



Compliance

the right way . . . together

Code of Conduct

December 2009



Dear Fellow Employee:

Delta Dental of Colorado is dedicated to managing all of its business activities with integrity and excellence. The Code of Conduct highlights the general principles governing how people should behave in the workplace so as to ensure that we as a company adhere to high regulatory, legal, and ethical standards.

It is important that we don't place the organization or ourselves at risk of noncompliance with our policies, procedures, standards of conduct, as well as all applicable laws and regulations. As such, Delta Dental is committed to providing all employees with the necessary resources to know what is expected of them in the workplace.

This Code of Conduct was developed to:

- Raise awareness of the regulatory challenges that we face on the job.
- Reinforce the importance of compliance.
- Ensure that we know where to go to receive guidance.
- Learn how to raise issues arising in the workplace.

I am personally committed to making certain that Delta Dental and all its employees are firmly rooted in the Code of Conduct that serves as both a statement of our values and ethics and as a guide to day-to-day business practices. The Code provides the tools necessary to help us do the right thing when presented with difficult choices. This Code explains what is expected of each of us. While it cannot address every potential situation that we may encounter, it does serve as a valuable guide for "doing the right thing . . . together."

I expect a high level of ethics and integrity from every employee at every level, every day. Each of us must set high standards of excellence for ourselves and our fellow employees and never compromise those standards no matter what the pressure from colleagues, supervisors, or business associates.

I personally assure you that if you are aware of violations of the Code of Conduct, you will not suffer reprisals of any kind for reporting those violations in good faith. This is my commitment to you, and it has the full support of our Board of Directors and Senior Leadership Team.

By observing the Code of Conduct and through our continued loyalty to our core values, we can strengthen our reputation as a leader in the dental benefits community. With your help, we will long remain a company that people can trust.

Sincerely,

Kate Paul
President

DELTA DENTAL OF COLORADO

CODE OF CONDUCT

INTRODUCTION

Delta Dental of Colorado (hereinafter “DDCO”) is a non-profit dental benefits organization devoted to its mission of improving the oral health of the communities it serves. In order to meet this mission, the legally responsible and ethical behavior and commitment of all levels of its workforce, and Board of Trustees is of prime importance.

This Code of Conduct provides written standards of conduct for Trustees and non-Trustee Board Committee members (collectively “trustees”) and the DDCO workforce in order to support fulfillment of the mission and to assure our continued commitment to excellence. The Code of Conduct articulates the fundamental principles and values of DDCO and affirms its commitment to ethical, honest and morally responsible behavior in the workplace. The Code of Conduct addresses not only DDCO’s commitment to comply with all federal, state and local rules and regulations, but also sets forth broad principles that guide employees in conducting business in a legal and ethical manner.

The integrity and reputation of DDCO depends on the honesty, fairness and integrity brought to the job by each person associated with us. The Code of Conduct cannot possibly describe every practice or principle related to honest and ethical conduct. It is the responsibility of each employee and trustee to apply common sense, together with the ethical standards as described in the Business Ethics Policy, in making business decisions where there is no stated guideline in the Code.

I. COMMITMENT TO COMPLIANCE

The complexity of regulations governing the health benefits industry make it essential to provide information and support to assist our employees and trustees in avoiding even unintentional violations of applicable laws, regulations and policies.

OUR COMMITMENT TO COMPLIANCE

DDCO is subject to numerous federal, state, and local laws and regulations. To that end, policies and procedures have been developed to assist employees and trustees in complying with legal requirements. DDCO’s employees are responsible for understanding the state and federal laws that apply to their responsibilities. Under the law, ignorance of legal requirements is not an excuse for non-compliance. Questions about how a law or regulation applies to a specific situation should be directed to the supervisor of the work unit or to the Compliance Department.

In order to best protect DDCO and its employees in an increasingly challenging regulatory environment, it is important for DDCO to develop and implement a formal compliance program. Federal laws specify that those organizations with compliance programs are considered favorably and that the programs serve to protect the organization and the people in it. Consequently, DDCO has developed a formal compliance program, which consists of:

- ⁿ OUR EMPLOYEES – and their commitment to understand and work according to those laws, regulations, and policies that apply to them and the work they perform;
- ⁿ OUR BOARD OF TRUSTEES – and their support of the organization’s corporate compliance program, respect for adherence to this Code of Conduct, and unwillingness to tolerate any non-compliant, unethical, or illegal activities committed by the organization’s employees, officers, agents or business associates;
- ⁿ SUPERVISORS – and their commitment to providing our employees with information, support and an environment which encourages discussion of issues of compliance;
- ⁿ ALL MANAGEMENT AND SENIOR LEADERSHIP PERSONNEL – and their commitment to knowing what laws impact the organization and taking action to implement compliance with those laws and regulations.
- ⁿ DDCO COMPLIANCE PERSONNEL – who provide the education and information regarding laws and regulations that impact the organization; assist senior leadership and management with the development of policies and procedures in order to comply with those laws and regulations; review allegations and investigate them to conclusion; and take necessary action to ensure a culture of legal and ethical behavior.
- ⁿ THE DDCO HOTLINE - which is a telephone line that permits our employees to report, on an anonymous basis if desired, any activities perceived to constitute legal or ethical violations by persons in DDCO. All information will be investigated as appropriate and callers to the Hotline will receive a report of the results if requested and if appropriate to do so. This system is intended to serve as a means for employees to report important matters that they feel will not be properly handled in any other way. There will be no retaliation against individual callers who in good faith report perceived legal or ethical violations.

To the maximum extent possible, the identity of anyone who reports a violation and/or possible violation will be concealed. Consistent with our policies, DDCO will guard the identity of personnel about or against whom an allegation is made.

II. OUR COMMITMENT TO INTEGRITY

DDCO's reputation is a valued business asset, and the organization is committed to conducting its affairs with honesty and integrity. DDCO employees and trustees should avoid activities that could:

- affect adversely the independence and objectivity of their judgment in the performance of their jobs and responsibilities;
- discredit the organization;
- conflict with the organization's best interests;
- give the appearance of creating a conflict of interest; or
- disclose proprietary or confidential information to our competitors or the public without appropriate authorization.

We each have a responsibility to comply with all laws and DDCO policies and procedures, to require consultants and other contractors to comply with the law, to protect the privacy of employees, enrollees and providers, and to guard the confidential and proprietary nature of DDCO information, and to respect the requests of others for confidentiality.

III. CONFLICT OF INTEREST

Trustees, senior leadership, managers, supervisors and others with the authority to direct or influence the use of DDCO assets must annually disclose, in writing, any potential or actual conflicts of interest to their manager, or in the case of trustees, to the Chair of the Governance Committee. A disclosure of potential conflict does not necessarily mean there is a real conflict, but full disclosure of all relevant facts is expected. Additionally, recusal from decision-making is expected if there is a conflict or a potential conflict of interests.

1. Financial Relationships

Trustees, senior leadership, managers, supervisors and others with the authority to direct or influence the use of DDCO assets and any of their immediate family members must disclose, in writing, any financial interest or investment in the business of a competitor, customer, or supplier that could cause or appear to cause a conflict of interest between DDCO interests and their personal interests.

2. Direct and Indirect Relationships

Trustees, employees and their family members must refrain from business relationships with persons and organizations whose business with DDCO is completely or partially under their control or influence and where their independent judgment is or might appear to be affected.

3. Employment of Family Members or other Relatives

Fair and equal treatment of all employees is one of our highest values. Personnel decisions must be based on sound management practices and should not be influenced by personal concerns. Employees must avoid family relationship considerations when making decisions related to business matters. All managers and supervisors must avoid hiring family members. Family members of trustees are not eligible for employment.

Family members who are employed by DDCO must be reasonably separated from each other with respect to the scope of supervision and influence in the areas of job assignment, appraisals, promotion, compensation, and other employment-related areas, as well as, in the area of contracting decisions.

4. Gifts, Gratuities, Loans and Entertainment

Trustees and employees must not accept gifts, loans, or gratuities of more than nominal value from customers, suppliers, contractors or potential suppliers that could create an obligation or that might appear to influence the decisions made on behalf of DDCO.

Examples include tips, gifts, meals or entertainment valued at over \$100, retail value, in a calendar year. Care should be exercised in the acceptance of business meals and entertainment, particularly those that combine business and pleasure. Such activities should be infrequent and a legitimate part of the business relationship.

Overpayments inadvertently made by DDCO to any employee or trustee are not considered loans and will be expected to be repaid in full.

5. Political Activities

Trustees and employees are encouraged to participate actively in the political process as individual private citizens. However, DDCO will not make political contributions to candidates itself and will not reimburse employees for personal political contributions. Trustees and employees shall not make political contributions to candidates in the name of DDCO. If and when a trustee or employee chooses to publicly support a political party, candidate, or legislative initiative it must be clear that they are acting as a private citizen, not as a DDCO representative, unless specifically authorized by the organization. Employees may not participate in political activities during work hours or on DDCO premises. Trustees should not subject fellow trustees or employees to any pressure that infringes on their right to decide freely on candidates and political contributions. Employees should not subject co-workers to any pressure that infringes on their right to decide freely on candidates and political contributions.

6. Community Involvement

DDCO, as a non-profit dental benefits organization, is devoted to its mission of improving the oral health of the communities it serves. As a part of meeting that mission, DDCO participates in and sponsors many organizations, institutions and events, and encourages its workforce to actively participate in community organizations and activities.

DDCO has established objective criteria for deciding which organizations, institutions, and events receive contributions, sponsorship or patronage. These guidelines can be provided to trustees and employees upon request. Such contributions may not be made for, or on behalf of DDCO without consent of senior management.

Delta Dental of Colorado Code of Conduct Responsibilities Signature Form

Delta Dental of Colorado (DDCO) is a non-profit dental benefits organization devoted to its mission of improving the oral health of the communities it serves. In order to meet this mission, the legally responsible and ethical behavior and commitment of all levels of its workforce and Board of Trustees is of prime importance.

The Code of Conduct provides written standards of conduct to the DDCO workforce and Board of Trustees in order to support fulfillment of the mission and to assure our continued commitment to excellence. The Code of Conduct articulates the fundamental principles and values of DDCO and affirms its commitment to ethical, honest and morally responsible behavior in the workplace.

The Code of Conduct addresses not only DDCO's commitment to comply with all federal, state and local rules and regulations, but also sets forth broad principles that guide employees in conducting business in a legal, ethical and professional manner.

I, _____, have read the DDCO Code of
(please print)

Conduct and understand my responsibilities as outlined herein.

Signature

Date

IV. COMPLIANCE WITH STATE & FEDERAL STATUTORY REQUIREMENTS

Policies and procedures are developed by DDCO management that ensure compliance with laws and regulations. DDCO employees are responsible for being aware of and complying with those state and federal requirements impacting the functions and duties they are responsible for performing in their positions. Questions concerning any legal, ethical or organizational requirements may be referred to the employee's supervisor or to compliance personnel. Furthermore, employees are expected to report any suspected noncompliance with state, federal or organizational requirements to their supervisor or to compliance personnel. Noncompliance with legal, ethical or organizational requirements, or the failure to report suspected noncompliance will be considered actionable by progressive discipline, up to and including immediate termination.

V. EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION

DDCO is committed to the principles and practice of equal opportunity and affirmative action that will enable us to develop and maintain a highly qualified, culturally diverse workforce capable of responding to the changing needs of diverse enrollees and customers in our markets.

In keeping with this commitment, DDCO does not discriminate in employment or the provision of services to enrollees or providers on the basis of race, color, gender, national origin, religion, age, disability, sexual orientation, veteran status, or any other status protected by applicable federal, state or local laws. Furthermore, DDCO will not tolerate any kind of harassment or disparagement of employees, applicants for employment, contractors, enrollees, or participating providers, including harassment based on race, sex or other unlawful factors.

Employees are encouraged to immediately notify their supervisor or manager if they believe they or others are being discriminated against or harassed. Employees may also take their concerns to human resources, other supervisors or managers, compliance personnel, or report it to the Hotline. Any complaints of discrimination or harassment will be fully investigated.

VI. PROTECTING DDCO ASSETS

To assure compliance with licensing, copyright, and patent law, and to protect DDCO's tangible and intangible assets, including its reputation, DDCO assets must not be misused.

1. Private Benefit

Trustees and employees may not use DDCO assets, services, or resources for their own or a family member's private benefit. Furthermore, free or discounted materials or services from a DDCO vendor offered as a result of a sale made to DDCO may not be accepted by employees or trustees.

2. Software Compliance

Trustees and employees are responsible for complying with license agreements for software installed on their computers related to DDCO work. Trustees and employees may not copy, install, or use software that violates the license agreements or copyright laws.

3. Electronic Communication and Information Systems

Computers, software, electronic mail, and voice mail, are assets of DDCO and must be used only for business purposes.

DDCO has the right to access any information contained in company-owned computers, electronic mail, and voice mail. Because DDCO can be held legally responsible for the content of its information systems, employees cannot expect that such information is private.

4. Research and Development

Any inventions, intellectual property, or proprietary information employees develop during employment at DDCO while using DDCO time, information, equipment, or facilities is owned by DDCO.

5. Protection of Brand

Any use of the Delta Dental brand must be scrutinized in order to ensure only authorized usage. Questions concerning appropriate usage of the Delta Dental brand should be directed to Compliance personnel.

VII. FINANCIAL INTEGRITY

MAINTENANCE OF CORPORATE BOOKS, RECORDS, DOCUMENTS AND ACCOUNTS; FINANCIAL INTEGRITY; FINANCIAL REPORTING

The integrity of our records and public disclosure depends on the validity, accuracy and completeness of the information supporting the entries to our books of account. Our corporate and business records should be completed accurately and honestly. The making of false or misleading entries, whether they relate to financial results or test results, is strictly prohibited. Our books, records and accounts should accurately and fairly reflect, in reasonable detail, our assets, liabilities, reserves, revenues, costs and expenses. No entry should be made in our books and records that intentionally hides or disguises the nature of any transactions or of any of our liabilities, or misclassifies any transactions as to accounts or accounting periods. All transactions must be supported by appropriate documentation and all employees must comply with our system of internal controls.

Employees who collect, provide or analyze information for or otherwise contribute in any way in preparing or verifying financial information should strive to ensure that our financial disclosure is accurate and transparent and that our reports contain all of the information required to comply with applicable accounting rules and regulations.

VIII. CONFIDENTIALITY OF INFORMATION

1. Confidentiality of DDCO Records

Trustees and employees must carefully observe policies relating to the confidentiality of all DDCO records and other confidential or sensitive information. Both current and former trustees, employees and contractors must protect the integrity and confidentiality of sensitive information.

“Confidential information” refers to any kind of information that might damage DDCO’s competitive position or violate federal or state law if released, or any internal document marked confidential or proprietary. Examples include: business plans, cost and service data, financial information and projections, customer account information, business continuity plans and strategies, plans for marketing products and services, intellectual property, enrollee information and records, litigation information, rate and benefit changes prior to public announcement, salary and personnel information, technical data or drawings, and trade secrets.

Trustees and employees must protect DDCO records from unauthorized access, ensure the confidentiality of certain records, and retain and destroy them according to the Health Insurance Portability and Accountability Act, the Gramm-Leach-Bliley Act, and other regulations and established policies and procedures.

2. Confidentiality of Employee Records

Records containing personal employee information are confidential. All requests for information regarding employees should be referred to the Human Resources Department for response.

3. Confidentiality of Dental Records

Trustees and employees must carefully observe all requirements relating to the confidentiality of dental records information. Because of the sensitive nature of communications and relationships between providers and individuals who are receiving dental services, it is critical that employees and trustees maintain the confidentiality of any information related to the provision of such services. Accordingly, when trustees or employees have access to dental record information, they are responsible for ensuring the information is maintained in a confidential manner and used only for appropriate, authorized purposes.

IX. ADMINISTRATION AND CONTACT INFORMATION

Violations of the responsibilities outlined in this Code of Conduct can lead to disciplinary action, up to and including dismissal. Conduct that violates the law also may result in civil and criminal penalties ranging from fines to imprisonment.

Employees who believe an employee or contractor or a non-employee with whom a DDCO business relationship exists, is acting in a way that may be illegal, fraudulent, dishonest, or unethical, must notify their supervisor immediately. Employees who are uncomfortable talking with their supervisor may (without fear of reprisal):

- Notify their supervisor's supervisor;
- Notify the Compliance Department;
- Notify any senior personnel;
- Notify the Internal Auditor;
- Report their concern to the Hotline.

Trustees who believe a fellow trustee, a member of the senior leadership team, a contractor, an employee, or a non-employee with whom a DDCO business relationship exists, is acting in a way that may be illegal, fraudulent, dishonest, or unethical, must notify the Chair or Vice Chair of the Board of Trustees.

If you have any questions about anything you've read, or you'd like more information about DDCO policies, you are encouraged to ask your supervisor or contact any of the Compliance Department personnel. Please remember that you should feel free to express your concerns, without fear of reprisal, to any member of DDCO's senior management or to the Compliance Department, or, in the case of a Trustee, the Chair or Vice Chair of the Board of Trustees.

Delta Dental of Colorado

HOTLINE

1-877-888-0002

This telephone line permits you to report, on an anonymous basis if desired, any activities perceived to constitute misconduct.

The Hotline is intended to serve as a way for you to report important matters that you feel will not be properly handled in any other way.