

Dear Member,
Greetings!

I need to start by thanking everyone who replied to our recent questionnaire. It was extremely good to get so much useful feedback. Those of you who raised individual questions should, if not already, be receiving personal answers from members of my team. This email, however, is to answer some of the more common questions and to let you know about our plans for the coming year.

1. We are, over the next couple of months, reviewing all the programs in order to update our levels of cover and the types of service offered. Naturally, we are going to be very careful to keep our premiums (*where possible*) within inflationary limits, but we feel it is important that we improve/update some areas. Those under consideration include wellness checks and what I would broadly describe as “medical tourism”, or the positive utilization of alternative medical care. In fact, these two areas should have a long-term beneficial effect, both on our members' health and on premiums.
 2. What is “medical tourism”? We have only 7% of our membership based in the USA, yet the claims costs amount to 41% of the total. Therefore, if we are to prevent our premiums from sky rocketing, like many of the big insurers, we need to think of new ways to do things. With this in mind, we are exploring the possibility of offering members, particularly those facing potentially high cost routine, but intensive medical treatment, the option of going overseas to a medical “Center of Excellence”. In order to make this a practical consideration, we are working on the possibility of providing for a member's spouse (*or other family member*) to accompany them, providing full travel and accommodation costs, including a period of post-surgery convalescence, plus waiver of the member's co-pay. This might seem a fantastic offer, but when considered against the current US costs, I believe everyone would win. For instance, a heart valve replacement in certain medical facilities within the United States costs approximately US \$160,000, a hip replacement US\$45,000 and a hysterectomy US\$20,000. Whereas those same operations performed overseas would amount to only a small fraction (*as low as a quarter*) of those costs. These huge savings should easily cover the cost of the additional benefits and prove advantageous to our program. Naturally, we will not be sacrificing quality as the proposed “Centers of Excellence” would be the very best and comparable in both the technological facilities and surgical expertise to those found in the United States. Singapore, for instance, is an English-speaking nation that has some fantastic advanced hospitals with specialist doctors that have trained in either Britain or the United States.
- Whilst the formation of benefits surrounding this new subject is at an early stage, and because we believe this could be an important new aspect to consider for our program, I would be very interested to hear your opinion on this lateral thinking please. Particularly, whether you are as excited about this as we are and would be willing/happy to be looked after in this way.

3. One of the most misunderstood areas of our coverage is to do with the policy excess (*deductible*). Our programs presently work on a per condition basis, which means that only expenses that relate to each other are matched together and used against the chosen excess, i.e., a broken leg and an appendectomy being two totally separate conditions. This has the advantage in that it prevents a stream of small claims being put through once an annual level has been qualified, which then costs a small fortune to administer. Our reasoning behind it is that this saves members money because most only have one serious claim per year. The possible extra cost works out nearly the same; only our members now have choice, as they get to keep the premium difference in their pockets. Having said that, we are looking at ways to limit the maximum out-of-pocket expense, possibly by limiting either the number of claims it applies to (*only two, possibly three claims*), or a maximum monetary amount. Then, once this limit has been exceeded, any additional expense would be covered without an excess being applied.

4. Not forgetting our Alpha members, we are also considering how to do away with the “home country” co-pay without increasing premiums. Fortunately, we have found that in many cases, it is actually a small saving when members go home to be treated, as there are usually no accommodation costs involved. However, there will be some strict limits applied. Canada, United States, Switzerland and Japan will certainly be excluded countries where the co-pay will continue to be applied.

5. Back to Omega again. Another area of this program being looked at is outpatient treatment. Rather than have restrictive individual levels for various doctors' visits, etc., we are proposing a simple overall limit (*annual*) for all outpatient treatment. Likewise, we are also looking to improve some of the other in-patient limits (*i.e., pregnancy coverage*) to meet members' needs better.

6. An area that affects all our programs that needs further explanation is how a “hospital guarantee” and a ROI (*Release of Information*) form works. Even though members obviously need the assistance company to handle in-patient claims, their hospital also needs to safeguard itself and have a legal document that shows you agree to their releasing your medical information to us. The assistance company likewise needs to have this information, to determine whether a member's claim actually qualifies within the program's rules, i.e., it is not pre-existing or excluded. All this takes time, so please allow at least five days for these arrangements to be made before your admission. A not so obvious, but also important objective during this time is the negotiation and agreement of discounts.

7. Lastly, we have noted that some members have had unnecessary/unexplained delays and problems in their dealings with AXA. Their senior management has apologized for this and is planning to do something constructive. In fact, they are currently in the process of training staff to establishing a global control centre for TTC in Munich

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(Germany) to handle all claims outside of the United States *(AXA Chicago will still handle those within)*, which should also establish clear lines of responsibility and accountability. From a usage perspective, the same phone numbers will still apply, however, we have been promised both a faster and smoother service. Having said that, we are not willing to accept poor service in this area and have already informed AXA that should they fail to meet this goal we will be seeking a new partner.

We do have one or two other ideas for improvement, but they may take a little longer to develop and may not be ready for this year's review. However, before I finish, I do want to thank you for your support and to assure you that we will continue to make certain our programs provide the very best ... of both benefits and service.

Blessings, Michael Lyon
TTc ... serving alongside