

2020: Unstoppable.

“You can either go through a crisis or **grow** through a crisis.”

– Goran Jurkovic, President and CEO

Prepared, purposeful and unstoppable in 2020

Delta Dental of Michigan, Ohio, and Indiana has thrived over our 64-year history because we are prepared, and we are purposeful.

In 2020, the global pandemic, polarizing political climate and civil unrest tested our company on every level. We faced daily stress and constant unknowns.

And we passed every test.

We seamlessly flipped the remote work switch in March and protected the health, safety and productivity of 1,200 staff members in all three states. Instead of losing touch with one another we intensified communications and became even more responsive to and engaged with our colleagues.

Our customers faced many of the same challenges that we did during these unprecedented times. We are very proud of the fact that 99.2 percent of our customers remained with Delta Dental. We are just as proud of the fact that a stunning number of high-profile new ones selected Delta Dental against some of the toughest competition we have seen.

In 2020, we added \$121 million in new business, including covering an additional 192,000 lives, and met rigorous customer service goals.

Our communities needed help, and we were there. We stepped up our corporate and foundation giving so that safety-net dental clinics and basic needs nonprofits could meet overwhelming demand for help, and so that our customers and providers could receive much-needed relief.

Because we were united and strong, we could do more than survive the difficult year. We could focus on strengthening and securing the company for the years ahead.

Key to that was building Strategy, our new strategic plan focused on growth, talent and innovation. The plan is unique in that it is not bound by time, engages everyone in the company, and will evolve as market and industry forces require.

We scored important victories on our legislative agenda, making pre-K dental screenings more likely to happen in Michigan and increasing access to clean drinking water in new schools built in Ohio.

We established IDEA (Inclusion, Diversity and

Equity through Advocacy), an internal grassroots initiative to ensure that all Delta Dental employees feel valued and included, and to influence external corporate giving and community engagement.

These accomplishments and many more stand as a testament to the durability of our company, and the talent and commitment of our employees. We were unstoppable in 2020, and we believe that is a harbinger of great things to come.

We look forward to becoming an even more powerful force for good in our industry and in our communities. ■



Kelly Scheiderer, RHIA, MHA, Chair of the Delta Dental of Michigan Board of Directors, and Goran Jurkovic, CPA, CGMA, President and CEO of Delta Dental of Michigan, Ohio, and Indiana



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Our employees are why we're here. They are why we're the leader in our market and why people want to engage with us. We have a great employee base now, and it's incumbent on us to make sure we retain that base while also building and attracting the next level of employees and leaders in the organization.

Goran Jurkovic

*President and CEO
Delta Dental of Michigan, Ohio, and Indiana*

Redefining *together*

No one knew what to expect when the pandemic hit hard in our three states.

Although our mailrooms in Michigan stayed open, the rest of our buildings in Michigan, Ohio and Indiana closed by March 19, 2020, sending nearly 1,200 staff members to work from home.

Delta Dental staff quickly learned new ways to keep our business thriving as we redefined what it meant to work together.

We knew we needed to collaborate more, even though we were physically far apart. Working from home meant equipping staff with laptops, doubling internet bandwidth for VPN connections and creating a second VPN to accommodate IT network traffic.

Our internal communications skyrocketed. Video became king, as recordings from senior executives, greetings among departments and employee stress-buster videos maintained the human touch. We introduced a company mobile app for another layer of connection. And traditional in-person events like lunch

and learns and book club meetings went virtual with increased attendance.

“Working through 2020 taught us important lessons about our employee community, how much we depend on each other, and the creative ways we can remain connected and grow,” said Barbara Chovanec, manager of corporate culture and communications. “We had stressful and challenging times, no doubt, but working from home also has been a gift to so many employees. Every day I'm impressed with how adaptive and innovative our Delta Dental family has been.” ■



Setting our STRATEGY

As our executive team navigated 2020 and looked to the future, they recognized the need for a strategic plan that was as adaptable and driven as our workforce.

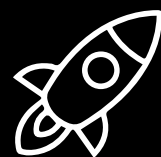
They developed, debated and refined Strategy, the new strategic plan for Delta Dental of Michigan, Ohio, and Indiana. Undefined by time, Strategy will grow with the company and serve as a guide and inspiration for years to come. It is structured by three key pillars:



grow



attract
& retain



innovate

"This strategic plan is intended to build upon Delta Dental's already strong foundation in order to prepare for future challenges and ensure continued success," said Sue Jenkins, senior vice president, chief administrative officer and chief legal officer. "Reaching our goals will require great effort and dedication from all employees."

The plan challenges staff to dream big. Aspirations and metrics can grow and may change year to year as we accomplish goals, when the market forces shift, when opportunities emerge or when the unexpected happens. ■

strategy.

Employees LEAD the way

The heart and soul of Delta Dental's diversity, equity and inclusion (DEI) efforts is a 13-member employee team called IDEA—Inclusion, Diversity and Equity through Advocacy.

The team formed in 2020 and immediately set its mission: To foster an organizational culture that celebrates similarities and differences, and exemplifies inclusion, equity and authenticity internally and externally.

"This inclusion and diversity program is special because it's owned by employees," said Jeff Botkin, senior vice president of business services and operations, and executive sponsor of the IDEA Initiative, which also includes a 40-member advisory group. "It isn't a prepackaged program handed down by leadership. Employees are advising on what the company needs."

The IDEA Team hosts monthly lunchtime discussions on DEI topics, advises on corporate giving to DEI-focused organizations, and has tackled racial justice by influencing the company to sign the Declaration of War on Racism from racial justice nonprofit organization New Detroit.

Future goals center on DEI training and education, forming employee resource groups, advising on recruitment and talent management, and ongoing communication and education. ■

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Jeff Botkin

*Senior Vice President, Business Services and Operations,
and Executive Sponsor of the IDEA Initiative
Delta Dental of Michigan, Ohio, and Indiana*



Data center move *delivers* cost savings

A Delta Dental IT team took moving day to the extreme in October 2020 when they packed a semi full of servers, network gear and security equipment for an overnight road trip from Farmington Hills, Michigan, to Atlanta, Georgia.

Two employees followed the semi driver who carried our precious cargo. Several others flew to Atlanta to meet the truck.

It was all part of the Farmington Hills data center move to leased space at Switch, a Tier 5 data center with multiple redundant power and cooling sources. In addition to Switch’s facilities in Atlanta, they also have locations in Las Vegas, Reno and Grand Rapids.

The move is projected to save Delta Dental more than \$1 million over the next five years. Staying in Farmington Hills would have required building modifications such as changes to air conditioning, power distribution units and more.

But even more compelling than the cost savings is the requirement by some of our customers that our data backup systems be located more than 500 miles from our primary data center in Okemos.

“It was absolutely the right time to move this work, and our due diligence validated that the Switch data center in Atlanta was the best choice for long-term management,” said Darren Kerns, vice president of infrastructure and operations. “Switch is recognized as one of the world’s best data center provider companies. The facility in Atlanta is brand new, built as a fortress, and we are the third customer to co-locate equipment there.”

The project was more than a year in the making, beginning with an in-depth analysis of the Farmington Hills data center in mid-2019, followed by the search for a new location, and all the planning and logistics required for a major move. ■

Member benefit tool *revamped*

A big tech launch allows Delta Dental members access to their benefits information through a new user-friendly design.

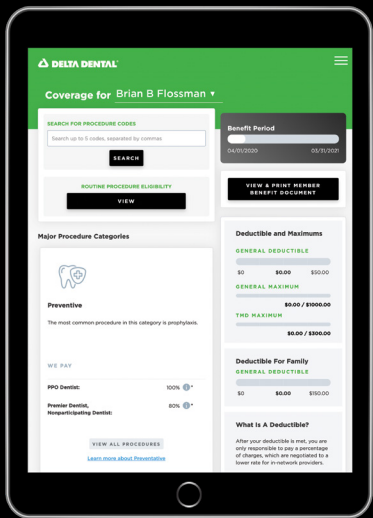
The Roosevelt Member Portal has gone live for individuals and groups, replacing Individual Account Manager

for individuals and Consumer Toolkit® for group members.

As with the previous tools, Member Portal allows members to access coverage information, view and print ID cards, check the status of claims, print Explanation of Benefits, view billing and payment information, and more.

Before launch, the Roosevelt Member Portal team conducted a pilot program, which enabled a targeted group of internal and affiliate users to test the functionality of the Member Portal. These participants provided valuable feedback and identified key areas for improvement.

The portal’s design puts user experience at the forefront, providing easy access to the information a user needs, all without having to call customer service. ■



Legislation for **health**

Delta Dental’s government relations team influenced legislation in Ohio and Michigan that will lead to better health for children.

In Ohio

New legislation requires water bottle filling stations instead of simply drinking fountains in new public schools and schools that undergo major renovations.

Water consumption aids in combating obesity, increases energy levels, improves students’ cognitive functions and contributes to good oral health.

“Through our advocacy for this legislation, Delta Dental of Ohio was able to share the good work that Delta Dental and the Delta Dental Foundation (DDF) do every day to promote the oral and overall health of Ohio’s students,” said Erika Cybulskis, government and corporate citizenship representative.

As part of its “Rethink Your Drink: Water’s Cool at School” program, the DDF has provided \$200,000 in funding to 54 schools from more than 40 cities in Ohio to equip those schools with new water fountain/bottle filling stations and provide reusable water bottles for all students and staff.

In Michigan

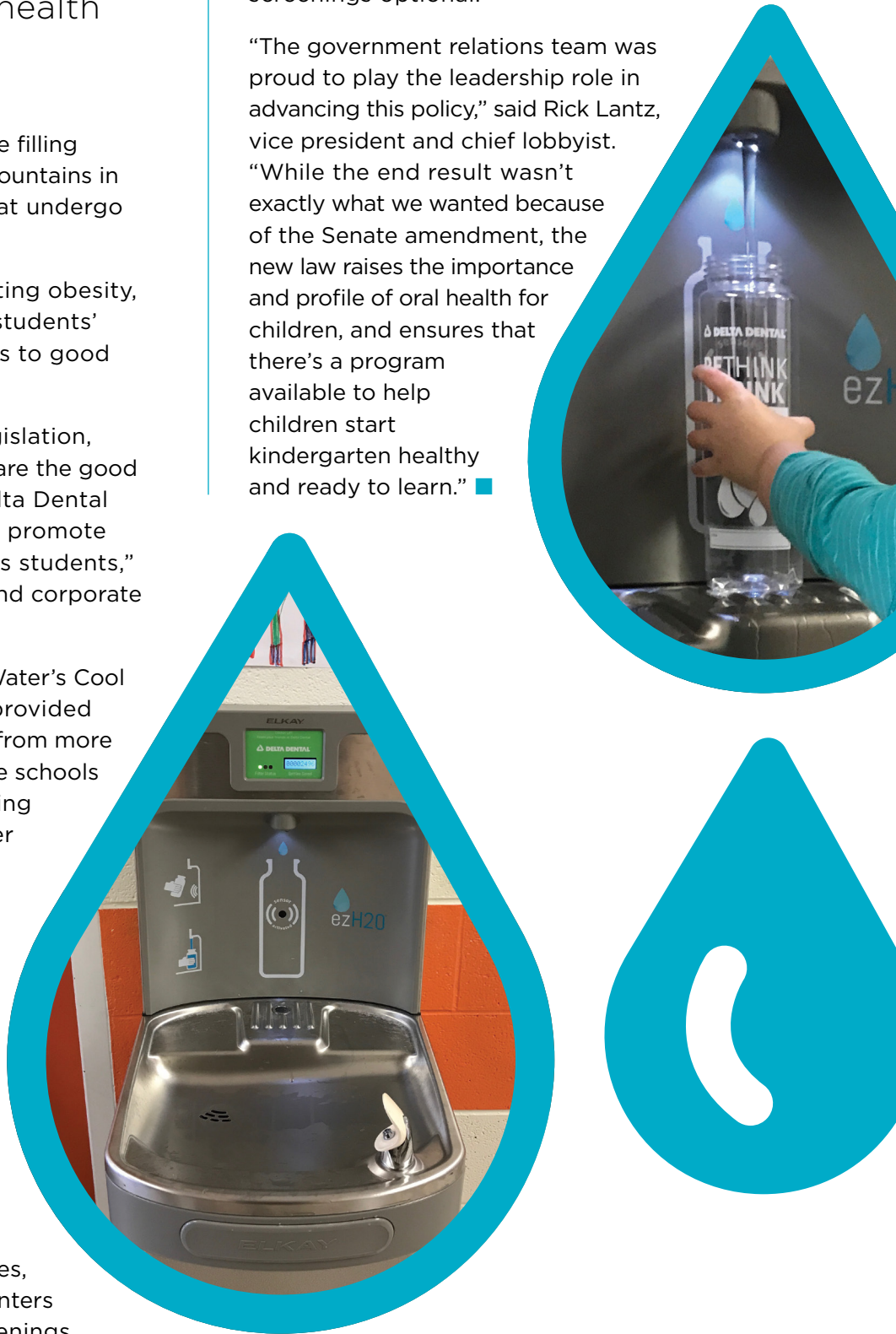
A bill signed into law raises awareness of the importance of oral health in young children by requiring the Michigan Department of Health and Human Services (MDHHS) to establish an oral health screening program for children entering kindergarten.

MDHHS will contract with local health departments or other agencies, such as federally qualified health centers or mobile units, to administer screenings at a local level. Parents will opt-in to the dental

screening, and if follow-up care is recommended for their child, will receive additional resources and information on finding a dentist.

Bill language originally mandated the pre-K dental screenings, similar to hearing and vision, but an amendment in the Senate made the screenings optional.

“The government relations team was proud to play the leadership role in advancing this policy,” said Rick Lantz, vice president and chief lobbyist. “While the end result wasn’t exactly what we wanted because of the Senate amendment, the new law raises the importance and profile of oral health for children, and ensures that there’s a program available to help children start kindergarten healthy and ready to learn.” ■





GROWING through *change*

When pandemic restrictions began, Delta Dental’s always on-the-go sales and account management team needed to adapt—and quickly.

Gone were the days of in-person networking, meetings, appreciation events and more. Instead, we looked for creative ways to check in with current and potential clients, agents and brokers. Virtual meetings, socially distant events and a 35-member book club brought new ways of collaboration to life.

“Literature has always done an excellent job of provoking community and conversation, so I decided to begin a virtual book club for five different agencies as a way to stay connected during the pandemic,” said Lindsey Parker, Delta Dental of Ohio account executive. “I sent each participant a small item that represented the book during the first three weeks, followed by the virtual book club session in the fourth week. I was overwhelmed by the positive feedback and really enjoyed getting to know each participant while hearing their perspectives.”

Customers sought ways to communicate the importance of oral health with their employees at a time when dental offices were closed or there was great hesitancy to leave the home. We created new educational materials, adjusted for COVID-19 health concerns and dental office changes, to help members and the public navigate dental visits during the pandemic.

As it became clear that COVID-19 was here to stay, Delta Dental teams found innovative ways to address hurdles before they could appear. With open enrollment ahead of us, and knowing customers would look to us to promote their dental benefits and the importance of good oral health, we reimagined a virtual open enrollment process. Our customers, and their employees, would have important benefit information and health resources easily accessible.

Despite financial hardships in our nation, we saw our customers’ great value for employee benefits. Groups renewed their benefit plans, potential customers submitted proposal requests, and we celebrated the opportunity to support healthy workforces for new and existing customers.

While the past year has had its share of challenges, an exciting rhythm has emerged in which we continue to grow and support our customers. ■

2020 financials:

Combined financial results¹ (as of December 31) (000s omitted)

	2020	2019
Total assets	\$1,241,510	\$1,100,093
Net assets	\$1,020,045	\$889,493
Total revenue	\$1,240,276	\$1,308,162
Total benefits and expenses	\$1,199,231	\$1,280,100
Operating income	\$41,045	\$28,062
Nonoperating (loss) income	\$89,507	\$68,251
Change in net assets	\$130,552	\$96,313

Combined business summary^{1,2}

Claims processed	14.4 million
Claims processed within 10 business days	98.7 percent
Submitted charges	\$5.13 billion
Paid charges	\$1.92 billion
Total cost management savings	\$3.20 billion
Total new business	\$121.1 million
Total covered people	8.8 million

1. Financial, operational, and cost management and coverage results are for Delta Dental of Michigan, Ohio, and Indiana. Delta Dental is a registered trademark of the Delta Dental Plans Association. 2. Excludes risk share business and international operations. 3. Service accomplishments are for Delta Dental of Michigan, Ohio, and Indiana as of December 31, 2020.



Our success in 2020 was driven by our ability to adapt, innovate and continue to work hard as a team despite being apart.

Tony Robinson

Senior Vice President and Chief Marketing Officer
Delta Dental of Michigan, Ohio, and Indiana

2020 service accomplishments:³



Average speed of answer:
9 seconds

1x

Inquiries resolved on first contact:
99.87%



Implementation grade point average (on a 4.0 scale):
4.0



Member overall satisfaction with Delta Dental’s service:
96.5%



\$90 million

In 2020, Delta Dental of Michigan, Ohio, and Indiana and the Delta Dental Foundation provided **more than \$90 million** to assist local communities and partners through the pandemic.



Pandemic relief

When the sweeping effect of the coronavirus became clear, Delta Dental wrestled with how to help our dentists, customers and the communities we serve.

We were laser focused on prioritizing health and safety, and bringing our communities together.

SUPPORT FOR



Dental clinics and nonprofit organizations

Dental clinics and nonprofits serve some of our most vulnerable populations. When pandemic restrictions began affecting critical health and food assistance services in spring 2020, the Delta Dental Foundation (DDF) took quick action.

The DDF's \$600,000 COVID-19 emergency assistance fund awarded grants of up to \$10,000 to safety-net dental clinics and nonprofits that provided health services or food assistance across Michigan, Ohio and Indiana. Dental schools that operate emergency dental clinics could receive up to \$15,000. Primary care associations that oversee federally qualified health centers could receive up to \$50,000 to be distributed among locations providing emergency dental care.

“Our goal was to ensure that the most vulnerable can access dental care when they need it rather than going without—or visiting an emergency department,” said Holli Seabury, executive director of the DDF.

The DDF will expand its community support by establishing a COVID-19 dental equipment fund. The \$400,000 fund will help safety-net dental organizations in Michigan, Ohio and Indiana purchase COVID-19-related dental supplies and equipment. Because many safety-net dental clinics are operating at limited capacity, the fund will help providers retrofit their practices with necessary equipment to reopen, extend hours and most importantly, see more patients.

Grant funds also may be used to purchase equipment in support of teledentistry, offering patients access to a dental provider through a secure platform in their own home or at a local clinic. This helps professionals assess patients while limiting in-office visits and conserving personal protective equipment.



Dentists

Every practicing, licensed dentist in Michigan, Ohio and Indiana—regardless of whether they participated in the Delta Dental network or not—was eligible for a \$1,000 credit toward dental products and/or services for their practice. Dentists redeemed the credits through a national dental supply distributor. In total, we distributed more than \$11 million in credits.



Customers

We were one of the first dental benefits administrators to provide clients a grace period during the crisis. To further address financial challenges our customers faced, we established the Pandemic Relief Program to provide two additional benefits—group customers received a one-month credit of their premium or administrative fees, and some group customers had their rate frozen for one year. ■



Our goal was to ensure that the most vulnerable can access dental care when they need it rather than going without—or visiting an emergency department.

Holli Seabury

*Executive Director
Delta Dental Foundation*



Focusing on CIVILITY

Politics, the pandemic and civil unrest all tested how we interact with others. Delta Dental's sponsorship of The Civility Project in 2020 provided opportunities for reflection and understanding.

Michigan journalists Nolan Finley and Stephen Henderson

lead [The Civility Project](#) as longtime friends who disagree on most everything and have learned to place civility first in their friendship.

The Civility Project teaches participants to focus on the people behind opinions and consider how we come to our viewpoints. Workshops are hosted by businesses, universities and community groups.

In 2020, Delta Dental invited Henderson and Finley to speak virtually to our staff three different times, all proving to be popular sessions with employees.

The first two sessions were hosted in April, a month into

the pandemic, and focused on interacting with civility, no matter what else is happening in our lives. The third session centered around civility in politics, since the session took place during the fall election season.

"This discussion was a great reminder that manners, courtesy and civility should be at the forefront of our minds as we navigate through our common questions and fears," said Suzi Klepinger, internal audit analyst, following one of the sessions. "Living with intention allows us to remember that we are all in this together. It's not you against me, but us navigating together." ■



Get a glimpse of the action:
<https://bit.ly/3y7fqaY>

“

I thought it was refreshing to see how two people who obviously were not in agreement on so many things still found the common ground and set aside the differences and focused on the similarities to build a friendship. We need so much more of that in today's world. The message is timely and very appropriate in today's society.

”

*Matt McLaughlin
Business Continuity Program Specialist
Delta Dental of Michigan, Ohio, and Indiana*



*Pictured are The Civility Project's
Stephen Henderson (left) and
Nolan Finley (right).*

Fighting opioid *addiction*

Delta Dental has joined society's fight with opioid addiction through a \$150,000 contribution to Andy's Place, a Permanent Recovery Supportive Housing (PRSH) initiative in Jackson, Michigan.

The family building at Andy's Place opened in October 2020 and includes 11 two-bedroom apartments to house families. A larger building offers 39 one-bedroom apartments for individuals referred by the courts. Rent is based on income; individuals without an income do not have to pay.

Mike Hirst is founder of Andy's Angels, a nonprofit organization that supports families dealing with addiction and promotes innovations in recovery, and he conceptualized the PRSH idea.

"Changing an environment is so important, and a lot of other amenities go along with this," Hirst said. "Supportive recovery housing is not just about housing people; it's about giving them real opportunity to survive."

Delta Dental's support goes toward on-site job placement services. Andy's Place also features supportive case management and recovery programs, recreational and life programs, financial health and employment classes, sober and wellness activities, a greenhouse, and an area to create music. The Community Action Agency of Jackson, the development partner, provides job training and employment services through collaboration with local business owners and manufacturers.

In sync with this project, Delta Dental also will invest in a Jamie Daniels Foundation capital campaign in 2021 to build a similar recovery center in metropolitan Detroit.

Watch this video about Andy's Place:
<https://bit.ly/3tKjQ4n>. ■

CARING for the *whole* employee

Our whole health matters. Without each piece in place, we can't be our best selves.

With this in mind, Delta Dental of Michigan, Ohio, and Indiana and the American Heart Association created a guide for companies to help employees perform at their best. The Whole Health Matters Digital HR Playbook is a free online resource that features fresh content every month focused on a particular whole health topic, from health inequities in communities of color to hypertension to oral health diseases.

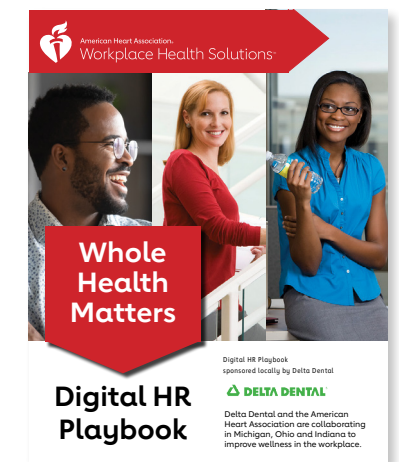
Strong sales relationships in Cleveland and Columbus inspired this project. We surveyed and worked with key customers in these markets to develop content and host webinars to further unpack and showcase the playbook's value.

The Whole Health Matters playbook provides science-backed studies and resources to encourage employees to learn about their whole health, with an emphasis on emotional and mental health as stress increases among

workforces. Changes in income, remote schooling and housing additional family members under one roof can all compound stress and lead to fearfulness, worry, loss of sleep and poor health outcomes.

"The collaboration between the American Heart Association and Delta Dental is a great resource for our community and needed now more than ever," said Laura Vaughn of the American Heart Association. "Both organizations are committed to the whole health of our community, which includes connecting mental health to heart health. We are excited about the work that will be done together."

View the Whole Health Matters playbook at heart.org/en/delta-dental. ■



INVESTING in entrepreneurs

Access to capital is one of the steepest hurdles for minority entrepreneurs to surmount when building their businesses.

Delta Dental is addressing that problem by partnering with our subsidiary, The 4100 Group, and investing \$1.8 million in Lightship Capital, a Cincinnati-based venture capital fund focused on funding and educating underrepresented entrepreneurs including women, people of color and those who identify as LGBTQ+ or disabled.

It's a timely and urgent investment as minority small business owners often face roadblocks, inequitable access and social constraints that rob them of the opportunities to build and lead thriving, robust businesses.

Delta Dental and The 4100 Group entered the partnership with Lightship Capital to provide these entrepreneurs in Michigan, Ohio and Indiana with equitable access to the tools, training, capital and a network of potential partners to build wealth.

**Delta Dental
is investing in
community
health and
building
community
wealth.**

Margaret Trimer

*Vice President, Strategic Partnerships
Delta Dental of Michigan, Ohio, and Indiana*

The partnership's first big effort

Delta Dental, Lightship Foundation, Ford Motor Company Fund and Kare Mobile will partner in 2021 to launch a mobile dental, minority entrepreneurship public health initiative in southeast Michigan called Motor City Kares.

Minority, Michigan-licensed dentists will compete to win a fully outfitted Ford Transit mobile dental clinic through Kare Mobile Dental to use to provide consistent and reliable dental care in Detroit's Corktown and Mexicantown neighborhoods.

The recipient will go through an entrepreneurial incubator boot camp run by Lightship Foundation and be mentored by the team at Kare Mobile. At the end of the two-year agreement, the business (including the mobile clinic) will be the winner's to keep, thus enhancing minority business ownership in the community as well as oral health access to the underserved. ■

**"Everyone deserves access to
comprehensive oral health care."**

*Dr. Kwane Watson
Founder and CEO of Kare Mobile*

Taking *play* to communities

A pandemic doesn't stop the importance of play; if anything, our time apart has intensified the need for creativity and joy. And play teaches the important skills of meeting challenges, working together and getting along with each other.

The Grand Rapids Children's Museum took play on the road in the summer of 2020 via its new Kids Can! Van, purchased through a \$100,000 contribution from Delta Dental of Michigan.

Other sponsors furnished the inside of the van, outfitted with programming, traveling exhibits and hands-on activities.

The Kids Can! Van traveled to meal distribution sites across Grand Rapids to provide "Play@Home" kits to more than 2,000 children. Kits included items like chalk, bubbles, jump ropes, books and markers so children could play at home and outside while the museum is temporarily closed during the pandemic.

In 2021, the van will get out a little more, including an event at the John Ball Zoo in Grand Rapids and drop-offs at learning centers and a juvenile detention center.

When it's safe to gather more closely, museum staff will go even farther. By visiting community events, schools and neighborhoods, the Kids Can! Van delivers the power and creative energy of play directly to families who can't easily visit the museum building. ■



BOARDS

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Delta Dental of Michigan, Ohio, and Indiana