Bill Jensen

From: Bill Jensen
Sent: Tuesday, December 30, 2014 1:13 PM
To: Mark Federici; Steve' 'Loeffler
Cc: Sarah E. Sanchez (ses@slevinhart.com); Burton, Harry W. (hburton@morganlewis.com); Barry S. Slevin (BSS@slevinhart.com); Jeff Ianniello; Colleen Murphy
Subject: Roanoke Retiree conference call summary-draft version

Mark and Steve,

Below is the draft of the summary of the Roanoke pre-Medicare retiree discussion held earlier today. Sarah revised my initial draft. Please revise as needed.

Thank you.

Bill

Via a teleconference meeting on December 30, 2014, the Committee of Mark Federici and Steve Loeffler met regarding the pre-Medicare retiree supplemental policy offering under the UFCW Unions and Participating Employers Health and Welfare Fund. Such call was joined by Sarah Sanchez of Slevin & Hart, Jeanene Motsco of Colonial, Rob Dooley of Maury Donnelly and Parr, Chris Heppner and Mitch Bramstaedt of Segal, Colleen Murphy, Jeff Ianniello and Bill Jensen of Associated.

The Committee reviewed potential increased revised pricing by Colonial for its supplemental hospital indemnity policy that would apply if the supplemental coverage was optional for retirees and the Fund charged retiree or dependent copayments of $25 single, $50 for one plus one, and $75 for more than two covered participants. Colonial advised that, if the supplemental coverage was automatic for the pre-Medicare retirees with 100% of the cost being covered by the Fund, the rates would not change from Colonial's previous quote and would be guaranteed for two years, whereas election-based coverage with retiree co-premiums-would result in a higher overall premium and a one year guarantee.

Mr. Loeffler asked how much additional expense would be incurred if the fund covered 100% of the cost of the program. Mr. Heppner estimated the additional cost to the Fund for providing the program at no cost to the eligible retirees and eligible dependents would be an estimated $5,400 per month, for a total cost to the Fund of $13,000 per month. He said that there was over $950,000 in reserves available as of December 2014, and the reserve draw down was estimated to be approximately $320,000 in December and January, prior to moving the pre-Medicare retirees to the Marketplace exchanges effective February 1, 2015.

After discussion, the committee voted approval of payment of 100% of the cost of: (1) the supplemental program, including the Colonial hospital and accident policies for the pre-Medicare retirees and eligible pre-Medicare dependents; (2) dental and optical coverage for the retiree only; and (3) the cost of operating the program, out of the reserves applicable to the Fund's Kroger Roanoke Plan. No copayments would be charged to retirees or their eligible dependents. The Trustees also agreed to review the Colonial rates again at a future date based on experience.

Mr. Jensen agreed to circulate the revised pre-Medicare retiree correspondence to Fund co-counsel, prior to being distributed to the pre-Medicare retirees and the pre-Medicare dependents.

After the representatives from Colonial were excused from the conference call, Trustee Loeffler asked Ms. Sanchez to assist with the preparation of an agenda concerning the pension matters for the January 9, 2015 special meeting of the UFCW Unions and Participating Employers Pension Fund, and further advised that the management Trustees wanted to discuss at the companion Health Fund meeting the solicitation of bids for third party administration services currently provided by Associated Administrators.

The teleconference call was then adjourned.

Subsequent to the call, Ms. Sanchez reviewed the termination provisions of the model Colonial hospital indemnity policy and accidental injury policy and confirmed that, under both model policies, the Fund may cancel either policy at any time. Once the final policies are received from Colonial, counsel will confirm that they contain the same termination language.
Bill Jensen

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United Food and Commercial Workers (UFCW) and Participating Employers Health and Welfare Fund
Kroger Non-Medicare Retiree Budgets
Colonial Life Pricing

	Name Insured		Employee	One-Parent Family		Two-Parent	Total
	(Retiree)	(Spouse)	Plus Spouse	(Retiree)	(Spouse)	Family	Per Month
Estimated Enrollment	49	44	52	3	2	4	154
Expenses							
Group Medical Bridge for MD Pricing	$26.32	$26.32	$56.48	$36.92	$36.92	$67.08	
Group Accident for MD Pricing	$11.91	$11.91	$17.71	$21.15	$21.15	$26.95	
Dental Premium	$25.25	$0.00	$25.25	$25.25	$0.00	$25.25	
Vision Premium	$4.46	$0.00	$4.46	$4.46	$0.00	$4.46	
Admin Expense Associated	$5.80	$0.00	$5.80	$5.80	$0.00	$5.80	
Miscellaneous Fund Expenses	$12.00	$0.00	$12.00	$12.00	$0.00	$12.00	
Total Expenses	**$85.74**	**$38.23**	**$121.70**	**$105.58**	**$58.07**	**$141.54**	**$13,211**
Proposed Contributions	**$25.00**	**$25.00**	**$50.00**	**$50.00**	**$50.00**	**$75.00**	**$5,475**
Net Cost per Month	**$60.74**	**$13.23**	**$71.70**	**$55.58**	**$8.07**	**$66.54**	**$7,736**

Deductions per year: 12 These rates were prepared on 11/6/2014 and are valid for 90 days.

Group Medical Bridge for MD *Discounted Composite - Employee Only*

Applicable to Policy Forms GMB1.0-P & GMB1.0-C

- Hospital Confinement: $3000, Health Screening: $50

ISSUE AGE	NAMED INSURED	EMPLOYEE & SPOUSE	ONE-PARENT FAMILY	TWO-PARENT FAMILY
17-99	$26.32	$56.48	$36.92	$67.08

Group Accident for MD

Applicable to policy forms GACC1.0-P & GACC1.0-C

- Off-Job Accident Coverage

Plan 2

ISSUE AGE	NAMED INSURED	EMPLOYEE & SPOUSE	ONE-PARENT FAMILY	TWO-PARENT FAMILY
17-99	$11.91	$17.71	$21.15	$26.95

Important Notice

Insurance coverage has exclusions and limitations that may affect benefits payable. For a complete description of benefits, limitations and exclusions, please refer to an outline of coverage, sample policy/certificate, proposal description or see your Colonial Life benefits counselor. Coverage type, benefits and rates vary by state. Coverage may not be available in all states. Rates provided are illustrative and your actual premium may be different depending on your particular situation and plan choices.

Colonial Life products are underwritten by Colonial Life & Accident Insurance Company, for which Colonial Life is the marketing brand.

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