

STAYING AHEAD OF THE CURVE.



2008 ANNUAL REPORT

With 40 years of proven success, DeCare Dental is one of the fastest growing multi-national dental benefit management companies, overseeing more than \$1 billion in managed revenues. Through its business partners and administrative clients, DeCare Dental serves 4.3 million individuals in 22,000 employer groups, including Fortune 500 corporations, small businesses, nonprofits and government entities worldwide.

Now a wholly owned subsidiary of WellPoint, Inc. (NYSE: WLP), the nation's largest health benefits provider, DeCare gains even greater economies of scale and growth opportunity.

Our 2008 results – the 21st consecutive year of growth – reflect our strong portfolio of businesses and strategic partnerships, our vision to deliver value to our partners, clients and members, and our ability to stay agile and ahead of the curve.

## 2008 HIGHLIGHTS

Total Managed Revenue	\$1.2 billion
Operating Expense Ratio	6.8 percent
People Served	4.3 million



# LETTER FROM THE PRESIDENT AND CEO

I'm pleased to report that 2008 marked our 21st consecutive year of record revenue, with managed revenue of \$1.2 billion. The number of people we serve in the United States and Europe has also increased – we now serve the dental benefit needs of 4.3 million people in the United States and Europe.

This growth is a reflection of the trust our partners, clients and members place in us. In the toughest global economy in memory, our continued growth is also a testament to the value we deliver.

We deliver this value through a business model that focuses on delivering consistently excellent service while maintaining low operating costs through massive economies of scale.

Our partners and clients appreciate this combination of value-driven pricing and superior service in all times – and perhaps even more so in an economy where every dollar truly counts.

Our business model remains unchanged, as does our commitment to leveraging this business model and our advanced technology to continuously deliver innovative dental benefit solutions to current and new partners.

What has changed is that we have recently gained the ability to drive even greater economies of scale.

## Poised for the future

Our recent acquisition by WellPoint gives us an unprecedented ability to continue growing the base of customers we serve – and further increase our economies of scale.

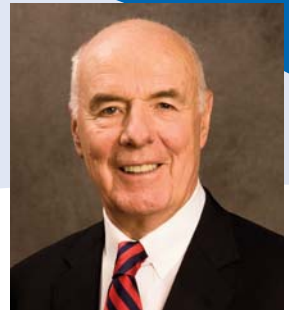
As a wholly owned subsidiary of WellPoint, we continue to manage and administer dental benefits for our 10 business partners – several of the world's leading dental, healthcare and insurance companies.

In addition to the 4.3 million people we serve through our existing partners and clients, we are providing a growing number of dental benefit management services to WellPoint, which has its own customer base of 35 million medical members and 4 million dental members.

While we are now part of a larger organization, our growth strategy remains unchanged: We will continue to serve existing and new partners and clients through our exceptional management and employee team, industry-leading systems and technology, measurably superior service, comprehensive dental benefit and network management capabilities, flexible and agile approach to business and value-driven pricing.

We anticipate – and are already experiencing – ongoing growth in our customer base and in employment as we continue to deliver unmatched value. We are well-positioned for the future, and I'm confident we will remain ahead of the curve in this competitive marketplace.

Sincerely,



*Michael F. Walsh  
President and CEO*

## NATIONAL AND INTERNATIONAL PARTNERS

We serve partners and clients in all major markets across the United States. We are also the market leader in Ireland where we were the first American company to offer dental benefits in Europe, through the Vhi DeCare Dental brand.

Our global infrastructure supports the day-to-day operations of 10 dental brands, including the dental plan offerings of healthcare and insurance leaders Wellmark BlueCross BlueShield of Iowa, BlueCross BlueShield of Minnesota, Minnesota-based Medica, the nationally marketed Securian Dental Plans and WellPoint (whose Empire BlueCross BlueShield of New York business we have managed since 2000).

Our partners and administrative clients also include a number of the leading dental benefit carriers in the Southeast and Midwest, including Minnesota's largest dental benefits provider.

We pride ourselves in the longevity of these relationships, which is the strongest endorsement of the value we bring to those who rely on us for dental benefits administration and management expertise.

Through our brands and partnerships, DeCare Dental serves employer groups of all sizes, including Fortune 500 companies, small businesses, nonprofits and government entities, along with individuals and families who purchase dental insurance on their own.



Dani V. Fjelstad  
Executive Vice President, Finance and Business  
Development, and Chief Financial Officer

*“We attribute our success to keeping our partners’ and customers’ expectations for access to quality dental benefit plans, service excellence and cost management at the forefront of everything we do.”*

## COMPREHENSIVE AND CUSTOMIZED SERVICES

Leading healthcare, insurance and dental benefit companies turn to us for our expertise in managing their entire dental operation under their brand name, or providing specified administrative services.

Our track record of handling complete dental management, along with our flexibility to provide exactly the services that meet a given partner's needs, make us the partner of choice for organizations looking to take their dental market share to the next level.

Because we have an existing technology-and-personnel infrastructure that is able to seamlessly provide service under any brand, we bring the tools to increase our partners' revenue and improve the service provided to their customers – while reducing their operating costs.

DeCare Dental offers the spectrum of dental benefit management solutions from product and network development through comprehensive client service, claims payment and innovative cost-saving solutions.

We perform these functions under our own brand and also under our partners' brand names – based on the specific partner's preference:

- product development, marketing and sales (broker and direct mail/telemarketing)
- systems development, data processing and Web development
- enrollment and eligibility
- claims processing
- customer and account services
- finance and accounting, including underwriting and financial modeling
- dentist network recruitment and management
- dental analytics



Mark A. Moksnes  
Executive Vice President, Sales and Marketing

*“At DeCare Dental, our team of experienced marketing, sales and benefits professionals create long-term relationships. Focusing on our customers' needs, we provide targeted benefit solutions and personalized service.”*

## TRADITIONAL, PPO AND CUTTING-EDGE PRODUCTS

DeCare Dental and its partners provide employer groups and individuals off-the-shelf and tailor-made dental benefit products to meet virtually any customer's objectives.

Group sizes range from two employees to more than 150,000, and products range from traditional "any-dentist" and PPO plans to the dental products of the future – featuring customized, analytically designed networks that match a customer's employee locations with the dentists whose practice patterns demonstrate the greatest economic value.

Leading consultants and brokers are a critical link in distributing our products to businesses of all sizes – from small groups to enterprise-level Fortune 500 clients.

Several of the brands DeCare Dental administers offer dental benefits for individuals and their families. In many cases, the dental plans are designed explicitly to complement their medical plans.

## LOCAL, NATIONAL AND INTERNATIONAL DENTIST NETWORKS

DeCare Dental Networks, a subsidiary of DeCare Dental, develops and manages more than 20 dentist networks in the United States and internationally.

These include networks available to multiple brands, along with custom networks that we recruit and manage on behalf of specific business partners and large employer groups.

We build traditional networks based on provider discounts, as well as high-performance networks that put our analytics to work in selecting the dentists who deliver the greatest economic value consistent with clinical and scientific research.



## CONSISTENTLY EXCELLENT CUSTOMER SERVICE

We deliver excellent customer service – consistently and measurably. In 2008, we processed 7 million dental claims and our experienced customer service team answered 1.7 million phone calls.

### 2008 service results included:

- Average Claim Turnaround: **2.06 days**
- Average Time to Answer Phone: **16 seconds**
- Claim Payment Accuracy: **99.83 percent**
- Issues Resolved in First Call: **97.37 percent**

In addition to handling inbound phone calls from brokers, customers and dentists, we perform outbound telemarketing services for a number of our partners. These campaigns range from informing brokers and consultants about product offerings to cross-selling dental insurance to our health insurance partners' group medical clients.

## DENTAL SYSTEMS AND WEB SOLUTIONS

DeCare Dental's position at the forefront of dental systems technology enables us to integrate with virtually any partner's existing systems – or run their dental business on our system.

Our home office information technology team and our Irish affiliate, DeCare Systems Ireland (DSI), provide a number of services to business partners, including custom enterprise software solutions, e-business applications, application performance tuning and Web site design and management.

In addition to meeting DeCare's needs, DSI provides systems and Web services to global organizations including Amazon.com, Avon, Expedia and some of the largest dental and health insurance plans in the United States.



Norman C. Storbakken  
Executive Vice President, Operations

*“Our partners and customers are our number one priority. We design our systems, train our employees and measure our results with total customer satisfaction in mind.”*

# LEADERSHIP

## 2008 DECARE DENTAL MANAGEMENT TEAM

**Michael F. Walsh**  
President and  
Chief Executive Officer

**Dani V. Fjelstad**  
Executive Vice President,  
Finance and Business  
Development, and  
Chief Financial Officer

**Mark A. Moksnes**  
Executive Vice President,  
Sales and Marketing

**Norman C. Storbakken**  
Executive Vice President,  
Operations

## 2008 DECARE DENTAL BOARD OF DIRECTORS

**Michael F. Walsh**  
Executive Chairman  
President and  
Chief Executive Officer  
DeCare Dental

**John W. Bluford**  
Executive Director and  
Chief Executive Officer  
Truman Medical Center  
(Missouri)

**Fosten A. Boyle**  
Vice President  
Human Resources  
Honeywell, Inc.  
(retired)

**Michael W. Howe**  
M.W. Howe Consulting, LLC

**Vance K. Opperman**  
President and Chief Executive Officer  
Key Investment, Inc.

**John D. Somrock**  
Consultant  
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