



IMPROVING ORAL HEALTH



Delta Dental of Tennessee | 2013 Annual Report

GIVING SMILES: BY THE NUMBERS

138,000

toothbrushes
distributed



1.3 MILLION

Tennesseans'
lives touched



21,000

mouth guards
distributed



\$85,000

given to free & reduced-
cost dental clinics



\$421,000

given to
universities



\$13.1 MILLION

given since 2003





We reflect back on 2013 with mixed emotions.

Commercially, we did very well. Our group benefits division continued to grow with a 3 percent increase over 2012, a significant achievement in a predominantly stagnant market. We also successfully implemented one of the new commercial exchanges for Nashville-based Corizon, and more than 61 percent of Corizon's employees chose Delta Dental when electing dental benefits from among four competing national carriers. Our commercial individual plan experienced 22 percent growth, and in 2013, we began enrolling new members into the government exchange program.

In 2013, we also lost a tough RFP process to retain TennCare's dental administration for children. Our TennDent division had grown to nearly 20 employees and a separate office space. As that division drew to a close in the fourth quarter, we made the best of a difficult situation and were able to reallocate several staff into other open positions, and even created a new Quality Monitoring & Improvement department that is already helping us become more operationally efficient.

Regardless of our ups and downs, our dedication to corporate citizenship has never wavered. Last year, we contributed almost \$1.2 million in cash and in-kind donations. More than 138,000 toothbrushes were distributed, many to children in food-insecure homes and those often most at-risk for tooth decay. More than 21,000 mouth guards were distributed to help protect the smiles of young athletes, and free and reduced-cost dental clinics received \$85,000 to help them provide care to more Tennesseans. We were also able to contribute \$421,000 to Tennessee's dental schools, including funds to double the number of scholarships at both UT College of Dentistry and Meharry Dental School. In total, this brings our giving up to \$13.1 million since 2003.

While this past year had its highs and lows, Delta Dental of Tennessee is a stronger company for it, and we are ready to tackle whatever the future may bring.

A handwritten signature in black ink, appearing to read 'Phil Wenk'.

Phil Wenk, D.D.S.
President & CEO, Delta Dental of Tennessee



ADVANCING ORAL HEALTH BY GIVING BACK.

Delta Dental of Tennessee is committed to improving oral health and ultimately the overall health of all Tennesseans. In 2013, we gave nearly \$1.2 million to dental clinics, dental schools, charities, hospitals, and other organizations across the state.

It's amazing how something so small can have such a big impact, but distributing toothbrushes is one of the best ways we can ensure healthier smiles in our community. We provided toothbrushes for the Backpack Program through Second Harvest Food Bank and to the American Red Cross for their Comfort Kits, both of which help bring a basic necessity to people who are most in need.



Caring for Smiles

Delta Dental cares for smiles through supportive funding to charitable dental clinics and hospitals across Tennessee. These programs help provide care and services to working poor and uninsured adults, adequate dental tools for hospital operatories when children are in residence, and overall program support for children's hospitals statewide.

Educating Providers

Whether it's helping educate the dentists of tomorrow or helping today's practitioners with continuing education, Delta Dental understands the importance of ensuring our members have access to the highest quality professionals.



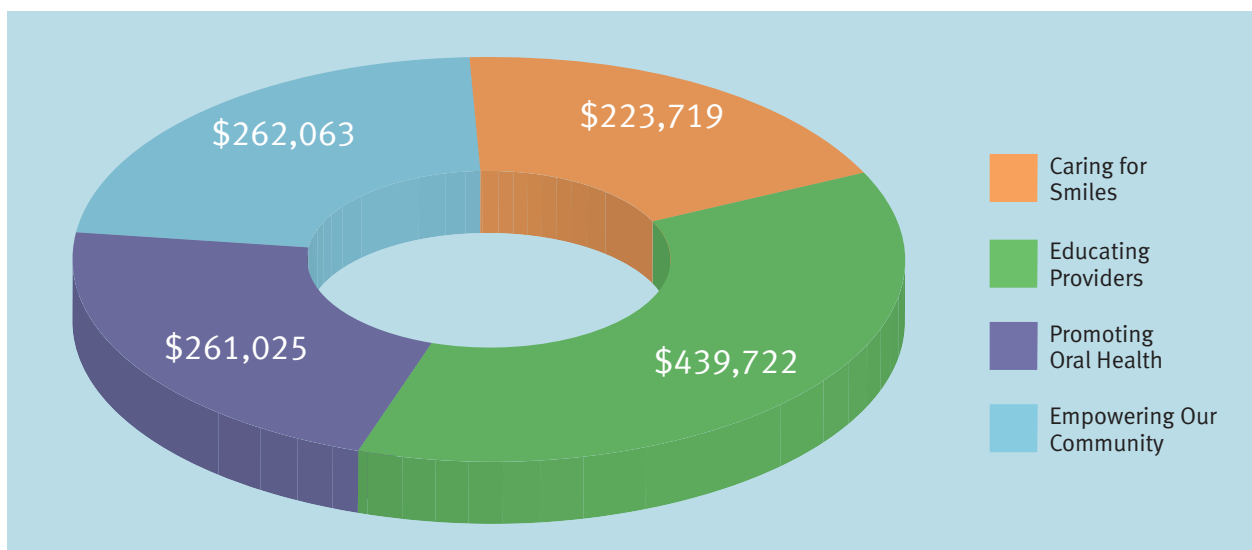


Empowering Our Community

Delta Dental is helping to educate youth and enhance the quality of life for all Tennesseans, empowering our community today and into the future. Programs like Governor's Books from Birth Foundation help kids develop a love for reading early on, which sets the stage for a lifetime of learning and healthier living.

Promoting Oral Health

Delta Dental promotes the importance of oral health through nearly two dozen programs and outreach throughout the state. From distribution of more than 138,000 toothbrushes to the Brushing is Fun video, Delta Dental has dedicated many resources to ensuring that Tennesseans understand the connection between oral health and overall health.



DELIVERING THE BEST SERVICE.

Maintaining healthy smiles is only a portion of our mission. The other part is helping to *create* smiles by offering our customers the best service possible. Our dedicated customer service experts are trained to help people manage their benefits, their dental offices, or their groups simply and efficiently, and we have the stats to prove it.



23,051 calls received each month (average)



14 seconds to answer (average)



1,905,885 claims processed

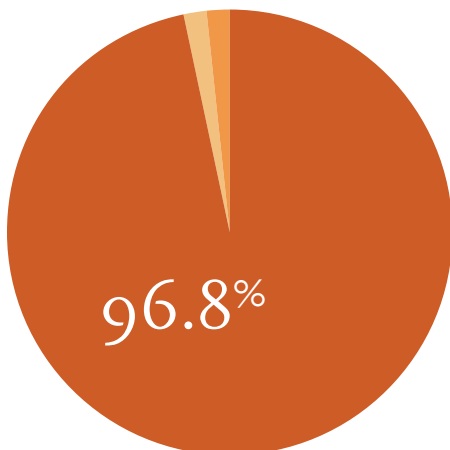


99.6% inquiries resolved on first contact

2.5 minutes per phone call (average)

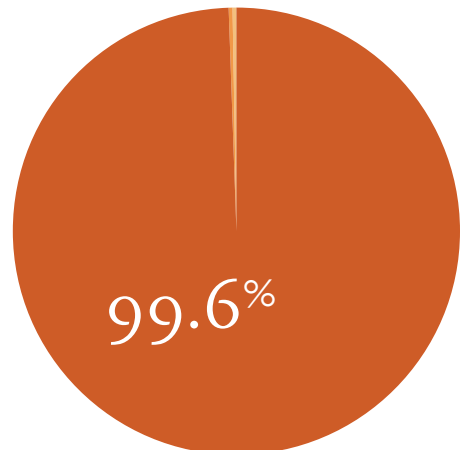
70% claims received electronically

MEMBER SATISFACTION



■ Satisfied or Very Satisfied
■ Dissatisfied
■ Very Dissatisfied

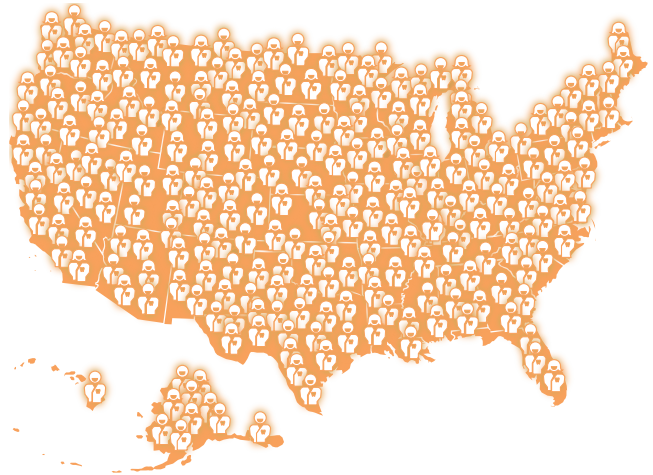
GROUP SATISFACTION



BUILDING THE BEST NETWORKS.

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A quality dental plan depends first and foremost on the quality of the provider network. We provide our members with the largest network of dentists in Tennessee and across the U.S., which gives them the greatest opportunity to stay in-network. And when our members choose a Delta Dental network provider, they save the most money, which makes for happier members.



Delta Dental Premier®

With 145,000 dentists in more than 292,000 locations, this is the largest network of participating dentists in the country. In Tennessee, this includes 2,572 providers in 3,564 access points. A network of this size makes it easier for our members to stay in-network, thereby saving on out-of-pocket costs.

Delta Dental PPO plus Premier

Plan members can choose a dentist from the Delta Dental PPO or the Delta Dental Premier network, which provides them even more choices for staying in-network.

Delta Dental PPOSM

This network has 89,500 dentists in 207,000 locations, which includes 1,874 providers and 2,773 access points in Tennessee. Members can see even deeper discounts when visiting a PPO dentist.

Individual

The Individual Plan offers coverage and peace of mind to people not covered under traditional group benefits.



TRANSFORMING DOLLARS INTO BETTER DENTAL HEALTH.

As of December 31, 2013

	RHSC ¹	Tennessee
Total Assets	\$1,151,708,127	\$71,577,291
Capital & General Reserves	877,395,787	55,561,101
Total Revenues	3,328,628,509	420,306,612
Total Benefits & Expenses	3,208,929,659	415,187,899
Contribution (reduction) to General Reserves	119,698,850	5,118,713

TennCare Results²

Revenues	\$129,505,510
Claims	\$126,284,508
Members	729,226

Cost Management Results

	RHSC ¹	TennDent ²	Tennessee
Submitted Charges	\$5.4 billion	\$224 million	\$595 million
Paid Charges	\$2.4 billion	\$129 million	\$255 million
Total Cost Management Savings	\$3.0 billion	\$95 million	\$340 million
The Delta Dental Difference [®]	\$2.0 billion	\$78 million	\$105 million
Other Savings	\$1.0 billion	\$17 million	\$235 million



Key Business Accomplishments

	RHSC ¹	Tennessee
New Business (Total)	\$193.2 million	\$17,208,000
Covered People	12.1 million	1,081,003
Business Renewal Rate	--	92.9%

Tennessee Service Accomplishments

	Commercial	TennDent ²
Total Claims Processed	1,905,885	800,606
Claims Processed in 10 Days or Fewer	98.79%	93.6%
Claims Processing Accuracy	99.42%	100%
Financial Processing Accuracy	99.75%	100%
Call Center – Average Speed of Answer (seconds)	14	1
Call Center – Inquiries Resolved on First Contact	99.1%	99.58%
Group Satisfaction	99.6%	--
Enrollee Satisfaction	96.8%	95.0%

1. Combined financial, operational, cost management, and coverage results are for Renaissance Health Service Corporation (RHSC) and Affiliates, which include Renaissance Health Service Corporation; Renaissance Life and Health Insurance Company of America; Renaissance Health Insurance Company of New York; Delta Dental Plan of Michigan, Inc.; Delta Dental Plan of Ohio, Inc.; Delta Dental Plan of Indiana, Inc.; Delta Dental of Tennessee, Inc.; Delta Dental Plan of Kentucky; Delta Dental Plan of New Mexico; Delta Dental of North Carolina; 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 Renaissance Health Service Corporation and are not sponsored or endorsed by Delta Dental Plans Association.

2. Through September 30, 2013 (the completion of the TennCare contract).

We are an equal opportunity employer and all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, disability status, protected veterans status, or any other characteristic protected by the law.

BOARD OF DIRECTORS

CHAIR

Leslie Sellers

Clinton, Tennessee

VICE CHAIR

Victor Beck, Jr., D.D.S.

Columbia, Tennessee

SECOND VICE CHAIR

Drew Robinson

Cleveland, Tennessee

IMMEDIATE PAST CHAIR

Campbell Sowell, Jr., D.D.S.

Columbia, Tennessee

BOARD MEMBERS

Paul Bacon, D.D.S.

Cleveland, Tennessee

Jerre Harris

Hernando, Mississippi

Bruce Baird, D.D.S.

Sewanee, Tennessee

Wayne Johnson, D.D.S.

Lebanon, Tennessee

Andy Beasley

Brentwood, Tennessee

Joseph Rainey, D.D.S.

Clinton, Tennessee

Terrance R. Comar, D.D.S., M.S.

Kalamazoo, Michigan

Carmen Reagan, D.B.A.

Clarksville, Tennessee

John R. Collier, Jr.

Columbia, Tennessee

EX-OFFICIO BOARD MEMBERS

Laura Czelada

Okemos, Michigan

Philip A. Wenk, D.D.S.

Nashville, Tennessee

James E. Sexton, D.D.S.

Memphis, Tennessee

David Morton, D.D.S.

Clarksville, Tennessee

IN MEMORIUM

L.C. Burkhalter

Board Member, 1987 – 2013

OFFICERS

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BACK L to R: Donald Beaty, Missy Acosta, Shanda Brown, Philip Wenk, Jay Reavis, Melissa Huschke
FRONT L to R: Frank Turbeville, Kaye Martin, Kathy Fussell, Pam Dishman, Tom Perry

Philip A. Wenk, D.D.S.

President & Chief Executive Officer

Shanda Brown

Vice President,
TennDent & Government Relations

Pam Dishman

Senior Vice President, Employee Relations

Kathy Fussell

Regulatory Compliance Controller

Kaye Martin

Senior Vice President, Operations

Melissa Huschke

Vice President, Operations

Tom Perry

Senior Vice President & Chief Financial Officer

Jay Reavis

Vice President, Sales & Underwriting

Missy Acosta

Vice President, Marketing

Frank Turbeville

Controller

Donald Beaty

Vice President, Information Services

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