

BenefitNews

NEWS ABOUT THE MINISTRIES OF BROTHERS BENEFIT TRUST

THIRD QUARTER 2009

President's Message

It is all about the context

July was one of the best months for stocks in two decades, as the S&P 500 rose 7.5 percent. This brought the total increase of the S&P up 44 percent since March. It truly has been a remarkable recovery, leading some of our members to ask what impact this increase has had on the funds under BBT's management.

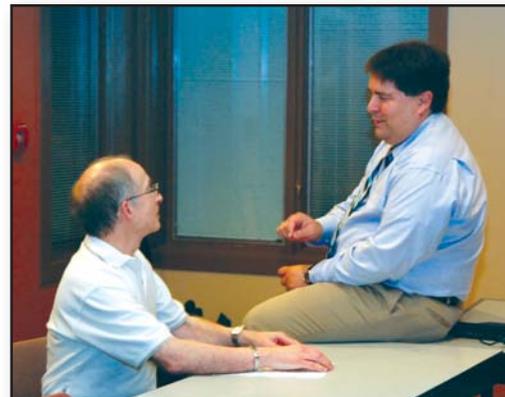
The recovery has certainly helped assets regain some of their losses, but the elation about the gains is partially tempered by the context of the timing and the reality of the math.

With the S&P up 44 percent since March, it is easy to forget that the stock index had lost 30 percent for the year up until that time. Thus, while the S&P's year-to-date gain is impressive at 14 percent, it is a far cry from the gains of March through July.

The second factor, the math, now comes into play. From October 2007 until March, the S&P lost more than 50 percent of its value, down from 1,500 to bottom out in the mid-600s. To regain what it has lost, the S&P will eventually have to increase more than 100 percent from that low. At this writing, the S&P is hovering around 1,000, which means it still needs an additional 50 percent recovery to regain what was lost due to the market decline.

In summary, the market's gains since March have certainly made a positive impact on the funds under BBT's management, but there is a long way to go before the funds approach their levels of October 2007.

In the meantime, BBT staff is working to try to keep expenses to a minimum while we continue our work to improve customer service, to provide more investment options, and to give people more information and control of their funds.



Patrice Nightingale

Following an April presentation to Church of the Brethren district executives, BBT President Nevin Dulabaum (right) clarifies a point for Herman Kauffman, Northern Indiana district.

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Insurance Services

Most insurance rates to see no increase in 2010

It is that time of year when it is necessary to think about insurance for the following year. Church of the Brethren Insurance Services is pleased to announce that its ancillary insurance services — Life, Long-Term Disability, Dental, and Vision — have been renewed for 2010 with the same carriers —

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Reliance Standard for Life and Long-Term Disability, Delta for Dental, and EyeMed for Vision.

There will be no rate increases for Life, Long-Term Disability, or Vision insurance; however, Dental insurance will have a rate increase for all tiers of coverage. The dental insurance rate increase is a result of heavy utilization of the new Delta Dental plan, which was implemented in January 2009. Although we are never happy to announce a rate increase, the heavy utilization factor is a good sign that our Dental plan participants are happy with their new coverage and have been out there visiting their dentists and taking care of their dental health.

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BBT Insight Sessions



Patrice Nightingale

Left: Scott Douglas, director of Brethren Pension Plan and Employee Financial Services, leads “Brethren Pension Plan Update,” an insight session aimed at helping members understand changes to the Plan. Douglas, along with BBT

President Nevin Dulabaum, fielded questions about the stock market’s effect on BBT funds.

Right: Conference attendees, especially women, were intrigued by the insight session titled, “A Woman is Like a Tea Bag — You Never Know How Strong She



Patrice Nightingale

is Until You Put Her in Hot Water.” The session was led by Deb Romary, who is a Certified Financial Planner and a member of the BBT Board and chairwoman of the Investment Committee.

Fitness Challenge

Right: Three of the four overall winners of the BBT 5K Fitness Challenge pose after receiving their awards. Jerry Crouse (center) took first place for male runners, and Don Shankster and Karen Crim took first place in the male and female categories for walking. Kelsi Beam won the female runner category but was unavailable for the photo.



Patrice Nightingale

Below: And they’re off! Over 120 runners and walkers participated in the BBT 5K Fitness Challenge at Annual Conference in San Diego.



Patrice Nightingale

BBT Booth



Patrice Nightingale

Left: Randy Yoder, director of Insurance Services (right), answers questions about BBT’s Long-Term Care insurance program. Randy also hosted “A No-Nonsense Look at Long-Term Care Insurance,” an insight session detailing this

expanded option of BBT’s Insurance Services.

Right: Equipped with a laptop and his experience in the field, Pension Plan Director Scott Douglas calculates annuity projections for individual members at the BBT booth during Annual Conference.



Patrice Nightingale

Board Members

Right: At the Saturday morning business session, BBT Board Chairman Harry Rhodes honors Gail Habecker who completed her tenure on the Brethren Benefit Trust Board in June. Gail served three four-year terms on the Board and also served as chairwoman of the Investment Committee.



Glenn Riegel

Below: The Board welcomes its newest member, Carol Hess, a human resources consultant at Cargas Systems in Lancaster, Pa. Carol was elected to the Board by the Annual Conference delegates.

Carol Ann Greenwood and Donna Forbes Steiner are current members of the Board who were re-elected to serve another term.



Carol Ann Greenwood



Carol Hess



Donna Forbes Steiner

Economic growth, from a psychological perspective

Many believe that if the housing market turned around, it would have a significant impact on the economy. The domestic economy seems to be improving, but the housing market continues to lag and still suffers



in some areas of the country. This relationship between housing values and consumer spending might have more to do with psychology than economics.

Most of the mainstream news articles related to housing in the past decade have conditioned us to think of a house as an investment. Psychologically, this thought process makes people feel happy and wealthy when housing values improve.

Conversely, when values decline by nearly half, as they have in

many areas of the country, we feel poor. When we feel poor, we are much less inclined to buy consumer discretionary goods and services and are more apt to save.

One of the biggest impediments to a sustained economic recovery is a lack of consumer buying. According to the U.S. Department of

Commerce, personal saving was at 4.6 percent in June 2009 and has been as high as 6.9 percent this year — the highest Personal Saving Rate in over a decade.

With consumer spending making up nearly 70 percent of our economy as measured by gross domestic product, it is critical for consumers to increase their purchases from previous levels for our economy to grow. The extent of the increase in consumer purchases will determine future GDP growth.

There have been signs of improvement in the housing market, but several obstacles — including a large supply of homes on the market with the prospect of more on the way, high unemployment, and an end to the foreclosure moratorium — need to be overcome to show sustained growth in this sector. Once this has happened and home prices stabilize, the psychological impact of these increased housing values will stimulate personal spending, and real growth in our economy can be achieved. — Jerry Rodeffer

Jerry Rodeffer is the chief financial officer and director of investments for Church of the Brethren Benefit Trust.



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BBT welcomes new member

Readers of *Benefit News* will be seeing a new name associated with some of its articles as Brian Solem has joined the staff of BBT as production coordinator. Brian began his duties on



Brian Solem

Monday, Aug. 24, providing oversight for all BBT publications, the content for the BBT Web site, and other special projects.

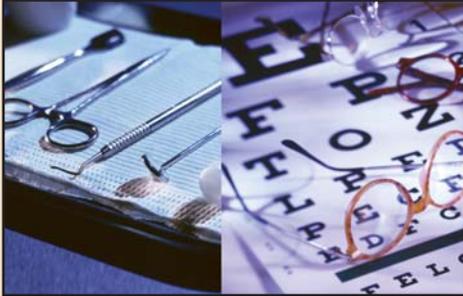
“We are pleased to have Brian join the Communications staff,” said Patrice Nightingale, director of Communications at BBT. “He brings strong writing skills and an infectious energy to this position.”

Brian received a Bachelor of Arts degree in English, cum laude, from Loyola University Chicago. He also taught English/vocabulary to adults in China from April 2008 to April 2009. Prior to teaching, Brian worked for Law Bulletin Publishing Company in Chicago and was a Classified Advertising Representative and Contributing Writer for *Legal Employment Weekly*.

Brian grew up in Elgin, Ill., and currently resides in Chicago.

Upcoming opportunities through Brethren Insurance Services

Here are some important reminders from Brethren Insurance Services.



Open enrollment for Dental and Vision is coming soon

Brethren Insurance Services will be conducting an open enrollment from Oct. 1 to Oct. 31 for Dental and Vision insurance coverage. Packets will be mailed to our current ancillary plan participants during the last week of September.

If you are not a plan participant, but you are employed 20 hours or more per week at a Church of the Brethren-affiliated employer and are interested in receiving an open enrollment packet, please contact **Tammy Chudy** at tchudy_bbt@brethren.org or **800-746-1505, ext. 372**.

Do you know that you are eligible for Long-Term Care insurance through BBT?

LTCi is available to all Church of the Brethren employees and their families and all members of the Church of the Brethren. Watch for more information about Long-Term Care insurance in the next *Benefit News*.

“Most insurance rates” ... Continued from page 1

We have negotiated a new benefit coverage level for Retiree Life insurance. New retirees will have the option to elect \$7,500, \$10,000, or \$15,000 of coverage. Current Retiree Life insurance participants have the option to increase their coverage to the \$10,000 or \$15,000 level by completing an evidence of insurability form. Please contact Church of the Brethren Insurance Services if you are a Retiree Life insurance participant who is interested in increasing your benefit level.

BBT's ancillary insurance services also include the Medicare Supplement plan. Current or retired employees of a Church of the Brethren-affiliated employer are eligible to enroll in this plan within six months of their Medicare eligibility. Use your 65th

birthday as a reminder to inquire about this supplemental insurance coverage.

During the last week of September, all current participants enrolled in any of our insurance services will receive a renewal packet including detailed information about each plan's rates and benefits. The packet will also include open enrollment information for the Dental and Vision plans.

If you are not a plan participant and are interested in receiving a Dental and Vision open enrollment packet, or if you wish to learn more about any of the insurance services BBT has to offer, please contact **Tammy Chudy** at tchudy_bbt@brethren.org or **800-746-1505, ext. 372**.

President's Message

“President's Message” ... Continued from page 1

Cost-of-living increases have been frozen for staff, and positions that are open but not deemed mission critical at this time are not being filled. Staff is also trying to reduce expenses where possible by delaying or eliminating projects. To date, BBT's expenses are more than \$200,000 under budget for the year against an expense budget of \$3.3 million. Moreover, over the past decade BBT has worked hard at keeping its expenses in line with its income. Today, BBT has five fewer staff members and an expense budget that is \$500,000 less than in 1999.

While we are committed to managing expenses, customer service will not be sacrificed. We have heard strong calls for improved service, more presence among our members, more options in which

to invest, and online access to individual and organizational financial data and reports. While we are holding the line on cost-of-living increases, reducing expenses, and asking more of our staff members in order to meet these needs, we will increase resources to better serve our members if required.

Is it responsible to increase services in a down economic market? You bet it is. BBT needs to strengthen its foundation of services and resources so that it can weather future economic downturns like the one experienced in 2008. To do so, the key is to provide strong customer service, a wide variety of services and products, and competitive rates.

These are our goals. — N.D.

Friendships, like apples, keep the doctor away

MySpace. Facebook. Twitter. As social networking tools are becoming mainstream means of maintaining contact, Americans are spending vast amounts of time using them to find old friends, post photos from group activities, and “tweet” about matters large and small. These Internet-based services have taken over our computers, smartphones, and workstations, sometimes with unfortunate effects on work productivity, face-to-face social time, and personal privacy.

In short, our lives have been overtaken by computer services that insist we stay as intimately attached to our friends as possible.

Maybe this is just what the doctor ordered.

Researchers from around the globe have studied the effects of friendship on health and arrived at some surprising results. A 1993 study of 736 middle-aged men in Sweden determined that men with many friendships were at a lower risk of coronary heart disease and heart attacks than men with only one strong relationship. An Australian study from 2005 found that close contact with friends impacted longevity in older adults — even more than contact with family. In 2008, researchers in California discovered that older women with strong social networks have a one in 10 chance of developing dementia, compared with a one in five chance among women without strong groups of friends.

The physical benefits don't stop there. Recovering from illnesses, overcoming addictions to alcohol and smoking, and even staving off the common cold are all easier to accomplish when surrounded by friends, research indicates.

Proximity to friends is irrelevant, according to most studies. Even if your closest friends live far away, simply having friends makes a difference.

Check in. The health benefits of friendships are only there if contact is maintained — a Christmas card once a year doesn't count! Researchers identify stress relief as the main reason friendships are so beneficial to the body, so make sure you are available as an outlet for

your friends' worries. If you suddenly remember a great anecdote about a friend, call that person and share it. The chuckle

from hearing it might ease your friend's troubles.

Open up. Having an army of acquaintances is great, but studies show that the true benefits come from maintaining strong, intimate friendships. Talking about concerns and conflicts with friends offers immediate relief, even if the problem isn't solved at that moment. Friendships have also been shown to increase confidence; sharing fears and insecurities with friends allows them to remind you of your strengths.

Keep growing. You may have met your best friend in high school, but that doesn't mean that your personal growth stopped there. Old friends are invaluable — they typically provide the most open ears and sincerest compassion. Growth, however, sometimes occurs outside of the realm of those dear friends, and as hobbies, interests, viewpoints, and life stages evolve, our social networks must respond to these changes. Connect with people who relate to you today, while staying close with friends from the past who can remind you of your origins.

Be careful, though — the power of friendship can swing both ways. A 2007 study in “The New England Journal of Medicine” found that participants whose friends gained weight were 57 percent more likely to also gain weight.

Perhaps all that sedentary tweeting isn't so beneficial after all. — B.S.



HSA's now available with CoBCU



If you are one of the estimated eight million Americans currently covered by a high-deductible health plan and either have, or are eligible for, a Health Savings Account, you qualify for Church of the Brethren Credit Union to administer your HSA.

Even if you are not a current CoBCU member, you are eligible to open an HSA with no startup fees. Plus, you will receive a free box of HSA checks, and the minimum balance requirement will be waived until February 2010.

Moving HSA funds from your current financial institution to CoBCU is as simple as opening a savings (share) account. Both current and new members may transfer funds from pre-existing Health Savings Accounts to an HSA with CoBCU.

Visit www.cobcu.org to download the documents you would need to open an HSA or call **888-832-1383** to speak with a CoBCU representative about this excellent opportunity. As our nation's health care changes, you can count on CoBCU to effectively manage your HSA. CoBCU offers great rates you want and Brethren values you trust. — B.S.

Credit Union

CoBCU new accounts support Heifer

As the result of a Church of the Brethren Credit Union membership drive during June and July, CoBCU donated \$230 to Heifer International to purchase several animals.

Through the membership drive, the Credit Union pledged \$5 for each new account opened, and members who signed up at Annual Conference received a piggy bank.

Founded in 1944, Heifer International provides cows, pigs, goats, and other animals to impoverished families around the world. CoBCU designated its donation in the



Patrice Nightingale

Member services representative Connie Sandman displays the \$230 check for Heifer as loan officer Jill Olson shows the CoBCU piggy bank.

following way — \$120 for a pig, \$25 for a water buffalo share, and \$85 for a Promise Basket, which includes ducks, geese, chickens, and rabbits. CoBCU is honored to participate with such an important mission.

Church of the Brethren Credit Union is a faith-based, not-for-profit financial cooperative available to Church of the Brethren employees and family members, and employees, students, and residents of other Brethren-affiliated organizations such as colleges and retirement communities. As a credit union, CoBCU is

member-owned. We encourage our members to live simply, save regularly, use credit responsibly, and plan for their future adequately as good stewards of God's resources.

Visit www.cobcu.org to learn more about the competitive rates on investments and loans offered by Church of the Brethren Credit Union. — Cindy Bravos

Cindy Bravos is the marketing coordinator for Church of the Brethren Benefit Trust.

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Reprinting of articles is encouraged with this credit — "Reprinted from the Third Quarter 2009 *Benefit News*."

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Inside: Credit Union now offers HSAs; BBT Board says goodbye to long-time member.

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