

Nov. 15 — Dec. 15: Open enrollment for all potential members of the Brethren Medical Plan. Enrollment materials will be provided early in November to current members and those who have requested insurance rate quotes.



Nov. 21: BBT Investment Committee meeting. 8:30 a.m. to 3 p.m., Elgin, Illinois.

Nov. 21: BBT Budget and Audit Review Committee meeting. Noon to 9 p.m., Elgin, Illinois.

Nov. 23-24: BBT fall Board meeting. Church of the Brethren General Offices, Elgin, Illinois. Call 800-746-1505 for meeting times.

Nov. 28-29: Thanksgiving holiday. BBT offices closed.

Dec. 15: Housing allowance forms due for ordained ministers receiving an annuity from the Brethren Pension Plan or a Church Workers Assistance Plan grant.

Dec. 24-25: Christmas holiday. BBT offices closed.

The staff of BBT wish all our members and clients and their loved ones a safe and blessed holiday season. May the love of Christ bring peace to your hearts and your lives.

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Brethren Insurance Plans

Brethren Medical Plan announces open enrollment for CEP
Retirees offered a one-time chance to enroll in new plan

Brethren Medical Plan announces a one-month open enrollment period for retired and current clergy and lay employees. A new design to the Brethren Medical Plan will debut on Jan. 1, 2003, and current and retired employees of Church of the Brethren congregations and those on pastoral placement are encouraged to join during the upcoming open enrollment period when all eligible employees and retirees can join without pre-existing condition exclusions or underwriting.

Underwriting is the process many insurance carriers use to assess the risk of insuring would-be plan members. People who have extensive medical claims histories are often considered high risk



Nevin Dulabaum

Jeff Garber, Director of Insurance Plans, discusses the various benefit plan options with potential CEP plan members attending the Oregon/Washington district conference.

and may be declined insurance coverage.

The open enrollment period for retired clergy and lay employees will take place from Nov. 15 through Dec. 15. In order for retirees to qualify, they must have been eligible for the Brethren Medical Plan during their employment by working at least 20 hours per week for a congregation or district.

This will be a one-time, never again open enrollment period for retirees. Thus, retirees are encouraged to assess their medical insurance needs prior to the closing of the Brethren Medical Plan's open enrollment period on Dec. 15. People actively employed by a congregation, district, or other eligible employer will have an open enrollment period each year.

The new plan will include utilizing the Congregational Employee Plan (CEP) as its insurance carrier. CEP is a national plan for Anabaptist denominations, administered by Mennonite Mutual Aid. It will feature four benefit options for pre-retired members and one benefit plan for retirees. The concept of

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Brethren Foundation

Brethren Foundation now offers two fixed-income funds

Brethren Foundation now offers two fixed-income funds from which clients can choose for any of their accounts or sub-accounts: a revised Bond Fund and a newly created Bond Fund Core.

The Bond Fund, though old in name, actually was modified in May 2002 when investment managers were given authority to include high-yield bonds in the asset allocation of this fund. High-yield bonds have the potential of improving overall returns if proper safeguards are enacted. As with other investment diversification strategies, adding another asset class holds the potential of improving portfolio performance over time while reducing portfolio risk.

At the same time, the Foundation created a new Bond Fund Core, which is its former Bond Fund without the addition of high-yield bonds.

Within the Bond Fund, high yield securities will never exceed 10 percent of the total funds invested. Both funds will continue to take advantage of a wide range of fixed-income securities including investment-grade corporate bonds (both domestic and international), asset-backed securities, mortgage-backed securities, and U.S. government agency bonds. Brethren Foundation does not invest in U.S. Treasury securities. As with all Brethren Foundation investments, both bond funds follow BBT's socially responsible investing guidelines.

Investment managers of all varieties have strengthened their procedures for evaluating potential investments in the wake of corporate revelations over the last year. Managers of Brethren Foundation's Bond Fund and

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Brethren values guide BBT's socially responsible investing

1.75 million.

Those are the number of reasons that smoking may someday be banned in all KFC, Long John Silver's, Pizza Hut, and A&W restaurants.

Because of its ministry mandate of adhering to and promoting Church of the Brethren values as it manages \$300 million in Pension, Insurance, and Brethren Foundation monies for more than 5,000 mem-

bers and organizations, Brethren Benefit Trust is actively engaged in two components of Socially Responsible Investing.

The first component, screening, restricts BBT from investing in companies whose revenues relate primarily to defense, alcohol, tobacco, or gambling. BBT screens out companies with such commitments in accordance with Annual Conference statements.

Advocacy, the second component, calls for BBT to use its position as shareholder of many companies to encourage firms to adopt practices that are consistent with Brethren values. These efforts could include adhering to equal employment opportunity guidelines, using a greater quantity of recycled goods in their manufacturing, or banning smoking throughout the workplace.

Activism begins with an attempt at dialog but can include a number of other components, including the presentation of a shareholder resolution at a firm's annual shareholder meeting.

"Encouraging companies to improve their business practices is central to BBT's ministry as the financial services provider of the Church of the Brethren," said Will Thomas, BBT's director of Foundation Operations.

In 2002, BBT served as lead filer in a shareholder resolution seeking to ban smoking in four of Yum! Brands' restaurants — KFC, Long John Silver's, Pizza Hut, and A&W. Yum!'s Taco Bell franchise banned smoking

nearly 10 years ago when it was part of PepsiCo. BBT currently owns about \$1.75 million in Yum! stock.

As lead filer, Thomas drafted the resolution that was addressed at Yum!'s May shareholder meeting. Through BBT's membership with the Interfaith Center on Corporate Responsibility (ICCR), BBT received support on this resolution from other ecumenical Yum! shareholders who joined as secondary filers. The resolution called for Yum! to ban smoking in its company-owned restaurants because of the health hazard smoking and second-hand smoke poses on employees, which ultimately could lead to a multimillion dollar lawsuit against Yum! Although defeated, the resolution was supported by more than 10 percent of all shareholders, far more than the five percent needed to resubmit a similar resolution for 2003. Thus, in 2003, BBT will again serve as lead filer on the Yum! campaign.

As the result of ICCR's mid-September meeting in New York City, attended by Thomas and many of BBT's fund managers, BBT this fall is involved in several other advocacy initiatives in 2003. BBT is the lead filer asking Caterpillar to report on how HIV/AIDS is affecting its African workforce. BBT will be a secondary filer in an effort urging eight insurance companies to divest of their tobacco holdings.

"Businesses with good practices tend to be stronger than their competitors," said Thomas. "Thus, engaging companies we own simply makes them better investments." — N.D.

"Businesses with good practices tend to be stronger than their competitors."



Nevin Dulabaum

Will Thomas (second from left) visits with BBT investment managers during a break in business at the ICCR conference in New York City in September.

Insurance Plans

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mutuality will exist within each employee group, with each organization and congregation considered an individual employee group. Rates will be determined, in part, through age and geographic ratings. Brethren Benefit Trust will cover the first \$10,000 of claims per participant each year.

For more information about plan specifics or for enrollment packets, contact the Brethren Medical Plan office at 800-746-1505.

Brethren Foundation

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Bond Fund Core are no exception. Both managers have revised their internal analysis and have become even more careful than before when using information from outside sources, especially information from companies themselves. Typically, this means that very little information carries much weight unless it can be verified from an independent source.

While expanding the range of investment options available to asset management clients, Brethren Foundation has maintained its policies allowing transfers between or among funds during any month. Clients whose investment needs change are still able to effect transfers and withdrawals with a simple form and a turnaround time of as little as two to three days.

To learn more about the investment funds, visit Brethren Foundation's website at www.bbtfoundation.org or call 888-311-6530 to speak with a representative. — Will Thomas

BBT Annual Conference Highlights

A high-traffic booth area and record-breaking participation in the annual 5K Fitness Challenge were the result of a cooperative effort by Brethren Benefit Trust and Mutual Aid Association of the Church of the Brethren (MAA) at the 2002 Church of the Brethren Annual Conference in Louisville, Ky .

Shared exhibit space was the most visible evidence of collaboration by the two agencies. In addition, the canvas bags given to conferencegoers and traditionally imprinted with the MAA logo on one side now sported the BBT logo on the other. And the annual 5K Fitness Challenge previously sponsored by BBT alone was co-sponsored this year by MAA.

"Cooperation with Mutual Aid Association added a special dimension to BBT's activities," stated Wil Nolen, president of Brethren Benefit Trust and Mutual Aid Association Board member. "Shared exhibit space provided 'one-stop shopping' opportunities for financial services, including employee benefit plans, Foundation services, fire and casualty insurance for Brethren homes and churches, plus e-mail services. I believe the staff of each agency felt this cooperation was successful and that a good foundation was laid to consider

other shared efforts in the future."

BBT's report to the delegate body included a video segment highlighting stories of the impact Brethren Benefit Trust ministries have had on plan members and clients. Sharing their stories were Beverly and Janet Good, Bridgewater, Va., for the Pension Plan; Judy and Cecil Hess, Sebring, Fla., for the Insurance Plans; the Peter Becker Community, Harleysburg, Pa., for Information Systems; and John and Janet Doran, Lincoln, Neb., for the Brethren Foundation. The report concluded with a tribute in picture and song to plan members who passed away during the previous year.

Ann Quay Davis and Raymond Donadio were re-elected as Board chair and vice-chair, respectively, when the BBT Board reorganized during the week. Conference delegates elected Harry Rhodes and affirmed the appointment of Richard Pogue by the BBT Board and Steve Mason, who was elected by plan members, all to 4-year terms. Recognized for completing their terms of service were Lamar Gibble and Cheryl Ingold.

Other highlights of BBT events at Annual Conference are captured here in photos. — N.M. (Photos by Nevin Dulabaum)



(Above and right) A cooperative effort by Mutual Aid Association and Brethren Benefit Trust was evident in a shared exhibit area that buzzed with activity throughout the week.

BBT sponsored several insight sessions during the week. Topics included socially responsible investing, medical insurance, personal finances, and Brethren Heritage. At right, BBT staff Eric Thompson and Loyce Swartz Borgmann lead a session on the technical tricks of Web sites.



At the BBT/MAA booth, e-mail workstations were available for use by conferencegoers throughout the week. At right, Matt Guynn gives assistance to Dominican Republic church members Benito Encarnacion and Derlin Garcia.



A sunrise over the Ohio River (left) provided a backdrop for the 5K Fitness Challenge. Shown at right are top male and female runners Aaron Lahman of Glendale, Ariz., and Deb Crouse Morris of Charlottesville, Va.



(Right) BBT President Wil Nolen draws the name of Dee Strycker, Goshen, Ind., winner of a Brethren Foundation Charitable Gift Fund, as Will Thomas looks on.

