



AMERITOPICS

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SURVEY RANKS AMERITAS HIGH AMONG COMPETITORS

Ameritas Group Dental took part in a 2000 Dental Rate Survey. The survey was conducted by Tillinghast – Towers Perrin, a management consulting firm that helps organizations improve business performance through quantitative analysis, insight and execution.

The results of the survey showed that Ameritas scored impressively in claim trend, expenses and rates (indemnity, PPO and orthodontia) against several big competitors, including:

- Aetna/Prudential Insurance Company
- CIGNA
- Fortis Benefits Insurance Company
- Guardian Life Insurance Company
- Mutual/United of Omaha Insurance Company
- The Principal Financial Group

The survey evaluated gross premium rates, the relationship of street rates to manual rates, and variations in case size, expense load, credibility and trend. Please read the following survey highlights and think about how you might put this valuable information to use as a sales tool.

Expenses: Ameritas was rated in the top third of all competitors in the survey for having lower expense ratios. "We're efficient when it comes to expenses because a higher percentage of premium dollars go toward paying claims. Our customers get more claims paid for their premium dollar, which leads to better relationships with dentists and insureds and fewer claim hassles. There are some areas where our rates are not as competitive, but our loss ratios are more competitive. So, we may not always have the lowest rates but we usually have the most accurate ones. In the long run this is better for policyholders because they are less likely to be surprised with large rate hikes at renewals," said Todd Reimers, vice president of sales - Ameritas Group Division.

Premiums distribution between Indemnity and Managed Care: Compared to Ameritas, the companies surveyed had slightly less total premium coming from Managed Care business. From the survey we can conclude that Ameritas has a higher percentage of PPO business in-force, but comparatively it is disproportionately Passive PPO rather than Two-Tier PPO business.

Passive PPO plans do not take full advantage of our growing PPO panel. Two-Tier PPO directs people toward PPO doctors who often provide better coverage for insureds. In short, the survey showed that although we are doing well in the Managed Care market we should be selling more Two-Tier plans. In order to help increase Two-Tier sales, we've added some new Two-Tier options to our plans. To find out more about the new options speak to your Ameritas Group Representative.

Median group sizes for various credibility levels:

The survey asked, "At what group size is a group with two or more years of experience considered 50% credible? 75% credible? 100% credible?" Virtually all of our competitors appear to recognize that, because of its high frequency of small claims, dental was much higher levels of credibility than major medical, disability, life, etc. A 100% credible group would be rated based 100% on their own experience and a 0% credible group would be rated based entirely on the rate manual.

Ameritas tends to use credibility factors in renewal formulas that are slightly lower than what many of our competitors use. Most competitors would consider a renewal group with 200 lives near 100% credible. Ameritas would consider the same group 75% credible. Increasing the credibility given to a case does not improve the ability to predict what will actually happen the following year. By looking at the experience of cases of similar industry, ZIP code, plan design, participation requirements, etc. as well as case-specific experience, we can improve our forecast on a given case.

Using higher credibility factors would make our renewals more volatile and subject to fluctuations. Our competitors may not have the same confidence in their manual rates, so for them, putting greater reliance on case specific experience might be a better alternative. But we believe that our blend of case specific and pooled experience does the best job of setting appropriate renewal premiums. The infusion of a pooled component provides greater stability and fewer extreme rate actions since it allows us to respond to overall trends while dampening the effect of individual case fluctuations.

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Ameritas Group Dental, a division of Ameritas Life Insurance Corp., an Ameritas Acacia Company, offers group dental and eye care insurance products nationwide and individual and group prepaid dental coverage in Florida only.

In New York, dental coverage is provided through First Ameritas Life Insurance Corp. of New York. Individual and group prepaid dental coverage is provided in California by Ameritas Managed Dental Plan, Inc., a wholly owned subsidiary of Ameritas Life Insurance Corp.

Ameritas is rated A+ (Superior) by the A.M. Best Company. This is the second-highest rating of Best's 15 categories. Ameritas is also rated AA "Very Strong" for insurer financial strength from Standard & Poor's. This is the third-highest of S&P's 21 ratings.



The Dental Health Experts™
AMERITAS ACACIA COMPANIES



Happy Holidays

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AMERITAS ACACIA MUTUAL HOLDING COMPANY ANNOUNCES OFFICER ELECTIONS

The Boards of Directors of Ameritas Holding Company and Ameritas Life Insurance Corp. recently made the following elections that will affect the group division.

Kenneth C. Louis, CLU, LLIF, was elected Chairman and Chief Executive Officer of Ameritas Life Insurance Corp. Louis joined Ameritas in 1989 as senior vice president - individual marketing. He has served as President and Chief Operating Officer of Ameritas since 1995.

David C. Moore, LLIF, was elected President and Chief Operating Officer of Ameritas Life Insurance Corp. and Executive Vice President of Ameritas Holding Company. Moore joined Ameritas in 1990 as senior vice president - Ameritas Group Division. He has served as president of the group division since February 1999. Under Moore's leadership, the group division achieved significant results and generated record top- and bottom-line growth.

Kenneth L. VanCleave, LLIF, was elected senior vice president - Ameritas Group Division. Most recently serving as vice president and director of business development, he joined Ameritas in 1989 as vice president - group marketing. VanCleave's new role will ensure the group division's continued growth and excellent financial results.

With these promotions, **Lawrence J. Arth, CFA**, continues to provide oversight of the Ameritas and Acacia companies. Arth remains Chairman and Chief Executive Officer of Ameritas Acacia Mutual Holding Company and Ameritas Holding Company.

Charles T. Nason, CLU, ChFC, continues in his role as Vice Chairman and President of both holding companies, as well as Chairman and Chief Executive Officer of Acacia Life Insurance Company.

For more information about the leadership of the Ameritas Acacia enterprise please visit www.ameritasacacia.com.

NEW SURVEY PROCESS WILL HELP GROUP DIVISION IMPROVE AND GROW

Because creating and maintaining customer loyalty is one of our top initiatives, the group division recently implemented a survey process to help measure customer satisfaction and customer loyalty.

"These surveys will help us discover which customers are loyal and why. We will be able to connect with our satisfied customers and learn what it takes to move them from satisfied to loyal. Most importantly we will learn what we are doing right, and what we can improve on," said Market Research Manager, Teresa Harms.

Each group will be surveyed monthly, but individuals will not be surveyed more than once a year. Quarterly reports will be compiled using information received from the surveys. The survey results will be used to help the Group division improve and initiate steps that will help us achieve our goal to "Be The Best".

The first surveys were mailed in mid-October to the following groups:

- * Participating Provider Organization (PPO) panel dentists
- * Non-panel dentists that submit at least five claims a month
- * Brokers who are appointed with Ameritas or First Ameritas
- * Ameritas and First Ameritas policyholders and insured employees
- * Policyholders with terminated cases

If you have any questions about the surveys please call 1-800-776-9446 and ask to speak to Teresa Harms of Group Market Research.

"For the group division to maintain its Dental Health Expertise, and create best practices in everything we do, it's important for us to know what our customers want and need. We must ask the tough questions and carefully review the responses."

*Ken VanCleave
Senior Vice President
Group Division*

AMERITAS IS NAMED TO WARD'S 50 BENCHMARK GROUP FOR 8TH YEAR

For the eighth consecutive year, Ameritas Life Insurance Corp. has been named to Ward's 50 Benchmark Group for achieving outstanding financial results in the areas of safety, consistency and performance over the past five years (1996 - 2000).

Ward Financial Group cites Ameritas as one of the top 50 companies out of 1,300 life/health insurance companies studied in its in-depth annual analysis. Analysis objectives are to identify the 50 companies that have excelled at balancing safety, consistency

and performance and then to benchmark their performance with the industry overall.

Ward Financial Group is a Cincinnati-based management consulting and investment banking firm that specializes in the insurance industry. Ward's results are recognized by Fortune magazine, The New York Times, Reuters, and many other news services as an authoritative source for insurance industry financial analysis.

A Message To Our Brokers

In these challenging times, we re-affirm our unwavering commitment to you and your clients. We are backed by the financial strength of Ameritas Life Insurance Corp., which has fulfilled its promises to policyholders through the post-Civil War era, two World Wars, the Great Depression and many other trials in our nation's history.

We pledge to meet your needs and provide you with excellent service for many years to come.

Employee Benefits and Military Leave

If policyholders call you to ask questions regarding employee benefits and military leave, direct them to the U.S. Department of Labor's web site (www.dol.gov). It contains information about the rights and responsibilities of employers and employees under the Uniformed Services Employment and Reemployment Rights Act. USERRA impacts health benefits, including dental and eye care. If they still have questions please call us.

In New York: 800-628-8889

In other states: 800-659-2223

AMDP policyholders: 800-336-6661