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**Testimony of Delta Dental of New Jersey, Inc.
In Opposition to SB 9 (Committee Bill No. 9)
Concerning the Rate Approval Process for Certain Health Insurance Policies**

Delta Dental of New Jersey, Inc. ("Delta Dental") is a dental service corporation of the State of New Jersey. Delta Dental Insurance Company is licensed as a health insurer and writes dental insurance coverage in the State of Connecticut. Delta Dental is the third party administrator for Delta Dental Insurance Company in Connecticut and provides it dental benefits administration and claims processing.

While it may not be the intent, the bill adds prior rate approval for all lines of insurance not specified, including (16) dental, vision and prescription drug coverage. With respect to dental, we do not believe necessary because stand-alone dental coverage is cost sensitive but very beneficial to employers and their covered employees. Group dental premiums are generally less than one-tenth (1/10th) of premiums for group medical coverage. Because of: (a) the disproportionate cost impact on stand-alone dental coverage where the administrative load is a fraction of the medical load, (b) the fact that dental coverage has not generated the substantial premium rate increases that have been experienced in the medical coverage context, and (c) that stand-alone dental coverage is not exposed to the types of catastrophic losses that health coverages can experience, we urge that consideration be given to amending SB 9 to clarify that rate approval need not be obtained for group dental coverage as described in Section 38a – 469 (16).

Thank you for your consideration.

Respectfully submitted,

Douglas G. Sanborn
Senior Vice President & General Counsel
Delta Dental of New Jersey, Inc.

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