We are proud and grateful to once again be selected the state’s #1 dental plan by the Business Journal of Arizona, for nine years in a row. We’re delighted more people from more companies, both large and small, as well as individuals and families, have chosen Delta Dental of Arizona to be their dental plan. A special thank you goes out to our brokers who have supported us over the years, and will continue to help us serve our groups and members to help us reach our goal for next year, #1 for 10 years in a row!
NEW PRODUCTS FROM DDAZ: Benefit Carryover Allowance

Maximum Rewards for Maximum Benefits
Members who pay attention to their oral health traditionally have to leave unused annual maximums behind. With Delta Dental of Arizona’s Benefit Carryover Allowance (BCA), a portion of the member’s unused annual maximum is placed in a special BCA account and can be used in future years. This option offers enrollees more flexibility and helps them if they need more extensive and costly dental treatments later.

For those who qualify, up to $500 of the unused annual maximum will rollover into an account for the following benefit year. Below is a summary of how the plan works:

- Member must be eligible for benefits for entire Benefit Accumulation Period (BAP 12 months)
- Member must have one claim processed during BAP that is paid to allow for BCA dollars to carryover to the next BAP period
- Maximum annual rollover amount is $500
- Any benefit subject to a separate lifetime max is not eligible for BCA benefit (i.e. orthodontics, TMJ, etc)
- Member must be covered for one year with benefit waiting periods satisfied

Preventative Plan
The preventative plan option is well suited for both the small and large markets. It provides focused coverage for those with specific needs. The plan not only includes coverage for preventive care such as routine exams and x-rays, but also provides coverage for basic services including fillings and stainless steel crowns. This plan design was modeled to fit alongside FSA, HSA and HRA plans, but also can be purchased as a stand alone plan or dual choice plans. It is available in a variety of plan options, has a generous annual maximum and affordable monthly rates.

DeltaVision

DeltaVision’s Role in Overall Health
A relatively low cost benefit, DeltaVision is an integral part of health care and wellness programs. Regular eye exams can be used to monitor employees’ health, possibly reducing long-term medical costs.

Designed Around Your Needs
Employers will appreciate the variety of plan options that are available, and can be designed to meet your group and budget needs.

Value for Current and Future Employees
An attractive benefits package is the key to attracting and retaining good employees. A comprehensive and affordable vision program complements your benefits package and demonstrates your company’s desire to promote a healthy workplace.

FSA Plans Now Available
Southwest Benefit Administrators, a wholly owned subsidiary of Delta Dental of Arizona, is excited to announce the availability of our new FSA Plans. FSA plans allow employers and employees to save money with pretax savings. Sometimes referred to as Section 125 plans or cafeteria plans, Flexible Spending Accounts let employees set aside a portion of each paycheck into an account — before paying taxes. We provide two options to help you take advantage of these savings:

- Flexible Spending Account (FSA) with Healthcare & Dependent Care Reimbursements
- Premium Only Plan (POP) Document

The IRS allows your employees to have a payroll deduction (before taxes) deposited into a special account to pay for two types of expenses not covered by their vision, dental or medical insurance.

Health Care Reimbursement Account
The participant can use the account to pay for over-the-counter medicines, co-pays or co-insurance at the doctor, dentist or pharmacy, chiropractic care, eyeglasses, contacts, LASIK, orthodontics, prescribed weight loss programs, smoking cessation programs, dental expenses and more.

Dependent Care Reimbursement Account
Pretax dollars can be used for child day care, nursery school or adult day care expenses. Qualified expenses include nannies, baby sitters, housekeepers and nurses fees for services provided in the home to care for dependent adult or children under age 13. The cost of pre-K or nursery school, before and after school care, and day camp also qualify.

Premium Only Plan
A Premium Only Plan (POP) allows employees to pay for their share of the premium with before-tax dollars. In other words, the money used to pay for those premiums is never taxed.

For questions on our FSA plans, please contact us at:
602.588.3972 • 888-651-3029 • www.swbenefit.com
All Dental Plans are Not Alike

Well, 2008 is off and running and I hope all of you are looking back at the gifts, cookies and family visits with fond memories. Now, onward and upward. As this is the first broker newsletter in quite sometime, let me start by thanking you for everything you have done for Delta Dental of Arizona in the past and I am looking forward to building stronger partnerships with each of you in the future.

Due to the challenges of medical coverage, the discussion of dental insurance may get put at end of conversations with clients and prospective clients. However, good oral health is vital to over-all health, and therefore dental insurance should be in the forefront of conversations with your clients. In order to help your discussions go smoother, here are a few suggested talking points to help differentiate Delta Dental, as “all dental plans are NOT alike”:

- Delta Dental has the largest nationwide and local network. No other carrier represents the rural areas of our state like we do…nobody.
- We are local and therefore have local customer service where all our representatives are crossed trained, saving you and your clients time. In our call center, we always strive for “one and done”.

In addition to our two cleanings a year, we offer a special third cleaning for individuals with special needs including those with diabetes, suppressed immune systems, organ transplant recipients and women in their third trimester of pregnancy.

- Fluoride treatments are available up to age 18 and sealants to age 19, which exceeds most carriers age limitations.
- Implants are also covered and we proudly offer a missing tooth clause so individuals are not penalized for a pre-existing condition such as a missing tooth.

These are just some of the points we feel are important when helping your clients select a dental carrier. In closing, I would like to wish you all a successful 2008 and remember Delta Dental of Arizona is here to give you one less thing to worry about when it comes to taking care of your clients.

Best wishes,

Gary Feldman
Vice President, Sales

CLAIMS STATISTICS

- Claims internally processed in less than 5 business days, from the date received
- Predetermination processed internally within 6 business days
- In 2007 we processed 656,333 claims
- Approximately 27,768 paper claims are processed every month
- Approximately 27,862 electronic claims are processed every month
- Year to date financial & payment accuracy is 99.87% & 99.70% respectively
- In 2007 we paid $110,722,843 in dental claims

CUSTOMER SERVICE STATISTICS

MEMBER LINES:

- More than 65,788 customer service calls were answered, in 2007
- Our current on-hold wait time is approximately 17 seconds (compared to 52 seconds in 2006)

PROVIDER LINES:

- More than 99,587 provider relations calls were answered, in 2007
- Our current on-hold wait time is approximately 16 seconds (compared to 34 seconds in 2006)
Broker Check-Up

Sales Staff Directory

<table>
<thead>
<tr>
<th>Contact Person</th>
<th>Title</th>
<th>Phone:</th>
<th>Email:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gary Feldman</td>
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<tr>
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</tr>
</tbody>
</table>

Broker Hotline       602-588-3606
Toll Free Broker Line 888-651-3080
Toll Free Sales Line  888-267-6453

- Instant quotes
- Dentist Search
- The Delta Dental Difference
- Document Download

All available on our Broker Connection at: www.deltadentalaz.com

Once again Delta Dental of Arizona is the Number 1 dental benefit plan in Arizona, according to the 2008 Business Journal’s Book of Lists, Ranking Arizona and Arizona Women Who’s Who in Business.

We’ve Moved

It’s official, we are all moved into our new corporate facilities in Glendale, Arizona. If you haven’t already done so, please update your records with our new street address:

5656 W. Talavi Boulevard
Glendale, AZ 85306
www.deltadentalaz.com

Please note:
Our P.O. Box address and phone numbers have not changed.

2008 Calendar

Please note our office will be closed the following dates:
Monday, February 18
Monday, May 26
Friday, July 4

Broker Check-Up Schedule:
January - Winter • May - Summer • September - Fall