



May 18, 2011

Mr. Daniel Maguire  
Director  
Office of Health Plan Standards  
and Compliance Assistance  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Suite N-5653  
Washington, D.C. 20210

**Re: Clarification of Limited Scope Dental and Vision "Excepted Benefits" Test**

Dear Director Maguire:

We are writing to follow up on our November 2, 2010, letter request (attached) for clarification about when limited scope dental and vision benefits are "offered separately" and therefore are "excepted benefits" pursuant to ERISA section 732(c)(1).

As we noted in that letter, most large employers and unions self-insure separate dental and vision coverage. Not only are these benefits funded separately from medical benefits, these employers separately contract with stand-alone dental and vision carriers to administer these benefits.

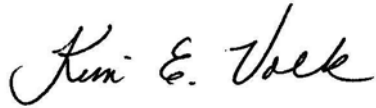
As a follow-up to our request, it's important to emphasize the extent to which dental and vision benefits are separately self-funded and administered today.

For the dental benefits industry, National Association of Dental Plans statistics show 49 percent of insured dental policies are currently self-funded. Within the largest dental carrier, Delta Dental Plans Association, the most recent annual coverage survey shows 62 percent of total members (or approximately 33.5 million people) are enrolled in employer-sponsored dental plans that are self-funded and administered separately from medical benefits. VSP, the largest national vision carrier covering one in six Americans, has 38 percent of its members enrolled through self-insured business (roughly 21.3 million people). These numbers demonstrate the scope of this issue and its potential to impact large employers and other significant groups such as unions.

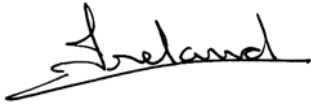
It is critical for the agency to clarify as soon as possible that this separate self-funding and separate administration meets the requirement that the coverage is "separate" and "not integral" to the medical benefits for purposes of being "excepted benefits."

Your consideration of this request is very much appreciated. Please feel free to call us or our staffs if you have any questions or comments.

Sincerely,

Handwritten signature of Kim E. Volk in black ink.

Kim Volk  
President & CEO  
Delta Dental Plans Association

Handwritten signature of Evelyn Ireland in black ink.

Evelyn Ireland  
President & CEO  
National Association of Dental Plans

Handwritten signature of J. Robinson Lynch in black ink.

J. Robinson Lynch  
President & CEO  
VSP Vision Care

CC: Amy Turner, Senior Advisor, Beth Baum, Elena Lynett