

Fellow Alfa SeeYas Chapter Members:

FMCA recently received surprising news regarding one of its flagship member benefits, the FMCAssist Medical Emergency and Travel Assistance Program, that has been provided to members as part of their dues since October 1, 2014.

Seven Corners is the administrator of the FMCAssist program, and in March 2019, two extensive conversations took place with Seven Corners representatives regarding FMCA's October 1, 2019, renewal. FMCA was told to expect a 15-20% increase in premium. When FMCA's proposed fiscal year 2020 budget was prepared in the spring, a 20% increase was used. During the May meetings in Cincinnati, the Finance Committee presented a balanced budget that the Executive Board approved for the Governing Board to consider. On July 10, 2019, Seven Corners sent FMCA a renewal indication for this coming fiscal year that included a significantly higher increase. Instead of the 15-20% increase FMCA had been told to expect, the new rate increased by 73.3%. Seven Corners has stood their ground and has not been willing to negotiate on this recent proposal. The main reason they have given for the increase is overhead and indirect costs. Seven Corners representatives note that prior to the 2020 renewal price, they had been using only the claim loss ratio to determine pricing. They now maintain that with overhead and indirect costs added in, they are upside down on the FMCA account — hence the need for a substantial increase.

Since FMCAssist was reinstituted in 2014 as a membership benefit, FMCA has covered the costs of the FMCAssist program through membership dues and draws from its reserves. During this year's Governing board meeting at Minot this past week, it was voted to continue offering FMCAssist. However, they agreed that to continue rely on the reserves to absorb all or a part of the cost of this benefit, especially considering this major price increase, was not viable. Therefore, the Governing Board voted to increase membership dues by \$25 per year, which would increase the one-year membership to \$85, effective September 1st, 2019. Multi-year renewals will continue to be discounted but will include the \$25 per year increase.

The Governing Board also directed the Executive Board and Risk Committee to search other sources for the services currently provided by Seven Corners to determine if there are less expensive alternatives. This will take considerable time to search for like sources, solicit proposals, and evaluate the proposals. Therefore, the benefit will continue to be offered through Seven Corners, and the increased price for FMCAssist will be offset by the membership dues increase.

This is not the official position of this Chapter, but you have the option of deferring this dues increase by renewing your FMCA membership for one or more years before September 1, 2019.

Larry York

President

Alfa SeeYas Chapter of the FMCA