

Date: 31 March 2015

TTC - March 2015 Newsletter

When I took over the leadership of TTC 7 years ago, TTC was left with a wonderful legacy by my dad of having no debt and a modest amount of reserves. In recent years we have continued to grow and have built on this foundation.

Due to the nature of what we do, we have a number of fixed costs related to the running of our office and how we serve our members, but we only have a limited number of variable costs. This has meant that as we have grown we have also become more profitable. Over the past 6 months or so I have felt that God has been asking me to make a change. This change was to reduce TTC's income to a level that would be breakeven or non-profit making if we remain at our current size. I felt that this is something He is asking me to do in obedience, and that this is something that He wants to honour.

This change laid the foundation for the renewal meetings that I had with Aetna at the end of February. A few weeks before our renewal meetings I had been sent some claims information which showed that in the past few months we had significantly higher claims than expected, and based on previous years' data I estimated that we would be looking at an average premium increase of over 25%. As you can understand this was a huge concern, but I asked God to glorify Himself through this challenging situation. When Aetna came for the meeting, they confirmed my concerns that the figures were bad, but they also said they had been looking at things they could do on their side to help.

One of the Aetna party was their head underwriter, I wasn't sure what to expect, but basically he framed our claims in the best possible perspective, which allowed them to justify a much lower increase than what I thought it would be. They also had reviewed a number of their costs, and agreed to reduce these. They then also agreed to allow us to take on a portion of the claims handling work they have currently been doing. This was already something that we did on an ad hoc basis anyway, so it was not something that would add any cost on our side. Finally, they said they would reduce their profits down to 1.4%. This just blew me away. This was all hugely encouraging and it was wonderful to see God working through this all without me even asking for anything.

I was then able to discuss with Aetna what I felt God was putting on my heart, and they agreed to further reduce the profit down to 1%. This is beyond what I had hoped or expected this year and I know that God is in this and I feel that this is just the start of what God has planned for TTC as we continue to serve you.

We did still have higher claims in the past year, so it is again apparent that there are a significant proportion of claims from the US that is driving much of the increase. One change that we will be making to our plans for those renewing after May 1st 2015 will be that we will be increasing the US co-insurance limit on our Omega plans from US\$1,000 to US\$5,000. This will put it inline with our Alpha plan and many other North American policies.

With all these changes factored in we will now be implementing an average increase of 7.5% for our different policies.

In the next few weeks I will be sending our further information about changes to our claims process. I

Continuation...

will also be providing an update on the online CBT pilot which many of you were involved with over the past 9 months.

Thank you for all your support and good stewardship of our programs.

Blessings, Nathan Lyon
TTc ... serving alongside

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