

Notes on October 4, 2011 EKRA Health Care Forum

I went to the afternoon session today. Here is a very brief summary:

Regardless of EK's fate, US government's Pension Benefit Guarantee Corp (PBGC) will cover KRIP as long as you have been retired for 24 months at the time of plan termination. Current employees and those retired less than 24 months will have their pension reduced.

Likewise, KRIP based Joint and Survivor Option is also covered by the PBGC.

Survivor Income Benefit Plan is an insurance plan. The amount is based on KRIP amounts but the payout comes from a Kodak funded insurance policy. It is EK's choice whether this continues; may be discontinued at any time.

Health care was the main purpose of the meeting. It is EK's choice whether health care continues to be funded; may be discontinued.

Excellus and MPV gave presentations on alternative if EK discontinues paying for health care. Far too complex for me to describe.

In the Q&A the SIP Fixed Investment (D) Fund was covered. EKRA doesn't have an opinion at this time. Based on the questions the following is probably true:

There is a statement in the annual SIP report that states something like: if there is an EK bankruptcy the fund and wrapper insurer does not have to pay the entire price per share to depositor.

Fund D is not totally liquid because there is not a huge market for the Fund D's holdings. It could take as long as a year to liquidate the fund. Also, there is risk that rapid liquidation could drive down the selling price of the bonds.

- *Anonymous*