



The communities which we serve have also been enhanced through our commitment to diversifying supplier activities. Our Supplier Diversity program helps stimulate local economic development by providing minority- and women-owned business enterprises (MWBs) the opportunity to compete for United Concordia business. I am proud to say that in 2008 we increased our MWBE utilization to 18 percent

which equates to \$3 million in spending.

Our goal is to be the most valued national dental insurance company and our diversity efforts support that objective. As we continue to provide superior dental benefits and customer service, it is imperative we continue to grow our diversity programs.

In 2009, we will maintain our efforts to recruit and sustain diverse employees and will again expand our outreach efforts across the country. I believe that by honoring these commitments we will grow as a company and will be a stronger organization as a result.

I look forward to a successful year and sharing the results with you in the 2009 Diversity Report.

Sincerely,

Harlon L. Robinson
Corporate Vice President,
Human Resources and Administration
Corporate Diversity Chairman

UNITED CONCORDIA

Insuring America's Dental Health

www.unitedconcordia.com

Doing Well by Doing Good



2008 Diversity Report

A Word from Our Diversity Chairman

I am proud to share with you this report on United Concordia's diversity activities. In spite of a challenging economic year, our company and employees surpassed diversity goals in all three targeted areas: workforce, outreach and supplier.

At United Concordia, diversity is the key to who we are and what we do. To that end, in 2008 we reconfirmed our commitment to diversity by maintaining a workforce that is reflective of our ever-changing society, drastically expanding outreach efforts and increasing utilization of diverse suppliers.

We see our staff as key assets and devote considerable time and resources to ensure their success and sense of inclusion. As a testament to our achievement, according to a recent employee survey, a significant majority of employees feel their individual differences are valued and that people are treated fairly regardless of age, race, sex or sexual orientation. We believe it is through these differences that we are able to communicate effectively with our customers and partners, overcome challenges, and identify new opportunities. We are confident that growing our diverse workforce and utilizing their different perspectives and ideas will lead to competitive advantages and continued success.

While I am proud of the effect our diversity program has had on our workforce, I am equally excited about the advancements we have made in our community efforts which include outreach and supplier activities.

United Concordia's dedication to the community reflects the company's core values. To that end, our outreach activities are designed to aid individuals and non-profit organizations through activities that address critical issues of dental care, education and material need. In 2008 we provided an estimated \$100,000 in dental services to nearly 2,500 underserved individuals and touched the lives of thousands more through corporate contributions, employee donations and volunteerism.

Encouraging Diversity and Inclusion through Education

Employees at United Concordia are well known for the incomparable professionalism and customer service they deliver to customers, providers and partners throughout the year. Maintaining such standards requires dedication, skill and endurance on an individual level as well as from a team perspective. Our workforce and its commitment to excellence gives us the competitive advantage we need to succeed.

Upholding the level of superiority that has come to be expected from our company requires experienced employees and a commitment from management to reinforce the importance of employee development and skill enhancement. We believe that education and training are the building blocks of success, both professionally and personally, and are dedicated to providing the tools our staff needs to succeed.

United Concordia has a long-standing reputation of offering a variety of developmental programs presented by internal staff, business partners and community representatives for orientation and professional growth of employees at all levels.

We place a strong emphasis on leadership development for staff who aspire to management and leadership positions. In 2008 we began creating a Leadership Development program as well as a succession plan that will help employees gain the necessary skills to be promoted to management and specialized positions within the company. Diversity is one of the components that is considered when potential candidates are selected for development and promotion as we are committed to having a leadership team that is reflective of our culture.

Also integral to the internal training and education mission is diversity and inclusion both within the workforce and with customers. To that end, we created a new course for 2008 to educate staff on our Language Assistance Program. In compliance with California law, United Concordia developed this program to provide interpretation and translation language assistance to members with limited English proficiency. Not only does the training provide information on policies and procedures, it also teaches cultural sensitivity and appropriate responses when dealing with non-English speaking customers. In combination with mandatory annual diversity training, the importance of respect and inclusion is reinforced to our employees.

This year, we also expanded on the success of established programs including Diversity Lunch and Learn sessions that explore cultural differences in the workforce, community and individuals. Moreover, staff are encouraged to participate in wellness and consumer-education workshops offered within the company throughout the year.

Looking forward, we will continue to introduce new workforce diversity initiatives while strengthening current programs. In 2009 we will implement Celebrate Diversity Week as a pilot for 2010. Our goal is to dedicate one month every year to acknowledge and celebrate the many differences that make us unique.

United Concordia is proud to offer educational and personal fulfillment opportunities for staff. By encouraging the continuous growth and development of our employees, we are providing them the ability to build their knowledge base, develop their leadership methods, and maximize their performance. The success of our people fuels the success of our business.

Supporting our Communities

The strength of the communities in which we work and live is as important to us as providing superior customer service and dental benefits to our members. In effect, our success depends upon the sustainability of our communities as vibrant and financially stable hosts, safe and healthy places to live and work, and environments that encourage cultural development. To that end, we invest our time and creativity, as well as monetary contributions, in improving the quality of life for those in our communities through our Community Outreach program.

United Concordia's Community Outreach program is a comprehensive plan that addresses multiple interrelated societal problems, including access to dental care, oral health education and material necessity.

As a dental insurance provider, we believe we have a responsibility of ensuring the oral health of those in need as well as those fortunate enough to have dental insurance. In 2008, we provided an estimated \$100,000 of free dental care to more than 2,500 individuals with minimal or no dental insurance throughout the country through our free dental clinic initiative. This was possible because of the dedication of our staff and the remarkable relationships we have built with dentists and community organizations nation wide.

For each clinic, we partner with dentists who participate in one of our provider networks as well as local hygienists and assistants.

These dental professionals volunteer their time and services to the patients to make sure they receive the best care possible. We also partner with clinics and hygiene schools that provide the facilities in which we hold the events.

In addition, we foster and create relationships with local associations and national organizations benefiting communities where we work and live. This year we increased participation with these partners and communicated to them our goals in diversity. Through relationships with Big Brothers Big Sisters, United Way, Central PA Food Bank, as well as many others, employees participated in fundraising events, donated necessities and holiday gifts to those in need and assisted with operational tasks of charitable organizations. This includes contributions to the United Way, breast cancer research and Big Brothers Big Sisters. Staff also conducted teambuilding exercises at the Central Pennsylvania Food Bank and Highmark's Caring Place to help the organizations prepare for their daily activities.

We also continued our commitment to military personnel by providing funding, supplies and encouragement to military service members, their families and the wounded. In 2008, United Concordia and its employees provided school materials to Iraqi children, gifts to wounded service members at Walter Reed Army Medical Center and supplies to Marine Corps members supporting Operation Iraqi Freedom.

Furthermore, our community outreach program provides corporate contributions to deserving causes and organizations throughout the country. This year the company contributed more than \$200,000 to institutions that provide assistance to military members, their families or the general public. A few of our larger contributions benefited the National Military Families Association, Fisher House, National Foundation of Dentistry for the Handicapped and Armed Forces YMCA.

In 2009, we will again expand outreach initiatives to include a minimum of 50 free dental clinics in targeted areas nationwide. We will also partner with colleges and universities to expand our scholarship program and will utilize existing partnerships to enhance communities in which we work and live. For more information on United Concordia's community outreach programs, visit our Web Site: www.unitedconcordia.com and click the Community button at the top.



Investing in Supplier Diversity

We take our economic responsibility to the community seriously. This is demonstrated through a commitment to working with a diverse supplier base that is reflective not only of our customers but also of purchasers throughout the country. United Concordia's Supplier Diversity Program is designed to provide and increase growth and development opportunities for small, minority, women and disabled veteran business enterprises (MWBES) in the marketplace.

The Supplier Diversity program is a crucial component of United Concordia's goal to be the most valued national dental insurance company as it provides us with a strategic advantage in an evolving marketplace. Partnering with a diverse range of suppliers helps maintain a competitive edge by providing high quality products and services that meet or exceed the needs of our customer base.

In 2008, we surpassed our supplier diversity goal by procuring more than 18 percent of all biddable goods and services from MWBES and increased spending by more than \$1.1 million.

The supplier diversity team works with new and valued diverse suppliers to ensure bid requirements and standards are clearly communicated so that MWBES are successful in our supply chain. The team also offers supplier diversity advice to management throughout the company and ensures that MWBES are afforded the opportunity to fully participate in the company's procurement activities and helps management meet supplier diversity spending targets.

We are proud of the strong, collaborative relationships we have with our suppliers, many of whom have been part of our supplier base for years. We continue to look for new partners to accommodate our rapidly growing corporate needs. As such, we encourage new vendors to submit bids and request information on our bidding process.

Suppliers interested in additional information are encouraged to contact United Concordia through our Web site and fax at: www.unitedconcordia.com or 717-260-7067.