

DP3 VEBA Trust

Origins

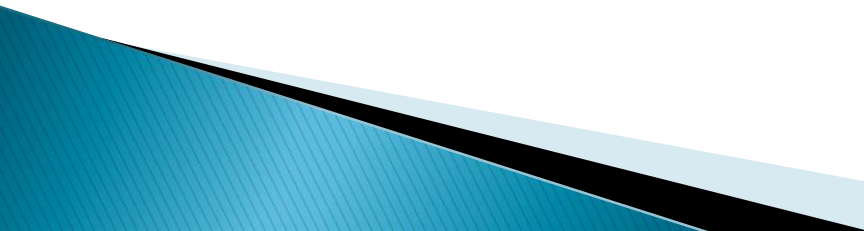
Background

- ▶ DP3 concerned too many retirees weren't eligible for Health Coverage Tax Credit (HCTC)
- ▶ American Recovery and Reinvestment ACT (ARRA) of Feb. 2009 raised HCTC reimbursement from 65% to 80% thru end of 2010
- ▶ Spring 2009: DP3 informed ARRA would allow DP3 to establish a VEBA, eligible for HCTC

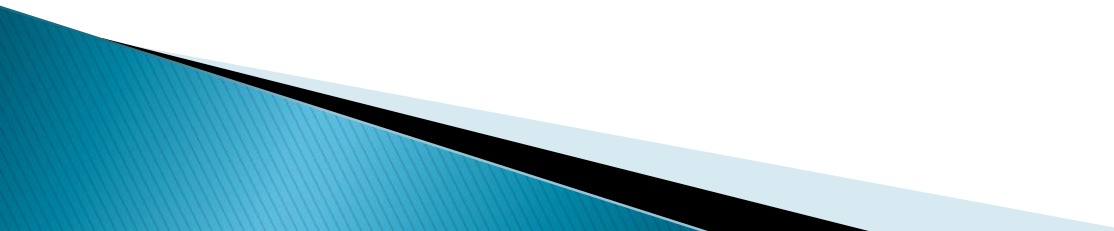
Pursuant to an order from bankruptcy court

- ▶ DP3 Trustees Buergey & Lewis approached Cone Insurance inquiring about a VEBA for Delta retirees

Establishment of VEBA

- ▶ Summer 2009: DP3 accepts offer from Cone Insurance Group (CIG) to sponsor court approval process
 - ▶ Fall 2009: DP3 puts effort on hold pending Delta's plan to offer HCTC eligible insurance to all retirees (via a COBRA plan)
 - ▶ IRS notifies Delta that COBRA plan is not eligible for HCTC
 - ▶ November 2009: DP3 receives bankruptcy court approval for establishing a VEBA
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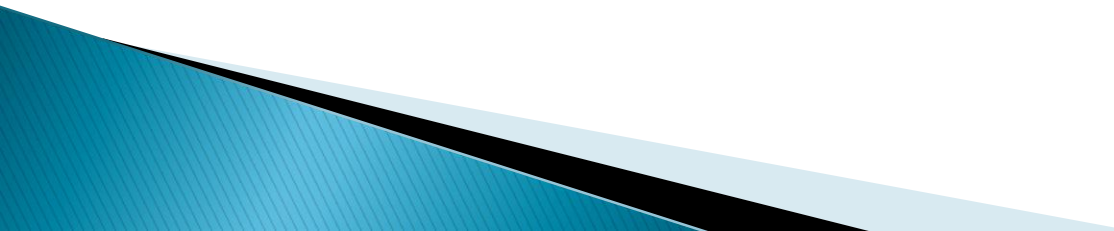
Delay of the VEBA

- ▶ Insurance companies require historical healthcare data for participants in a VEBA.
 - ▶ DP3 needed Delta to supply historical information on retirees to our administrator.
 - ▶ Delta would not supply all information required citing privacy concerns.
 - ▶ March 2010: Delta submits some info to CIG allowing insurance companies to submit proposals.
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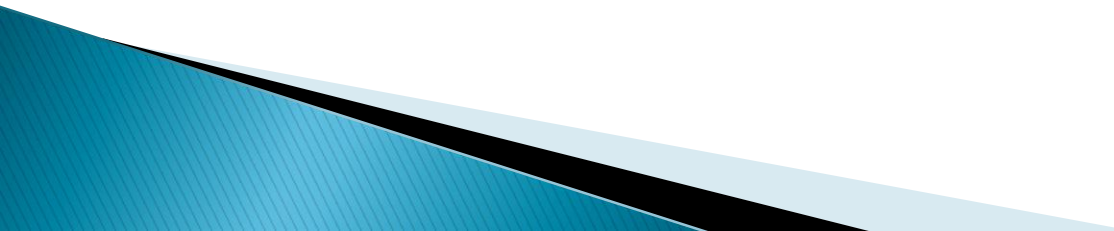
DP3 Forms VEBA Board

- ▶ June 2010: CIG gives DP3 Trustees two-day presentation about insurance options.
- ▶ Presentation was attended by DP3 and newly appointed “VEBA Board” trustees:
 - Jeff Pickett, (DP3 Trustee) Chairman
 - George Leatherbury, (DP3 Trustee) Vice Chairman
 - Dave Miller
 - Tony Piacentino
 - Doc Hindman
 - Mike Cox

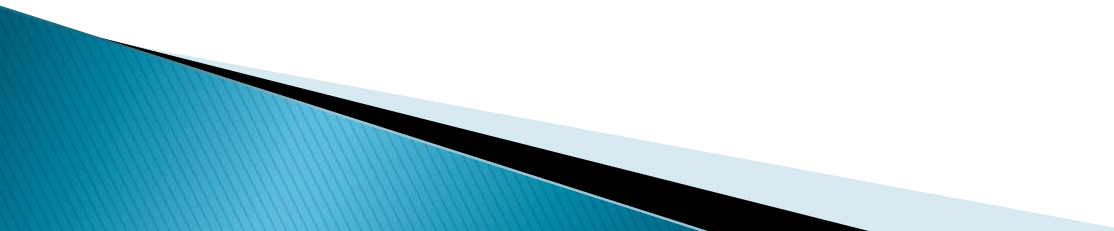
VEBA Board

- ▶ July 2010: Jeff Pickett's term as DP3 Trustee and Insurance Committee Chairman ends.
 - ▶ Jeff had pioneered the VEBA efforts from the beginning, educating new VEBA Trustees about intricacies of the program.
 - ▶ George Leatherbury succeeds Jeff as the DP3 Insurance Committee Chairman and temporary Chairman of the VEBA Board (until the board meets in October to select officers).
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VEBA in Progress

- ▶ CIG obtained bids from several insurance companies but was waiting on bids for the under 65 members (due to lack of recent data).
 - ▶ Insurance companies needed more recent data for VEBA bid. Delta again delayed responding to request for historical data, citing privacy concerns.
 - ▶ August 2010: CIG again went to bankruptcy court to relieve Delta of further privacy concerns.
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DP3 VEBA Arrives

- ▶ Cone Insurance Group obtains bids for VEBA and presents them to VEBA board and DP3.
 - ▶ Programs chosen by VEBA board and approved by the DP3 Trustees are being presented today.
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VEBA Board

- ▶ Chairman – Dave Miller
 - ▶ Vice Chairman – George Leatherbury
 - ▶ Secretary – Mike Cox
 - ▶ Treasurer – Tony Piacentino
 - ▶ Insurance – Doc Hindman
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