



## Open Enrollment 2007

The *FlexSolutions* 2007 Open Enrollment will take place from **October 23 through November 10**. This is your annual opportunity to make new benefit elections under *FlexSolutions* for the coming calendar year. Please look for your Open Enrollment materials in mid- to late-October.

Despite continuing increases in health care costs, A&B strives to keep its benefits program in line with our industry while offering comprehensive coverage at a level that everyone can afford. To do that, we benchmark our benefits program against other peer companies and make targeted benefit and employee contribution changes when necessary.

### Changes for 2007

**Benefits:** For 2007, there will be no benefit changes to our benefit plans.

**Employee Contributions:** In 2007, the CIGNA High Option Open Access Plus Plan premium rate will increase by 19.6%, the Low Option Open Access Plus Plan by 19.6%, the CIGNA HMO plan by 8.2%, and Kaiser by 22%. Although these increases will be primarily paid by the Company at approximately 80%, it will also affect your contribution since you are sharing the costs at the 20% level.

### Take Control of Medical Costs

With medical costs continuing to grow at a faster pace than the inflation rate, it is more important than ever to take advantage of the cost-saving features of your medical plan. Here are some familiar tips to help you get the maximum benefits of the plan. Remember, the providers and your plan can only do so much to keep the cost down. You, as a consumer, have direct control over how you use the benefit and can make a big difference by practicing the following:

- **Always use network providers** since they agree to charge plan members lower, contracted rates for their services than non-network providers. The best way to find out if providers participate in the network is to ask them.
- **Ask for generic drugs** instead of the more expensive brand name drugs. Generics contain the same active ingredients as their brand name counterparts, but usually cost significantly less.
- **Use the mail order program** for prescription drugs you take on a daily basis (a mail order service is available under all of the CIGNA medical plans). You'll pay less money for a larger supply and your medication will be delivered to your home in usually five business days or less.
- **Take care of yourself and get regular checkups.** Physical exams and screenings are key to preventing health risks from developing into serious medical conditions. All of A&B's medical plans offer excellent preventive care benefits. All providers offer free or discounted health and wellness programs such as weight loss and nutrition, smoking cessation, chronic care management, and exercise classes. Check your provider's website for more information.
- **Use emergency services wisely.** For example, if you have minor cuts that don't require stitching, call the nurse line or refer to the provider handbooks (Healthwise, etc.) or your provider's website for first aid or treatment information.

Remember, you are in control of your health and health-related costs. Using services wisely and staying healthy helps reduce your out-of-pocket medical costs, saves money for the plan, and contributes to the profitability of the Company.

## October 2006 Mainland Employees

In 2004, A&B and Matson began a three-year strategy to bring employee contributions to an average of 20% of the Company's health care costs. This was achieved through a combination of benefit and cost-sharing adjustments.

Before that time, employee contribution levels were significantly below both national and industry standards. If no action was taken, our health care costs would have negatively impacted the Company's profitability.

Now we ask that you do your part by staying healthy and taking advantage of cost-saving features designed to save you and the Company money.

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*This bulletin is an employee publication of Alexander & Baldwin, Inc., produced by the A&B Benefits Department in conjunction with the Human Resources Departments of various A&B subsidiaries. It contains brief highlights only. A&B reserves the right to amend or terminate all or any part of its benefits program at any time. In case of any conflict between the information in this bulletin and the official plan documents, the official plan documents will govern.*