

October 3, 2007

Dear Dr. Wartella,

In March, the Graduate Student Health Insurance (GSHIP) Committee recommended the selection of AIG as the plan carrier in addition to a \$150 diagnostic STD testing add-on for the 2007-08 academic year. Additionally, the committee recommended opting for the 2-year commitment with AIG, which offered a maximum premium increase of 11% for the 2008-09 academic year and the flexibility of revisiting benefit plan options.

While we are delighted that you have approved the recommendation of AIG as the insurance carrier for 2007-08 and the diagnostic STD add-on, we are concerned with the possible negative outcomes that may result from rejecting the two year commitment. The GSA shares your concerns as to the escalating costs of medical care since a considerable number of our graduate students do not have funding through fellowships, RAships, or TAships; such students must pay insurance premiums on their own. Additionally, we are aware that increases in insurance premiums have dramatically taxed the campus budget and the ways that impacts an individual department's ability to fund graduate students. The two year commitment with AIG caps potential rate increases for 2008-2009 at a time when other UC campuses have experienced premium increases up to 25%. The option offered by AIG was structured in such a way to offer flexibility, so we could revisit benefit plan options should we desire to do so. As such, it was a responsible action that would have protected the financial interests of all parties while preserving the integrity of the GSHIP benefit plan, an essential tool in recruiting new graduate students to the University.

We are concerned that with the current plan, the rising costs of health care may result in exorbitant premiums for the 2008-2009 academic year. Without the assurance of an 11% cap, graduate students and the University could potentially face undue financial hardships. Our insurance broker has consistently guided us towards cost-effective comprehensive insurance programs. In fact, the GSHIP Committee relied on his expertise and his suggestion that it would be in our best financial interest to opt for the two year commitment. Given the decision to reject the 2-year commitment, I would like to begin discussion with you as to the ways the University will protect graduate students from excessive increases in premiums and benefit plan reductions should the 2008-09 bid process result in premiums higher than the 11% cap offered by AIG.

I look forward to your response.

Sincerely,

Laura Bellew
Department of History
Graduate Student Health Insurance Chair

CC: Alejandro Cortez, President Graduate Student Association
James Sandoval, Vice Chancellor Student Affairs
Dallas L. Rabenstein, Dean of the Graduate Division