

April 15, 2010

TTC April Newsletter

Dear Member,

Renewal Meetings:

As I mentioned in our previous newsletter, we met with Aetna to discuss terms for renewals occurring after May 1st. Any changes mentioned in this newsletter will not affect your current policy, but will only come into effect on your personal renewal date.

During the meeting Aetna commended our members' good stewardship of our programs, admitting that their own programs with similar benefits are costing more than twice as much as our programs. We would like to thank all of you, our members for continuing to take ownership of our programs, and our values of good stewardship, it is down to this that we have been able to keep our premiums down through the years.

Premiums:

That said, we have had a number of high cost medical evacuations, and large claims in the past two years, and this meant that Aetna actually made a nominal loss covering our programs. They had initially asked us to increase our premiums 20% across the board. This increase would have been made up of 12% medical inflation which has been pretty consistent in the past few years, and 8% to push the program into profit.

After much discussion this was brought down to an average increase of 13.3%, the majority made up by medical inflation (12%), and a small amount (1.3%) to bring the programs out of a loss making position from Aetna's perspective. A large majority (83%) of members will have this offset to some degree by building on their No Claims Bonus discount.

Savings for Older Members:

One thing that we have recognized is that older members are an important part of our membership who are often hit by very high premiums. Using last year's premiums, the oldest members paid in some cases over 10 times what a 20-year old pays. The underwriters tell us that this exponential curve in our premium table is justified by the higher cost of claims for older people; this is reflected in other insurance policies that have their rates published online. However, we recognize that we have a responsibility to provide affordable cover for our older members and we have pushed heavily for reductions in the premiums for the upper age bands. I am pleased to report that we were able to negotiate a 20% to 40% premium reduction for members over 65 years old. I think that this is something that we can all agree is a good thing and take some comfort in that we will not be priced out of getting effective insurance as we get older.

Cost Containment Plans:

Analysing our claims over the past two years we have identified that there has been a rise in claims as a result of more people travelling to seek treatment at centres of regional excellence. We have also seen several high cost emergency evacuations. In proactive measures to hopefully keep down future increases we will be looking to do the following:

We are hoping to set up negotiated discounts with centres of medical excellence, and also do an analysis of hospitals that offer better value without compromising on quality. Members will still have full choice in where they go, but we hope by setting up these schemes and members utilizing them we can keep future claims lower, resulting in lower premiums. This will not apply in the United States, where we will continue to utilize Aetna's PPO networks to help keep costs down.

Another future plan that we are hoping to consider is to utilize other evacuation service providers alongside International SOS, who are widely recognized as the best worldwide, but also the most expensive. ISOS will still be used where necessary, but we also know that our membership is made up of some groups that offer these services as part of their ministry, and where appropriate they could offer a more cost effective alternative.

US Healthcare:

Continuation...

In other news, most Americans will be aware that the House of Representatives voted (*twice*) for healthcare reform within the United States. We are still awaiting further details from Aetna's legal teams of how this could affect us and our members. Please note that the House bill was almost 2000 pages, and the earlier Senate bill was longer, and as a result it could take a while before the full ramifications of this change are known.

Claims Advice:

In efforts to streamline the claims process Aetna has provided us with a set of instructions to help members with the submission of claims by email. Please review these on our website at <http://www.talent-trust.com/claims-procedure.html>. If you experience any problems submitting a claim, please let us know; we are here to help.

Thank you for all your support.

Blessings, Nathan

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