



Alexander & Baldwin, Inc.

FLEXSOLUTIONS

October 2007
Hawaii Employees

Open Enrollment Is on the Way!

The *FlexSolutions* 2008 Open Enrollment will take place from **October 22 through November 9**. This is your annual opportunity to review your current enrollment, make changes to your benefit elections, and add or remove dependents from coverage under *FlexSolutions* for the coming calendar year. This bulletin describes changes to *FlexSolutions* for 2008. Additional materials will be sent to you in mid- to late-October.

Changes to HMSA

- **All HMSA medical plans:** The prescription drug brand name copayment at retail pharmacies will increase from \$20 to \$30. The mail order brand name copayment will increase from \$40 to \$60. Generic drugs will remain at \$10 and \$20, respectively.
- **HMSA HealthLink:** Benefits for hearing exams received from a participating non-network provider or a non-participating non-network provider will be paid at 50% after the annual deductible instead of 75% or 70%, respectively. Benefits for hearing exams at network providers will still be paid at 100% after a \$14 copayment.

Changes to Kaiser

- The annual out-of-pocket maximum will increase from \$1,500/person and \$4,500/family to \$2,000/person and \$6,000/family (the family limit applies for families of three or more members).
- The emergency room copayment will increase from \$25 to \$50.
- There will be a new hospital inpatient copayment of \$50 per day.
- The vision care exam copayment will increase from \$12 to \$14.
- There will be a 10% coinsurance for lab, imaging, and testing.
- The prescription drug copayment will increase from \$10 to \$14.

Employee Contributions

Medical and prescription drug coverage costs continue to increase at higher rates than all other benefit plans, and we are pleased when there are only modest rate increases to our medical plans. In 2008, the HMSA PPO premium rates will increase by 12%, the HMO plan by 19%, the POS (HealthLink) plan by 17% and Kaiser by 1.5%.

Since A&B pays an average of approximately 80% of the medical plan cost, the Company will absorb the majority of the increase. Your 20% contribution share will also increase; the actual amount of your increase will depend on what plan you elect and the number of dependents you cover.

How A&B Benefits Compare

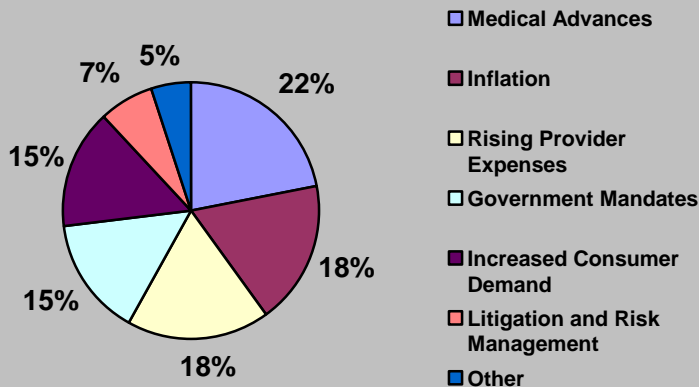
A&B offers one of the most generous benefit programs in our industry.

However, to combat rising costs, employee contributions were increased in past years to be more in line with industry trends. By making incremental annual adjustments to employee contributions over a number of years and by implementing cost saving features, we have been able to keep employee contributions for both 2007 and 2008 at modest levels.

Look for Your Open Enrollment materials in mid- to late-October

- *FlexSolutions* benefits brochure
- Medical plan comparisons
- Personalized worksheet
- And more!

What's Driving up Health Care Costs?



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.

What You Can Do to Help Manage Medical Costs

There are two basic, but very important ways you can help control medical coverage costs: Make wise health care purchases and focus on getting and staying healthy. Here are helpful tips to get the most out of your medical plan:

- **Choose the medical plan** that meets your needs for the coming Plan Year.
- **Compare** all of the benefits available to you, especially those available through your spouse's employer's plan.
- **Ask your doctor for an available generic drug** instead of a brand name drug.
- **Use the mail order drug plan** for medications you or your dependents take on an ongoing basis.
- **Get regular check ups** using your medical plan's preventive care and health screening tests to stay healthy. Check ups can also play a key role in the early detection and/or prevention of a serious illness.
- **Be an active partner with your doctor** by learning more about a health condition you may have.
- **Lower your taxes by taking advantage of the Health Care Reimbursement Account** to pay for your out-of-pocket health care expenses.

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.