



Volume II, Edition 4

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Don't Forget Your RRA Benefit

Members are reminded not to forget to collect their Retirement Reimbursement Account (RRA) benefit. It may be used for most medical expenses not covered by other insurance including eye glasses, hearing aids, etc. However, the simplest way to collect it is to take copies of your monthly statement of benefits, circle the premiums for health coverage, and send it to Aetna along with the claim form provided to you with the announcement.

ARA Issues 2006 Legislative Report Card

Some Wins, Some Losses on New Front

This may be remembered as the year that your Aetna Retiree Association became a "player" on the Connecticut Legislative scene. Final results were mixed, but there were some notable achievements and the ground work has been laid for future action.

ARA's first efforts were on behalf of the establishment of a separate Department on Aging. John Dwyer and John Perra both testified on behalf of that effort which passed.

ARA also worked to support a repeal of a provision in the Workers Compensation laws that unfairly penalized workers who are collecting Social Security. Such workers, when injured on the job, received less money in compensation than younger workers. The provision was successfully repealed.

Unfortunately, our most important initiative "fell through the cracks" at the end of the session, and was not passed. Joint Resolution No. 5 called on the Connecticut Congressional delegation to take steps to protect the pension and health benefits of retirees. The measure passed in the State Senate receiving only one negative vote. However, in the closing hours of the legislative session it failed to get onto the House docket and died with the legislative session.

While the Connecticut Legislature is important to ARA because so many members live here and because Aetna is domiciled here, the main stage of protection of retiree rights is the U. S. Congress. That is a much larger and more complex environment, but ARA still managed to make inroads into it in the past months. Working largely through the National Retiree Legislative Network (NRLN), we supported pension reform legislation that passed both houses of Congress. However, there are important differences between the House and Senate bills, and a joint committee seems to be having considerable trouble in resolving them.

Recently, ARA has found a sympathetic supporter in Representative John Larson who represents Connecticut's 1st Congressional District. ARA leadership is exploring with Congressman Larson the possibility of developing a Retiree Bill of Rights that would better clarify and protect retiree health and pension benefits.

Dialog with Aetna Remains Cordial

The ongoing dialog between the ARA and Aetna continues to be positive in tone and seemingly frank and open. Perhaps the most encouraging aspect of it is Aetna's acknowledgement of past enrollment problems and the willingness to take steps to fix those problems.

Recently, ARA representatives sat in on an introduction to CitiStreet, the new vendor for administration of health benefits. Given the problems with the previous vendor, ARA is hopeful that this will result in a substantial improvement.

Aetna has also notified ARA about changes in Aetna benefits personnel. By staying close to changes, ARA is in a better position to help members and Aetna. Jane Hopkins, who has headed the unit, is leaving and will be replaced by Chiaw Eei NgGibson. ARA has enjoyed working with Ms. Hopkins and expects a continued positive relationship with Ms. NgGibson.

One subject of considerable concern is the accuracy of data. ARA has experienced a number of situations where it was discovered that Aetna was operating with incorrect information on retirees. This can have a substantial impact on benefits received by members. For that reason, ARA continues to press Aetna to provide a full statement of rights and benefits to each retiree annually.

We appreciate Aetna's constructive approach to our mutual concerns and their recognition that good service to retirees is an important company goal. ARA will continue to

work with the company to make improvements.

ARA Much of Show at Aetna Annual Meeting in Florida

In recent years, Aetna has shown a preference to conduct its annual shareholder meeting outside Hartford. In 2005 it was moved to Philadelphia and this year to the land of the mouse: a Disney hotel at Lake Buena Vista, Florida.

Nonetheless, your ARA was there represented by Chairman John Dwyer. The meeting was sparsely attended unless you count a large cadre of company executives and security people. Actual stockholders could be counted on one's fingers.

Dwyer asked three questions – the only shareholder questions. Based on a General Electric shareholder proposal seeking the nomination of a retiree to the Board, he asked how Aetna would react to such a proposal. Aetna Chairman John Rowe said it had never been considered but thought it had merit and would be referred to the Committee on Governance. Recently, ARA has been notified that the committee considered the proposal but had rejected it. Reasons given were a preference for directors with broad experience in multiple businesses, and who had seen retiree issues from several perspectives. Aetna expressed concern that such a nominee would be perceived as a single issue nominee. ARA disagrees with this perception and will continue to seek ways of presenting this idea to stockholders.

Dwyer asked if Aetna had studied the likely effect of proposed new accounting rules (FASB) on the company and future business. The rules will require companies to reflect unfunded pension and health insurance obligations. Chairman Rowe said it had not been studied in detail. This left the clear

impression that Aetna is not deeply concerned about the impact of the changes.

Finally, Dwyer asked why the company had expended \$3.6 billion of shareholder funds to buy back 146 million outstanding shares of stock only to undo the benefit by splitting the stock and returning the shares to the market. Wouldn't the shareholders be better off with an increase in dividends?

Even with Dwyer's three questions, the meeting adjourned in what probably was record time. Quite a contrast to the meeting many of us remember that packed the Aetna auditorium and lasted into the noon hour!

Anderson Is New Assistant Treasurer

A new ARA leadership position, Assistant Treasurer, has been established, and Roger Anderson has accepted it. With Treasurer Lee Simard located in Maine, it was necessary to find someone in Connecticut to handle affairs locally. We are fortunate to have found a most capable volunteer.

Roger attended UConn and Syracuse University before graduating Summa Cum Laude from Central Connecticut in 1979 with a degree in accounting. He joined Aetna that year in Casualty Accounting.

He spent many years doing financial analysis of commercial lines results. He moved to Product Development and Underwriting where he did financial planning and results analysis. He worked in Data Management until 1996 when the commercial business was sold to Travelers. He is still with Travelers but plans to retire in the near future.

Roger lives in South Windsor with his wife, Donna who is also an Aetna retiree having worked in the Bond Department for almost 15 years.

No Such Thing As A Free Lunch

Not at an ARA meeting anyway! From time to time, we are asked how ARA funds are spent. At the first board meeting, ARA directors set a policy that treasury funds would not be used for directors' lunches.

When directors and leaders gather for working meetings, a light lunch is brought in to maximize time, but it is not paid for by dues money. Each attendee reaches into his or her own pocket and pays.

Likewise, all transportation expenses are paid by these leaders and directors. At the most recent gathering June 19 in East Hartford, members were present from Maine, New Hampshire, Massachusetts, Rhode Island and Southern Connecticut. All travel expenses were paid by the participants themselves.

This careful stewardship of the ARA treasury has allowed us to begin building a fund that will allow ARA to mount an active campaign in support of retiree benefits should such action become necessary.

Wanted: Volunteer Auditor

ARA takes its stewardship of your dues very seriously. We want to be certain that all laws and rules are being observed. To that end, ARA will pay for an outside audit every third year. For the other two, we are seeking a volunteer to do an annual audit. Anyone with auditing experience willing to take on this important chore is asked to call Bob Quinn at (860) 563-4049.

Please Consider NRLN Membership

For ARA members who are especially interested and concerned about retiree benefits protection, we recommend an additional personal membership in the National Retiree Legislative Network (NRLN).

For a modest fee (\$15 but larger contributions are welcomed) you can be a part of this front-line organization that works to protect all of us. Your ARA is affiliated with NRLN and pays an annual fee for valuable services as do many other retiree groups. NRLN needs more individual members to provide support for expanded efforts on behalf of all retirees.

All you need to do to join is to send your name, postal address including 9-digit zip code, e-mail address and fee/contribution to NRLN, Inc., P. O. Box 18757, Washington, DC 20036-8757. Please tell them you are an ARA member and ask to be included on their grassroots list if you want to participate in efforts to urge Congress to protect retiree benefits.

CONTACT ARA!

We welcome your comments, questions, ideas and letters to the editor. See mail and website addresses on page 1.

Dave Smith, Editor