

Dental in Depth

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New Year's rolled in with a resounding recessionary thud, unlike the economic boom of years past, presenting brokers with new challenges as well as continued opportunities. For brokers, the New Year can be an adrenaline let down – even in flush economic times – after the frenetic, open-enrollment season. Still, now is an opportune time to re-

evaluate sales, retention, relationship building and engagement strategies.

To help brokers better position themselves for 2009, and enhance and augment their sales efforts, Delta Dental is arming brokers and consultants with information gleaned from its biennial “Brand Awareness and Perception Study” of employee

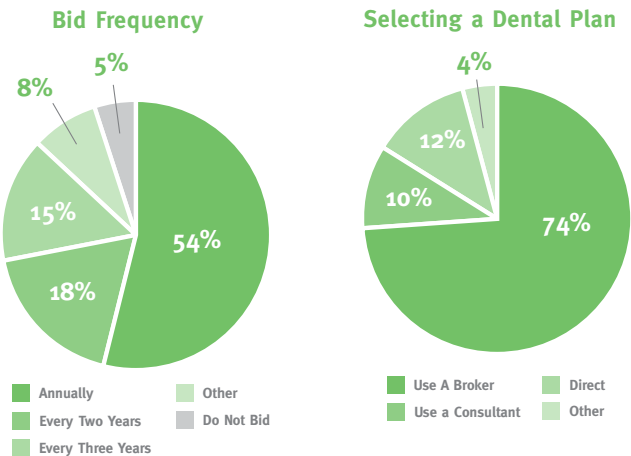
benefits decision makers, employed consumers ages 25 to 55, practicing dentists and producers. The study was conducted by The Long Group.¹

The study shows Delta Dental is a powerful brand, maintains a favorable reputation advantage among each key constituency surveyed and reveals the following about dental benefit market opportunities.

Employee benefits decision makers' attitudes about dental benefits present opportunities and risks for brokers and consultants.

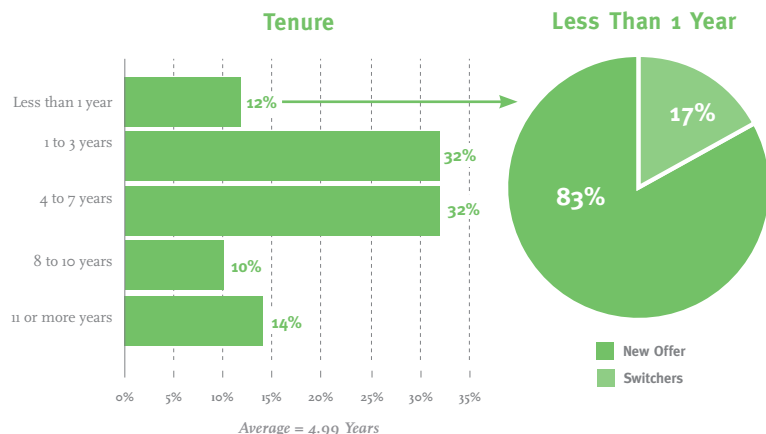
- Approximately half of the firms surveyed have, at some time, switched dental benefits carriers. Delta Dental possesses retention strength well above the market average.
- Bid frequency offers market share development opportunities and risks as approximately 70 percent of firms with at least 100 employees bid their dental benefits in a typical year.²
- Approximately five in six (84 percent) of benefits decision makers at firms with at least 100 employees use a broker or consultant to select their dental plan. Benefits decision makers that use a broker bid their dental benefits more frequently.
- Firms with at least 100 employees keep the same dental benefits carrier for an average of five years. However, 44 percent have had the same carrier for three years or less and 12 percent of these firms established a new dental carrier relationship within the last year.
- Among those that established a new dental carrier relationship in the last year, 2 percent offered a first-time dental benefit to their employees, providing a sales opportunity for brokers.
- Accordingly, those that switch carriers are responsible for approximately 83 percent of all new carrier relationships established, which represents both sales and retention opportunities and risks.

Benefits Decision Makers



Source: The Long Group (2008)

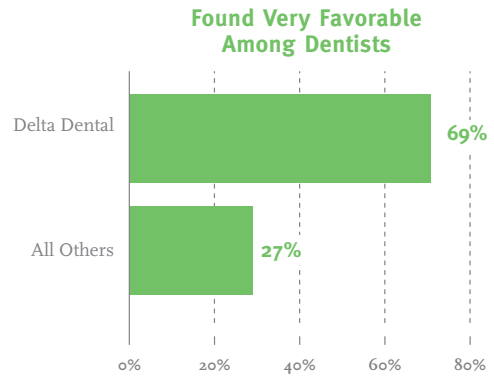
Benefits Decision Makers



Source: The Long Group (2008)

Leverage dentists' favorable views of Delta Dental with clients.

- Dentists view Delta Dental two and a half times more favorably than competing brands.
- Delta Dental works with dentists more frequently than all other carriers combined and is the brand dentists think of first.
- Delta Dental outperforms the competition and is viewed by dentists as a superior carrier with demonstrated strengths in reliability and responsiveness.



Source: The Long Group (2008)

Consumers view Delta Dental more favorably than any other brand.

- The Delta Dental brand maintains a position of leadership with consumers, as one in four thinks of the Delta Dental brand first.
- One third of consumers know the Delta Dental brand on an unaided basis, which is far above competitors.
- Among consumers with dental benefits, Delta Dental is the established leader, covering more than any other brand.
- Due to the economic downturn and layoffs occurring daily, consumers present an opportunity for individual dental benefits sales, as approximately half of Delta Dental member companies market an individual dental plan.
- Consumers view Delta Dental's pricing as a strength of the brand.

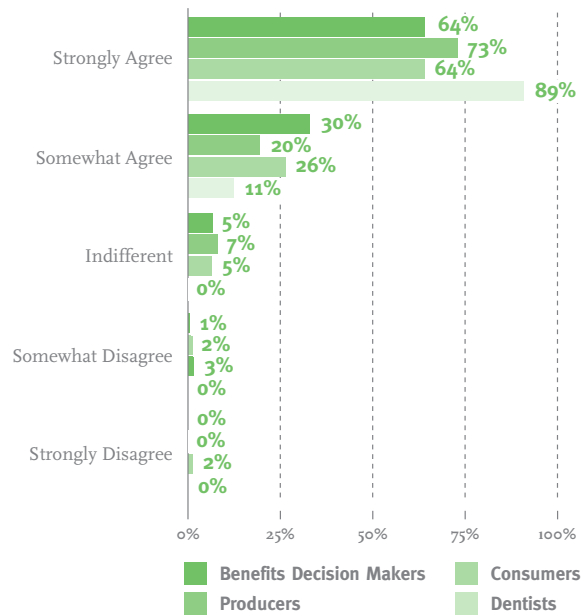
Brokers and consultants consistently go to Delta Dental.

- **Top of mind:** Delta Dental is the brand one in two producers think of first.
- **Unaided awareness:** Three in four producers know Delta Dental without prompting, which is significantly above its competitors.
- **Recommend most frequently:** Brokers recommend Delta Dental more frequently than any other dental carrier.
- **Request for Proposal:** Producers consider Delta Dental an RFP finalist more frequently than any other dental benefits carrier.

Benefits Decision Makers, Brokers, Consumers and Dentists Connect Oral Health and Overall Health

Medical research has demonstrated an association between the oral health of an individual and an individual's overall health. These medical findings are reinforced by the attitudes of benefits decision makers, brokers, consumers and dentists. The study reveals that the majority of each constituency "strongly agrees" that there is connection between oral and overall health. Dentists hold this opinion most strongly, followed by brokers.

Oral Health Affects Overall Health



Source: The Long Group (2008)

¹ The Long Group conducted random 18-minute telephone interviews with employee benefits decision makers at businesses with 100 or more employees, employed consumers ages 25 to 55, producers and practicing dentists all within the 25 largest dental benefits states.
² Approximately 70 percent includes the 54 percent that bid annually, half of the 18 percent and one-third of the 15 percent.