

Dear Member,

Greetings from Malaysia!

We trust that all is well with you and that you have had a fruitful first half of the year. As we approach our renewal period, we have some good news for you. After quite a number of months' hard work, we believe we are now able to offer you improved programs that will serve you better than ever before.

First off I would like to state that there are many new and important changes that everyone should read, so please don't file this letter in that corner receptacle. I do promise to keep this as brief as possible, but there really is a lot of information to be disseminated. To help with understanding I will title each section for easy reference when reviewing the letter a second time - which I am sure you will want to do.

**Underwriters:** With immediate effect, we are now partnered with new underwriters in Germany. They are part of the AXA group, one of the largest European insurance groups with a truly global ability to improve our service and programs. Established in 1981, their financial strength is rated as A+ (*Superior*) by AM Best.

**Alpha Program:** This program's territorial limits have now been extended to allow cover in a member's own home country, as long as that country is 'not' the USA or Canada. In order to gain this improvement, we have had to apply some stewardship in the form of a 20% co-pay on the first US\$5,000 of claims for both in-patient and outpatient treatment. However, this does not affect expatriate members, as their coverage remains the same with 'no' co-pay. We have also had to increase the deductible for outpatient treatment during the 60-day USA/Canada cover period to US\$500. In addition, we have revised the "Return of Mortal Remains" benefit to US\$10,000.

**Additional Options:** We are now able to offer Alpha's pregnancy option to single women (*where their husbands are covered elsewhere*) at twice the normal rate. This compensates for the lack of additional premium from their husbands in a normal 'couples' premium. Furthermore, we now offer a "Cobra" like coverage, whereby an Alpha member can extend their coverage for up to three (3) months in the USA following the termination of their overseas service.

**Omega Program:** The "Return of Mortal Remains" benefit has likewise been increased to US\$10,000 and the five (5) year moratorium clause has been reduced to just two (2) clear years – making a shorter time period to qualify pre-existing conditions. We have also done away with the medical questionnaire, making it easier and far quicker (*immediate*) to enroll a new member.

**Outreach Program:** This program has undergone simplification in that we now have only three plans: Plan #1 for those folk wanting normal overseas coverage, excluding the USA, Canada and their own home country. Plan #2 for people that need to spend up to 65% of their time in the USA, Canada or home country. Plan #3 where 100% of the time can be in the USA, Canada or home country. Additionally, a simple US\$35 option that can be added to Plan #1 for members that might need 'follow-me-home' protection, should they be spending their time in Central America. The only other change is the addition of a long weekend, Cross-Border Plan for Americans going on outreach into Mexico. This coverage starts on a Friday, the moment a member reaches San Diego (*by air, road or rail*) and covers them for three days (*plus one extra in case of delay*) and finishes the moment they again depart San Diego for their homes. Further details about a reduced administration fee and free life cover can be found on our website.

**Emergency Services:** Following a tragic accident in Africa, just before Christmas, we learnt a great deal, about how crucial our emergency service is. I am therefore very pleased to advise that AXA (*our new underwriters*) have an excellent global emergency assistance service. To be exact, they have 39 emergency Alarm Centers, electronically networked together, around the world with a chain of support offices in a further 70 countries. This network means a truly global service for us, with three of their major centers in Chicago, Munich and Sydney being dedicated to our special needs. Their London center will also be handling much of our claims processing, so even the minor problems we had last year, with multiple-cheque reimbursements and time zone differences, will now be a 'thing of the past', as they say.

**PPO Networks:** One of the areas where big savings can be made with medical costs is the use of a good PPO network. Last year we had just one, but going forward we now have two major ones and two smaller (*specialist*) ones. This should certainly reflect an improvement in our claims fund, especially as we now insist that all treatment within the USA or Canada be carried out at a PPO facility. We also need to warn members that the practice of visiting a hospital's emergency room for minor treatment (*non-emergency*) will no longer be covered, as the cost of medical treatment in these places is about four to five times more than seeing a doctor at his normal place of practice.

**Medical Inflation:** Living in Asia, it always seems unbelievable just how expensive medical treatment is in the United States. In Malaysia, for instance, the cost of an MRI scan is about US\$400, whilst it is ten times that in the USA now. I am told medical inflation is actually running at 15% with little expectation of it improving – I can well understand why this is also the single biggest cause of personal bankruptcy there. It certainly is our biggest problem each year and one that causes us many late nights as we figure out ways to keep our programs affordable. This past year there has again been a large number of smaller claims that have caused the American underwriters to propose a premium increase that (*had we accepted it*) would more than likely have put our programs beyond anyone's means to afford. We have therefore had to find new underwriting partners and allow some premium increases, but have absorbed most of the other necessary ones by restructuring. The bottom line is that there is a 5% increase on Alpha, with 15% on Omega - both increases following the respective inflation levels. Thankfully, the Outreach premiums remain the same.

Continuation...

**Stewardship:** Currently it is possible to receive a 20% discount after three years with no claims. We would now like to improve this bonus structure, so that members may benefit sooner - after just two years. However, should a member subsequently make a claim, this stewardship incentive now extends in the other direction. As a result, where a member has made claims, their following year's premium will revert to the standard rate, plus a possible surcharge, depending upon the level of costs involved. If the total cost of reimbursements exceeds US\$1,000, then a 10% surcharge will be applied to the member's renewal premium. Conversely, each clear year following a claim, earns a 10% recovery from wherever they were the year before. Please note that this revised stewardship incentive will help keep the overall escalation of smaller claims under better control and apply any underwriting increase more fairly.

**Body Mass Index:** When you notify us (*as soon as possible please*) of your intention to renew cover, would you also let us know your current height and weight please. We need this information to calculate your BMI (*Body Mass Index*) as the underwriters have asked us to start applying a new enrollment parameter. Please note that any member whose BMI is between 30 and 34.9 will receive a premium loading of 20%. If a current member's index is 35 or above (*obesity would normally disqualify membership*), then their loading will be 40%. However, should you believe that a high index is due to an athletic lifestyle, please have your doctor confirm this. Subsequently, should you lose weight; the loading can be re-evaluated next year.

**Quarterly Premiums:** Unless a member is paying as part of a group membership, we would prefer that they arrange payments through a credit card (*MasterCard or Visa*); especially as quarterly loading has been abolished, as have credit card charges, thus making it much easier and possibly cheaper than sending us a cheque.

**TTc Website:** For further information and individual premium rates, please refer to our website at <http://www.talent-trust.com> - it may not be noticeable at first glance, but we have spent many hours updating and simplifying it. Please note that if you are in a sensitive country, you should visit our site via <http://anonymouse.org>.

**New Brochure:** Similarly, we are producing a new brochure to reflect all the improvements and should have it available within a week or so for download (*.pdf*) or posting out. Naturally, one will be sent to you with all your other renewal documents at the end of the month, but should you require more, please let us know.

That about finishes this renewal newsletter and only leaves me to ask that you respond with your height, current weight and a simple 'yes' or 'no' concerning your wish to renew, so that we can then get back to you with your the premium details, etc.

In the meantime, I would like to wish you 'all the best' for the rest of the year and look forward to hearing back from you soon.

Blessings, Michael Lyon  
TTc ... serving alongside