

# The Guardian

Los Angeles Police Relief Association, Inc.



Volume 31, Number 1

First Quarter 2012

## LAPRA 2011 Financial Update

By *Tim McBride*

2011 was marked by volatility and uncertainty in the financial markets. When we have such a volatile year, I often hold my breath waiting for a year-end rally. We close the books on 2011 as a year of hope... but no return.

The overall return in 2011 on LAPRA managed funds was -0.05%. Here is a breakdown on the 2011 return by type of fund:

In a previous edition of the Guardian, I mentioned that if I had just one or two mutual fund choices to invest in it would be Vanguard Wellesley or Vanguard Wellington. As you can see in the table above, they equipped themselves well in 2011.

An article in the January 8, 2012 LA Times Business section reflected on the three bear markets from 1929 – 1949, 1966 – 1982 and the current one from 1999 to present

and pondered “what will bring us out of the current bear market”. Recovery may be underway as the first part of 2012 has been stellar. It’s not clear yet however, whether we have embarked on a new series of profitability given the clouds on the horizon; jobs, the economy, and international turmoil including war between Israel and Iran as written by Steve Forbes in a recent editorial.

As we move forward in 2012, we hope that war can be avoided and the bull market we are currently enjoying continues. Technically (using charts, graphs and momentum), as I write this in mid march, stocks, bonds, oil and the dollar are in a bull market. Gold and 20-year bonds are neutral. Fundamentally, company profits and earnings, the PE (price earnings) ratio on the S&P 500 is 16. A PE ratio of 10 or below is considered undervalued, while a PE ratio of 20 is considered overvalued. So by that measure, the S&P 500 is fairly valued. So we hope and pray for peace and prosperity throughout 2012.

Fund	Percent of Portfolio	2011 Return
Short-term Government Bonds	40%	2.18%
Short-term Investment Grade Bonds	20%	1.75%
Mid Cap Blended Growth/Value	25%	-4.17%
Foreign Mid Cap Value	15%	-15.60%

Some examples of LAPRA-held 2011 fund performance are as follows:

Mutual Shares Global Discovery Z	-2.68%
First Eagle Global A	-0.19%
Vanguard GNMA	+7.68%
Pimco Total Return	+4.68%
Vanguard Select Value	+0.82%
Vanguard Wellesley	+9.63%
Vanguard Wellington	+3.85%

## 2012 Open Enrollment Q&As

This year's open enrollment period for all medical and dental plans offered by the Los Angeles Police Relief Association (LAPRA) to its members is May 1 through May 31, 2012. This is the annual period during which members may make changes to their medical and/or dental plans, by changing plans or adding or deleting eligible dependents.

Please look for your open enrollment packet in the mail during the first week of May 2012 and call LAPRA at (213) 674-3701 or (888) 252-7721 if you do not receive it. If you have moved and did not previously complete an address change form with LAPRA, please call us immediately.

Here are answers to some frequently asked questions about open enrollment:

### Q: What documents are needed to add my eligible dependents to my insurance plans?

**A:** Once you receive the forms from LAPRA, you will need to submit the following document(s):

**Child:** a copy of the certified birth certificate (or commemorative hospital certificate listing the names of both parents)

**Spouse:** a copy of the certified marriage certificate

If you do not have a copy of the certified certificate at the time of enrollment, you may complete and submit a verification of birth or marriage form. You will then have 60 days from your dependent's coverage effective date to submit a copy of the required certified certificate. If you fail to submit the required certificate within the 60-day period, your dependent's coverage will automatically be canceled on the first day of the month following the expiration of the 60-day period. You will then be required to wait until the next open enrollment period to re-enroll your dependent and submit the copy of the certified certificate.

### Q: How do I add my domestic partner to my medical and/or dental plans?

**A:** First request an affidavit to add your domestic partner by calling:

**Active Members:** the City Employee Benefits Department at (213) 978-1640

**Retired Members:** the Pension Department at (213) 978-4529

Next, call LAPRA to request the necessary medical and dental enrollment forms. Please be aware that even though you may complete an affidavit, addition of your domestic partner to your medical and dental plans is not automatic. You also need to make sure that the plan enrollment forms are completed and mailed to LAPRA.

### Q: How will I know my dependent has been added to my coverage?

**A:** Once LAPRA receives your completed forms and any required documentation, you will receive a confirmation letter advising you of the name of the dependent that was added and the effective date. If you do not receive a confirmation letter,



please call our office to inform a benefits representative at (213) 674-3701 or (888) 252-7721.

### Q: Do I have to cancel my cash-in-lieu benefits if I enroll in a LAPRA medical plan?

**A:** Yes. If you enroll in a LAPRA medical plan, you will need to contact the City Personnel Department at (213) 978-1584 to cancel your cash-in-lieu benefits. You will not be able to get on payroll for your medical benefits until the cash-in-lieu is canceled.

### Q: What happens to my medical plan if I move out of state?

**A:** Your PPO medical plan is the same regardless of the state in which you reside. If you are covered by the Blue Cross CaliforniaCare HMO or Kaiser HMO, you will need to change to the PPO plan.

### Q: Under the Blue Cross CaliforniaCare HMO plan, can I see any specialist I want?

**A:** No. Your primary care physician will make the decision whether to refer you to a specialist and who that specialist will be.

**Q: When does my Blue Cross PPO deductible start?**

**A:** The Blue Cross PPO plan has a calendar year deductible (January 1 through December 31). Even though you may enroll in the plan July 1, the deductible starts over again in January. Any covered expense applied to your calendar year deductible during the last quarter of the calendar year (October 1 through December 31) will also be applied toward your calendar year deductible for the next year.

**Q: Can I change my medical plan election after the open enrollment period has closed?**

**A:** No. If your change is received by LAPRA and is postmarked after May 31, 2012 (the last day of the open enrollment period), it will not be processed and you will have to wait until the 2013 open enrollment period to make your change.

**Q: What if I enroll in the Anthem CaliforniaCare HMO medical plan or the Anthem HMO dental plan and don't indicate a medical group or a dental office number on the enrollment form?**

**A:** If you do not list a medical group or dental office number on your enrollment form, Anthem will automatically assign you to one within 30 miles from your home address. If you're not satisfied with Anthem Blue Cross' selection, you should call Anthem Blue Cross Customer Service at (800) 289-2250 to request a medical group change or dental office change.

**Q: If I change my Blue Cross plan from the PPO to the CaliforniaCare HMO, can I keep my same primary care doctor?**

**A:** Only if your doctor is your primary care doctor under the medical group you select when you enroll in the HMO.

**Q: What is the "Plus" portion of the Blue Cross CaliforniaCare HMO plan?**

**A:** Under the "Plus" benefits, you have the option to choose providers outside the CaliforniaCare HMO network for certain outpatient services and still receive limited benefits for those services. See the Blue Cross CaliforniaCare Evidence of Coverage booklet for details, or call a LAPRA benefits representative.

**Q: I have a child who is under age 26 and not a full-time student. May I add my child to my LAPRA plans?**

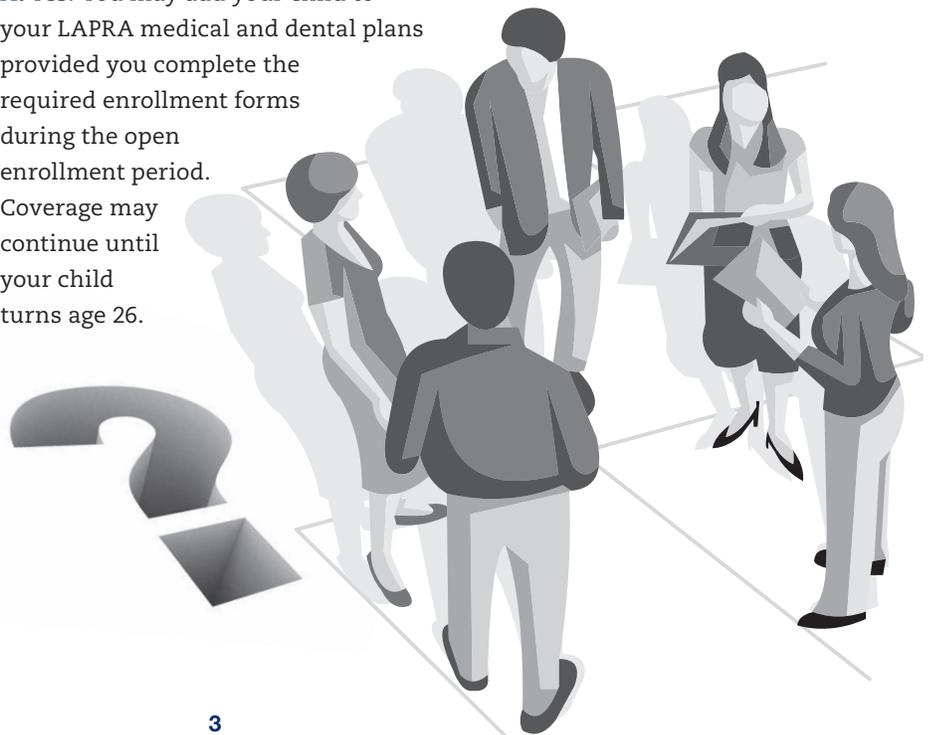
**A:** Yes. You may add your child to your LAPRA medical and dental plans provided you complete the required enrollment forms during the open enrollment period. Coverage may continue until your child turns age 26.

**Q: If my spouse or domestic partner is a sworn active or retired LAPD officer, may we both enroll in the same medical and dental plans and have dual coverage?**

**A:** No. You are eligible to enroll for coverage as either a member or as a dependent, but not both. Your children may be covered as the family members of either you or your spouse, but not both.

**Q: How will I know the amount of my new retiree medical subsidy and when will I start receiving it?**

**A:** Subsidy changes for Medicare eligible retirees are made effective January 1st of each year. Subsidy changes for non-Medicare eligible retirees are made effective July 1st of each year. You should call the Pension Department Medical and Dental Benefits section at (213) 978-4560 for the amount of your new subsidy. ■



# Inside This Issue

LAPRA Financial Update ..... 1  
 Open Enrollment Q&As..... 2  
 New LAPRA Website Coming Soon ..... 3

## Medical & Dental Plans Open Enrollment Coming Soon

This year’s open enrollment period for the medical and dental plans offered by LAPRA is May 1 through May 31, 2012. This is the annual period when members can change medical and/or dental plans, and add or delete eligible dependents. See pages 2 and 3 for questions and answers about Open Enrollment.

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