

CDA Foundation

Brian E. Scott, DDS

Chairman of the Board



The California Dental Association Foundation's mission is to improve the health of all Californians, particularly the under-

served, including children, their caregivers, and the elderly. As the philanthropic affiliate of the California Dental Association, the CDA Foundation serves to link the dental profession with community needs by promoting oral health's vital role in a person's total well-being. The Foundation accomplishes this mission through strategic partnerships with the dental profession, public health, academic institutions, and government.

These partnerships develop and implement programs and services in several key areas, including:

- Promoting total health, disease prevention, and treatment of oral health-related diseases.
- Supporting and strengthening the academic achievement of students
- Delivering valuable information, research, and findings to dental professionals.
- Engaging in research to access oral health needs, epidemiology, service delivery, and outcomes.
- Assisting people in our professional community who, because of misfortune, are in need of assistance.

The CDA Foundation depends on oral health professionals, individuals, private foundations, corporate partners, and the general public to invest in its mission. It is this unique partnership between donors and the Foundation that fosters the seeds of philanthropy that grow into fruitful programs serving our communities.

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CDA Holding Company, Inc.

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Chairman of the Board



Formed by the California Dental Association in 1993, the CDA Holding Company, Inc. provides oversight for the association in review-

ing the operations of the association's operating subsidiaries.

Board of Directors

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1201 Financial & Insurance Services, Inc.

Thomas H. Stewart, DDS

Chairman of the Board



In 1982, a group of California Dental Association members founded a company that offers products and services specifically for dentists, their

families, staffs and practices. Since then, 1201 Financial & Insurance Services, Inc. has been offering innovative solutions to dental professionals for the way they want to work, live and play. As a CDA company, our mission is to be a financial and insurance organization that places an emphasis on personal service and quality products for CDA members.

In June 2004, CDA SelectChoice Loans, a student loan consolidation program, was created to help members consolidate their student loans. Most dental students graduate with debt ranging from \$75,000 to \$200,000. Consolidating student loans through CDA SelectChoice Loans can reduce monthly payments by up to 63 percent. A comprehensive website was created specifically for this program. To learn more about CDA SelectChoice Loans, visit selectchoiceloans.org. The immediate response to this program has been overwhelmingly positive. As of October 2004, nearly \$3 million in consolidation loans have been disbursed and an additional \$5,647,678 is waiting to be dispersed.

In September 2004, 1201 introduced members to Health Savings Accounts. HSAs work much like "medical" IRAs. They are tax-free accounts that individuals with high-deductible health insurance policies can use to pay for medical expenses. Because they are tax-advantaged and balances can build up over time, HSAs can also be used to accumulate savings. We believe HSAs will be very popular with our members as a tool to help manage the rising costs of health care.

1201's complete line of personal and professional CDA-sponsored Insurance Plans can provide members, their families and their practices with the protection they deserve. Our knowledgeable sales and service staff are available to assist members in selecting the coverage they need throughout their entire career. 1201 offers insurance plans ranging from health and life insurance to professional liability and workers' compensation coverage.

In addition, 1201 partners with a wide variety of excellent companies to offer CDA-endorsed Programs that can help members manage their personal and professional life. 1201 offers both financial programs designed to handle investment and financing needs, and dental practice management programs

designed to help your practice run efficiently.

The 1201 product portfolio includes:

- Accidental Death & Dismemberment Insurance
- Business Overhead Expense Insurance
- CD and Money Market Accounts
- Demographic Site Analysis
- Dental Patient Financing
- Disability Insurance
- Electronic Transaction Services
- Equipment Financing
- Health Insurance
- Health Savings Accounts
- Hospital Income Insurance
- Life Insurance
- Lines of Credit
- Long-Term Care Insurance
- Merchant Credit Card Processing
- Office Property Insurance
- Personal and Business Credit Cards
- Practice Acquisition and New Start-Up Financing
- Practice Improvement Financing
- Practice Management Consulting
- Practice Management Supplies
- Professional Liability Insurance
- Qualified Retirement Plans
- Spore Check System
- Workers' Compensation Insurance

To learn more about 1201's products and services, please visit our website at 1201services.com.

The Dentists Insurance Company

Thomas H. Stewart, DDS

Chairman of the Board



As TDIC nears the celebration of its 25th year, reports continue to focus on how the difficult dental professional liability market finds many competitors withdrawing from this segment. Amidst these tumultuous times, TDIC has maintained its vanguard position through persever-

ance, growth and continued success. TDIC's enrollment again grew from the previous year to 14,707 active policies, and premiums earned were \$28.2 million at the close of 2003, compared to \$25 million for 2002. TDIC continues to manage its financial position carefully and methodically. As of Dec. 31, 2003, TDIC's surplus was \$107.6 million, with a \$5.7 million net income after policyholder dividends and federal income tax. We anticipate 2004 will be an equally successful year when the final figures are tabulated.

A highlight of 2004 occurred early in the year, when the Georgia Dental Association officially co-endorsed TDIC as its professional liability and office property carrier, joining the Alaska Dental Society and Pennsylvania Dental Association who honored TDIC with their endorsement in 2003. To date, TDIC is endorsed in seven states, is licensed to offer coverage in 38 states, and continues to actively market its products with state association leadership approval, but without endorsement in Arizona, Nevada, New Mexico and North Dakota.

In addition to gaining the endorsements of new states, emphasis is being given to increase penetration in existing endorsed states through a mix of direct mail, print advertising, exhibit booths, and sponsorship of component events and activities. In June, the TDIC Board of Directors voted to donate \$500,000 to the CDA Foundation, bringing TDIC's total donation to more than \$2.1 million. TDIC sponsors and participates in CDA's Senior Transition programs at the five California dental schools, and partners with the CDA to offer free coverage to dental students for the clinical portion of the dental board examinations.

TDIC is always looking for innovative ways to serve policyholders and the dental community. After three years of planning and an official

launch last year, The Dentists Mobile Center has become a valuable new benefit for policyholders who have experienced severe property damage to their offices. This completely equipped mobile dental unit was acquired to offer policyholders an alternative to closing their practices or renting temporary space while repairs are being made following property losses. When not in use at a TDIC claim site, The Dentists Mobile Center is also available for use by components for community outreach programs.

At its October meeting, the TDIC Board of Directors declared a 10 percent dividend equaling \$2.3 million for California policyholders. Each policyholder who maintained an active professional liability policy during the 2003/2004 policy year will receive a 10 percent dividend check from TDIC. By law, no insurer can guarantee dividends; however, since 1989, TDIC has declared \$46.9 million to policyholders. TDIC continues its mission of offering quality products at an actuarially sound premium. The board also declared a \$3.3 million shareholder dividend to the CDA Holding Company Inc. (CDAHCI) to be paid after Jan. 15. This brings the amount TDIC has declared to its parent company to \$17.7 million since 1993.

TDIC continues to be the best choice for members because it remains strong, solid and true to the profession of dentistry. When associations partner with TDIC, they are choosing the operating philosophy of a dentist-run company committed to their membership. TDIC has the experience, relationships, financial resources and service expertise to meet the association's needs. With the board and staff working toward a more cohesive strategy to support CDA, CDA members and nationwide interests, and plans underway for the upcoming celebration of TDIC's silver anniversary, 2005 promises to be another exciting year.