

**2010
Dental
Benefits
Survey
Results**

results



Denplan
At the heart of dental care

Its

Introduction

About benefits

02

Overview

03

Company findings

07

Employee findings

About dentistry

08

Overview

09

Company and employee findings

About dental plans

12

Overview

13

Company and employee findings

Support tools

16

Information on materials available

Introduction

Independent research, conducted by Denplan and YouGov, reveals employer and employee attitudes to benefits.

During March 2010, Denplan, the UK's leading dental payment plan specialist, completed independent research with corporate decision makers, alongside employee research, undertaken by YouGov. These results, combined with Denplan's monthly consumer research on dental attitudes and behaviours, are presented in this comprehensive report to provide you with the top-line responses from both employers and employees.

Details of research conducted:

- Denplan contacted 6,000 corporate decision makers during March 2010, 518 responded
- Denplan commissioned YouGov to conduct independent research with 1,486 employees* during March 2010

***The term "employee" refers to individuals currently in employment.**

Key findings:

One third of the companies who are considering adding or removing benefits in 2010 are considering adding a dental benefit. This makes dental the most widely considered health benefit.

How regularly a benefit will be used is the most important factor considered by employees when choosing benefits. Regularity of use is considered to be more important than cost and value for money.

You have a massive influence on the benefits your clients choose. When researching new benefits, your advice is considered to be the key factor affecting a company's choice of benefits.

67% of employees believe there are issues accessing NHS dentistry at the moment.

75% of companies believe a dental plan enhances employee wellbeing.

Read on for the results...

About benefits Overview



Steve Gates, Managing Director, Denplan

Steve joined Denplan in 1995 and in 2001 became Managing Director. In this role he is responsible for the strategic direction and growth of all Denplan activities, along with the Denplan Board and other senior management team members. Steve focuses specifically on new product and business development, while maintaining close links with the dental profession.

We're delighted to share our 2010 Dental Benefits Survey Results with you and hope this report will provide you with practical facts and figures that you can discuss with your clients. Denplan has been working in the dental industry for nearly 25 years and it's our aim to inform you of the most up to date and relevant information about dental benefits.

Summary of findings

- Regularity of use is an important factor influencing the choice of benefits, for both companies and employees
- Broker recommendation is a key factor influencing choice
- Companies look for products that are easy for employees to understand
- Employees consider value for money to be more important than cost

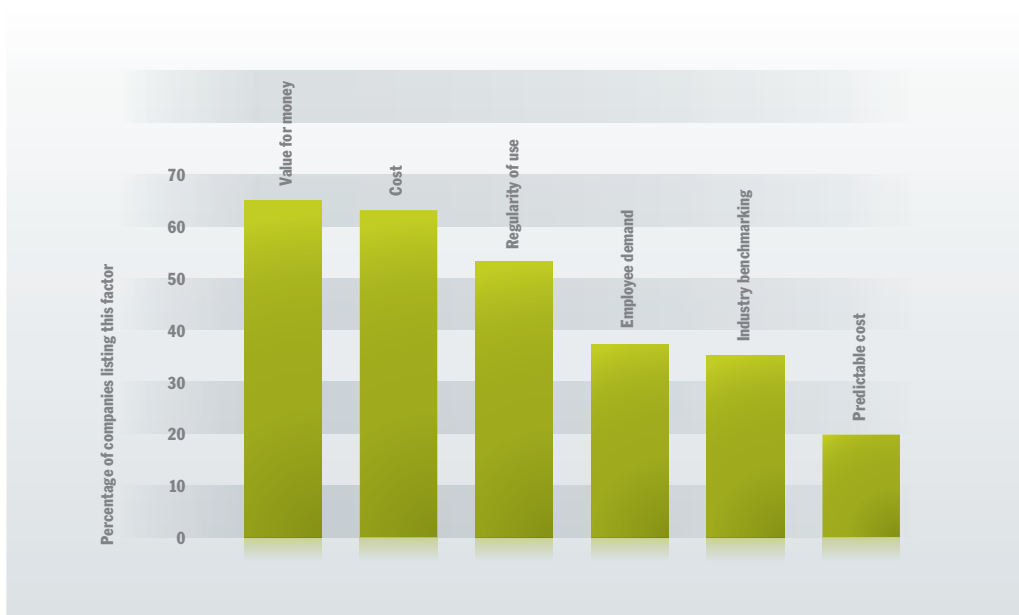
Company findings

As part of our research, we wanted to explore companies' and employees' attitudes to benefits in general and how this has been affected by the economic climate. We also wanted to gain a greater understanding of how particular benefits are selected.

How companies choose benefits

Cost continues to be a major factor for companies when choosing benefits but regularity of use is also considered to be a key factor in the benefits companies choose to offer.

Factors affecting types of benefits offered



We have also seen evidence of a change in company attitudes on how they select benefits, with **66%** of companies stating that value for money is more important for them in 2010 than it was in 2009. Regularity of use has also become more important for companies, with **33%** stating it's more important this year than last.

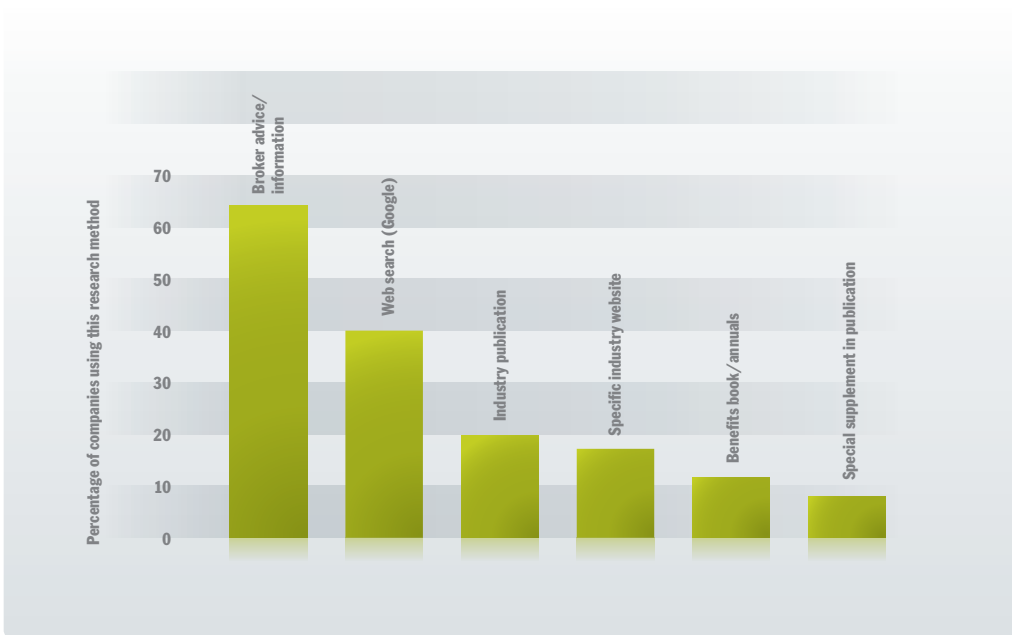
Company findings

Influence of brokers

A key factor we have observed in our survey is the influence brokers have on company decision makers when choosing benefits for their employees. **32%** of companies stated that broker recommendation was an important factor in their choice of benefits, with **11%** citing it as the one key factor affecting their choice.

We also found broker advice to be a key factor for companies when researching new benefits.

Methods used by companies when researching benefits

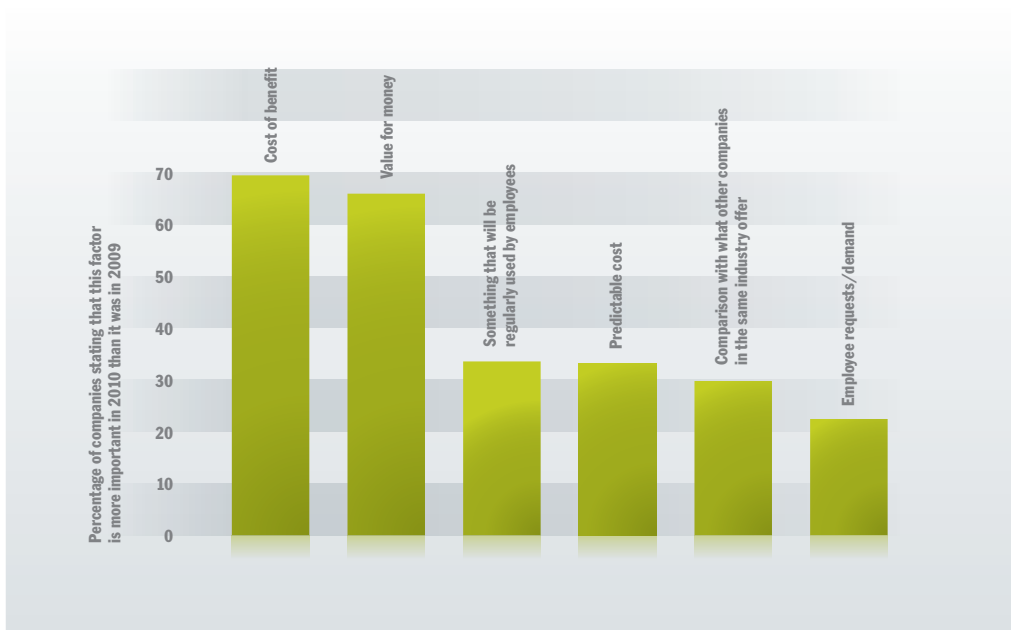


11%
11%
11%
of companies cite broker recommendation as the main factor influencing choice of benefits

Effect of the economic climate

Our research found that almost half of companies reviewed their benefits portfolio in 2009 as a result of the economic climate. In 2010 there is greater optimism among companies, with only **38%** conducting a benefit review due to the economic situation. In most cases, companies are looking at their existing benefits to find best value, rather than cutting back.

Change of importance in the factors influencing a company's choice of benefits



34%
of companies considering
adding benefits are considering
adding a dental plan

34%
34%

Company findings

What are companies who say they are reviewing their benefits package in 2010 planning to do?

45% said they would look at other providers for their existing benefits to ensure they were receiving the best value for money.

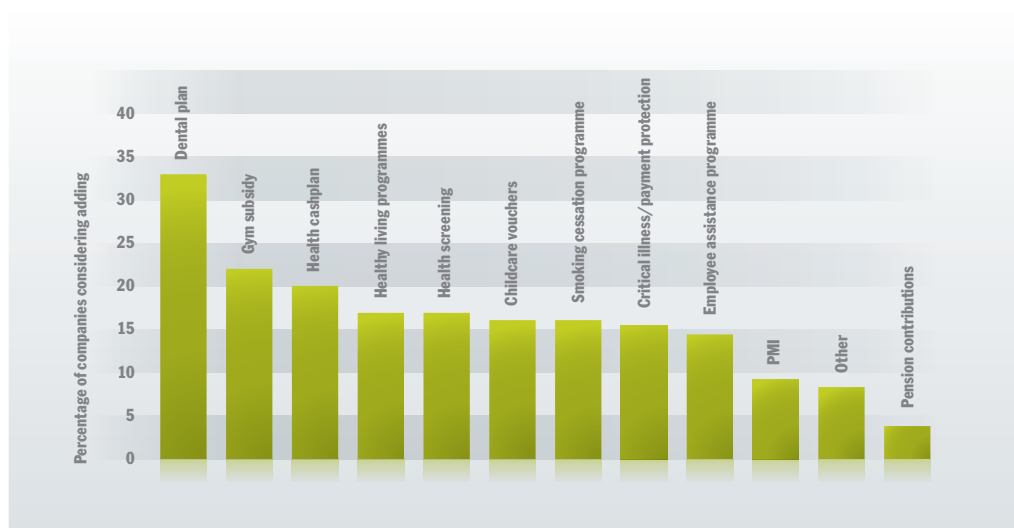
16% of companies asked were planning to reduce the number of benefits offered to employees in 2010.

15% are planning to add benefits, but intend to limit the number of new benefits offered due to the economic climate.

Not all companies are being affected by the economic climate in the same way – a healthy **93%** of companies surveyed reported that they were considering adding benefits to their portfolio in 2010 regardless of the economic climate.

Types of benefit being considered

When looking at benefits under consideration by companies, we were pleased to notice that dental plans were the most widely considered benefit – with one third of the companies who are considering adding/removing benefits in 2010, considering adding a dental benefit. Other popular benefits under consideration for companies included health cashplans and healthy living programmes.



Employee findings

Employee attitudes to benefits

Understanding employees' needs is also key when putting together a successful benefit package – Denplan's research set out to uncover the key motivations for the type of benefits employees choose. For company funded benefits, cost was not the main consideration for employees; regularity of use was the main factor influencing their decision.

Factors influencing the benefits employees choose to take up (company funded)

57% consider regularity of use to be important when choosing benefits.

48% think value for money is important.

40% consider cost to be important when choosing benefits.

Even when employees are bearing the full cost of the benefit, cost was still not viewed as the most important factor – value for money was the key consideration. This suggests that employees will take time to consider the benefits they choose and weigh up their options to ensure they select the ones which best suit their individual needs, as opposed to just going for the cheapest one.

Factors influencing the benefits employees choose to take up (employee paid)

62% consider regularity of use to be important when choosing benefits.

67% think value for money is important.

64% consider cost to be important when choosing benefits.

62% ^{62%} _{62%}

of employees believe regularity of use is important when choosing employee-paid benefits

About dentistry Overview



Roger joined Denplan in 1995 having spent 20 years working in general dental practice and as an advisor for the Medical Defence Union. He oversees dental advice for the company and its links with professional bodies. He is also responsible for Denplan's Professional Services department.

Roger Matthews, Chief Dental Officer, Denplan

Numerous different types of lesions and diseases can be identified in the mouth and as with all diseases any method of early diagnosis is vitally important. While these diseases are incredibly serious, dental decay is one of the most common chronic diseases in the world. Dental problems can not only affect people's ability to eat, sleep, work and socialise effectively, but can often contribute to lifelong oral and general health problems. It is also entirely preventable, which is why it's so important that companies encourage their employees to look after their oral health.

Summary of findings

- Companies and employees believe there is a strong link between good dental health and overall wellbeing
- Companies and employees believe there are issues accessing NHS dentistry
- The cost of dental care is rising and is having an affect on the frequency of dental visits
- Employees with a dental plan are less likely to cancel appointments

Company and employee findings

As the UK's leading dental payment plan specialist, Denplan has always understood the value of dentistry and how important it can be for health and wellbeing. But what do companies and employees feel about this and how is the current climate – difficulties accessing an NHS dentist and the impact of the recession – affecting them?

Dental attendance

Regular attendance at the dentist has always been acknowledged as a central part of a healthy lifestyle, and our survey finds this attitude continuing with **43%** of employees questioned attending every six months, and **68%** at least once a year. However, these figures do represent a drop in the level of regular attendance from 2009, suggesting that cost concerns are really starting to affect employee's attendance patterns.

43% of employees attend the dentist every six months, down from 59% in 2009.

Health and wellbeing

Over the past few years it has become clear that companies view dental benefits as a key part of their approach to health and wellbeing in the workplace. This has continued to be the case this year, with companies placing dental benefits at the heart of their approach.

75% of companies feel that a dental plan enhances employee wellbeing.

90% of companies agree that good dental health supports your overall wellbeing.

This view is also shared by employees, with **77%** believing that good dental health supports overall wellbeing.

90%
90%
90%
of companies agree that good dental health supports your overall wellbeing

Company and employee findings

NHS dentistry

There has been much discussion and debate in the media over the state of NHS dentistry in the UK. This is something which is widely understood by companies and employees, with **81%** of companies recognising the issues in accessing an NHS dentist at present. This view is shared by employees, with **67%** believing there are issues accessing NHS dentistry at the moment.

However, the affect of NHS access is not restricted to the inconvenience of hunting to find a dentist – **22%** of employees felt that NHS dental access issues were having a negative impact on their oral health.

An additional factor in NHS dental care which doesn't receive much of an airing is the frequency of referrals that NHS patients receive for private care (often to receive treatments which cannot be funded or completed under the NHS). **10%** of NHS patients in our survey reported that they had been referred for some sort of private dental care by their NHS dentist, undoubtedly increasing their dental costs. Furthermore, **41%** of these patients felt they received a better standard of care from their private dentist than their NHS dentist.

NHS dentistry – the key facts

81% of company decision makers were aware of the issues regarding access to NHS dentistry at the moment.

67% believe there are issues accessing NHS dentistry at the moment.

41% of NHS patients thought the care they received privately was better than the NHS.

22% of employees believe that difficulties accessing NHS dentistry are having an effect on their dental health.

41%
41%
41%
of patients felt they received a better standard of care from their private dentist than their NHS dentist

Dental costs

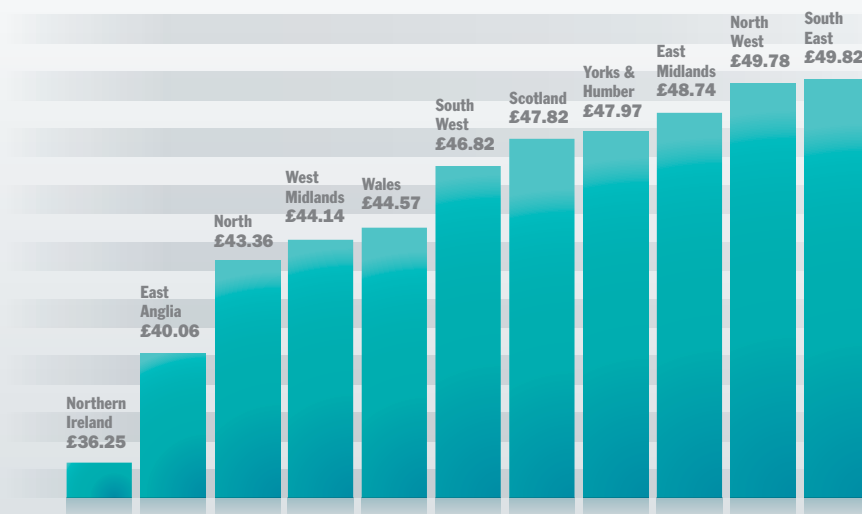
We found evidence of cost considerations playing a larger role in employees' and companies' attitudes towards dentistry in 2010. This is certainly an issue companies recognise, with **38%** of companies not offering dental plans believing that cost considerations were putting their employees off going to the dentist. This issue is set to continue over the coming years, with both companies and employees noting a rise in the cost of dental care.

90% of companies and **64%** of employees are aware of the rising cost of dental care.

Our survey also revealed that these factors are starting to have a real impact on employees dental attendance, with **14%** of employees having already cut down the frequency of their dental visits due to cost. Worryingly, **41%** of employees said that they would cancel an appointment for necessary dental treatment on cost grounds, potentially compromising their oral and overall health and wellbeing.

The good news for companies is that arranging a dental plan for employees can have a positive impact on this – **44%** said that having a dental plan would change their view on cancelling treatment due to cost.

Dental costs across the UK



Average cost of routine examination for a private patient by region

Source: Denplan Supplementary Insurance Benefits Survey 2010

About dental plans Overview



Pam Whelan, Corporate Dental Sales Manager, Denplan

Pam joined Denplan in 2000 as a Corporate Consultant having previously worked within the financial sector. In January 2003 Pam took over responsibility for the relationship with dental corporate bodies, becoming Corporate Sales Manager in January 2005, where she is responsible for the internal and external Corporate Sales team.

Dental plans are great as part of a corporate wellbeing package as it's something that everybody can use. With flexible plans that offer reimbursement for routine and restorative dental treatment, dental can be a great deal more attractive to employees than some other benefits and more widely used. Interestingly, people lucky enough to have their dental care paid through their employer are far less likely to cancel or delay their appointments, as the cost is spread to make it more manageable. So why not offer dental plans to your employees as part of your company benefit scheme.

Summary of findings

- Dental plans are rated very highly as a benefit
- Simplicity of product is the key factor companies look for in a plan
- Companies and employees see a dental plan as a key way of increasing employee retention and promoting loyalty
- Employees are reluctant to cancel a dental benefit if it's offered by their employer

Company and employee findings

Our research has focused on the place of dental plans in the employee benefit mix, what drives purchasing decisions on dental plans, and how employees feel about them.

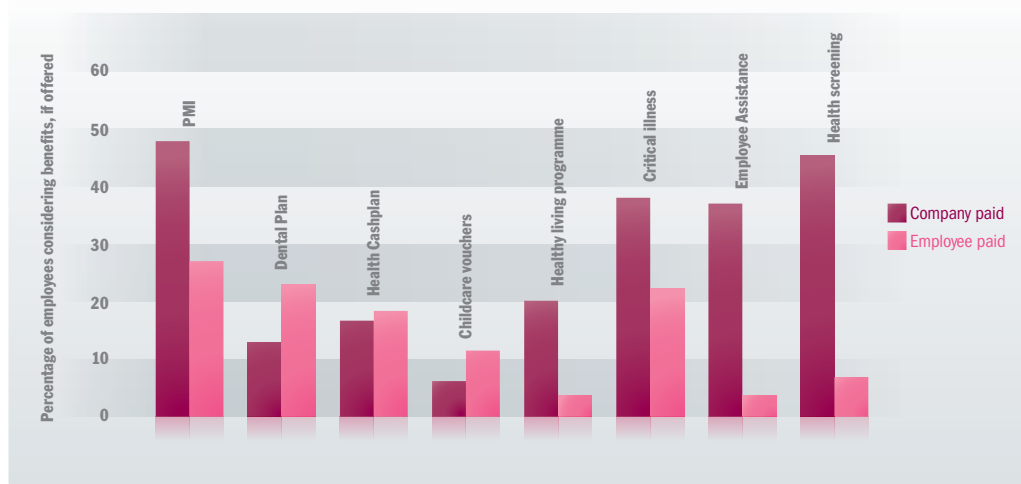
Dental plans in the benefit mix

23% of the companies in our survey offered a dental benefit. As we have already seen in the 'About benefits' section, dental plans are popular with companies as part of health and wellbeing strategies. However, we were keen to explore employee attitudes to dental benefits.

34% of companies who are considering adding or removing benefits in 2010 were considering adding a dental plan.

Employee take-up of benefits

Where companies were already offering a dental plan, there was a high level of take-up from employees – even when they were required to pay the premium themselves. For companies where a dental plan was not available, employees were keen to take out a plan, if the company decided to implement it.



59%
59%

of employees would consider a dental plan if their company offered it

Company and employee findings

59% of employees would consider taking out a dental plan if their company offered it.

When comparing dental plans to other health and wellbeing benefits, we found that employees place a high level of importance and value on their dental benefits. When questioned about the changes they may make to their benefits due to the economic climate, **17%** of employees stated that they would never cancel their dental benefit offered by their employer, which compares positively to PMI (**12%**) and health cashplans (**10%**).

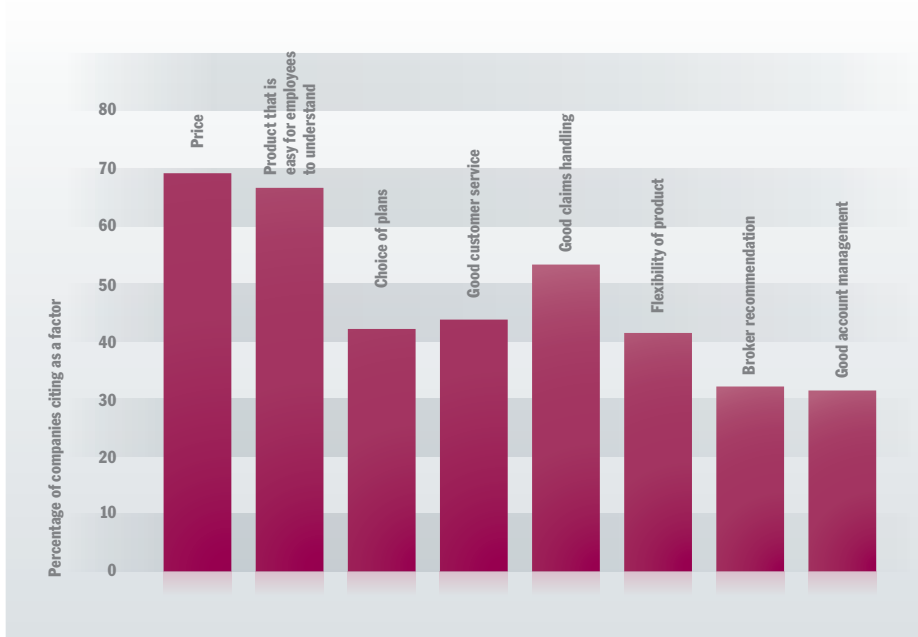
Taking everything into account, employees rated a dental plan as the second most attractive benefit that would attract them to a new employer or keep them loyal to their existing employer (behind pensions, but ahead of PMI and health cashplans).

A dental plan was also rated as the benefit most likely to be purchased by employees (with their own money).

Key purchasing criteria for companies

Cost is not the only factor companies consider when choosing dental plans. In addition to price, key purchasing criteria for dental plans are simplicity of product (**67%**), good claims handling (**54%**) and choice of plans (**42%**) which is the third most important factor companies consider.

The factors that influence a company's choice of dental plan provider



When companies were asked about the key factor that influenced their choice of dental plan provider, simplicity of product was considered the most important factor to look for in a plan, with price and broker recommendation also important considerations.

Key factor in choice of dental plan provider

24% said simplicity of product.

23% said price.

11% said broker recommendation.

Attitudes to dental plans

We found that companies and employees felt that a dental plan was a tangible, usable benefit that forms part of an effective employee wellbeing strategy.

Key facts

75% of companies said a dental plan enhances employee wellbeing.

33% of companies said a dental plan helps them attract new employees.

53% of employees believe dental is a tangible, usable benefit.

Importantly, both employees and companies also see a dental plan as a key way of promoting loyalty and increasing employee retention. In fact, a dental plan rated among the highest health and wellbeing benefits for increasing employee loyalty – exceeding both PMI (**20%**), and health cashplans (**17%**).

46% of companies said a dental plan helps them retain existing employees.

21% of employees said that a dental plan is an important benefit that keeps them loyal to their employer.

Support tools

We hope that the research has helped reinforce the value of dental plans to both companies and employees.

We would be happy to send you more information, including:

- **Presentation slides** – a series of PowerPoint slides, split into useful sections:
 - About Benefits
 - About Dental Plans
 - About Dentistry
- **Product overview** – a collection of booklets to provide you with an overview of the Denplan dental plans available

Please call us on 0800 169 3279.

Member of the  Group

Denplan Limited, Denplan Court, Victoria Road, Winchester, SO23 7RG, UK
Tel: +44 (0) 1962 828000. Fax: +44 (0) 1962 840846. Email: denplan@denplan.co.uk
Registered in England No. 1981238. Registered address 5 Old Broad Street, London EC2N 1AD, UK.

Denplan Limited is an Appointed Representative of AXA PPP healthcare Limited which is authorised and regulated by the Financial Services Authority. This information can be checked by visiting the FSA register which is on their website: www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234. Denplan Limited is regulated by the Jersey Financial Services Commission. This policy is underwritten by AXA PPP healthcare Limited. Denplan Limited only offers dental insurance from AXA PPP healthcare Limited and is a member of the AXA UK plc group of companies of which AXA PPP healthcare is a member. Telephone calls may be recorded for security, regulatory and training reasons as well as monitored under our quality control procedures.