



MEMORANDUM

To: Member Districts of the Shasta-Trinity Schools Insurance Group

From: Michael Strech, Executive Director

Date: November 18, 2009

Subject: New Executive Director / Formation of Health Benefits Committee

I would like to take this opportunity to thank the Board of Directors for their confidence in selecting me as the new Executive Director of STSIG. I look forward to working with you as we address the challenges and opportunities of providing quality insurance options to the member districts. My background includes a combination of insurance company experience as well as administering various insurance plans including a group very similar to STSIG which provided insurance services to California's development community. Over the years it has occurred to me that the most successful insurance programs involve member participation and frequent feedback. Put another way, your input is valued as we address a rapidly changing insurance environment.

Consistent with the above mentioned approach, on November 6th, the Board of Directors approved the formation of a Health Benefits Committee. The purpose of the new committee will be to discuss the upcoming Plan year renewal and the many issues that confront the STSIG Medical Plan success. The items for discussion include:

- Plan Design changes such as a Wellness Incentive Plan which encourages members to utilize their wellness benefits.
- Tiered Rates vs. Composite Rates
- Understanding the Incurred But Not Reported (IBNR) concept
- Developing a comparison with other Trusts and JPA's showing value a well run JPA Health Plan.
- Potential impact of pending federal legislation

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

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You are invited to become a member of this committee, along with a representative of your Certificated and Classified Bargaining units. Participation in the committee will require attendance of multiple meetings and continuity of attendees will be very important for the group to accomplish its goals. The groups input and recommendations will ultimately be presented to the Board of Directors for consideration early next year. The first meeting will be held December 7, 2009, 3:00 p.m., at the Enterprise School District Family Literacy Center.

Please contact Nancy Panks at 221-4816 or stsignpanks@gmail.com by December 2nd if your district is interested in serving on the Health Benefits Committee.

Again, thank you for your ongoing support and I look forward to working with you!

Sincerely,



Michael Strech
Executive Director