2014

Another Year of Healthy Smiles
Helping improve oral health and wellness is at the heart of our business. We’ve tried to make dental benefits easy – through exceptional service, quick and accurate claims payments, providing the most in-network dentists, and making coverage affordable for companies and their employees.

We strive to be different because we believe what makes us different is what makes us better.

**Different is ...**
- An insurance company with national reach, focused on helping Wisconsin businesses and individuals.
- Delta Dental representatives answering phones and getting customers the information they need quickly – typically on the first call.
- Supporting research that has the potential to dramatically improve oral health and wellness.
- Extending access to oral healthcare to undeserved communities throughout Wisconsin.

**Better is ...**
- Being rated No. 1 in the state by insurance agents year after year for our great service, prompt claim payments, competitive pricing, and ease of doing business.
- Award-winning customer service provided by Delta Dental’s experienced staff.
- More places to save money on dental procedures courtesy of the largest dentist networks.

For individuals, families, small employers or large, there is a Delta Dental Difference for everyone.
At Delta Dental of Wisconsin, we are passionate about oral health and its impact on future generations. For more than 50 years, we have made it part of our mission to maintain healthy communities and improve oral health.

Though our Charitable Fund, we partner with philanthropic programs across the state to help improve access to dental care and raise awareness of the importance of oral health.

Why is this mission so critical?
• Dental pain is the #1 reason children miss school
• According to Medicaid data, Wisconsin ranks one of the lowest in the nation for enrolled children receiving any dental treatment or services

Supporting Smiles
Providing dental insurance is one way we can improve the oral health of individuals in Wisconsin. But what about people who can’t afford dental insurance or don’t have access to dental care? We believe everyone deserves good oral health.

For that reason, we support not-for-profit-dental programs that are committed to serving the needs of low-income patients. In the past two years, Delta Dental has provided major grants or startup funding to 23 safety net dental clinics across the state. Our involvement doesn’t stop there. We also support statewide efforts including:
• A partnership with Marquette University School of Dentistry to support their expansion, scholarships, fellowships, and other programs which help ensure Wisconsin’s dental workforce for generations to come.
• A collaboration with Marshfield Clinic Research Foundation to fund oral and systemic health research to improve dental and overall health outcomes.
• Delta Dental’s Prevent Abuse and Neglect through Dental Awareness (P.A.N.D.A.) program which enlists dentists in the fight against child abuse.
• Annual support of the Wisconsin Dental Association’s Mission of Mercy, which provides free dental services to those otherwise unable to obtain care in a selected community over a two day period.

1 in 5 third graders in Wisconsin have untreated tooth decay.
Wisconsin received an A grade from Pew Charitable Trusts for our sealant program - one of only five states in the nation to claim the rating.

Seal-A-Smile
Wisconsin is fortunate to have one of the most comprehensive school-based sealant programs in the country. Delta Dental of Wisconsin has been partnering with the State to jointly fund Seal-A-Smile, which is collaboratively administered by Wisconsin Department of Health Services and Children’s Health Alliance.

The program helps prevent tooth decay and promote good oral health by providing children with school-based oral exams and, when needed, fluoride varnish and sealants at no cost to parents or caregivers. Seal-A-Smile provides oral health education to 48,000 students and places sealants on the teeth of more than 24,000 children annually. Dental sealants are a well-accepted clinical intervention shown to prevent 70 percent of tooth decay.

PERCENT OF HIGH RISK SCHOOLS WITH A DENTAL SEALANT PROGRAM
Delta Dental of Wisconsin doesn’t have just one network – we have two dentist networks for our members to choose from. More than 90 percent of Wisconsin dentists and more than three-fourths of dentists nationwide are members of the Delta Dental Premier network, making it the largest dentist network in Wisconsin and nationwide. The Delta Dental PPO network is more exclusive and offers greater cost savings.

By leveraging the Delta Dental Premier and Delta Dental PPO networks, we can offer customers more choices, better accessibility, and lower out-of-pocket costs for their dental benefits.

Delta Dental administers dental benefits for more Wisconsin companies than any other insurance carrier, so dentists who join our networks have direct access to the largest pool of consumers seeking quality oral healthcare. Delta Dental is proud to have the industry’s highest level of dentist satisfaction. Year-over-year, we receive high marks from dentists for personal service, flexibility, and claims processing and payment.

Our large networks mean:

- Members enjoy the greatest cost savings and have the widest selection of dentists.
- Employers are assured that dental coverage is affordable and convenient for employees.
- Dentists have a marketing vehicle for patient growth when our members seek in-network providers.

<table>
<thead>
<tr>
<th></th>
<th>Delta Dental PPO Network</th>
<th>Delta Dental Premier Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique Dentists</td>
<td>1,447</td>
<td>3,035</td>
</tr>
<tr>
<td>Access Points</td>
<td>2,374</td>
<td>4,637</td>
</tr>
<tr>
<td>Wisconsin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nationally</td>
<td>99,061</td>
<td>151,656</td>
</tr>
<tr>
<td></td>
<td>265,000</td>
<td>349,844</td>
</tr>
</tbody>
</table>
At Delta Dental, our dentists, employers, and consumers know they can come to us for our personalized service, comprehensive products, and extensive networks. We strive to give everyone the attention and service they deserve.

Whether it’s taking care of claims quickly and accurately or answering questions on the first call, we give our customers our personal best. Dental practices and members enjoy working with Delta Dental because of our extensive knowledge and commitment to customer service.

Our performance in key service areas often averages:

**Claims Processing**
- Average Claim Turnaround: 2.05 days
- Total Number of Claims Processed: 2,975,098

**Client Service**
- Calls Answered: 624,015
- Average Phone Response Time: 21 seconds
- Inquiries Resolved on First Call: 98.73%
- Abandoned Call Rates: 1.90%

**Financial Accuracy**
- Financial Accuracy Rate: 99.91%
- Total Dental Claim Dollars Paid: $482,536,229
IT ALL ADDS UP TO HEALTHIER SMILES.

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Subscribers</td>
<td>711,660</td>
<td>744,579</td>
<td>▲ 4.6%</td>
</tr>
<tr>
<td>Payment to Subscribers (Claims Incurred)</td>
<td>$454,600,652</td>
<td>$482,536,229</td>
<td>▲ 6.1%</td>
</tr>
<tr>
<td>Revenues (Earned Premium + Administrative Income)</td>
<td>$511,411,301</td>
<td>$543,406,499</td>
<td>▲ 6.3%</td>
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<tr>
<td>General Reserves (Plan Equity)</td>
<td>$155,335,634</td>
<td>$163,937,512</td>
<td>▲ 5.5%</td>
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</tbody>
</table>

Data presented represents dental group business (excluding Tricare)

Total Claims Paid

Total Subscribers
### Consolidated Result of Operations

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2013</th>
<th>2014</th>
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</thead>
<tbody>
<tr>
<td>Premium and Administrative Income (After Reinsurance)</td>
<td>$528,325,862</td>
<td>$564,872,064</td>
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<tr>
<td>Claims Incurred (After Reinsurance)</td>
<td>$467,782,381</td>
<td>$502,951,185</td>
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<tr>
<td>Investments and Other Income</td>
<td>$7,332,916</td>
<td>$6,411,249</td>
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<tr>
<td>Public Benefit Funding</td>
<td>$2,642,585</td>
<td>$3,111,411</td>
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### Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, Cash Equivalents, and Invested Assets</td>
<td>$168,375,602</td>
<td>$177,770,127</td>
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<tr>
<td>Other Assets</td>
<td>$18,422,415</td>
<td>$19,570,599</td>
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<tr>
<td>Total Assets</td>
<td>$186,798,017</td>
<td>$197,340,726</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims and Claim-Adjustment Expenses Unpaid</td>
<td>$9,741,262</td>
<td>$8,933,012</td>
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<tr>
<td>Other Liabilities</td>
<td>$21,721,121</td>
<td>$24,470,202</td>
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<tr>
<td>Total Liabilities</td>
<td>$31,462,383</td>
<td>$33,403,214</td>
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<table>
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<tr>
<th>Plan Equity</th>
<th>2013</th>
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<td>Total Liability and Plan Equity</td>
<td>$186,798,017</td>
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Delta Dental is a registered mark of Delta Dental Plans Association. Delta Dental of Wisconsin is an independent not-for-profit dental services company and is an authorized licensee of Delta Dental Plans Association of Oak Brook, Illinois. Data presented represents sum of Delta Dental of Wisconsin business.
BOARD MEMBERS

BOARD CHAIR
Charles Nason
Retired CEO
Worzalla Publishing
Stevens Point, WI

PRESIDENT AND CEO
Dennis Brown
Delta Dental of Wisconsin
Stevens Point, WI

BOARDS MEMBERS
David Bretting
President & CEO
Bretting Manufacturing
Ashland, WI

Dr. Monica Hebl
Dentist
Burleigh Dental
Milwaukee, WI

Dr. Timothy Kinzel
Dentist
Children’s Dental Center of Madison, S.C.
Middleton, WI

Vincent Lyles
President & CEO
Boys & Girls Clubs of Greater Milwaukee
Milwaukee, WI

Karen Ordinans
Executive Director
Children’s Health Alliance of Wisconsin
Milwaukee, WI

Christopher Queram
President & CEO
Wisconsin Collaborative for Healthcare Quality
Stoughton, WI

Eugene “Pepi” Randolph
Senior Vice President – Business Development
Plunkett Raysich
Glendale, WI