Putting our wellness where our money is

Regardless of whether you supported the landmark health care legislation that was passed by the Democrat-majority Congress in March 2010, one thing is for certain — leaders of the soon-to-be Republican-majority House of Representatives have stated that they want the legislation repealed.

While no one knows how this political arm wrestling will impact the nation’s health care in the years to come, there are related issues that need immediate attention. According to a 2007 study by Milken Institute titled “An Unhealthy America: The Economic Burden of Chronic Disease ...,” more than 109 million Americans (about one in every three people) have cancer, diabetes, hypertension, heart disease, pulmonary conditions, mental disorders, or have experienced a stroke. At the time of the study, these health problems made a whopping $1.3 trillion annual impact on the economy (equal to about 9 percent of the U.S. gross domestic product). With the federal government announcing in November that 59 million Americans do not have medical insurance, it is clear that these issues need immediate bi-partisan attention.

In the meantime, there are many steps that can be taken to improve the health of individuals while trying to tame ever-increasing medical expenses; Church of the Brethren Benefit Trust will soon take one such step.

Wellness 101
On Jan. 1, BBT will institute a company-wide wellness initiative — an elective program that we offer to all Brethren Medical Plan employer groups.

Wellness plans have become extremely popular in the workplace, although studies have shown that an

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CoBCU donates $500 to Oregon church during Autumn Membership Drive

Church of the Brethren Credit Union kicked off its Autumn Membership Drive with a mission to give back to the community of Brethren churches and affiliated organizations. For each new member that opened a Savings, Checking, or Club account, that person received $25 and a chance to win $250. The Credit Union also donated $500 to one new member’s Church of the Brethren congregation.

Credit Union staff drew the name of new member Evan Bowers of Keedysville, Md., as the winner of the $250 gift card. Peace Church of the Brethren, Portland, Ore., was drawn as the recipient of a $500 check for its ministry.

CoBCU values both its new and long-time members. If you have any questions about this Brethren ministry, please contact Connie Sandman, member services representative, at 888-832-1383. — B.S.

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Keywords for today’s retirement funds: “diversify” and “rebalance”

**Diversify**

Diversifying means you are spreading your retirement contributions across a broader spectrum of investment funds, so that if one type of investment vehicle experiences big losses in a quarter or year, your entire savings is not eroded. Fortunately for Brethren Pension Plan participants, there are now 16 unique funds that can be used for allocation. Other retirement plans may also have similarly broad options, so that people with a tolerance for greater risk can invest in funds that have potentially higher yields, while those nearing the end of their careers can allocate to relatively safer investments.

A conservative investment strategy will seek to protect principal but might reduce opportunities for income generation or asset appreciation, while an aggressive strategy will seek higher yields with a larger possibility of low returns or losses over the short term. A long-term investment portfolio might include a mixture of conservative and aggressive investment options, as well as investments in stocks, bonds, and perhaps even alternative investment choices like real estate. Short-term strategies often include less risky investments to help preserve capital.

Paul J. Lim, an economist and senior editor for *Money*, suggests spreading your investments across a variety of geographic locations, too. “Now that regions are recovering at different paces — Europe’s economy, for example, is expected to grow 1 percent this year, America’s more than 2 percent, and China’s nearly 10 percent — stock and bond markets are likely to behave unpredictably. So make sure you’re invested in the entire world, not just in the U.S. for safety’s sake or in red-hot emerging markets in pursuit of a big score.” Emerging markets, however, are inherently high-risk.

So what if you aren’t sure which types of investments are the best to use to diversify your portfolio? If you are a member of Brethren Pension Plan or have an organizational account with Brethren Foundation, check out their fund descriptions at [www.brethrenbenefittrust.org](http://www.brethrenbenefittrust.org). Just click on either Pension or Foundation and then click on Investment Overview. For members and non-members, the best way to sort out your financial future is by consulting with a financial adviser.

**Rebalance**

Some of your investments in 2010 may have performed much better than usual. The bond market, for example, experienced unusually high gains in the past year, as indicated by the 9 percent year-to-date return for the Barclays Capital Government/Credit Bond Fund index.

When there are imbalances in the markets like this, it’s important to rebalance your accounts. Rebalancing is the exercise of reallocating assets from one type of investment to another to put a portfolio back in line with its set strategy. Assets are initially allocated based on an investment strategy that takes into consideration such factors as risk tolerance and the time horizon for use of the assets.

Rebalancing ensures that a portfolio does not become riskier than is comfortable for the investor and that the positive gains of a good performance are locked in. You may rebalance your retirement account according to a schedule or when the portfolio reaches a specified level of imbalance. Rebalancing on a schedule automates the process and ensures that the portfolio is in line with a strategy or policy on a regular basis.

Rebalancing only when your portfolio becomes imbalanced generally requires less frequent asset reallocation. However, it requires more active attention to the portfolio by the investor and exposes the portfolio to more risk.

Contact your financial adviser if you are concerned about your investments being too heavily allocated to some sectors. Often, retirement programs such as Brethren Pension Plan have online systems that allow members to automatically rebalance their funds gradually or all at once.

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*Five Questions to Ask Your Financial Adviser*

1. How much am I paying in total fees this year?
2. What are my odds of reaching my financial goals, and what are the risks?
3. Are you betting on certain companies, sectors, or countries to succeed?
4. What adjustments should I be making because of the current market?
5. How do state and federal income tax changes affect me?

(Sources: [moneywatch.bnet.com](http://moneywatch.bnet.com) and [forbes.com](http://forbes.com))
**New publication and new groups for Insurance**

**Monthly Update brings the Insurance Services to your desktop**

Your physician may not offer house calls, but that doesn’t mean you can’t get helpful, healthful advice in the comfort of your own home.

*Insurance Update*, a monthly e-publication offered by Brethren Insurance Services, was launched in August to augment the great services and offers provided through Brethren Medical Plan. Each issue contains timely tips and health guides, an ongoing wellness series called Prevention 101, and news from the staff at Brethren Insurance Services. This newsletter is a premium feature currently being sent only to Brethren Medical Plan members. However, if you wish to receive this publication, please send an e-mail to insurance@brethren.org and you will be added to our list.

**Three new clients join Brethren Medical Plan**

Brethren Insurance Services eagerly welcomed three new employer groups into its growing list of Brethren-affiliated organizations for which it provides affordable medical care coverage, and experienced a 10 percent growth in its ancillary insurance enrollment for 2011.

“We look forward to adding more members and groups in the future,” said Willie Hisey Pierson, director of Insurance Services. “We’re strengthening all of our plans so that we can continue to offer the best services to our members.”

**Myth: “I’m too young to buy long-term care insurance.”**

Because it’s a newer product on the insurance market, LTCi is often the subject of some confusion. In fact, the need for long-term care can occur in anyone’s life regardless of age. According to some statistics, more than 3 million individuals dependent on LTCi are under the age of 65. Investing in LTCi earlier rather than later has monetary benefits, too: The earlier you and your family enroll, the lower your premiums will be and the less likely it is that a pre-existing health condition would keep you from being able to enroll.

Long-Term Care insurance, a product provided by Brethren Insurance Services through six nationally acclaimed providers, can serve you when you need specialized care. Contact Randy Yoder, client development representative, at 847-849-0205 for more information.

**Mason called to serve as BBT’s interim CFO**

“You’re welcome.”

That’s the humorous response offered by Steve Mason, director of Brethren Foundation Inc. and Church of the Brethren Benefit Trust’s socially responsible investing activities, when asked if he wanted to say anything after President Nevin Dulabaum announced to staff that Steve had been called to be BBT’s interim chief financial officer. Everyone then thanked him for accepting this responsibility.

Aside from his wry sense of humor, Steve brings a wealth of experience to this temporary role at the benefits organization, which will last for up to one year. He provides oversight regarding the adherence of BBT’s seven investment managers to BBT and BFI’s investment guidelines with regard to their investments and social screens, and interprets the results of the managers’ performances for the more than 200 BFI clients currently being served.

“I know that Steve will be a great interim CFO for this organization,” said Nevin. “He has always been a leader who’s put the interests of BBT and BFI’s members and clients first and has a passionate relationship with the church.”

Before he began as BFI’s director in November 2006, Steve served as executive director for the Community Foundation of Wabash County (Ind.). Previously, Steve served as vice president for College Advancement at Manchester College in North Manchester, Ind.; executive director of the Association of Brethren Caregivers; and as vice president for financial services, CFO, and director of development at McPherson College in Kansas.

Steve works from his home in North Manchester, Ind., where he and his wife, Marilyn, attend Manchester Church of the Brethren.
Annuity projection tool helps members plan for retirement

Unfortunately, humans cannot yet predict the future. We can, however, use complicated equations to turn today’s information into tomorrow’s projections and educated guesses.

This is the technology at work in the Brethren Pension Plan annuity projection tool, which is now available to all active and inactive Plan members through the Pension Plan Web portal. Plan members can enter the date they predict they might retire, the rate of return they anticipate receiving based on their allocations, and with the click of a mouse button, they are presented with a PDF that outlines what could be the blueprint for their retirement. This blueprint, in conjunction with guidance from a financial adviser, can help Plan members move in the right financial direction.

“Part of retirement planning is knowing how much you need to save now to maintain your lifestyle later,” said Scott Douglas, Brethren Pension Plan director. “The projection utility can help members make educated decisions about their allocations by giving them a glimpse of their individual financial outlooks.”

Plan members can visit pension.brethrenbenefittrust.org, log in (or register a new account), and click on Annuity Projection. — B.S.

“Putting our wellness ...” continued from page 1

incentive must be incorporated to maintain long-term positive results. According to numerous sources, a wellness program with an incentive improves the overall claims experience of employee medical insurance plans, which in turn helps reduce employer health care costs. Second, there is a reduction of workplace injuries. Third, there is an improvement in employee productivity. Fourth, there is a decrease in absenteeism. I also believe such a plan will result in improved corporate morale and camaraderie as people's self esteem increases.

The BBT Wellness Plan

In mid-January, each participating BBT staff person will undergo a blood draw. Soon thereafter, each employee will receive a confidential health assessment. At mid-year, employees will undergo a second blood draw and receive an updated assessment. Beginning in 2012, staff members must participate in the blood draws and meet certain health benchmarks (or obtain a medical waiver from their physicians). Employees who choose not to participate in 2011 or who do not meet the health benchmarks in subsequent years will be assessed a wellness premium that is equal to 20 percent of BBT’s individual employee medical insurance premium.

Claims from this program will be billed through the Brethren Medical Plan’s preventive care component. While the wellness blood draw will replace other preventive blood work (because the wellness blood work is comprehensive, preventive, and the results can be shared with physicians), the plan still allow other preventive measures like annual physicals.

Sharing the burden

To some, this program might not seem very desirable. I understand. As someone who has been overweight for most of his adult life, I, too, could wind up paying that 20 percent premium assessment. Nevertheless, the reality is that affordable employer medical insurance is an asset that is quickly slipping off the employer-benefit landscape. Over the past decade, many businesses of all stripes have eliminated this benefit or have greatly increased their employees’ out-of-pocket expenses.

The time is right for employees and companies to work together. Employees striving to become healthier will help mitigate the rising cost of employer-based insurance plans, which should enable employers to continue offering medical insurance plans with lower premiums and deductibles so that the employees do not experience debilitating out-of-pocket expenses from a catastrophic medical event.

Who knows how long it will take for Congress to agree on a long-term health care solution. However, by the time that happens, BBT staff, and perhaps other Brethren Medical Plan members, should be healthier, happier, and have comparatively lower insurance premiums. — N.D.
Change your tune and start dreaming of a green Christmas

It’s the season of giving, and who better to receive your gifts of remembrance and compassion than Mother Nature? Christmas takes a huge toll on the world’s resources; the season of giving is also one of consuming. Why not reconsider some of your family’s most hallowed traditions and give them an eco-friendly update? Here are some ideas that make a small impact on your experience but make a big impact on our natural resources.

Gifts
Are you dreading the hustle and bustle at your local shopping mall this December? You could consider avoiding it altogether and turn to your town’s Main Street instead. Buying gifts at local businesses could help keep your downtown area alive. Plus, those gifts might be from nearby manufacturers or craftspeople, thus eliminating the environmental costs of shipping goods that have been manufactured overseas.

Do you have someone on your list who has endured some financial setbacks thanks to the weak economy? Joel Waldfogel, author of Scroogenomics: Why You Shouldn’t Buy Presents for the Holidays, argues that those gift recipients who are having tough times might benefit more from a gift card than a gift. A gift “just tends not to produce nearly as much satisfaction per dollar spent as regular spending,” and a gift card can enable the recipient to buy something that is really needed. Joel notes that “gift cards have become enormously popular in the last 15 years, and they really do allow recipients to choose, and it also seems to avoid the stigma of giving cash.”

Some people on your list might seem like they “have everything.” Perhaps they would appreciate a donation to a charitable organization in their name, like the Brethren-founded livestock donation project Heifer International (heifer.org) or Brethren Disaster Ministries (brethren.org). Supporting environmentally friendly, not-for-profit organizations like Greenpeace (greenpeace.org), World Wildlife Foundation (worldwildlife.org) — or something closer to your home — can help the world in your gift recipient’s name.

Wrapping paper
According to the Clean Air Council, an additional 5 million tons of waste is produced around Christmas, with 4 million of that made up of wrapping paper and shopping bags. Why not repurpose something headed for the recycling bin? Why not use water-based paint to decorate the pages of last week’s newspaper? Better yet, the stock listing section of your newspaper makes a patterned alternative to wrapping paper, which is often unrecyclable because of metallic or plastic coating. Alternately, you can wrap your gift within a gift: a scarf, necktie, sweater, or skirt also makes a nice wrapper for another, smaller gift.

Christmas tree
Ever since some Americans began decorating Christmas trees with boughs of fiberglass instead of fir, a debate has raged on: real or fake? Those in the pro-plastic camp insist that using your fake tree over and over again saves on transportation, watering, land, and other related costs — both financially and environmentally — for bringing an estimated 30 million real Christmas trees to the living rooms of houses nationwide. Plus, so many real Christmas trees end up in landfills — some even inside large, thick plastic bags.

On the other side of the debate, some say that real Christmas trees support your local economy. The U.S. Commerce Department reports that 80 percent of artificial trees worldwide are manufactured in China, whereas real trees are grown on nearby farms. Many cities in the U.S. have recycling programs for Christmas trees that turn them into mulch.

If you have room in your backyard, why not purchase a live tree? You can pre-order it from your local greenhouse in autumn and then bring it into your home for the Christmas season, making sure to keep the root ball moist. After Christmas, either plant it in an unfrozen ground or place it in a shaded, above-freezing spot for the rest of winter. In the spring, you can transfer it to a container for use next year or plant it. For only a few dollars more than a real tree, consider this home- and yard-enhancing solution as an occasional alternative to your traditional tree choice.

Outdoor decorations
Are you the Clark Griswold on your block, setting the night sky ablaze with your million-megawatt Christmas light display? Consider saving electricity (and your local power plant’s carbon dioxide emissions) by scaling back your decorations this year. Traditional fir swags and wreaths — typically produced by local farms and craftspeople — offer a naturally beautiful alternative to blindingly bright Christmas displays.

Alternatively, why not switch to an LED lighting system when your old bulbs burn out? LED holiday lights use 100 times less energy than traditional holiday bulbs and last a whole lot longer, too, which keeps more old-fashioned lighting strands out of landfills. — B.S.
Make more than just your Christmas tree green this year with our earth-friendly guide!

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- **BBT Staff**
  Steve Mason is called to serve as BBT’s interim chief financial officer.

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