



President's Corner

Andy Sokal

Periodically the JM Retirees Board meets with the Johns Manville CEO, Todd Raba. We had such a meeting on December 14, 2010. In attendance were John Leasher, Ed Bettinardi, Norm Zettel and myself as newly elected JMRA president.

Mr. Raba gave us an update on general business conditions and indicated that the Engineered Products Group was doing well. In fact the company acquired a business in Montana to further enhance marketing opportunities in this business segment.

Insulations Systems were struggling due primarily to the low number of housing starts, less than 700,000 units per year. In spite of these business conditions, capital spending is over 70 million dollars, plus furnace rebuilds.

Business conditions are improving for 2011, but not significantly until 2012. And finally, a new and very successful Operating and Information System was installed.

We briefly discussed JM's mailings to retirees. Todd Raba agreed to ask the retiree group to review such mailings prior to their being sent. This is a very good example of Mr. Raba's willingness to maintain a good relationship with the JM Retirees.

JMRA Annual Meeting

JMRA held its annual meeting in Denver on December 17, 2010. Since no nominations for Board membership had been made from the general membership, the slate proposed by the nominating committee was elected.

Andy Sokal is our new President, replacing Rocco Russo, who agreed to fill Andy's unexpired Vice President term. Norm Zettel is Secretary, replacing Bill Snyder.

New Director Bob Whitt replaces George Kinzer. Incumbents John Leasher and Bob Clark were re-elected.

Ronnie Lostak was elected as a Director and Newsletter Editor (replacing Tom Krzemien), but for health reasons decided to resign. John Leasher is the newsletter editor.

The JMRA Board acknowledges the following for their efforts and contributions while serving on the Board:

President Rocco Russo
George Kinzer
Newsletter editor Tom Krzemien
Long-time Secretary Bill Snyder

Both Tom and Bill will serve temporarily as Director Emeritus.

We appreciate the time all these people dedicated to sustaining the JMRA.

Manville Luncheon

Norm Zettel & Fern Baluan

CEO and President Todd Raba spoke to the Denver Retirees Luncheon on March 24, 2011. He reviewed accomplishments and disappointments for 2010 and priorities for the coming year.

Mr. Raba informed us of a new \$53 MM manufacturing facility “significant” to our roofing industry. This commercial roofing single ply membrane production facility will manufacture Ethylene Propylene Diene Monomer (EPDM) roofing products.

Todd restated the six “pillars” that company leadership established when he came to JM: Customer Commitment, Employee Commitment and Safety, Financial Stability, Operational, Integrity, and Environmental Respect.

Disappointments

“... the good news is better than the bad news is bad.” He said that the good news is better than the bad news is bad. In his first year (2007), Cleburne had 25 dust abatement citations, but in 2010, only three, but work still is still to be done. Also, quality has room for improvement; JM is #1 in the industry, but it needs work. As to safety, JM was 6% better in 2010; however, the goal was 10%.

Accomplishments

The \$162MM SAP information systems project has been completed and all North American systems are on line. Fire occurrences decreased, only 10 per month in 2010, down from 70 per month three years ago. Severe accidents decreased significantly in 2010. JM accelerated all furnace rebuilds work and is now at 100% capacity except for the building insulation plants.

Housing starts had declined from 2.1 million to 650 thousand—a 69% reduction. The forecast is it will be 2013 before the economy fully recovers in this area.

Financial results were on the disappointment list last year, but this year they are on the accomplishments list. 2010 showed significant improvement over 2009.

The future focus is to look more forward instead of having a bunker mentality:

- Protect and enhance Core businesses
- Improve operating costs and product quality
- Continue to grow - selectively - to enable customer growth
- Manage assets to enhance market position while markets recover
- Enhance sustainability of operations and product portfolio
- Execute flawlessly

Mr. Raba showed a chart for strategic growth and the approach to be taken. JM strategies will be specific, disciplined and broader, aimed at steady progress.

Health Care Law and Medicare

Ed Bettinardi

The Patient Protection and Affordable Care Act passed last year makes many significant changes to Medicare. Under the new law, Medicare funds are expected to last 10 to 12 years longer than before the Act. Prior to the Act, those on the Medicare D drug program, or any drug insurance based on Medicare D were subjected to a “donut hole” in coverage when out-of-pocket drug costs exceeded \$2,840 until costs reached \$4550.

Under the new law, Medicare funds are expected to last 10 to 12 years longer...

While in the donut hole, drugs were sold at a 100% co-pay. After leaving the donut hole, the drug cost was reduced to a 5% co-pay. In 2011, the doughnut hole still exists, but now brand name drugs will be priced at a 50% discount, while generics will also be cheaper. The size of the donut hole will be reduced each year and completely closed by 2020.

Preventive care benefits are now free. This includes a free annual wellness visit to your doctor. The wellness visit is *not* a physical exam, but is to determine which screening tests you should have, for example: bone density, diabetes and certain cancers. These tests include mammograms, colonoscopies and other preventive screenings as determined to be necessary by your doctor.

The Act establishes a 10% bonus payment for doctors who, according to a specified procedure, provide quality care. This payment is in addition to the fees normally covered for Medicare patients, thereby encouraging doctors to treat Medicare patients.

...to close the donut hole, money had to come from somewhere.

To enable the Medicare D drug plan to close the donut hole, money had to come from somewhere. The source is largely from Medicare Advantage Plan subsidies. Medicare Advantage plans are private insurance plans offered by insurance companies to replace Medicare. For these plans, the government pays an insurance company the dollars normally spent on Medicare patients plus a subsidy of somewhere between 10% and 15%. The result is a plan that may include extras like eyeglasses, etc. that you don't get with regular Medicare.

However, for Medicare Advantage plans, there are no changes in 2011, but in 2012, the current level of government subsidies to these plans will be reduced. Bonuses for good performance will be paid to plan sponsors, but due to the reduction in subsidies, some companies may drop their offering of a Medicare Advantage plan, or some may raise prices.

By 2014, Medicare Advantage plans are required to cut plan administrative expenses to 15%, thus bringing the total cost of Medicare Advantage plans in line with regular Medicare. If a Medicare Advantage plan to your liking is no longer offered after these changes, you can always go back to regular Medicare.

If you are now on any JM plan providing drug coverage, you will have received a Medicare letter of equivalency, stating that the JM plan is at least as good as that offered under Medicare D. It is important that you keep that letter in the event that you elect to switch to Medicare D, or JM discontinues drug coverage and you want to switch to Medicare D. The letter is necessary proof that you have been covered by a plan at least equivalent to Medicare D, and will therefore not be penalized by paying a higher rate because you did not join Medicare D when the plan was first offered. This penalty was an initial sign-up incentive to encourage Medicare recipients to join quickly.

All of these changes should help to keep Medicare well for some time into the future, as well as providing additional preventive care and drug benefits. Of course, as you must be aware, there is

political pressure to either modify or eliminate the changes brought about by the Act, or even eliminate Medicare as presently structured entirely.

We will attempt to keep you informed about any changes in the benefits outlined above.

JM Retirement Plan

John Leasher

Recently, we all received the government-mandated Annual Funding Notice, a six-page document that includes funding information for our pension plan.

This Notice shows that three years ago, the plan's assets were about \$526 million, which dropped to \$415 million as of January 1, 2009 and then rebounded to \$466 million as of January 1, 2010. As of the end of 2010, the assets were \$457 million. The decline in 2008 was caused, of course, by that year's dramatic decline in the stock market. Everyone's portfolio took a beating—and the pension plan was no exception.

To compensate for the 2008 loss, the company had to make a cash contribution to the plan of \$34.6 million in 2009. The company reported this to the U.S. Department of Labor in its voluminous Annual Report (Form 5500) that your Retirees Association obtains and analyzes. The report for 2010 will be available this fall.

The Funding Notice shows that three years ago, the plan's liabilities were \$571 million, which dropped to \$464 million in 2009, and increased to \$519 million at January 1, 2010. At the end of 2010, the liabilities were back to \$571 million. The plan's liabilities are actuarially determined.

Form 5500 also shows the amount of retirees' pension payouts, which have consistently been in the \$40 to \$42 million range. The report will also show the plan's earnings on its assets.

Our fall newsletter will show a fuller analysis.

Finances

Lou Stravato, Treasurer

	<u>12/31/2010</u>	<u>12/31/2009</u>
Beginning Balance, Funds on Deposit (Jan. 1)	\$ 37,525	\$ 31,606
INCOME:		
Credit Union Interest	540	543
Dues Collected	3,050	16,005
Total Income	\$ 3,590	\$ 16,548
EXPENDITURES:		
Accounting / Annual Report Fees	325	325
Web Site	0	385
Travel	0	2,466
Directors Liability Insurance	3,029	2,943
Newsletter / Officers Slate / Proxy	2,801	4,129
P. O. Box Expenses	481	381
Total Expenditures	6,636	10,629
Net Change in Funds During Year	\$ (3,046)	\$ 5,919
Ending Balance, Funds on Deposit (Dec. 31)	\$ 34,479	\$ 37,525
ALLOCATION OF ASSETS:		
Savings	17,208	20,774
Certificate	17,271	16,751
Total	\$ 34,479	\$ 37,525

In Memory

This list is assembled from many sources. We try to be accurate, but if you find an error, please let your editor know.

Douglas Addison	Virginia City NV	Ward Marlow	Denison TX
Clara Authement	Madisonville LA	Reinhardt Martin	Spring Hill FL
Arthur Beers	North Port FL	Winton Mccoll	Traverse City MI
Dale Bjurstrom	Albuquerque NM	Edythe Mcconnaughey	Martin SC
Donald Byam	Defiance OH	Elsie Mccracken	Newark OH
Ernest Cochran	Crossville TN	Leo Middleman	Denver CO
Rosalie Cole	Middle Haddam CT	Gale Morehead	Venice FL
Josephine Davi	Carmel CA	Edward Morrison	Santa Barbara CA
John Dietz	Littleton CO	Josephine Mroz	Lawrenceville NJ
Margaret Divelbiss	Wadsworth IL	Joseph North, Jr.	Spring TX
John Doughty	Denver CO	Bruce Olmsted	Greenwood Vlg CO
Charles Farr, Jr	Defiance OH	Mary Polkish	Dunellen NJ
Marie Gerdelmann	Philadelphia PA	W. P. Richardson	Ponchatoula LA
Sandra Grande	Denver CO	John Ritchie	Madison NC
Edwin Hibbing	Rochester MN	Betty Siebert	Fresno CA
James Holland	Kendall Park NJ	Curtis Sphar	Green Valley AZ
Emil Horvath	Peoria AZ	Otto Spino	Englewood CO
George Jakelsky	Manville NJ	Arthur Taylor	Englewood FL
Richard Jarvi	Lakewood CA	Glenn Wallace	Cambridge OH
Arthur Kroll	FL	Charles Wattson	Indian River MI
Dominic Latorraca	Asbury Park NJ	Carl Weber	Denver CO
Victoria Leone	Elmhurst IL	Spencer Wellman	Jacksonville FL
Joseph Link	Dallas TX	Althea Williams	Stillwater MN
Donald Lockard	Denver CO	Marie Yanish	Toms River NJ

Extra SPF Protection

Colorado Credit Union

Scams, Phishing and Fraud: Consumer fraud occurs when a product or service does not perform as advertised, such as overcharging or concealing a fee. Fraud may occur when a company compels you to agree to unfair terms and conditions in order to complete a transaction. You may be a victim of fraud if you purchased an item represented as safe when the seller had reason to believe otherwise.

Phishing is an attempt to steal your personal information. Phishing emails usually appear to come from a well-known organization and ask for your personal information—such as credit card number, social security number, account number or password.

To successfully “phish” your personal information, Internet criminals must get you to go to a website—to click a link that takes you to a site where your personal information is requested.

Colorado Credit Union never requests this information of you via email.

The best way to protect yourself from phishing is to learn how to recognize a phish. We encourage you to use us as one of your resources anytime someone offers you something that appears “too good to be true.”

If you think you’ve been scammed, report it immediately. Many fail to report fraud out of embarrassment or because of the mistaken belief the authorities are powerless to help. Failing to report a crime is one of the worst things you can do. At the very least your report might help someone else.

JMRA Membership

Johns Manville Retirees Association is a nonprofit, self-funded, not tax deductible organization. Your association is dedicated to protecting and improving your benefits. Our greatest concern is your medical and prescription plans—vital benefits promised to you but not guaranteed.

Next year we will ask for your financial support to continue the efforts being made by the Johns Manville Retirees Association that represents your best interests. But if you recently moved or changed e-mail providers, please update your member record with corrected information by completing the form below and returning it to the association.

We always welcome new members. If you know a Johns Manville Salaried Retiree who is not a member of our organization, please invite them to join by visiting our website <http://www.jmretirees.org/> or by filling out the form below. Thank you for your continued support.

Please mail membership information, new members or changes in membership information, to:
Johns Manville Retirees Association, P.O. Box 3336, Centennial, CO 80161-3336



Yes, start my JMRA membership (enclose \$20.00). Please change my membership information.

Name: _____ Phone (_____) - _____

Address: _____

City: _____ State: _____

ZIP +4: _____ + _____

I would like the Newsletter and other JMRA announcements sent by e-mail.

Here is my e-mail address: _____ @ _____

Repeat to insure accuracy: _____ @ _____

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Lou Stravato.....	Treasurer
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