I'll be serving, bringing an in-depth knowledge of our products to the table and being there for brokers and clients to help in any way I can. At the same time, I'll be reaching out to brokers for their suggestions and new ideas; we're always looking for ways we can improve our service."

To schedule a meeting with Brenda, or for any of your small-group needs, please contact Delta Dental Connect directly at 651-406-5920 or toll-free at 1-800-906-5250.

DELTA DENTAL OF MINNESOTA RECEIVES 2006 OUTSTANDING VENDOR AWARD FROM TARGET CORPORATION

Delta Dental of Minnesota was recently awarded Target Corporation's "2006 Outstanding Vendor Award," which recognizes outstanding performance and service levels to Target Corporation's team members. Delta Dental of Minnesota administers dental benefits for about 110,000 Target team members nationwide.

The Target vendor awards are meant to recognize vendors who demonstrate the values embraced by Target. During a recent survey of Target team members, 95 percent had a positive rating of Delta Dental of Minnesota's overall quality of service.

"We are honored to receive this recognition from Target," said Mark Moksnes, executive vice president of sales and marketing, Delta Dental of Minnesota. "Target is a market leader that sets the bar in corporate America, continuously delivering excellence in the retail industry. Delta Dental provides unmatched service to all our members and customers, and is constantly striving to achieve excellence in the dental industry."

Earlier this year, Delta Dental of Minnesota was awarded "Health Care Partner of the Year" from the Evangelical Lutheran Church in America's (ELCA) Board of Pensions, a similar award recognizing Delta Dental's superior service and commitment to excellence. Delta Dental was the first repeat winner of this award. Delta Dental of Minnesota administers dental benefits for almost 20,000 ELCA members nationwide.



RATE INCREASES OF FIVE PERCENT OR LESS ANNOUNCED FOR POOLED PLANS IN 2007

When it comes to price increases at renewal, clients hate surprises as much as the increase itself. We're doing our part to hold the line on rates with no big surprises – and as a result, your pooled group clients can expect dental premium increases of five percent or less for 2007. In fact, groups that have the Delta Dental PPOSM plan will see no rate increase.

These modest increases are in line with previous years and account for inflation in provider reimbursement rates, product enhancements and loss ratios.

“Rate increases are never a fun topic with groups, but we believe these reasonable increases help ensure predictability and stability for all groups in the future,” said Chris Earl, chief sales officer. “It’s about being a viable, competitive option for you and your groups, not just in the short term,

but over the long term. Our track record certainly demonstrates that with everything we bring to the table, we continue to be the best value in the market.”

Delta Dental of Minnesota 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% 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.

2007 RATE INCREASES – POOLED PLANS

Delta Dental PPOSM Program – 0%

Delta Dental PremierSM Program – 4%

Millennium Choice – 4%

Voluntary Programs
Dental Flex – 4%
Discover – 5%



NEW FOR 2007 – POOLED GROUP MARKETING BROCHURES

You've heard about (and seen) our new brand in various places, including the design of this newsletter. We're pleased to let you know this look will carry forward to our pooled group brochures in 2007. Request a packet of brochures by contacting the Delta Dental Connect team – 651-406-5920 or 1-800-906-5250. Or check out the brochures at www.deltadentalmn.org.

DELTA DENTAL COVERS IMPLANTS

Delta Dental of Minnesota's pooled dental plans will include coverage for implants beginning Jan. 1, 2007. Implant coverage is being added to all employer-paid pooled plans that offer major coverage – it will not be included in DeltaCare, voluntary or preventive-and-basic-only plans.

“We’re adding this benefit to our new business plans and also to our inforce groups,” said Chris Earl, chief sales officer. “We believe part of the reason we're the leader in the Minnesota dental marketplace is that we don't only look at what sells, but also at what makes sense going forward for our existing customers.”

To ensure the implant is covered based on the individual's oral health condition and our policy provisions, we strongly recommend that dentists submit a pre-estimate request before performing an implant.

“Implants are automatically included in our pooled plans as of the new year, and coverage is included in our rates rather than added as a surcharge,” said Earl. “For individually rated plans, we will continue to design benefits and pricing based on the customer's specific requests.”



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

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