



BF&M insurance matters

NEWSLETTER SPRING 2009

IN FISCAL 2009, which begins on April 1st, the local health insurance industry is expecting to encounter increases in domestic healthcare costs. There are numerous reasons for this however the most pressing are increases in billable medical services and higher costs for those services performed at King Edward VII Memorial Hospital.

It is a common understanding of health care industry professionals and perhaps the general public that our acute care hospital is in need of not only an improved physical plant but also a modernized billing system. In response to these needs, for the next 5 years KEMH will be charging an additional 1% on the rate of all hospital based services and a new, inpatient funding model called a case rate or Diagnostic Related Group (DRG) system will be employed.

Currently, KEMH operates on a 'per diem' billing model and this means that there is one, flat charge for each inpatient day ranging from \$987 to \$1416 regardless of reason for admission. Conversion to DRG billing means that for every patient who is hospitalized for 15 days or less one charge will be billed based on the diagnosis causing hospitalization. The value of the charge varies depending on the severity of the diagnosis and therefore the type and quantity of services required. Additionally, it is anticipated that each day of care between day 16 and discharge will cost between \$1055 and \$1514. It is important to note that many services are included in these rates however, hospital employed doctor's fees, implants like artificial knees or other hardware and non-formulary medications are not included and are charged for separately.



Through all of these changes one question remains; how can the healthcare consumer make a difference? The answer is as simple as being informed. After all, before we buy a car, choose a cell phone carrier or apply for Internet service we ask questions. What is more interesting is, when it comes to healthcare, asking the questions what, who, how, when, where, why and how much is our right as a patient; we are entitled to answers.

So, when a diagnostic test is recommended, prescription medication is rendered or lab test ordered, ask: is there a less expensive alternative? This could not only lead to

controlling health insurance costs but empowering the consumer to take charge of and be responsible for their healthcare.

Further, here are a few tips to help control healthcare costs and reduce out of pocket expenses:

- **Question the cost of your prescription medications and ask if there is a less expensive option;**
- **Choose to invest in preventative care like annual physical exams, immunizations and screenings for prostate, breast and colon cancer;**
- **Investigate Government clinics that offer free or reduced cost medical services;**
- **Ask your doctor, dentist, laboratory or diagnostic imaging center for their schedule of fees – there may be a lower cost alternative with another provider;**
- **Above all, make healthy lifestyle choices like quitting smoking, decreasing alcohol intake, eating right, and exercising. These choices alone have the biggest impact on decreasing health care costs while increasing the quality and longevity of your life.**

SAVE THE DATE!

Annual General Meeting

Tuesday, April 28th

BF&M invite shareholders to attend the AGM in the boardroom of the Insurance Building on Pitts Bay Road.

St. George's 5K Walk/Run

Tuesday, July 7, mark your calendar!

www.sharkoil.bm

June 1 – November 30 - Hurricane Season

It's never too early to get ready for hurricane season.

Check out BF&M's informative storm resource, www.sharkoil.bm to get a head start.

Peace of Mind

Peace of Mind is an affordable insurance policy that provides up to \$25,000 in coverage. There are no medical exams and the policy is available to those between 50 and 80 years of age.

For information:

Age Concern 238-7525

President's Report

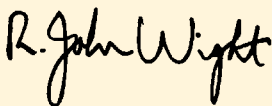
As I write my President's Message this quarter I am reflecting on how much has changed in the world since my last message. It is an unavoidable fact that while Bermuda has largely been unaffected by other global recessions in the past it will not avoid this one. How much it affects Bermuda in 2009 and how we as an island respond remains to be seen. What is important for our shareholders to remember is that BF&M Limited and its two principal operating companies "BF&M General" and "BF&M Life" continue to be rated "A" Excellent by A.M. Best, the leading rating agency for insurance companies. We operate a conservatively run group of companies that will continue to succeed through these difficult times.



My message to policyholders is that while it may be tempting to cut back on insurance as we all tighten our belts, I would caution against leaving yourself exposed unnecessarily. The risk of being under or not insured, especially during hurricane season, is simply too great. Instead, contact BF&M to discuss options like reducing premiums by increasing deductibles, spreading payments over the year to ease your cash flow or purchasing your motor insurance online. We are here to help and will do our utmost to help our policyholders weather this economic storm.

During tough times, charities and those in need suffer as companies seek to reduce costs by cutting charitable giving. Our island home has given so much to BF&M that we can no sooner turn our back on our community than we could on our own family. BF&M intends to continue its long-standing spirit of giving and supporting those causes and concerns that are central to our country. When necessary we will modify our sponsorship approach to ensure that help gets directly to those who need it. The 2008 Festival of Lights is an example of this philosophy. In light of the price of fuel and efforts by many to monitor spending, the contest was suspended and charitable funds re-focused on specific needs.

Finally as Bermuda celebrates its 400th Anniversary in 2009, it is important to remember that Bermuda has weathered many hardships and storms in its history. BF&M and Bermudians will ride out this one too. We can do it together.



R. John Wight C.A., CPCU
President and Chief Executive Officer

Appointment

Susan Reed, B.A., CLU, FLMI
Chief Operating Officer



Susan obtained her Bachelor of Arts Degree in Political Science from the University of Toronto, Canada and has over twenty five years of insurance experience in a number of international markets. She has held management positions in Marketing, Distribution, IT and Administration prior to joining BF&M. Susan is a Chartered Life Underwriter (CLU) and a Fellow, Life Management Institute (FLMI).



President's Month

Congratulations to the following agents who earned President level sales targets during BF&M Annual President's Month Sales Contest in October:

Keith Dunmore • Anthoni Lightbourne
David Lovell Sr. • Ralph Lovell • Charlie Grant

Training & Development

The following employees successfully completed exams and achieved designations and certifications in the listed areas:

Kurtis Hewitt	LOMA 280
Stephanie Hall	CPCU 520
Lorenzo Ratteray	INS 123 & ACS Designation
Patrick Neal	CPCU 551
Ryan Matcham	AU 066 & AU Designation
Fiona Davies	ARA 440 & ARA Designation



The 100 Day 14 contestants rigorously 100 day period. The

provided with a personal trainer to help them lose weight in a healthy way. The individual who loses the most weight over the 100 days wins the contest.

To keep up to date on the saga of the contestants be sure to check out www.bermuda100daychallenge.com. You will find clips of the contestants as they participate in their grueling boot camps and team competitions and be able to monitor their progress as they approach the end of their 100 day fitness journey.

BF&M's Wellness Matters programme supports initiatives that promote individuals to take a proactive approach to their health. It is hoped that local interest in the contest will spur Bermudians towards pursuing a healthy lifestyle.

Regardless of their final results, BF&M salutes the 2009 participants as they approach the 100th day of their challenge: Carlita Burgess; John Gallo; Nakisha Gilbert; Graham Maule; Darlene Ming; Anthony Pitcher; Latia Robinson; Andrew Simpson; Sherri Simmons; Emma Sims; Karika Smith; Vejay Steede; Belcario Thomas and Raymond Young

Challenge features competing over a two teams have been



2009 Kick-Off

BF&M traditionally kicks off each year with a keynote speaker to engage and motivate staff for the upcoming year. For 2009, Dr. Joseph A. Michelli, Ph.D., inspired staff and management to elevate our customer's service experiences with BF&M.

Dr. Michelli is an author, international speaker and business consultant. His presentation entitled, 'Creating the Total Customer Experience: Setting a Standard Beyond Service', focused on the elements necessary to be an authentic 'experiential brand'. Borrowing from principles derived from his work with Starbucks, the Ritz-Carlton and other businesses, Dr. Michelli demonstrated how a passion for service professionalism and memorable customer experience creation, leads to personal employee satisfaction, a vital business culture, and sustainable business success.



From left to right: **BF&M President & CEO John Wight, Fern Wade of the Hands of Love, Sheelagh Cooper of the Coalition for the Protection of Children and Vincent Ingham, BELCO President & CEO.**

(Photo courtesy of the Royal Gazette)

Festival of Lights

Given the impact that high fuel prices were having on the cost of electricity and the efforts by many to conserve and monitor spending in light of difficult economic times, BELCO and BF&M decided to suspend the competitive portion of the 2008 Festival of Lights competition.

The Festival of Lights for Charity has been running for the past 12 years with winners having donations made on their behalf to charities of their choice. As the purpose of the Festival of Lights has

always been to make charitable donations to vital community groups, BELCO and BF&M continued this tradition by donating a total of \$24,000 to The Coalition for the Protection of Children and Hands of Love Ministry. Each charity received \$12,000 in order to provide assistance to families and seniors during the New Year, as these groups are most vulnerable in difficult economic times.

The Festival of Lights for Charity has, over the past 12 years, donated more than \$118,300 to a large and diverse group of charities. Plans to resume the competition will be reviewed in 2009.

BF&M Canada Official Opening

January 29th, 2009



BF&M President and CEO John Wight recently hosted an official opening ceremony for BF&M Canada Limited. BF&M Canada is located in Bedford, Nova Scotia and services our Bermuda based companies, principally in information systems development. Mr. Wight was joined by Nova Scotia Immigration Minister Len Goucher (left) and Halifax Mayor Peter Kelly (right).



Official Visit

The 26th Premier of the Province of Nova Scotia, the Honourable Rodney MacDonald, visited BF&M head office on Pitts Bay Road during his brief visit to Bermuda earlier this year. Accompanying the Premier was Bob Chisholm, Chief of Staff, Office of the Premier; Lisa Bugden, Vice-President Marketing & Communications, Nova Scotia Business Inc; and JP Robicheau, Director of Financial Services and Nearshore Solutions, Nova Scotia Business Inc. The delegation met with BF&M President & CEO John Wight and COO Susan Reed.



Award Winning Website for the Second Year in a Row

The BF&M Wellness Matters website has won another Gold Award in the prestigious eHealthcare Leadership Awards program for Best Health/Healthcare Content (HMO/PPO/Other).

This is the second year in a row that BF&M's Wellness Matters been given a gold award from this leading awards program that exclusively recognizes the very best websites of healthcare organizations. eHealthcare Leadership Awards highlight the Internet's role in achieving an organization's business objectives and recognize the hard work that has gone into creating outstanding health websites.

Staff Appreciation

To show our appreciation to our internal customers, the Management of BF&M prepared a tasty breakfast for the staff to mark Shrove Tuesday. This is the ninth year that management has flipped pancakes, cooked sausages and served breakfast with a smile.

BF&M has 150 employees at its Pitts Bay Road headquarters; its offices at Wessex House on Reid Street; in the Ace Tempest Re Building on Woodbourne Avenue and in Argo House on Pitts Bay Road.

