

***Unitarian Universalist Association***  
***Compensation, Benefits and Pension Committee***

*25 Beacon Street, Boston, MA 02108, 617/948-6404*

*Tuesday, January 24, 2006*

Present: Vernon Blodgett, Chair; Dan Brody, Florence Einhorn, Jerry Gabert, Paul Johnson, Ralph Mero, Robert Messing, Charles Sandmel, Joyce Stewart. Brief visit from UUA Moderator, Gini Courter who expressed her appreciation to the Committee for its extensive efforts on behalf of the health insurance initiative.

Regrets: Howard McMahan, Paul Rickter, and Rev. Diane Teichert

- Introductions and Check-Ins
- Agenda reviewed and approved
- Minutes of September 27, 2005 meeting approved.

UUA Self-Funded Health Insurance Plan

Mero reported that, at their January 22, 2006 meeting, the UUA Board of Trustees approved the plan to progress with the establishment of a self-funded health insurance plan. The Trustee's approval included the coordination with Highmark Blue Cross Blue Shield [BCBS] for coverage and Milliman Associates for actuarial work, coupled with the knowledge that are significant numbers of church staffs who do not have insurance coverage.

Based on a request from the UUA Trustees Finance Committee, a survey was recently done to determine how many church staff do not have any health insurance. The survey was done through the Professional Leadership Coordinating Council [PLCC] channels: each religious professional group (Unitarian Universalist Ministers Association [UUMA], Liberal Religious Educators Association [LREDA], Unitarian Universalist Musicians Network [UUMN] and Association of Unitarian Universalist Administrators [AUUA]) polled its members who work half time or more and reported the results to the Office of Church Staff Finances. The initial results of the survey showed that there are 387 employees of our congregations who do not have health insurance. Returns on the survey are still being received, and a quick review of the late arrivals indicates that there are more un-insured staff members.

Mero reported that the UUMA Executive Committee voted to support the health insurance initiative.

Mero reported that the UUA has recently re-joined the Church Benefits Association – a significant lobbying group for religious organizations. In 1999, the Presbyterians signed a contract with Highmark BCBS. That experience went so well that other denominations joined Highmark as well. There is now one national BCBS vendor that has carved out a health insurance plan for denominations. If the UUA were to join the Highmark BCBS plan, we would share the benefits of a widely recognized and respected nationwide plan.

The planned effective date for implementation of a plan would be January 1, 2007.

Next steps:

1. Develop a marketing plan
  - Highmark has marketing material and marketing plans available
  - Emily Mitchell, a very good graphic artist the UUA has used before is a good resource
  - As the RFP process has been eliminated because of Highmark's participation, there are more funds available for marketing than the original plans indicated.
  
2. Deliver demographic data the Office of Church Staff Finances has gathered on the potential enrollees to Highmark and Milliman for their analysis and calculations.
  - Milliman will figure how much we should charge to cover the claims, stop loss, and administration.
  - Highmark will develop a standard PPO and a high deductible plan
  
3. By March 21, 2006, deliver to the UUA Trustees an implementation plan in for their review and potential approval at their April 2006 meeting. If the Trustees approve the plan in April, there would be a full rollout of the plan at St. Louis GA in June 2006.

Brody provided a detailed list of questions and action items that must be answered and completed in time for the March 21, 2006 deadline for the Board's packet:

1. List of what plans will be offered and general descriptions of how they would work. Some examples may include:
  - a. A Preferred Provider Option plan
  - b. High deductible with a Health Savings Account
  - c. An alternative to the current UUA home office plan,
  - d. Retiree plan or Medigap plan.
2. A minimum number of enrollees must be established.
3. The cost of both individual and aggregate stop loss reinsurance.
4. An overall financial plan – including the stop loss, marketing, staffing costs
5. UUA internal staffing: A new employee must be hired and the board packet should include a recommendation as to when that employee should be hired. This may be a temporary employee with the hope that it become a permanent position.
6. A detailed timetable for rollout of all required activities What's going to happen between now and 1/1/07?

7. What is our liability with Highmark if we don't go forward? Is Highmark willing to accept a tentative contract? What costs are we on the hook for if we don't go forward?
8. Decision on whether to create a Trust or not.
9. Eligibility issues: 1) individual insurability? We decided that at least for the first go-round we won't restrict enrollment on the basis of medical condition  
2) Must each employer must enroll all of its eligible employees or none? This could be a tricky issue. How do we deal with this?
10. What are the categories of coverage? Member, member plus one, single parent and children, member plus family. If the ages are factored into the premium costs should help here. Perhaps we'd be OK with 2 tiers. Perhaps 1 adult family is an attractive option.
11. Will the UUA have additional costs because of our inclusiveness – particularly in transgender issues? Normally these are excluded. But we need to decide. Fertility treatments?
12. It makes sense that we design our plan around what the UUA currently offers to its staff.

A full-blown marketing plan is not necessary for the Board. They need to know the basics of the plan and its general progress. They need to know more about the coverage and trust and the other key elements of the plan.

A sub-Committee would be the way to get this started: Glenn and Bob would be good ones to do this.

**We need to have another meeting well in advance of the 3/21/06 board packet deadline. Date of next meeting: March 1<sup>st</sup> - 9:30 AM, with the following meeting on April 12<sup>th</sup> to pick up loose ends and work on the marketing plan.**

### Trust

Mero distributed a paper from McDermott Will & Emery paper on the pros and cons of establishment of a trust.

Brody: the existence of the trust would go a long way to reassuring the UUA Trustees. The reserves of the plan are protected through the trust. If the plan becomes successful and the reserve becomes large, it could be an asset that needs to be protected. The best protection available is the establishment of a trust, with the UUA's understanding of its moral responsibility to stand behind the plan and assure that the trust assets are used for the exclusive benefit of the participants.

Brody will follow up with Ned Leibensperger with our questions surrounding the establishment of a trust:

- What about adopting a piece of ERISA? Does this mean that we lose the Church Parity Act protection?
- Can we afford the creation of the Trust based on the GIP retained earnings?
- When do we have to create the Trust?

### **Retirement Plan- Asset Selections**

The Committee discussed what changes, if any, should be made to the asset selections in the Plan. Mero's biggest concern is that we don't give participants enough information about the investment choices. While Fidelity.com is a wealth of information, they are constrained by SEC regulations regarding the amount of investment advice they can give to participants.

Sandmel advised that a stable value fund is almost always the wrong choice – the appropriate Fidelity Freedom Funds are much better choices. A value fund would be a good addition to the plan. Value investing is not usually consistent with socially responsible investing principles because of the types of companies (energy and utilities) that end up in Value funds. However, the Fidelity Contra Fund is a good choice.

Stewart will supply Sandmel with a report detailing the ages of the participants and their funds in our plan. Sandmel will consult with George Melman of Fidelity regarding possible changes to the plan's asset offerings.

### **Congregational Stewardship and Fundraising**

Blodgett: Should the Committee look at helping congregations in stewardship and fundraising? The Committee cares about many of the same issues as other groups. The APF and planned giving folks think about how to run a better pledge campaign. Should we do this too? Blodgett also reminds us that it's important to review the process from time to time and take a look at what can we be doing better, rather than just dusting off last year's plan.

Does it make sense for local churches to meet together and discuss the issues? Vern is in a group of laypersons of stewardship and pledge campaign leaders that are meeting and sharing mutually beneficial information. Is this Committee one who could stimulate thoughts and ways of helping congregations as we try to raise consciousness of the congregations about these issues. Solomon: They have found in Ohio Meadville District that the grassroots approach is the way to go. It works.

This Committee may want to look into congregational resource development to help raise income in the local congregations to cover the expenses we are encouraging them to incur.

Adjourned: 1:50 PM

### **NEXT MEETINGS:**

Wednesday, March 1, 2006 – 9:30 AM – Pickett & Eliot – 6 Mt. Vernon Place  
 Wednesday, April 12, 2006 – 9:30 AM – Pickett & Eliot – 6 Mt. Vernon Place