

UNIVERSITY OF COLORADO HEALTH AND WELFARE TRUST

Trust Reserve Policy

The Trust Committee of the University of Colorado Health and Welfare Trust (“Trust”) adopts this policy with respect to the determination and maintenance of a Trust reserve in effort to protect the Trust from variations due to overutilization and/or other market forces.

1. The Employers have allowed for a periodic payment to account for overutilization of services by Participants, if an Employer’s premiums paid to the Trust do not account for the actual utilization of services.
2. The Employers may continue to make periodic payments to account for overutilization and/or they may make additional contributions to the Trust in effort to build a reserve based on recommendations from the Chief Plan Administrator.
3. Any Trust reserve shall be determined by the Chief Plan Administrator; provided, however, that the reserve held within the Trust shall not exceed the amount that would cause the Trust to be subject to tax pursuant to Section 512 of the Internal Revenue Code of 1986, as amended, or otherwise.
4. If the Employers elect to make additional contributions to the Trust in effort to build a reserve and do not continue to make periodic payments, the Chief Plan Administrator will provide annual reporting on the reserve status, and annual premium rate structures will take the reserve level into account.
5. The purpose of the Trust reserve, as well as the periodic payment procedure, is to provide adequate reserves to:
 - a. pay for sick, accident or other benefits provided under the University of Colorado Health and Welfare Plan, as amended from time to time, including anticipated and unanticipated claims and related liabilities, extraordinary claims, claims incurred but unpaid, and the reasonable costs of administration directly associated with such claims, and to buffer annual rate increases under the University of Colorado Health and Welfare Plan;
 - b. provide for Health Care Flexible Spending Account claims under the University of Colorado Flexible Benefits Plan, as amended from time to time, including the reasonable costs of administration directly associated with such claims; and
 - c. ensure the actuarial soundness of the Trust.

6. Notwithstanding the above, the assets of the Trust shall be available to pay the claims in accordance with the terms of the Trust.
7. This policy shall be implemented without any further action by the Trustees.

Any capitalized term used herein that is not defined herein shall be given the meaning that such term has for purposes of the Declaration of Trust and Agreement for the University of Colorado Health and Welfare Trust made and entered into effective June 28, 2010, as amended from time to time.

PASSED AND ADOPTED, by a unanimous vote at a Trust Committee meeting held on _____
June 13, 2025, at which all Trustees were present or represented by proxy, in Denver, Colorado.

Signed by:

Felicity O'Herron

44C3E75B499C4BE...

Chairperson of the Trust Committee