



2012 Chairman's Address

Good afternoon and welcome to the Farmers' Health Cooperative of Wisconsin 5th annual meeting. I am Jeff Bennesch and I have served as Chairman of your Board of Directors since the inception of this program. I'm a grain farmer from Colfax with a strong background and belief in cooperatives. I'm proud to say that I have been involved with FHCW since my days as a director for the Cooperative Network and Dairy Farmers of America.

Here we are again, looking back at the year that just passed us and reflecting on our successes. As we do every year, I would like to recognize those folks who were so instrumental in our formation: the Cooperative Network and other cooperative leaders from across the state, Senator Herb Kohl and Congressman Dave Obey, as well as former Governor Jim Doyle and other Wisconsin lawmakers. We are also grateful to the organizations that provided us with grant funding to get started, including the Wisconsin Department of Agriculture, Trade and Consumer Protection, the US Department of Agriculture, the University of Wisconsin Medical School's Partnership for a Healthy Future Fund and AgStar Farm Credit.

No organization could function without its supporting pillars. I would like to recognize our Board of Directors for their dedication and commitment to this cooperative.

Debbie Diederich, Vice Chairman: Debbie is a dairy farmer and registered nurse from De Pere who has been in farming for 34 years. Debbie, who represents Region 3, began serving on the Board in 2008.

Mary Sosnovske, Treasurer: Mary has been in farming her entire life and currently dairy farms in northern Lincoln County. Mary represents Region 2 and began serving on the Board in 2009.

Sandi Cihlar: Sandi has been part of the dairy business her entire life. Sandi and her husband Dennis were part of a third-generation dairy farm in the Town of Mosinee, Marathon County. Sandi served as a Board member from 2008-2009 and then rejoined the Board in 2010. Sandi is an at-large member.

Christine Fortin: Christine is a founding member and co-owner of Center Hill Veterinary Clinic in Darlington, WI. Christine's clinic is primarily a large animal practice that has served the needs of the Lafayette County agricultural community for 19 years. Christine joined the Board in 2010 and represents our agribusiness membership.

Karen Pluemer: Karen is our newest board member and she lives in Platteville. She grew up on a hog and beef farm and has been farming with her husband since 1990. Karen is an at-large member of the Board.

We also have two ex-officio Board members:

Bill Oemichen: Bill is President and CEO of the Cooperative Network and was instrumental in the formation of FHCW.

Max Gannon: Max Gannon is President of Agri-Services Agency (ASA). ASA is our plan administrator and they have been our partner from the very beginning.

My fellow Board members, I thank you for your tireless efforts in representing our members.

Finally, I would like to recognize Cathy Mahaffey, our Executive Director. Cathy has been with the cooperative from the beginning, first as a consultant on the Co-op Care project team with the Cooperative Network and now as Executive Director. Cathy and my fellow Board members, I thank you for your tireless efforts in representing our members.

FHCW entered into its second year with Anthem in 2011 and member feedback continues to be positive. Anthem has brought FHCW improved provider discounts, many value added programs and a comprehensive suite of benefit plan offerings. We were very pleased that our 2012 renewal was the lowest in the history of FHCW averaging 5.35%. Keeping premium increases in the single digits is no easy task but it remains a primary goal for FHCW.

FHCW continues to return capitalization payments and forgive promissory notes for those members who met their 3-year commitment. Checks are mailed to our members keeping our commitment to you to return the deposit you made when you first joined FHCW. We thank our members for fulfilling their 3-year term with us and look forward to serving you for many years to come.

FHCW continues to offer Delta Dental, Humana life insurance, Illinois Mutual disability insurance, and an accident benefit to reimburse any out-of-pocket costs associated with an accident. Our POS plan members also have access to a vision plan. 2011 was the second year we offered AgriPlan to our portfolio of product offerings. AgriPlan is a Section 105 Health Reimbursement Arrangement (HRA) plan that enables qualified farmers to deduct 100% of federal, state, and FICA taxes for family medical costs. In 2010, FHCW members saved an average of \$4873 by using Agriplan. All of these additional benefit offerings are made possible by bringing together the collective purchasing power of our members.

In 2012, FHCW will issue its first ever member survey. FHCW and our partners understand the importance of hearing from our members and making improvements.

As I look back to the launch of FHCW in 2007, I am reminded of the principals on which we were founded. I can tell you that today those principals remain intact and they continue to guide us. I know you have choices when it comes to health insurance and we appreciate that you have chosen FHCW. We have heard from many members who have valued having our coverage and they appreciate the fact that our insurance is there when they need it.

The cooperative's goal has always been to provide value. Our insurance policies won't necessarily be the least expensive but we can assure you that your policy with FHCW will be there to protect you if you get sick or injured. Our insurance is some of the most comprehensive coverage available to individuals in Wisconsin. We will continue working on your behalf to offer comprehensive affordable coverage.

Thank you for your continued support of Farmers' Health Cooperative of Wisconsin.