



**CHRISTIAN SCHOOLS
INTERNATIONAL**

CSI Canada Insurance Plan & Trust Fund

UPDATE

Date: September 18, 2006

- Details on the CSI Canada Retiree Insurance Plan

To: Retirees

From: Howard Van Mersbergen,
Executive Secretary-Treasurer

In light of the recent premium rate increase, some of you have called asking for more information on the Plan. Your interest in having more information is important, and this update is intended to help answer your questions.

Why the Large Premium Increase?

The claims submitted by the retirees have been increasing substantially. The Trustees have determined that we need the premiums submitted for the retiree coverage to be enough to cover the claims submitted by retirees. The increase was needed to move in this direction. Additional increases may be needed in future years to bring the premiums in line with claims, but the Trustees want to proceed cautiously and carefully monitor the claims submitted in the future before making any additional adjustments.

What Types of Claims are Being Submitted?

Here is a breakdown of the claims submitted to the plan:

Drugs	85%
Paramedical	5%
Hospital	4%
Out of country	1%
Services and Supplies	5%

What's Being Done to Keep Premiums as Low as Possible?

Premiums are driven by two items – administrative costs and claims. The Trustees are using a variety of methods to keep premiums as low as possible. For the administrative costs, they negotiate aggressively with our insurance carriers to keep these costs as low as possible. While this makes up only a small part of the total premium, the aggressive negotiations, combined with the large size of the CSI program, allow more of the premium dollars to go to claims rather than administration costs.

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(More)

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The largest driver of premium rates is the claims submitted by the participants. Studies have shown that life style choices can impact up to 50% of needed health care. Because of that, for many years the Trustees have built a wellness focus into the Plan. Through the use of plan design and the Body Bulletin newsletter, the Trustees have been working to equip participants to make healthy life style choices. In the long term, a community of people making healthy life style choices will have lower premium rates than otherwise.

How are Retiree Needs and Interests Determined?

CSI has appointed an eight member Board of Trustees to oversee the pension and insurance needs of CSI members in Canada. These Trustees, who come from across Canada, are very involved in their local and regional school communities. The Trustees receive extensive education on employee benefit issues. They also receive advice from employee benefit experts. The Trustees combine this information with the knowledge and input they receive from the CSI school community to provide programs in the interest of the employees, retirees, and schools.

Contact us

We welcome your input as we work with you to help meet your health care needs. If you have additional comments or questions, please feel free to contact me.

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