

Alaska Power Association

August 11, 2010

Bob Alvin, NRECA



Agenda

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Introduce Peter Baxter : VP of Group Insurance Programs

RS Plan Update

Major Changes Due to Healthcare Reform

Other Benefit Issues

2011 Projected Group Rates

Question and Answer

Retirement Security Issues

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No Deficit Recovery Contribution (DRC) in 2010 or 2011

Monthly Premiums to be collected in 8 months rather than 12, this allows our Actuaries to count the funds in the Reserve Calculation for 2012

Rates will remain the same as last years except for age differences

RS Plan Changes: Benefit Level Changes Effective 1/1/2010

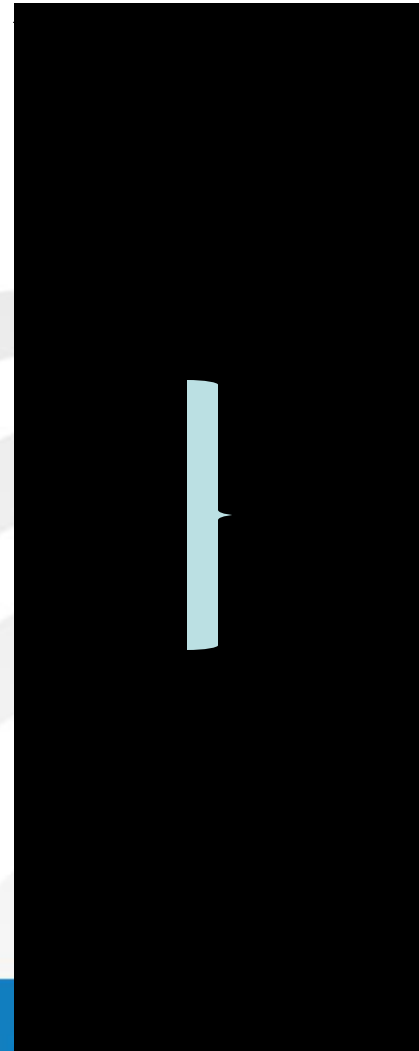
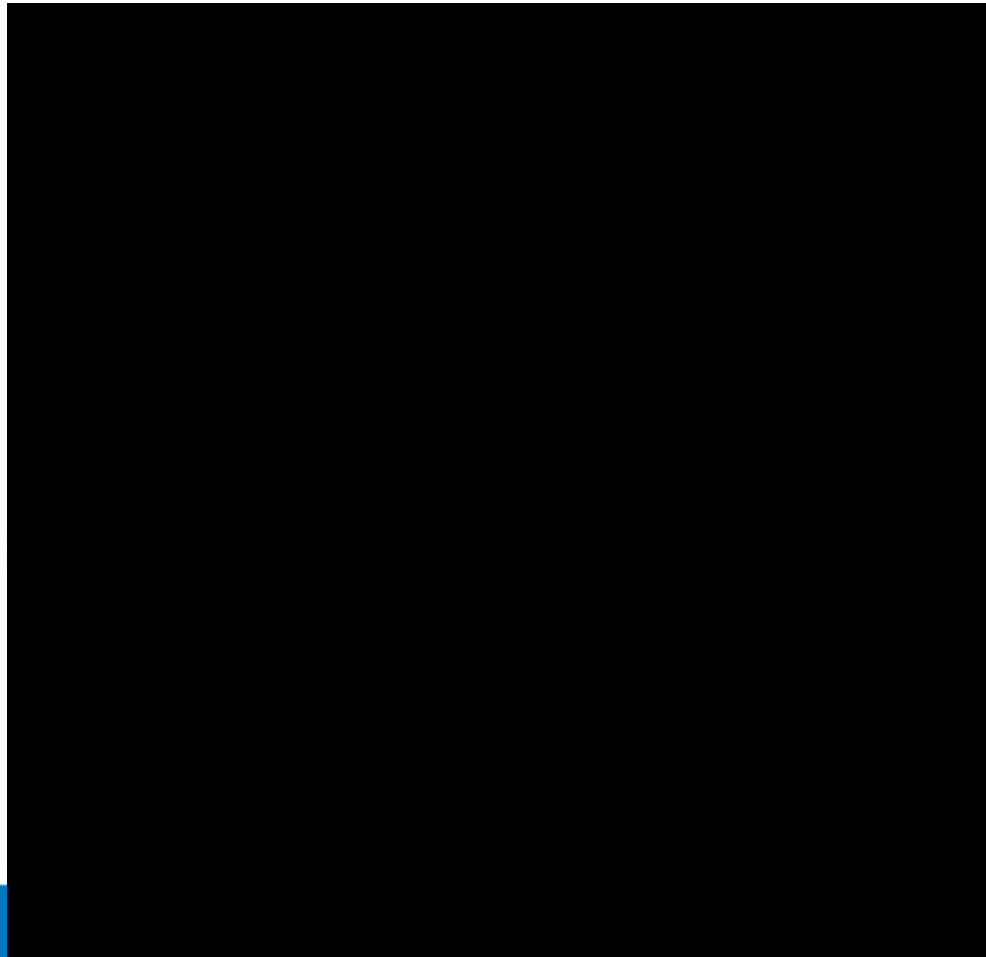
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	<u>Number of Co-ops</u>
<u>Benefit Level Increases</u>	4
<u>Benefit Level Decreases</u>	
By 0% - 0.5%	41
By 0.51% - 1%	7
By more than 1%	2
	} 50*
Decreased Benefit Level for New Hires	11
Plan Freezes	2

* 5 co-ops downgraded their NRD. 2 co-ops increased employee contributions.

RS Plan Changes: Normal Retirement Date Changes Effective 1/1/2010

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RS Plan Changes: Other Plan Changes Effective 1/1/2010

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Number of Co-ops

Add COLA	1
Remove COLA	6
Add 100% Death	1*
Remove 100% Death	10**
Increase Employee Contributions	3
Decrease Employee Contributions	1

* *Also downgraded NRD*

** *One co-op also downgraded NRD and removed COLA*

Summary of Co-op Reaction to 2010 Contribution Increase

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- For 2010, about 10% of co-op made some reduction in future retirement benefits
- Almost all changes were modest
- Around 90% of co-ops made no changes and are currently staying the course

Moratorium Years

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1987-6 months billed

1988-0

1989-0

1990-0

1991-0

1992-0

1993-0

1994-2 months billed

1995-4 months billed

1996-3 months billed

1997-8 months billed----1998,1999-10 months billed

Healthcare Reform Issues

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Age 26 issue

Pre-existing goes away 1/1/2011

Cadillac Tax not an issue now

NRECA has chosen to be Non-Grandfathered for most flexibility to the Cooperatives

Flexible Spending Plans will have new limitations in 2011 and 2013

Medicare D Plans will close the Donut Hole gradually from 2011-2020

Other Benefit Issues

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Cash Refund Annuity Will Be Available In 2011

Limits On Preventive Care Have Been Removed As Of
1/1/2010

Emergency Room Visits for Real Emergencies Will Be
Treated As In-Network Regardless of Provider
Affiliation

2011 Projected Rates

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Medical Plan=14.5%

Dental Plan=3.5%

Vision=5.5%

Life=0%

STD=0%

LTD=0%

BTA=(-10.3%)

Questions?

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