

Central States, Southeast and Southwest Areas Health and Welfare Fund  
 Executive Summary of Financial Position  
 March 31, 2013  
 (Dollar amounts in thousands)

	March 31,	December 31,	Change in Net Assets	
	2013	2012 (1)	Dollars	Percentage
Total investments, net	\$ 1,963,608	1,884,473	79,135	4.4
Employer contributions receivable, net	113,948	116,419	(2,471)	(0.1)
Assets held in securities lending program	22,591	251,903	(229,312)	(12.8)
Other assets	9,660	20,360	(10,700)	(0.6)
Total assets	2,109,807	2,273,155	(163,348)	(9.1)
Estimated benefits	199,437	210,543	11,106	0.6
Liability to return collateral held under securities lending agreements	23,382	252,747	229,365	12.8
Other liabilities	28,519	13,083	(15,436)	(0.9)
Total liabilities	251,338	476,373	225,035	12.5
<b>NET ASSETS</b>	<b>\$ 1,858,469</b>	<b>1,796,782</b>	<b>61,687</b>	<b>3.4</b>

Notes(s):

(1) Does not include final year end adjustments.

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Central States, Southeast and Southwest Areas Health and Welfare Fund  
 Executive Summary of Financial Operations  
 March 31, 2013  
 (Tabular dollar amounts in thousands)

	Year-to-Date		Change from Prior Year	
	2013	2012	Dollars	Percentage
<b><u>INCOME &amp; EXPENSES</u></b>				
Contributions	\$ 306,415	294,912	11,503	3.9
Benefits	277,583	275,498	(2,085)	(0.8)
TeamCare administrative fees	8,159	7,715	(444)	(5.8)
General and administrative expenses	9,513	9,513	0	-
Change in net assets before net investment income(loss)	11,160	2,186	8,974	N/A
Net investment income(loss)	50,527	54,985	(4,458)	N/A
Change in net assets	<u>\$ 61,687</u>	<u>57,171</u>	<u>4,516</u>	N/A

**OPERATING STATISTICS**

Benefits paid to contributions	94.2 %	98.9 %
General and administrative expenses to:		
Contributions	3.1 %	3.2 %
Benefits paid	3.3 %	3.3 %
Two-month average FTEs	81,905	82,075
Contributions per average FTE	\$ 3,741	3,593
Benefits paid per average FTE	\$ 3,525	3,554

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Central States, Southeast and Southwest Areas Health and Welfare Fund  
 Executive Summary of Current and Projected Operations  
 March 31, 2013  
 (Dollar amounts in thousands)

	Actual through	April	Projection	Year Ending
	March 2013	2013	Remainder of 2013	December 2013
Contributions	\$ 306,415	98,100	880,685	1,285,200
Benefits	277,583	105,300	773,517	1,156,400
TeamCare administrative fees	8,159	2,600	21,041	31,800
General and administrative expenses	9,513	3,300	26,187	39,000
Change in net assets before net investment income(loss)	11,160	(13,100)	59,940	58,000
Net investment income(loss)	50,527	6,600	52,973	110,100
Change in net assets	\$ 61,687	(6,500)	112,913	168,100

Assumptions Used in 2013 Projections

- Contributions - Scheduled contract rate increases and trended FTEs.
- Benefits - Overall cost increase of 7% per FTE.
- General and administrative expenses - Actual expenses to date plus 2% increase over 2012 expenses for remaining months.
- Investment income - Actual return earned to date plus remaining months annualized return of 4%.

Central States, Southeast and Southwest Areas Health and Welfare Fund  
Statement of Net Assets  
(In thousands)

	March 31, 2013	2012	December 31, (1) 2011	2011
<b>ASSETS</b>				
Investments:				
United States government and government agency debt	\$ 1,240,755	1,233,667		1,044,203
Corporate debt	250,668	193,220		245,039
Common stock index fund	505,188	471,391		447,450
Total investments	<u>1,996,611</u>	<u>1,898,278</u>		<u>1,736,692</u>
Receivables:				
Employer contributions, less allowance for uncollectible contributions (2)	113,948	116,419		110,947
Other, primarily investment related	6,629	132,149		118,342
Total receivables	<u>120,577</u>	<u>248,568</u>		<u>229,289</u>
Cash	172	337		193
Assets held in securities lending program	22,591	251,903		228,049
Other, primarily furniture and equipment - net	2,859	2,512		2,196
Total assets	<u>2,142,810</u>	<u>2,401,598</u>		<u>2,196,419</u>
<b>LIABILITIES</b>				
Estimated benefits (3)	199,437	210,543 (4)		217,874
Liability to return collateral held under securities lending agreements	23,382	252,747		228,969
Checks drawn against future deposits	5,451	4,378		4,390
Payable for securities purchased	33,003	128,443		91,759
Accounts payable and accrued expenses	23,068	8,705		8,745
Total liabilities	<u>284,341</u>	<u>604,816</u>		<u>551,737</u>
<b>NET ASSETS</b>	<u>\$ 1,858,469</u>	<u>1,796,782</u>		<u>1,644,682</u>

- Note(s):
- (1) Does not include final year end adjustments.
  - (2) Allowance for uncollectible contributions: \$ 1,340
  - (3) Includes estimated claims liability adjustments: 0
  - (4) Includes 2012 claims of \$1.1 million paid in January 2013.

Central States, Southeast and Southwest Areas Health and Welfare Fund  
Statement of Changes in Net Assets  
(In thousands)

	March		Three Months Ended March	
	2013	2012	2013	2012
Contributions	\$ 117,589	113,222	306,415	294,912
Benefits and expenses:				
Benefits paid	91,272	97,053	288,689	291,725
Changes to liabilities for benefits	0	0	(11,106)	(16,227)
TeamCare administrative fees	2,641	2,558	8,159	7,715
General and administrative expenses	3,224	3,319	9,513	9,513
Total benefits and expenses	<u>97,137</u>	<u>102,930</u>	<u>295,255</u>	<u>292,726</u>
Change in net assets before net investment income(loss)	20,452	10,292	11,160	2,186
Investment income(loss):				
Interest and dividends	2,649	3,211	8,969	9,964
Realized and unrealized gain(loss) on investments, net	16,531	8,011	41,761	45,156
Investment expenses	(69)	(62)	(203)	(155)
Net investment income(loss)	<u>19,111</u>	<u>11,160</u>	<u>50,527</u>	<u>54,985</u>
Change in net assets	39,563	21,452	61,687	57,171
NET ASSETS:				
Beginning of period	<u>1,818,906</u>	<u>1,680,401</u>	<u>1,796,782</u>	<u>1,644,682</u>
End of period	<u>\$ 1,858,469</u>	<u>1,701,853</u>	<u>1,858,469</u>	<u>1,701,853</u>

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Central States, Southeast and Southwest Areas Health and Welfare Fund  
Statement of Changes in Net Assets  
(In thousands)

	Years Ended			
	2012 (1)	2011	2010	2009
Contributions	\$ 1,228,392	1,201,584	1,134,495	1,137,257
Benefits and expenses:				
Benefits paid	1,106,476	1,029,861 (2)	946,476 (3)	984,203
Changes to liabilities for benefits	(7,331)	14,402	9,287	(515)
TeamCare administrative fees	31,588	30,775	29,413	29,203
General and administrative expenses	38,556	37,612	36,309	36,104
Total benefits and expenses	<u>1,169,289</u>	<u>1,112,650</u>	<u>1,021,485</u>	<u>1,048,995</u>
Change in net assets before net investment income(loss)	59,103	88,934	113,010	88,262
Investment income(loss):				
Interest and dividends	41,026	42,384	37,046	39,171
Realized and unrealized gain(loss) on investments, net	52,709	18,651	57,400	59,680
Investment expenses	(738)	(718)	(634)	(546)
Net investment income(loss)	<u>92,997</u>	<u>60,317</u>	<u>93,812</u>	<u>98,305</u>
Change in net assets	152,100	149,251	206,822	186,567
<b>NET ASSETS:</b>				
Beginning of period	<u>1,644,682</u>	<u>1,495,431</u>	<u>1,288,609</u>	<u>1,102,042</u>
End of period	<u>\$ 1,796,782</u>	<u>1,644,682</u>	<u>1,495,431</u>	<u>1,288,609</u>

Note(s):

(1) Does not include final year end adjustments.

(2) Includes \$5,717 received for 2011 ERRP.

(3) Includes ERRP reimbursements of \$16,983 for 2010.

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Central States, Southeast and Southwest Areas Health and Welfare Fund  
Statement of Cash Receipts and Disbursements  
(In thousands)

	March		Three Months Ended March	
	2013	2012	2013	2012
Operations:				
Contributions	\$ 97,234	91,469	310,390	294,894
Benefits paid, net (1)	(82,243)	(85,233)	(265,754)	(270,587)
	14,991	6,236	44,636	24,307
Payroll	(1,657)	(1,702)	(4,751)	(4,848)
Employee benefits	(693)	(680)	(2,268)	(2,209)
Fees and services (primarily TeamCare)	(3,048)	(2,618)	(9,043)	(8,159)
Rent	(166)	(161)	(495)	(483)
Office	(410)	(359)	(1,261)	(1,280)
Other	172	(1,836)	355	(28)
	(5,802)	(7,356)	(17,463)	(17,007)
Net from operations	9,189	(1,120)	27,173	7,300
Investments, net	(9,065)	758	(27,338)	(7,439)
Change in cash	124	(362)	(165)	(139)
Cash:				
Beginning of period	48	416	337	193
End of period	\$ 172	54	172	54

Notes:

(1) Includes change in overdraft of:

\$	334	105	1,073	350
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Central States, Southeast and Southwest Areas Health and Welfare Fund  
Statement of Cash Receipts and Disbursements  
(In thousands)

	Years Ended			
	2012	2011	2010	2009
Operations:				
Contributions	\$ 1,221,581	1,179,951	1,131,181	1,146,400
Benefits paid, net (1)	<u>(1,105,563)</u>	<u>(1,021,138)</u> (2)	<u>(955,479)</u> (3)	<u>(984,650)</u>
	116,018	158,813	175,702	161,750
Payroll	(18,733)	(19,065)	(18,218)	(18,490)
Employee benefits	(9,024)	(8,935)	(9,033)	(8,666)
Fees and services (primarily TeamCare)	(34,709)	(33,352)	(31,680)	(31,677)
Rent	(1,941)	(1,556)	(1,595)	(1,708)
Office	(4,427)	(4,200)	(3,770)	(3,844)
Other	(1,650)	(485)	(1,115)	(566)
	<u>(70,484)</u>	<u>(67,593)</u>	<u>(65,411)</u>	<u>(64,951)</u>
Net from operations	45,534	91,220	110,291	96,799
Investments, net	<u>(45,390)</u>	<u>(91,494)</u>	<u>(110,326)</u>	<u>(96,527)</u>
Change in cash	144	(274)	(35)	272
Cash:				
Beginning of period	193	467	502	230
End of period	<u>\$ 337</u>	<u>193</u>	<u>467</u>	<u>502</u>

Notes(s):

- (1) Includes change in overdraft of: \$ (12)
- (2) Includes ERRP reimbursements of \$13,799. 1,250
- (3) Includes ERRP reimbursement of \$8,901. (793)
- (4) Includes rent abatement of \$270. (971)
- (5) Includes unused building improvement allowance of \$248.
- (6) Includes rent abatement of \$537.



# Central States Health and Welfare Fund

## Full Time Equivalents vs. Retirees

### June 2007 Through February 2013

