



CHRISTIAN SCHOOLS
INTERNATIONAL

CSI Insurance Plan & Trust Fund

UPDATE

Date: May 24, 2004

To: Non-Participating Boards

From: Howard Van Mersbergen,
Executive Secretary-Treasurer

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From Howard's Desk

The Trustees continue to work diligently to provide member schools with good benefit coverage at a reasonable cost. We, with the help of our consultants at Marsh, Inc., have negotiated with our insurance carriers in finalizing the insurance renewals for next year in an effort to minimize your cost. We have also looked at how our programs compare to the marketplace from the benefit side and have made some changes to make sure our programs are up-to-date. In addition, we are now offering two plans through Trustmark that are qualified to be used with Health Savings Accounts (HSA). As health care costs continue to rise, we will need to continue adjusting plan design to help manage premium costs.

Our commitment to you is to continue to work hard to provide good benefit plans that are up-to-date and that make the most efficient use of school and employee resources. We want to work with you in this endeavor and continually seek your input. Feel free to contact me by phone at 800-635-8288, ext. 226, or by e-mail at hvanmersbergen@csionline.org to share your ideas on ways that we as a group of schools working together can provide for the dedicated staff of our Christian schools.

Plans Offered by CSI

We offer plans that provide different levels of coverage to meet your needs:

1. The Limited Benefit Plan provides life, accidental death & dismemberment, and long term disability.
2. The Full Benefits Plan provides health (including adoption), life, accidental death & dismemberment, and long term disability.

You may add dental, optional life, and vision coverage to either of these plans.

In addition, we have a Section 125 Plan available that can assist your employees in reducing health care expenses. Current participants in the Plan are saving an average of over \$395 each year by using the Plan. Your school will also save money in the form of reduced payroll taxes.

(More)

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Updated and Improved CSI Web Site

We have expanded the Benefits section of the CSI web site to make it a valuable resource for you. Go to www.CSIonline.org and select the Employee Benefits tab to see the useful items available. The site contains information on CSI benefits, forms, and benefit publications like plan books and Updates.

Premium Rate Changes Effective September 1, 2004

- The Trustees have negotiated and received the 2004–2005 insurance renewals. Based on this information, the Trustees approved new rates to take effect September 1, 2004.
- The specific components of the rate changes are as follows:

Life/Accidental Death & Dismemberment:	0%	increase
Optional Life:	0%	increase
Optional Vision:		
Employee Only	6.8%	increase
Employee + Spouse	6.1%	increase
Family	6.9%	increase
Long Term Disability:	16.7%	increase
Dental:		
Rate Category 1	7.3%	overall increase
Rate Category 2	7.7%	overall increase
Rate Category 3	6.7%	overall increase
Health:		
Trustmark Plan C, PPO 80, PPO 90, PPO HSA 1 and PPO HSA 2	12.1%	overall increase
Priority Health POS and HMO 100	11.1%*	overall increase
Priority Health HMO 80	16.0%*	overall increase

* Note: Priority Health plans are available in West Michigan. A 1% discount is available for participation in the “Health by Choice” program.

Premium Rate Information

We have enclosed a rate sheet showing the cost of the various components of the Plan.

For Trustmark Plans C, PPO 80, PPO 90, PPO HSA 1 and PPO HSA 2:

Premium rates are calculated separately for each school based primarily on the school’s location and the demographics (age, gender, etc.) of the school’s employees. For schools with 10 or fewer employees covered for health care, rates are calculated separately for each age group based on individual demographics. If you would like a quote on a Trustmark plan, we will need a census of your employees; contact Lois at 800-635-8288, ext. 233 for details.

“Health by Choice” from Priority Health (West Michigan Only)

Health by Choice is a new concept from Priority Health that offers a reduction in your school’s premium rates in return for more personal involvement in managing your health. A 1% discount is available for schools that elect to participate in “Health by Choice.” To participate, schools will encourage their covered employees to make these four commitments:

1. Complete the on-line Health Risk Assessment.
2. Comply with preventive health guidelines (physicals, mammograms, etc.).
3. Opt into disease management programs, if applicable.
4. Set a personal health goal.

Health Savings Accounts (HSA)

The federal government has eliminated Medical Savings Accounts (MSA) and replaced them with Health Savings Accounts (HSA). HSAs are similar to MSAs but have more liberal contribution provisions and expanded deductible ranges. They work like a personal IRA for medical expenses—tax-free contributions from employers, employees, or both, and tax-free reimbursements for qualified expenses. Best of all, your funds are not subject to the “use it or lose it” rule, so you will not forfeit funds. CSI has two Trustmark medical plans that qualify to be used with an HSA.

An HSA is an account set up by the school for each participant. Trustmark has a relationship with MSA Bank in Wisconsin to administer the savings accounts. Schools may use this bank or choose another administrator. Once the accounts are set up, the school and/or the participant contributes up to the amount of the deductible for each participant, and then this contribution is deposited into each participant’s account. Participants can be reimbursed from their HSA for eligible expenses that apply to the deductible or eligible expenses that are not covered by the health plan. Any funds left in the HSA at the end of the year are rolled over to the next year and keep accumulating until retirement. Earnings on individual accounts accumulate tax-free and if they are used for qualified medical expenses, they are not taxed. At retirement, participants may continue to use the funds for health expenses. If the funds are used for non-health related expenses, income tax and/or additional taxes may be due. For more information on HSA plans, go to www.msabank.com.

Change in Dental Participation Requirements

Currently, you are able to opt out of health coverage if you are covered by your spouse’s employer plan. However, opting out of dental coverage is not permitted. Effective May 1, 2004, the dental participation requirements will be similar to the health requirements: you may opt out of dental coverage if you are covered by your spouse’s employer plan.

More CSI Benefit Plans

In addition to the CSI Insurance Plan, we offer these benefit plans:

- The CSI Group Payroll Plan provides payroll services through ADP at greatly reduced group rates. Contact Brian at 800-635-8288, ext. 267 for more information.
- The CSI Flexible Benefits Plan is a Section 125 plan that will help you and your employees reduce health care expenses by paying for these expenses with pre-tax dollars. Contact Sharon at 800-635-8288, ext. 228 for more information.
- The Christian School Pension Plan is a defined-benefit pension plan that provides retirement benefits for your employees. Contact Jan at 800-635-8288, ext. 227 for more information.

More information on these plans is also available on the CSI web site at www.CSIonline.org.