

UUA Employee Benefits Trust Trustees Meeting

MINUTES

OCTOBER 5, 2012

9:00 AM

RICE ROOM AT P&E

ATTENDEES	Trustees: Brent Wilkes (chair), Jan Sammons, Paul Bluestein, Kathy Burek (by phone), David Tedesco, Tim Brennan, Dan Brody UUA Staff: Jim Sargent, Patti Angelina, Richard Nugent (by phone), Rob Molla, Ibrahim Essa
GUESTS	Highmark: Andrea Sheldon and Bill Thompson from Milliman, the EBT's consulting actuaries David Sawyer and Tom Bussone, Eastern Wealth Management

Agenda topics

9:00 AM CHECK-IN, AGENDA REVIEW BRENT WILKES

DISCUSSION	Check-in and introduction of guests
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9:15 AM REVIEW AND DISCUSSION OF 2013 RATING AND PLAN DESIGN OPTIONS BILL THOMPSON AND ANDREA SHELDON

DISCUSSION	<p>Bill Thompson and Andrea Sheldon, our consulting actuaries from Milliman, presented their analysis of medical cost trend, Health Plan claims, expenses, 2013 claims projection methodologies, and valuations of potential benefit changes. Discussion followed.</p> <p>Trustees agreed to adopt the Milliman mid-range projection of expected claims as a prudent estimate. In a discussion of how the Plan's out of pocket costs should be adjusted to offset the impact of inflation since the Plan's 2007 inception, the Trustees agreed to adjust the Plan's out of pocket cost in a way that was both consistent with maintaining grandfathered status and adequate to produce 1.8% savings</p> <p>In the discussion of margin requirements, the Trustees agreed to reduce the margin in the base rates from 2.5 % to zero, which puts the Plan on track to operating as close to breakeven as can be projected at this point in time.</p> <p>RELATED VOTES:</p> <ol style="list-style-type: none"> 1. MOVED: to adopt Milliman's mid-range estimate of a required 8.7% base increase, and to then reduce the margin in that projection to zero, M – Paul Bluestein, S – Jan Sammons, APPROVED unanimously. 2. MOVED: To adjust out of pocket costs for inflation at a level that maintains grandfathered status and reduces premium by 1.8%. Milliman to design alternatives and report back through staff. M – Kathy Burek, S – Paul Bluestein, APPROVED unanimously 3. MOVED: to endorse a base rate increase of 4.7% as the combined impact of (1) and (2), with the final signoff on out-of-pocket detail to be by teleconference or email. M- Kathy Burek, S- Paul Bluestein, APPROVED unanimously. <p>Following the discussion of 2013 rates and benefits, Trustees discussed with Milliman the potential impact of 2014 Insurance Exchange rules and the possible designs for a plan that would comply with anticipated Exchange rules.</p>
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11:30 AM REPORT ON POTENTIAL CHANGES TO INVESTMENT STRATEGIES DAVID SAWYER AND TOM BUSSONE, EASTERN WEALTH MANAGEMENT

DISCUSSION	As a followup up to the EBT August meeting, Tim Brennan invited our current investment team at Eastern Wealth Management to discuss alternatives to the current Investment Policy. The Trustees agreed that there is a linkage between portfolio strategy and the related risk and surplus strategy. Staff was directed to continue exploration of alternatives that would lead to a Board decision on target asset allocation.
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12:15 PM OTHER BUSINESS BRENT WILKES

DISCUSSION	Confirmed next meeting date Dec 14, 2012, to hear the report of the Auditors. Whether or not the meeting will include the UUA Audit Committee will be determined by the outcome of McGladrey's meeting
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with that group, scheduled for October 29.

Approval of the minutes of August 3: M – Jan Sammons, S – Tim Brennan, APPROVED unanimously.

Meeting adjourned at 12:30.