



FACT SHEET: AVMA GROUP HEALTH & LIFE INSURANCE TRUST (AVMA GHLIT)

OVERVIEW (revised 11-12-08)

The Trust was formed over 50 years ago to make available health and life insurance coverage to members of the American Veterinary Medical Association. The Trust offers a spectrum of plans designed to meet the needs of AVMA members throughout their careers.

QUESTION: What coverages are offered by the AVMA GHLIT?

ANSWER: Major medical, disability income, life, professional overhead expense, hospital indemnity. The Trust also makes available long term care and dental.

QUESTION: How many AVMA members have coverage through the Trust?

ANSWER: Currently over 33,000 individuals are participating in the Trust. Over 16,500 have major medical insurance. More than 36% of all AVMA members have insurance coverage through the AVMA GHLIT.

QUESTION: What are the annual insurance premiums collected by the Trust?

ANSWER: Annual premiums paid by AVMA members for the fiscal year ending December 31, 2007 totaled \$162,465,052.

QUESTION: What is the CSR that I keep hearing about?

ANSWER: The Cost Stabilization Reserve on September 30, 2008 was \$118 million. The CSR is set up to fund future claim liabilities and acts as a cushion to offset unexpected claim fluctuations. It also enables the Board of Trustees to manage and control the program with the primary concern being what is best for AVMA members.

QUESTION: How much of participant premium dollars are used for participant claims?

ANSWER: 88% of members' annual premiums are used for claims incurred by members and their families. The additional 12% is used for operating expenses.

QUESTION: Why can't we market all coverages in all states?

ANSWER: The AVMA GHLIT is a fully insured program underwritten by the New York Life Insurance Company. As a result of medical insurance regulations in several states, New York Life Insurance Company is prohibited from marketing the GHLIT medical insurance program in all 50 states. The regulations, although different in every excluded state, have been determined to either affect the Trust or New York Life negatively if complied with. As a result, the GHLIT medical insurance program is available in approximately 40 states.