

GUARANTEED EDUCATION TUITION COMMITTEE MEETING

Wednesday, March 23, 2011

**Insurance Commissioner's Office
5000 Capitol Boulevard
Tumwater, WA 98501
2:00 p.m. – 4:00 p.m.**

AGENDA

Call to Order

- Approval of February 7, 2011 minutes ACTION
- Director's report INFORMATION
- Report from the Chair INFORMATION
- GET Asset Allocation Update
Diana Will, State Investment Board INFORMATION
- Legislative Update DISCUSSION
- Adjournment

**DIRECTIONS
TO THE
COMMITTEE MEETING**

Office of the Insurance Commissioner
5000 Capitol Boulevard, SE
Tumwater, Washington 98501
PH: 360-725-7000
(800) 562-6900

(behind Kentucky Fried Chicken in Tumwater)

Directions

Approaching from the North on I-5

- Traveling on **I-5 S** toward Portland.
- Take the **Trosper Rd** exit, **Exit 102** toward Black Lake.
- Turn **left** onto **Trosper Road SW** — proceed 0.2 miles.
- Turn **left** onto **Capitol Blvd SW** — proceed 0.2 miles.
- Turn **right** into the OIC parking lot just past the Kentucky Fried Chicken building.

Approaching from the South on I-5

- Traveling on **I-5 N** toward Seattle
- Take the **Trosper Rd** exit, **Exit 102** toward Black Lake.
- Turn **right** onto **Trosper Road SW** — proceed 0.2 miles.
- Turn **left** onto **Capitol Blvd SW** — proceed 0.2 miles.
- Turn **right** into the OIC parking lot just past the Kentucky Fried Chicken building.

GUARANTEED EDUCATION TUITION COMMITTEE MEETING

Monday, February 07, 2011

State Investment Board

Olympia, WA 98502

MINUTES

HECB staff in attendance:

Betty Lochner, GET Director
Don Bennett, HECB Executive Director
Larry Lee, GET Deputy Director
Heidi Auderer, GET Operations Manager
Susan Martensen, GET Marketing and
Communications Manager
Diana Hurley, GET Customer Service Manager
Betsy Hagen, Special Assistant to the GET Director
Katie Gross, Administrative Assistant

Guests in attendance:

Diana Will, State Investment Board
Terry Ryan, Office of the Attorney General
Nona Snell, State Treasurer's Office

WELCOME

GET Committee Chair Don Bennett called the meeting to order at 2:05 p.m. Members of the GET Committee in attendance were Don Bennett, Marty Brown, Director of Office of Financial Management, James L. McIntire, State Treasurer, Beth Stecher Berendt, citizen member. Mooi Lien Wong was unable to attend.

APPROVAL OF NOVEMBER 27, 2010 MEETING MINUTES

Committee members reviewed the minutes of the November 27, 2010 meeting. Berendt moved to adopt the minutes as presented. McIntire seconded the motion. The motion was approved unanimously as presented. Minutes adopted.

REPORT FROM THE CHAIR

GET Committee Chair Don Bennett provided information about the current legislative session.

DIRECTOR'S REPORT

Betty Lochner, GET Director, reviewed binder materials and provided a brief overview of GET statistics:

- Updated stats January 31, 2011
- For this enrollment year: February 7, 2011 stats: total contracts 4932, 19% increase over last year
- Total contracts since inception: 124,544
- Call volumes – increase of 8% over this time last year
- Revamped website, over 30,000 hits per month
- Price Setting assumptions document
- Media update

GET INVESTMENT UPDATE

Diana Will, State Investment Board, presented the GET Investment Update.

INFORMATION GATHERING SESSION

The committee delved into discussion that included review of the implications of SB 5749 including:

- Assumptions
- Tuition policy proposals
- Tiered pricing scenarios
- Solvency of the Program
- Contract and unit analysis of the Program
- Actuarial information
- Master Agreement verbiage
- Weighted average tuition growth versus payout value
- Alternative Program – what is predictable
- Assumptions and impact to the Program
 - 2 years at 11% - 7.5% after that
 - 2 years at 11% - 9% after that

No action items are required.

ADJOURNMENT

The meeting adjourned at 3:20 p.m.

Respectfully Submitted,

Betsy Hagen
Special Assistant to the GET Director

Guaranteed Education Tuition

As of February 28, 2011

CONTRACT STATISTICS: Number of Contracts			
Contract Statistics by Plan Year	1998-2009	2010	TOTAL
# of Active Contracts			
Custom Monthly Contracts (CM)	28,739	1,509	30,248
Lump Sum Contracts (LS)	77,017	4,577	81,594
Total # of Active Contracts	105,756	6,086	111,842
# of Inactive Contracts	6,866	84	6,950
# of Depleted Contracts	7,295	1	7,296
Total # of Contracts	119,917	6,171	126,088

UNIT STATISTICS: Number of Contracted Units and Purchased LS Units			
	1998-2009	2010	TOTAL
Contracted Units (Active Accounts)	5,293,798	212,800	5,506,598
Lump Sum Units (Active Accounts)	16,464,831	315,200	16,780,031
Total Active Accounts	21,758,629	528,000	22,286,629
Contracted Units (Inactive Accounts)			386,966
Lump Sum Units (Inactive Accounts)			1,600,462
Grand Total Contracted and LS Units Purchased			24,274,057

Other Unit Facts		
Unpaid Contracted Units (Active Accounts)		2,708,183
Total Paid Out Units Since Inception (Active and Inactive Accounts)		3,615,306

CONTRACT PAYMENTS SINCE INCEPTION			
	1998-2009	2010	TOTAL
Total Payments Received (All Accounts)	\$ 1,410,760,620	\$ 36,460,215	\$ 1,447,220,835
Total Fee Payments Received (All Accounts)	\$ 6,240,753	\$ 245,901	\$ 6,486,654
Total Contract-Related Payments Received	\$ 1,417,001,373	\$ 36,706,116	\$ 1,453,707,489
Future Custom Monthly Payments Due (Active Accounts)	\$ 292,728,334	\$ 36,827,308	\$ 329,555,641

ITEMS OF INTEREST		
Since Inception		
Number of Students Who Have Used Benefits		20,396
Benefits Paid		\$ 221,851,078
Refunds Paid		\$ 19,163,136
Total Paid Out In Benefits and Refunds		\$ 241,014,213