LOOKING BACK ON 2019

A year of positive outcomes
Our Vision
To be a world-class benefits company that is community focused.

Our Mission
To advance the oral health and overall wellness of our customers and the general public by providing innovative benefits and professional partnerships through diversified strategic business and philanthropic initiatives.

Our Values
We believe that effective communication is essential for our continued success as a great place to work and a stellar place to do business for all customers, service providers, and employees.

We believe that teamwork is key to working effectively toward our mission, being committed to giving 100%, and to working collaboratively with shared responsibility and accountability.

We believe that quality is a core value that enables us to strive continually toward reaching our mission and goals, and to achieving excellence in all that we do, resulting in our consistent feeling of pride in our work at Northeast Delta Dental.

We believe that integrity is a crucial value that enables us to be respectfully honest and responsive to internal and external customers.

ON OUR COVER:
Children at the Bennington Free Library in Vermont who are featured in our “Healthy Smiles” Foundation video.

Senior Management
- Erica Bodwell, Esquire
  Vice President & General Counsel
- Francis R. Boucher
  Senior Vice President, Finance
- Michael D. Bourbeau
  Vice President, Information Systems
- Sara M. Brehm
  Director, Board Relations & Executive Team
- Michel E. Couret, DDS
  Chief Dental Officer
- Joseph V. Errante, DDS
  Vice President
  Provider Network & Clinical Strategies
- Jodie Hittle
  Vice President, Sales & Marketing
- William H. Lambrukos
  Senior Vice President, Operations
- Courtney M. Morin, FSA, MAAA
  Vice President, Actuarial & Underwriting
- Christopher E. Parkinson
  Subsidiary COO
- Thomas Raffio, FLMI
  President & CEO
- Linda J. Roche
  Director, Account Services & Strategic Projects
- Connie M. Roy-Czyzowski, SPHR, SHRM-SCP, CCP
  Vice President, Human Resources

2019 Best companies to work for
Second Place

For 22 years, Business NH Magazine has recognized businesses that go out of their way to create employee-friendly workplaces.

The 2019 competition attracted applicants from across the state. Winners were selected based on the combined results of an employee engagement survey and an extensive employer survey, detailing benefits and workplace practices.
Message from Tom Raffio

It’s hard not to feel upbeat after a year that included so many positive outcomes. We believe the successes of 2019 result from having a clear purpose—to promote and enable oral health as an integral part of improving overall wellness through our business services, philanthropic support, and community involvement.

In this report, we highlight a number of our business successes, one of the biggest being our Health through Oral Wellness® (HOW®) program. Now in its sixth year, HOW® empowers our subscribers with knowledge and control of their personal oral health, providing additional benefits to those who need them most at no additional cost. Participation has continued to grow steadily, showing positive outcomes in terms of abating the advance of more disease and avoiding the associated costs of treatment.

We are also proud of our work to better serve veterans in need of dental care, many dealing with oral health issues connected to their service. Months after I wrote a column in our local newspaper encouraging Congress to broaden the scope of Veterans Affairs (VA) rules affecting veterans’ dental benefits, I was encouraged to learn that the VA is piloting innovative models to improve the delivery of dental services that may allow more veterans to receive dental care.

Community outreach and education continue to be a vital part of fulfilling our purpose as a business, whether it’s a grant to help a non-profit dental practice treat more people in need, or sponsoring local events to raise awareness around holistic wellness that extends beyond oral health. To that end, Northeast Delta Dental, in collaboration with Gibson’s Bookstore, sponsored an event with best-selling author Mitch Albom at the Capitol Center for the Arts in Concord to discuss his new memoir, Finding Chika: a little girl, an earthquake, and the making of a family. It’s an inspiring account of the work Mitch and his wife Janine have done in Haiti, investing themselves in a local school with a mission of providing medical, dental, nutritional, and educational nurturing to children. The Alboms’ selfless efforts to care for the whole person reflects our values here at Northeast Delta Dental.

I hope that after reviewing all the positive outcomes shared in this report, you are also inspired to reach out with purpose to your local community.

President & CEO | Northeast Delta Dental

― Mitch Albom

Finding Chika: a little girl, an earthquake, and the making of a family
Report from the chairs
Partnerships for positive outcomes

2019 was truly a year of positive outcomes for Northeast Delta Dental and the members we serve across Maine, New Hampshire, and Vermont. With a common purpose and passion for healthy smiles, we continued to expand our subscriber base, enabling more people to obtain the oral health care they need to support overall wellness thanks to our affordable plans. And through grants, programs like HOW® (Health through Oral Wellness®), partnerships, and employee volunteer work, we further enriched our local community relationships to expand access and promote healthy lifestyles.

According to a recent report on enhanced Medicare Advantage benefits, there is “a consistent correlation between dental benefit use and lower overall medical costs for commercial insured beneficiaries afflicted with chronic conditions, combined with periodontal disease.”

— Wakely Consulting Group

Maine advancements

In Maine, business growth was strong last year as we brought on 11 new large groups and 340 new small groups, totaling 14,425 primary subscribers. We also saw robust growth in our DeltaVision® insured vision plan available to Mainers. Our partnership with the nonprofit health plan, Community Health Options, continues to demonstrate our commitment to helping people obtain the dental, vision, and medical care they need for good overall health.

To support MaineCare, Northeast Delta Dental became part of an effort to expand Medicaid adult dental services, beyond emergency treatment.

Spreading smiles in Vermont

Vermont had a remarkable year, experiencing 15 percent subscriber growth and far exceeding our subscriber retention goal. In addition to strong growth in large and small groups, we added 1,533 subscribers in the individual market on DeltaDentalCoversMe.com, along with 877 new primary subscribers through Vermont Health Connect, the state’s health insurance marketplace.

HOW® continues to gain momentum, not only among dentists, but also with local businesses. Later in this report, you can read about one Vermont business that is actively promoting HOW® to its employees because of the preventive value of the program, helping them stay healthy and productive.

Community outreach included a grant to Vermont Dental Care in Winooski to help this local nonprofit provider purchase new equipment for five dental operatories. This will help the practice increase efficiency in treating patients, furthering its mission to bring healthier smiles to lower-income children and families. We continued our support and collaboration with the Area Health Education Center (AHEC) at The University of Vermont. Since 2008, we have provided $270,000 in loan repayment funds to Vermont dentists through AHEC, enabling more dental graduates to practice in the state.

24,530
new primary subscribers

97.5%
group subscriber retention

Positive outcomes in New Hampshire

New Hampshire enjoyed strong business results in 2019, negotiating and implementing nine new large groups, and bringing on 1,930 new small group subscribers. Moreover, we exceeded our goal of 1,500 new DeltaVision® subscribers and continue to build on our partnership with Tufts Health Freedom Plan to help people improve their overall health and reduce both medical and dental expenses over time.

We are excited to see that more and more people throughout New Hampshire communities are benefiting from HOW®, our patient-centered program designed to help members maintain optimal oral wellness through education and evidence-based care models. In fact, later in this report, we tell the story of how one New Hampshire dentist integrates HOW® into his practice to improve patient outcomes.
Providing dental care to the underserved
Spotlight on Kennebec Valley Family Dentistry

Among the many ways Northeast Delta Dental helps enable positive outcomes in Maine is by providing support to close the gap in unmet dental needs in the state’s rural, underserved areas. We’re seeing how multiple initiatives, including HOW®, the loan repayment program at the University of New England (UNE) College of Dental Medicine, and our direct financial support for community dental practices, all come together to make a difference at Kennebec Valley Family Dentistry.

A nonprofit practice in Augusta, Kennebec Valley Family Dentistry (KVFD) was founded in 2008 with a mission to provide affordable, quality dental care for MaineCare (Maine’s expanded Medicaid program), limited-income people, and under-insured/uninsured children and adults in Maine. Today, the need is greater than ever and growing.

“Our primary population is MaineCare, and we are one of only a few practices to accept it,” says Bonnie Vaughan, KVFD’s executive director. “Every month we see between 100 and 200 new patients, and people are calling from farther and farther away looking for a MaineCare provider. The support we receive from Northeast Delta Dental has been critical to our ability to meet this growing need.”
In 2019, KVFD provided dental care to approximately 2,400 new patients, the vast majority of whom were children.

We have been supporting KVFD since 2015, first with a grant to help the practice buy new dental equipment, such as an autoclave for sterilizing dental instruments, and again with a $100,000 grant to help the practice move into a much-needed new space alongside two medical practices. In addition to having a practicing dentist and physician as its board chair, KVFD was also in a strong position to coordinate additional medical care for dental patients who need it based on their individual conditions.

The new space also allowed KVFD to double its operatories from four to eight, bring on additional dentists and hygienists, and better serve an expanding population of patients. Between 2018 and 2019, KVFD’s patient population grew from 8,147 to more than 13,000. This is where the UNE College of Dental Medicine played a key role. Bonnie says, “We now had the space to participate in UNE’s extern program, in which three dental students work with us for three-month externships each. We could not do this in our old space.”

Thanks to the UNE loan repayment program for its College of Dental Medicine graduates—another program supported by Northeast Delta Dental—KVFD was also able to bring in new full-time dentists. Through this program, UNE dental graduates can receive up to $90,000 in loan repayment assistance if they practice in underserved areas of Maine. “These dentists have been wonderful, and our patients and staff appreciate their clinical skills and dedication,” Bonnie reports.

KVFD also actively participates in our HOW® (Health through Oral Wellness®) program, encouraging patients to sign up online to get an immediate assessment of their oral health, which helps them receive additional dental services at no additional cost. Bonnie points out, “When people come in, we do the oral assessment, and depending on what we see, they receive more benefits such as additional cleanings and fluoride applications. Using HOW® can really make a difference because we see patients more often and can catch things like early signs of gum disease before they get worse.”

With the need so great in Maine, Bonnie says, “We wouldn’t be where we are today without Northeast Delta Dental. If they hadn’t helped us grow, we would not be able to keep up with the equipment and services needed to meet the needs of so many underserved patients.”

“We wouldn’t be where we are today without Northeast Delta Dental. If they hadn’t helped us grow, we would not be able to keep up with the equipment and services needed to meet the needs of so many underserved patients.”

— Bonnie W. Vaughan, IPDH, MEd, MBA, Executive Director
Kennebec Valley Family Dentistry
Positive outcomes in New Hampshire takes a team effort
Spotlight on Caring Family Dentistry

Achieving positive outcomes for dental patients is a team effort, requiring close, collaborative relationships between practitioners, individuals and families, and their insurance provider. In New Hampshire, this principle is exemplified at Caring Family Dentistry in Concord.

“The three-month recalls provided through HOW® have made a tremendous difference for patients who may be on the borderline of scaling and root planing or periodontal surgery. We’ve been able to keep them stable and avoid the need for more invasive treatment.”

— Todd J. Sheffler, DDS, Caring Family Dentistry, Concord, New Hampshire
As of 2019, **381,000** HOW® risk assessments have been performed, giving dentists evidence-based information to help their at-risk patients receive the care they need.

Dr. Todd J. Sheffler, who established Caring Family Dentistry in 2008, follows a very straightforward model: doing everything possible to keep patients healthy while providing great service. “We pride ourselves on having the latest technology and using the most advanced procedures to help address the oral-systemic link.”

Everyone who visits the practice can expect a warm welcome and personalized attention to their individual needs. Dr. Sheffler and his team use state-of-the-art technology, including intra-oral cameras and digital imaging equipment to detect problem areas in their early stages. They then discuss one-on-one with each patient the best options available to achieve optimal oral health and overall wellness. It should come as no surprise that Caring Family Dentistry has become one of the Concord area’s most trusted dental offices.

Northeast Delta Dental has played a key role in supporting this forward-thinking practice. Dr. Sheffler says, “Having a great relationship with Northeast Delta Dental helps us use the latest technologies and new procedures knowing that our patients will be covered by their insurance plan. That’s largely due to our close relationship—Northeast Delta Dental believes in our practice and we believe in their product.”

For Dr. Sheffler, one of the most important benefits of HOW® has been coverage for patients to receive dental care every three months. “The three-month recalls provided through HOW® have made a tremendous difference for patients who may be on the borderline of scaling and root planing or periodontal surgery. We’ve been able to keep them stable and avoid the need for more invasive treatment. Those extra visits enable us to disrupt the bacteria that recolonizes every 90 days in the pocket and keep those patients healthier. Many of these individuals probably would not choose to come in every three months for this added preventive care if they didn’t have the HOW® benefits.”

To accommodate these extra visits, the practice always schedules appointments for both the three-month and six-month visits at the same time. Staff, hygienists and dentists all emphasize the importance of these extra visits for patients at risk for gum disease, and they promote other health tips from the HOW® program to encourage healthy choices at home.

Dr. Sheffler points out, “We’ll often start with the three-month recalls and then see many patients really step up, not just by coming in, but with things like better home care and smoking cessation. As a result, they’re getting healthier.”

In keeping with the practice’s philosophy of using every resource available to help patients be healthy, Caring Family Dentistry takes full advantage of our HOW® (Health through Oral Wellness®) program, performing an assessment on every patient. “We use HOW® to the fullest extent,” Dr. Sheffler affirms. “If someone is eligible for any of the additional benefits provided through the program, we guide them to getting that care. HOW® has made a huge difference in keeping our patients healthier.”
Healthy employees are happy employees

Spotlight on The Bank of Bennington

Our relationship with local businesses is a key part of bringing oral health care to more people and helping them understand the connection to overall wellness. In Vermont, The Bank of Bennington is making the most of the Northeast Delta Dental plan it provides employees, to advance this mission, with positive outcomes to show for the effort.

In business for more than 100 years, The Bank of Bennington is deeply rooted in the local communities it serves across southern and central Vermont. Knowing customers by name and providing personalized service is at the heart of helping the bank’s customers reach their personal and professional financial goals. The bank also understands at a fundamental level that happy employees lead to happy customers—and that healthy employees are happy employees. That’s why, as part of a generous benefits package, The Bank of Bennington provides every employee with dental insurance from Northeast Delta Dental, covering the employee premium in full.

“When the HOW® program came out and I saw how it offered the extra two cleanings a year, I knew immediately there are people here who would benefit from it. If there’s a benefit we can provide, people will take advantage of it.”
—Lisa Prosper, PHR, SHRM-CP, AVP, Human Resources, The Bank of Bennington
Lisa Prosper, assistant vice president of Human Resources with the bank, says, “When we’re interviewing and going over the benefits, and we explain that we cover the entire dental premium, you always see the eyes light up. It’s something people value but it isn’t always something they’d pay for themselves. By giving them coverage, they take advantage of it, and almost all employees then also choose to cover the rest of their family.”

She adds, “We see it as an investment in our employees’ health. It’s hard to work if you have a toothache. If it’s bad enough and they stay home, then there’s work that doesn’t get done or has to be caught up. It’s good preventive medicine to keep your teeth healthy, and it also leads to better overall health.”

Why Northeast Delta Dental? Like most pragmatic businesses, The Bank of Bennington was looking for comprehensive coverage at a reasonable cost. “Northeast Delta Dental met those qualifications,” Lisa says, “but also, there are plenty of participating dentists in the areas where our employees live.”

Quality of service is also important. “Employees don’t have to worry if their bills will get paid,” Lisa points out. “It’s also about the service we receive as a customer. The online access is amazing, and whenever I call the customer service line or our account manager, Tim Vartanian, they take care of whatever I need. Tim is just always there and ready to answer any of the questions I have.”

Tim also recognizes the value of being proactive with our business customers, and made a point of introducing our HOW® (Health through Oral Wellness®) program to Lisa before it was formally announced. This allowed her to be well-prepared to promote the added benefits of HOW® to employees. “When the HOW® program came out and I saw how it offered the extra two cleanings a year, I knew immediately there are people here who would benefit from it. If there’s a benefit we can provide, people will take advantage of it.”

Employees at The Bank of Bennington have indeed taken advantage of the added HOW® benefits. From 2017 to the present, the number of people participating in HOW® has grown from 2 to 24, 40 percent of all employees. Each year that number continues to rise as employees assess their oral health status using the online PreViser® scoring tool that powers HOW®.

Lisa notes, “Having that knowledge from the HOW® score that you need extra cleanings to avoid worsening problems, that you can get sealants and it’s all covered, gives people the extra push they need to stay healthier. Anything we can do to help keep our employees healthy contributes to a happy workplace.”
Maine financials

Maine Dental Service Corporation, D/B/A Delta Dental Plan of Maine

Statutory Balance Sheet — December 31, 2019, and 2018

<table>
<thead>
<tr>
<th>Admitted Assets:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$56,612,657</td>
<td>$53,001,772</td>
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<tr>
<td>Accounts receivable</td>
<td>3,838,772</td>
<td>3,545,609</td>
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<tr>
<td>Other assets</td>
<td>71,474</td>
<td>49,080</td>
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<tr>
<td><strong>Total admitted assets</strong></td>
<td><strong>$60,522,903</strong></td>
<td><strong>$56,596,461</strong></td>
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<table>
<thead>
<tr>
<th>Liabilities and Surplus:</th>
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<th></th>
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<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$1,022,035</td>
<td>$865,768</td>
</tr>
<tr>
<td>Subscribers’ claims payable and related accrued expenses</td>
<td>2,549,600</td>
<td>2,104,392</td>
</tr>
<tr>
<td>Unearned revenue and advances</td>
<td>2,761,569</td>
<td>1,978,001</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>6,333,204</strong></td>
<td><strong>4,948,161</strong></td>
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<tr>
<td>Surplus</td>
<td>54,189,699</td>
<td>51,648,300</td>
</tr>
<tr>
<td><strong>Total liabilities and surplus</strong></td>
<td><strong>$60,522,903</strong></td>
<td><strong>$56,596,461</strong></td>
</tr>
</tbody>
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Schedule of Gross Amounts Billed, Gross Expenses Incurred, and Changes in Surplus for the Years Ended December 31, 2019, and 2018

<table>
<thead>
<tr>
<th>Gross Amounts Billed:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross billings</td>
<td>$130,764,617</td>
<td>$126,976,030</td>
</tr>
<tr>
<td>Net investment revenue/(loss)</td>
<td>(757,882)</td>
<td>745,006</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>130,006,735</strong></td>
<td><strong>127,721,036</strong></td>
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<table>
<thead>
<tr>
<th>Gross Expenses Incurred:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional services</td>
<td>113,442,480</td>
<td>109,719,581</td>
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<tr>
<td>Operating expenses</td>
<td>17,239,121</td>
<td>16,973,751</td>
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<tr>
<td><strong>Total gross expenses incurred</strong></td>
<td><strong>130,681,601</strong></td>
<td><strong>126,693,332</strong></td>
</tr>
<tr>
<td>Net income/(loss)</td>
<td>(674,866)</td>
<td>1,027,704</td>
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<tr>
<td>Change in net unrealized gain on investments</td>
<td>4,852,931</td>
<td>(2,845,757)</td>
</tr>
<tr>
<td>Change in statutory non-admitted assets</td>
<td>(1,386,666)</td>
<td>2,749</td>
</tr>
<tr>
<td>Increase in surplus</td>
<td>2,791,399</td>
<td>(1,815,304)</td>
</tr>
<tr>
<td>Surplus, beginning of year</td>
<td>51,648,300</td>
<td>53,463,604</td>
</tr>
<tr>
<td><strong>Surplus, end of year</strong></td>
<td><strong>$54,439,699</strong></td>
<td><strong>$51,648,300</strong></td>
</tr>
</tbody>
</table>

The financial statements of Maine Dental Service Corporation, d/b/a Delta Dental Plan of Maine, as of and for the years ended, December 31, 2019 and December 31, 2018, were audited by the firm of Baker Newman & Noyes LLC. Complete audited financial statements are available upon request by writing to: Northeast Delta Dental, Marketing Department, One Delta Drive, PO Box 2002, Concord, New Hampshire, 03302-2002.

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New Hampshire financials

Delta Dental Plan of New Hampshire, Inc.

Statutory Balance Sheet — December 31, 2019, and 2018

<table>
<thead>
<tr>
<th>Admitted Assets:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$ 59,980,173</td>
<td>$ 58,414,120</td>
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<tr>
<td>Accounts receivable</td>
<td>6,249,771</td>
<td>5,200,923</td>
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<tr>
<td>Fixed assets, net and other assets</td>
<td>5,135,841</td>
<td>5,553,708</td>
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<tr>
<td><strong>Total admitted assets</strong></td>
<td><strong>$ 71,365,785</strong></td>
<td><strong>$ 69,168,751</strong></td>
</tr>
</tbody>
</table>

Liabilities and Surplus:

<table>
<thead>
<tr>
<th>Liabilities and Surplus:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 5,853,901</td>
<td>$ 6,730,672</td>
</tr>
<tr>
<td>Subscribers’ claims payable and related accrued expenses</td>
<td>2,264,300</td>
<td>1,991,892</td>
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<tr>
<td>Unearned revenue and advances</td>
<td>5,749,714</td>
<td>5,540,178</td>
</tr>
<tr>
<td>Notes payable</td>
<td>1,050,000</td>
<td>1,260,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>14,917,915</td>
<td>15,522,742</td>
</tr>
<tr>
<td>Surplus</td>
<td>56,447,870</td>
<td>53,646,009</td>
</tr>
<tr>
<td><strong>Total liabilities and surplus</strong></td>
<td><strong>$ 71,365,785</strong></td>
<td><strong>$ 69,168,751</strong></td>
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Schedule of Gross Amounts Billed, Gross Expenses Incurred, and Changes in Surplus for the Years Ended December 31, 2019, and 2018

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<tr>
<th>Gross Amounts Billed:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross billings</td>
<td>$ 381,047,984</td>
<td>$ 363,090,735</td>
</tr>
<tr>
<td>Net investment and rental real estate income/(loss)</td>
<td>(859,105)</td>
<td>1,407,822</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>380,188,879</td>
<td>364,498,557</td>
</tr>
</tbody>
</table>

| Gross Expenses Incurred: | 2019            | 2018            |
| Professional services   | 339,988,882     | 322,435,439     |
| Operating expenses      | 38,992,271      | 37,741,066      |
| Other expenses          | 1,274,155       | 1,206,449       |
| **Total gross expenses incurred** | **380,255,308** | **361,382,954** |
| Net income/(loss)       | (66,429)        | 3,115,603       |
| Change in net unrealized gain on investments | 3,495,029 | (2,392,816) |
| Change in statutory non-admitted assets | (626,739) | (579,223) |
| Increase in surplus     | 2,801,861       | 143,564         |
| Surplus, beginning of year | 53,646,009 | 53,502,445 |
| Surplus, end of year    | $ 56,447,870    | $ 53,646,009    |

Gross amounts billed include claims and expense reimbursements from Delta Dental Plan of Maine and Delta Dental Plan of Vermont.

The financial statements of Delta Dental Plan of New Hampshire, Inc., as of, and for the years ended, December 31, 2019 and December 31, 2018, were audited by the firm of Baker Newman & Noyes LLC. Complete audited financial statements are available upon request by writing to: Northeast Delta Dental, Marketing Department, One Delta Drive, PO Box 2002, Concord, New Hampshire, 03302-2002.

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Sara M. Brehm, Corporate Secretary
## Vermont Financials

Delta Dental Plan of Vermont, Inc.

### Statutory Balance Sheet — December 31, 2019, and 2018

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<tr>
<td>Cash and investments</td>
<td>$28,039,259</td>
<td>$28,228,838</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>2,622,987</td>
<td>1,875,134</td>
</tr>
<tr>
<td>Other assets</td>
<td>169,120</td>
<td>177,761</td>
</tr>
<tr>
<td><strong>Total admitted assets</strong></td>
<td>$30,831,366</td>
<td>$30,281,733</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Surplus:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued</td>
<td>$741,236</td>
<td>$599,915</td>
</tr>
<tr>
<td>Subscribers' claims payable</td>
<td>1,160,800</td>
<td>1,059,492</td>
</tr>
<tr>
<td>and related accrued expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unearned revenue and advances</td>
<td>1,568,885</td>
<td>1,474,783</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>3,470,921</td>
<td>3,134,190</td>
</tr>
<tr>
<td>Surplus</td>
<td>27,360,445</td>
<td>27,147,543</td>
</tr>
<tr>
<td><strong>Total liabilities and surplus</strong></td>
<td>$30,831,366</td>
<td>$30,281,733</td>
</tr>
</tbody>
</table>

### Schedule of Gross Amounts Billed, Gross Expenses Incurred, and Changes in Surplus for the Years Ended December 31, 2019, and 2018

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Amounts Billed:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross billings</td>
<td>$86,028,534</td>
<td>$80,558,580</td>
</tr>
<tr>
<td>Net investment revenue/(loss)</td>
<td>(988,646)</td>
<td>1,193,149</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>85,039,888</td>
<td>81,751,729</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Expenses Incurred:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional services</td>
<td>75,582,786</td>
<td>69,901,399</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>10,594,077</td>
<td>9,759,123</td>
</tr>
<tr>
<td><strong>Total gross expenses incurred</strong></td>
<td>86,176,863</td>
<td>79,660,522</td>
</tr>
<tr>
<td>Net income/(loss)</td>
<td>(1,136,975)</td>
<td>2,091,207</td>
</tr>
<tr>
<td>Change in net unrealized gain on investments</td>
<td>1,345,154</td>
<td>(1,985,035)</td>
</tr>
<tr>
<td>Change in statutory non-admitted assets</td>
<td>4,723</td>
<td>578</td>
</tr>
<tr>
<td>Increase in surplus</td>
<td>212,902</td>
<td>106,750</td>
</tr>
<tr>
<td>Surplus, beginning of year</td>
<td>27,147,543</td>
<td>27,040,793</td>
</tr>
<tr>
<td><strong>Surplus, end of year</strong></td>
<td>$27,360,445</td>
<td>$27,147,543</td>
</tr>
</tbody>
</table>

The financial statements of Delta Dental Plan of Vermont, Inc., as of, and for the years ended, December 31, 2019 and December 31, 2018, were audited by the firm of Baker Newman & Noyes LLC. Complete audited financial statements are available upon request by writing to: Northeast Delta Dental, Marketing Department, One Delta Drive, PO Box 2002, Concord, New Hampshire, 03302-2002.

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Introducing the Delta Dental Superhero Campaign

Building on our successful Smile Power™ platform, we introduced a new campaign in 2019 to further strengthen our powerful brand: Superhero! This exciting national advertising campaign encompasses digital display and video prominently featuring the highly recognizable delta symbol on the chest of our heroes, making it clear that Smile Power™ is serious business.
Net new Facebook “Likes” increased 12.5%, rising 9,534 in 2019 for a total of 86,039.

Promoting positive outcomes through strong marketing

The more people understand the health issues, as well as the options available to them for proper dental care, the more likely they will be able to improve their oral health and overall wellness. This is central to achieving more positive outcomes, and it’s the reason we invest in widespread communication strategies across our region.

Online and print marketing

Two of our most popular communication pieces remain Grin! and Grin! for Kids magazines. Published quarterly online, Grin! is filled with valuable oral health information for adults and children—from ideas on healthy eating to advice on harmful habits and how to avoid them, to inspiring ideas for living a happier, healthier life. Grin! for Kids is a fun activity book published in print, with the entire book or individual pages available for download from our website. The design includes games and activities encouraging parents and caregivers to have conversations with their children about the importance of brushing, flossing, and eating the right foods.

Social media

Social media also remains a vital part of our educational efforts. Our Facebook activity continues to be robust, increasing the number of “Likes” or “Followers” from 76,505 to 86,039 in 2019. We maintain an active conversation to keep our community engaged with the latest ideas and happenings.

Small business focus

We launched a region-wide direct mail campaign to small businesses, building on the momentum we began in 2018. This time, we had the strength of other Delta Dental member companies collaborating to support both spring and fall campaigns. Included in our mailings, was a four-page guide for small businesses highlighting the valuable benefits dental insurance brings, including protecting employee
health so they can be happier, more productive contributors to the business.

Sports marketing
Sports marketing continues to prove effective in spreading the word about our brand and mission to advance oral health care and overall wellness. We partnered with the New Hampshire Fisher Cats to encourage children to have healthy teeth and gums through our Oral Health Challenge. We also gained added exposure to UNH Wildcat men’s hockey fans via our in-game social media contest, “Show Us Your Smile!” This fun competition included added promotional exposure on the video scoreboard.

In Maine, we purchased digital advertising for several games at the Portland Sea Dogs stadium. We have also increased our presence at the Maine Red Claws by becoming a title sponsor of their weekly team TV show, “Crustacean Nation,” with two 30-second commercials per episode, and by linking ads on their website.

In addition, our relationship with the Vermont Lake Monsters provided highly visible marketing opportunities, including prominent signage on the video board, a full-color ad in their pocket schedule (with a distribution of 140,000 across Vermont), brand placement in a variety of other media, and the most fun of all: an on-field promotion where a giant toothbrush brushes off the bases while our logo is displayed on the video board. We’ve engaged in similar marketing programs with the University of Vermont, including logo placement with a link to our website on the UVM Athletics website and our logo prominently displayed in Gutterson Fieldhouse.

HOW® promotion
Through all our marketing channels and in direct sales engagements, we enthusiastically promote our Health through Oral Wellness®—or HOW®—program. HOW® is a vital program that helps us enable a more personalized approach to patient care based on individual oral health risk, with enhanced benefits to mitigate that risk. It’s a powerful way to promote the importance of good oral health, which we further support with a number of electronic and print newsletters, including our “Oral Health Update” sent to subscribers, “Group Bulletin” distributed twice yearly to benefit administrators, “The Producer” also published twice per year and sent to producers and consultants, and our popular “Smile Coach Monthly” newsletter sent to individuals who opt in at SmileCoachMonthly.com.
Foundation support furthers our mission

The Northeast Delta Dental Foundation is on a mission to improve access to, and the quality of, oral health care throughout Maine, New Hampshire, and Vermont. Every year, the Foundation awards hundreds of thousands of dollars in grants for dental clinics, school programs, research and education, dental professional support, and special events.

In 2019, the Northeast Delta Dental Foundation approved 65 applications. Of these, $616,279 of Foundation support went to organizations to significantly improve their ability to provide services through oral health education and dental care to uninsured and underserved people throughout the tri-state region. The Foundation’s work extends and expands our mission to advance oral health and overall wellness, and our belief that everyone deserves a healthy smile. Across the three states, the Foundation awarded 16 grants in Maine totaling $195,345; 29 grants in New Hampshire totaling $194,437; and 19 grants in Vermont totaling $224,997. The Foundation also awarded $1,500 to the New England Rural Association to sponsor its annual rural health conference.

In 2019, a record $46,800 was raised for the Foundation at the Thurston J. Carpenter Memorial Golf Tournament.

$616,279 was granted to 65 applicants to support oral health education and dental care in the tri-state region.
In addition to providing financial support to organizations in need, the Foundation also holds an annual golf tournament to raise awareness of our mission and inspire financial contributions to further our philanthropic work and community support. The 2019 Thurston J. Carpenter Memorial Golf Tournament attracted 28 event sponsors and drew 114 participants, raising a record $46,800 for the Northeast Delta Dental Foundation. The tournament was held at Breakfast Hill Golf Course in Greenland, New Hampshire.

**Healthy Smiles Foundation video**

We produced a short video that was created to share the good work of the Foundation. This story brings our mission full circle, beginning with oral health education in the community and ending with a child going to the dentist. This video was shared via Facebook and is posted on our website. We hope you are as proud of our accomplishments as we are! If you haven’t yet seen our “Healthy Smiles” Foundation video, we encourage you to watch it and hope that you will share it with others. You can find it on our website at nedelta.com/Foundation.
In 2019, more than 10,000 new Individual & Family plans were sold, reaching a milestone of 30,000 policies.

Learn more about our Individual & Family plans at DeltaDentalCoversMe.com.