Aetna Retirees Association, Inc
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News

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Aetna Management Did Respond to ARA COLA Suggestion

In our last newsletter, we commented on the negative pension plan COLA for 2010, and ARA's suggestion to Aetna Management on how this might be avoided. At the conclusion of our story, we said that we did not know the company's rationale for ignoring this suggestion because ARA Chairman Bob Gilligan's letter to Aetna Chairman Ron Williams had gone unanswered.

A few days ago, we discovered that this was not the case. An Aetna contact informed us that, on November 12, 2009, Elease Wright, Senior Vice President of Human Resources at Aetna, responded to Mr. Gilligan's November 5 letter. The complete text of this letter appears at the end of this story.

The letter was mailed to the ARA post office box in East Hartford. A board member regularly picks up the mail there, sorts it, and routes it to other board members for action. It would appear that Ms. Wright's letter never arrived. This is not entirely surprising. Despite a high delivery rate, the sheer weight of the U.S. Mails produces a substantial number of lost letters each year. Of course, we cannot be positive that we did not receive the letter and then mishandled it ourselves. However, our mail volume is not that heavy and our handling procedures seem to be working fine.

In any event, we apologize to Aetna and to Chairman Williams. Our report of an unanswered letter was an honest mistake on our part. In fact, we are pleased that Aetna's response was both timely and professional. We would expect no less of our former employer. At the same time, if the letter did disappear into the great USPS graveyard, then we, too, acted responsibly.

We are not entirely surprised by Aetna's negative response to our suggestion. The company's first obligation is to its shareholders. It must consider what it is currently providing its active employees. We feel that the company could have been helpful to its retirees with little cost to its shareholders. We tried! We shall continue to urge the company to be sensitive to the needs of its retirees. However, in the meantime, we are thankful for their prompt response to our suggestion – even though the fates seem to have interfered.

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November 12, 2009

Mr. Robert F. Gilligan
Chairman & President
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Dear Mr. Gilligan,

Ron Williams asked me to respond to your letter dated November 5, 2009. We appreciate your willingness for an ongoing open dialogue on this and other benefit issues over the past couple of years. We are aware that many valued retirees are feeling the effects of this economy, just as our active employees are.

As you know, retirees who elected to receive their entire pension benefit as an annuity were eligible to receive cost-of-living adjustments (COLA). The COLA feature was specifically designed from the start to include the possibility of being positive or negative, but never in an amount to exceed + or -3% or below the benefit value initially received at commencement. The feature was intentional and, therefore should not be eliminated when the negative adjustment occurs.

Aetna's business environment is very challenging and uncertain. We are committed to making sure our operating expense structure is appropriately aligned with the size, profile and needs of our customers. This requires Aetna to aggressively manage and control the cost structure of our organization. Although these decisions are difficult, we believe our current pension plan design is appropriate particularly in light of the significant changes to active employee benefits in recent years. It's important that we consider all constituents when gauging the impact of any one employee benefit change or enhancement so as not to disproportionately impact one group over others.

Our intent is not to penalize or undervalue our former loyal employees, but to balance the weight of this challenging economy with decisions that are equitable to all constituents.

Respectfully,

Elease Wright

In Memoriam

Jean Waggett

Aetna retirees lost a great and valuable friend Tuesday, March 23, when Jean Waggett died in her West Hartford home. Jean served ARA as Vice-Chairman and has been at the forefront of much of the vital work of the association. Her ability as an attorney and a skillful negotiator has been of great value to ARA. Her consistently wise judgment played a major role in shaping ARA's policies.

Of equal value were her people skills. Jean was a delight to work with, and always found ways to make a positive impact on the organization and its people. She was expert in using a smile and a kind word.

Jean was born and raised in Missouri. After graduating from the University of Missouri, she and husband Jack, came to Connecticut. Initially, she was a school teacher and a writer and editor for Travelers. After earning her law degree from the University of Michigan, she served as Executive Vice President and General Counsel for Aetna International. Later, she became Senior Vice President and Corporate Secretary of Aetna Life & Casualty. She concluded her Aetna career as General Counsel and Senior Vice President of Terra Nova (Bermuda) Holdings Ltd in Hamilton, Bermuda.

ARA Director Ken Veit, who worked with her at Aetna International, recalls that Jean was unusual in combining a thorough work ethic and a blinding schedule with a strong appetite for fun and a wicked sense of humor. She was at her best in tough negotiations in foreign lands, where senior executives were unaccustomed to dealing with a skillful negotiator who could win points with exquisite charm one minute and utmost technical proficiency the next.

ARA Chairman Emeritus John Dwyer commented that, "I had the good fortune to benefit from her extraordinary skills: not only at Aetna but at Terra Nova, and later at ARA and Trenwick. Through all those many and varied challenges, she was the "go to guy" and, most importantly, the friend you could always count on. I will miss her terribly."

Despite this impressive professional resume, her proudest and happiest roles were as wife to Jack, mother to Sue Ellen and Dr. Ian Waggett, and grandmother to Maxwell and Samantha Landy.

Don't expect Quick Answers On impact of Healthcare Law

The questions have started coming in. How will we be affected by the recently enacted Healthcare/Health Insurance reform law? There is a lot of speculation on the subject, but it is far too early for any real answers.

For starters, it is still a moving target. The bill signed into law is the Senate version, passed by the House, apparently with the understanding that changes would immediately be made by the Senate. Will the bill be changed? If so, how? All that remains to be seen.

Secondly, while the bill has become law, it will be phased in over a considerable period of time. Some provisions take effect immediately. That includes such things as barring insurance companies from refusing to pay for treatment for pre-existing conditions, and new taxes to pay for the bill. However, much of it will not be activated until after the 2012 elections.

ARA is looking at the law, but we have come to the conclusion that it is far too early to come up with any real answers. Of course, we have concerns, but right now we have to allow things to develop. We will be working closely with the National Retirees Legislative Network (NRLN) to analyze and evaluate both the language of the law and its implementation. We will also seek to learn Aetna's position on the new law and how it may dictate their future actions. Of course, they must also wait to see the actual impact on their operations.

We understand the anxiety and concern that these major changes are causing. However, it would be a disservice to everyone to speculate or attempt to forecast without adequate information.

Focus Group Gives Aetna High Marks For 2010 Enrollment

A February 24 Aetna Focus Group meeting gave the company high marks for its handling of the 2010 Enrollment period. ARA directors John Perra, Carl Galinsky and Marilyn Wilson took part in the session along with other Aetna retirees.

Participants were sent questionnaire forms in advance of the meeting. This provided Aetna with in-depth responses on specific questions. The 2010 enrollment promised to be a simple one as changes to plans were very limited. The main area of change was to the pre-65 medical coverage. However, uncertainty over a difficult negotiation with Hartford Hospital created a major problem for those provided service by the affected medical groups.

Participants credited Aetna with keeping them informed during the negotiation period, offering the option of a switch to the traditional indemnity plan, and smoothly handing the switch back to the Advantage Plan after the contract was signed for those who wished to do so. ARA Director Marilyn Wilson provided specific feedback from ARA members on a variety of experiences in dealing with Aetna and its service provider, Hewitt.

Aetna benefits staff members informed the group that the Aetna Retiree Connection website is being revamped to be a "one-stop" location for all medical information. The resource guide will be placed on the website.

Questions were asked about Aetna's involvement in the adoption of healthcare/health insurance reform legislation. Aetna Chairman Ron Williams met with the president on it, and Hewitt and other companies were also involved. The benefits staff emphasized that Aetna is not opposed to healthcare reform, and is fully engaged in cost containment.

An attendee asked if Aetna would continue to offer the Advantage Plan if subsidies are reduced. The response was that Aetna is committed to the Advantage Plan and believes that it is viable. Of course, reduced subsidies could result in increased premiums.

Carla Harris, who conducted the meeting in the absence of Bernadette Bailey, said that Aetna Human Resources values its association with ARA.

Automatic Lifetime Membership
For those Age 85 or above

It might be termed the ultimate senior discount! ARA Members who have reached their 85th birthdays will no longer be billed for annual dues and will be carried on the rolls as Lifetime Members with full rights and privileges.

Previously, this benefit was extended to the spouses of deceased members. Also, a few members who reported financial hardship are carried on the rolls without paying dues. The extension of lifetime membership to those 85 and over is an effort to relieve them of one more thing to do, and to guarantee that they remain as members.

While we will no longer bill older members, contributions to ARA that they might wish to make will be most welcome.

All qualifying members will be notified of this change by letter. If you are qualified and did not receive a letter by April 9th, please notify us so we can correct our records.

Aetna Annual Meeting
Set for Atlanta

Aetna, Inc. has scheduled its annual shareholders meeting for Friday, May 21, at the Atlanta Marriott Marquis Hotel in Atlanta, Georgia. This year, the ARA elected not to submit a shareholder initiative. However, we plan to have a representative at the meeting. Members who are also Aetna shareholders living in the area are urged to attend the meeting as part of our delegation.

CONTACT ARA!

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

Dave Smith, Editor