

# ***UUA Employee Benefits Trust Trustees Meeting***

MINUTES

OCTOBER 2, 2009

10:00 A.M.

TELECONFERENCE  
AND WEBEX

<b>ATTENDEES</b>	Trustees: Brent Wilkes, Dan Brody, Tim Brennan, Paul Bluestein (Chair), Mindy Scharlin, and Kathy Burek. UUA Staff: Jim Sargent, Liz Oliver
<b>GUESTS</b>	From Milliman: Andrea Burrell, Bill Thompson From UUA: Kati MacDonald

Absent Trustees                      David Tedesco

## Agenda topics

10:00 AM – 10:20              CHECK IN, AGENDA REVIEW, APPROVAL OF MINUTES OF AUGUST 8              PAUL BLUESTEIN

<b>DISCUSSION</b>	Kathy motioned for August 8 minutes to be approved. Dan seconded. Approved by all.
<b>CONCLUSIONS</b>	Agenda approved by all.

10:20 AM – 1:00 PM              FULL REVIEW OF 2010 RATING OPTIONS, PLAN DESIGN OPTIONS, AND AGE CURVE ADJUSTMENTS  
OUTCOME: DECISION ON 2010 PLAN OPTION AND RATES  
RELATED VOTE: APPROVE 2010 PLAN OPTIONS AND RATES

PRESENTED BY  
ANDREA BURRELL  
AND BILL  
TOMPSON,  
MILLIMAN  
CONSULTING  
ACTUARIES

<b>DISCUSSION</b>	<p>1. In 2007 and 2008, actual incurred claims were lower than actuarial projections. In 2009, claims showed significant deterioration, but the size of the plan makes it difficult to determine whether the higher claims from this year are due to a normalizing of claims for our population, or represent a bad year.</p> <p>Information from the Church Benefits Association indicates that every small to medium size denominational plan is seeing the same adverse activity.</p> <p>Milliman presented six scenarios for projected 2010 projected claims, from most to least conservative, ranging from a 30.7% rate increase to a 5.9% increase, with a mid-point 15.5% rate increase before plan changes. A 15.5% increase would be in line with the overall market.</p> <p>The discussion that followed included specific reference to the Plan’s Purposes &amp; Values Statement, which says, “As a moral obligation, our role is to offer affordable, accessible, high quality health insurance” that balances cost and availability, within a values framework that recognizes justice, fairness, and equity, fiscal responsibility, integrity, and legality.</p> <p>2. A wide range of potential plan changes was considered, drawn from the Director’s survey of market activity and input from the UUA HR department.</p> <p>Of the possible benefit changes discussed, increasing coverage for diagnostic procedures was judged to be of the most benefit to most members of the plan.</p> <p>Motion by Brent, seconded by Kathy – For 2010, the base increase will be 15.5%, and Diagnostic Services will be increase to 100%. The Chair asked that a vote be put off until the discussion on age adjustments could be completed.</p> <p>3. The 2009 renewal included a change to 1-year age bands, but left a second round of minor adjustments for 2010. After considering a range of options, the Trustees settled on an approach proposed by Milliman to have a max overall age adjustment of 4%, tapering out over 3 years, at which point it extinguishes itself. No other age-curve adjustments will be made until the shape of national healthcare legislation is known.</p>
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	This approach has no impact on 2010 rates, since the small monetary impact can be absorbed from surplus.
<b>CONCLUSIONS</b>	<p>The board accepted Milliman's analysis that created the 15.5% increase that had been moved, accepted the 100% Diagnostic Services change, and accepted the methodology for capping age adjustments. However, the appropriate margin level to be included in the 2010 rates was still an issue.</p> <p>Tim Brennan moved to amend the motion for a 15.5% base increase to 11% with 5% margin. Seconded by Dan. Discussion of the amendment followed, including discussion of the relationship between margin and the Plan's current favorable surplus position.</p> <p>Brent called the question.</p>
<b>RELATED VOTE</b>	<p>On Tim Brennan's amendment to incorporate 5% margin: Kathy Burek – No; Mindy Scharlin – Yes; Dan Brody – Yes; Tim Brennan – Yes; Brent Wilkes – Yes; Paul Bluestein – Yes.</p> <p>On the amended main motion: Approved unanimously</p>
<b>CONCLUSIONS</b>	There will be a base rate increase of 11% plus an increment for 100% coverage of Diagnostic Services, and a 4% cap on age adjustments.

1:00 PM – 1:05 PM      HOUSEKEEPING AND ADJOURNMENT

**DISCUSSION**              Meeting was adjourned.

NEXT MEETING

FRIDAY, DECEMBER 4, 8:30 – 2:30 – RECEIVE THE AUDITORS' REPORT;  
ARAOMC DISCUSSION

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