By all accounts, 2015 was a bright year for Delta Dental. Thank you for your support of our mission to be the dental benefits company of choice in the markets we serve.

Our dedicated employees focused on providing high-quality service to our customers, growing our business, building our networks of participating dentists and improving oral health.

In sales, we added more than $236 million in new business in 2015, increasing our total number of subscribers to 4.38 million in Michigan, Ohio and Indiana.

In 2015, we achieved a 98 percent customer retention rate, which speaks volumes about the quality of our company and the service we provide. Also in 2015, we were proud to maintain our ISO 9001 Quality Certification, as well as our A.M. Best rating of “A” for financial strength.

Our customer service call center was named Call Center of the Year for medium-sized call centers from BenchmarkPortal—an award that makes us all proud. Also in 2015, we began a major remodel of our Farmington Hills, Michigan, office, where our call center is located.

After we formed financial subsidiary Red Cedar Investment Management LLC in 2014, this SEC registered investment adviser continued to grow and build on its foundation in 2015. Red Cedar continues to evaluate potential strategic partnerships to expand its existing services and reach.

Dewpoint, our information technology solutions company in Lansing, Michigan, worked in 2015 on marketing our claims system and data center capabilities to other Delta Dental companies and outside organizations.

In 2015, we continued our dedication to improving oral health in the communities we serve, and we continued in our role as strong advocates for sound oral health policy at the state and federal levels.

The Healthy Kids Dental program for Medicaid-eligible children, administered by Delta Dental in partnership with the Michigan

In 2015, the value that Delta Dental provided translated into a 98 percent customer retention rate.

Further, most of our clients have been with us for at least five years—with nearly one in three clients with us for at least 10 years.

Our TriState sales team brought in more than $236 million in new business in 2015. We added more than 563,000 subscribers in 2015, bringing our total number of subscribers to 4.38 million in Michigan, Ohio and Indiana.

Our ongoing, positive relationships and the respect we’ve earned over the years allow us to demonstrate Delta Dental’s overall value to customers in a competitive market. Savings to groups and their employees, excellent customer service, accurate claims processing, benefit consulting, and research and development all help to keep our customers coming back year after year.
Department of Health and Human Services, was expanded into the final three Michigan counties for children ages 0–12 in 2015, and now delivers dental care to about 800,000 Michigan children in all of the state’s 83 counties.

We deeply appreciate the support of our customers, business partners, participating dentists and board members in our three states in 2015. We also thank our employees for their dedication and commitment to making Delta Dental number one in the marketplace.

It was an excellent year for the company, and the future continues to look bright.

Laura L. Czelada, CPA
President and Chief Executive Officer

Bruce R. Smith
Chairman of the Board of Directors

ADVANCING RESEARCH

As the research and development arm of the company, Delta Dental’s Research and Data Institute continued to work toward improving oral health and reducing health care costs in 2015.

The institute, through its Research and Development Committee, evaluates products, services and technology in the marketplace and mines data from Delta Dental’s massive claims database for product development, cost reduction, improvement of oral and overall health, and fraud and abuse detection.

The company also provides funding to support research focused on oral health and the use of biotechnology and genetic tools for cutting-edge diagnosis and treatment of diseases.

Nationwide, support for research related to oral health lags behind research for other health issues. Through our Research and Data Institute, we are able to apply our data and scientific findings to ensure our customers and members exceptional coverage that improves their oral and overall health and maximizes benefit dollars.
FOCUSING ON QUALITY

In 2015, we proudly maintained our ISO 9001 Quality Certification for the 13th consecutive year. This certification demonstrates our commitment to serving the needs of our customers and strengthens our dedication to quality and innovation.

Satisfaction is high with members, dentists and dental office staff, according to survey results. In 2015, 96 percent of members said they are satisfied with Delta Dental and would recommend us to others. Among dentists, Delta Dental is consistently rated number one—averaging 37 percent higher than the next highest rated competitor.

In 2015, we were proud to maintain our A.M. Best rating of “A” for financial strength. Also in finance, our financial subsidiary, Red Cedar Investment Management LLC, an SEC registered investment adviser, continues to grow its asset base and build on the foundation established in its first full year of business.

Delta Dental understands the importance of great customer service. In 2015, our call center won Call Center of the Year for medium-sized call centers from BenchmarkPortal.

Our average speed of answer for customer service calls was 13 seconds, and 99.9 percent of inquiries were resolved on first contact. In addition, our online Toolkits for members, dental office staff, producers and customers provide easy ways to obtain information at any time.

ADVOCATING FOR ORAL HEALTH

Throughout 2015, we continued our role as strong advocates for sound oral health policy at the state and federal levels.

The Healthy Kids Dental (HKD) program, a Medicaid partnership with the Michigan Department of Health and Human Services, expanded into the final three Michigan counties in the fall of 2015. Now children in every county in the state who are enrolled in Medicaid have increased access to dental care.

HKD delivers dental care to about 800,000 Michigan children in all of the state’s 83 counties, and the program’s record of success has generated interest across the country. The American Dental Association named Michigan’s HKD program one of five national models for improving access to dental care for low-income populations.

Also in 2015, Delta Dental continued our involvement in Michigan’s Medicaid expansion program, the Healthy Michigan Plan (HMP), which improves access to medical and dental care for low-income Michigan residents ages 19 to 64.

HMP provides dental benefits to increase access to care for low-income populations who do not qualify for the traditional Medicaid program. Delta Dental administers HMP dental benefits for about 340,000 members.
ENHANCING TECHNOLOGY

As Delta Dental’s business grows, technology continues to be an essential component in ensuring delivery of first-class service to both internal and external customers. Utilization of best-in-class hardware and software, along with skilled staff in the deployment of quality systems, is our focus.

Our industry-leading technology platform, Enterprise Technology Solution (ETS), has been internationally recognized as providing the best in fast, flexible service, including online, real-time claims processing.

Conversion of Delta Dental of Arkansas to ETS was completed in the fall of 2015. Now our eight affiliated Delta Dental plans—Arkansas, Indiana, Kentucky, Michigan, New Mexico, North Carolina, Ohio and Tennessee—all operate on the same ETS platform. Leveraging the expertise of Dewpoint, our information technology solutions company, we continue to identify opportunities to market our claims system and data center capabilities to other Delta Dental companies and outside organizations.

In 2015, a combination of Delta Dental business and technology groups embarked on a major initiative to develop the next generation claims platform to prepare for the future. This essential modernization project is a large undertaking that will require a major investment of both financial and human resources.

INSPIRING BRIGHTER FUTURES

Brighter Futures is Delta Dental’s initiative to improve the oral and overall health and well-being of children and adults through education, advocacy and philanthropy.

A major focus is our dedication to improving children’s oral health and literacy. Also central to Brighter Futures is the work we are doing to advance our seven public policy priorities.

Brighter Futures Public Policy Priorities:
1. Expand the Healthy Kids Dental program throughout Michigan.
2. Make a dental assessment part of the requirements for starting kindergarten.
3. Ensure that pregnant women understand the importance of and have access to dental care.
4. Provide high-quality oral health education for children pre-K through elementary school.
5. Make oral health care more accessible, especially for at-risk populations.
6. Raise awareness regarding the advantages of reducing consumption of sugar-sweetened beverages and drinking water instead.
7. Support science-based programs, such as sealant programs and community water fluoridation efforts, to prevent oral diseases.
EXCEEDING GOALS

COMBINED FINANCIAL RESULTS¹
(as of December 31)

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<tr>
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<th>2015 (000s omitted)</th>
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<tbody>
<tr>
<td>Total Assets</td>
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<tr>
<td>Capital and General Reserves</td>
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<td>Total Revenues</td>
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<td>Total Benefits and Expenses</td>
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<tr>
<td>Operating Income</td>
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</table>

2015 Operational Results¹
Claims Processed ............... 22.2 million
Claims Processed within 10 Working Days .................. 99.0 percent

2015 Cost Management Results¹
Submitted Charges ............... $7.8 billion
Paid Charges ............... $3.3 billion
Total Cost Management Savings ...... $4.5 billion
  The Delta Dental Difference® ...... $1.5 billion
  Other Savings ............... $3.0 billion

2015 Coverage Results¹
Total New Business ............... $330.9 million
Total Covered People ............. 14.1 million
2015 SERVICE ACCOMPLISHMENTS

Call Center Results
Average Speed of Answer .................. 13 seconds
Inquiries Resolved on First Contact .......... 99.9 percent

Customer Satisfaction Results
Business Renewal Rate ..................... 98.2 percent
Implementation Grade Point Average ........ 4.0 on a 4.0 scale

Member Satisfaction Results
Overall Satisfaction with Delta Dental’s Service ...................... 97.2 percent
Would Recommend Delta Dental to Others .................. 96.1 percent

1. Combined financial, operational, cost management and coverage results are for Renaissance Health Service Corporation and affiliates, which include Renaissance Health Service Corporation; Renaissance Life and Health Insurance Company of America; Renaissance Health Insurance Company of New York; Renaissance Holding Company and subsidiaries; Delta Dental Plan of Michigan, Inc. and subsidiaries; Delta Dental Plan of Ohio, Inc.; Delta Dental Plan of Indiana, Inc.; Delta Dental Plan of Tennessee, Inc.; Delta Dental Plan of Kentucky; Delta Dental Plan of New Mexico; Delta Dental Plan of North Carolina; Delta Dental Plan of Arkansas, Inc.; and Delta Dental Fund. Delta Dental is a registered trademark of the Delta Dental Plans Association. The Renaissance trade name and marks are owned by Delta Dental Plan of Michigan, Inc. and are not sponsored or endorsed by the Delta Dental Plans Association.

2. Service accomplishments are for Delta Dental of Michigan, Ohio, and Indiana as of December 31, 2015.

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