

January 27, 2009

TO: Plan Participants

FROM: David S. Clay
Plan Administrator

RE: Medical Benefit Plan, Annual Report

Summary annual report for Grinnell College Medical Benefit Plan - Retiree Group (507)

This is a summary of the annual report for the Grinnell College Medical Benefit Plan (the Plan), #42-0680387, for the period beginning July 1, 2007 and ending June 30, 2008. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Grinnell College has committed to pay all medical claims incurred under the terms of the Plan.

INSURANCE INFORMATION

The Plan has a contract with Wellmark, Blue Cross and Blue Shield of Iowa to pay medical claims in excess of \$75,000 and yearly aggregate claims in excess of 125% of the expected liability incurred under the terms of the Plan. The total premiums paid for the contract year ending December 31, 2007 was \$588,310.

Because it is a so called "experience-rated" contract, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the contract year ending December 31, 2007, the premiums paid under the "experience-rated" contract was \$588,310 and the total of all benefit claims paid under the experience-rated contract during the plan year was \$481,560. The Plan also incurred excess liability insurance expenses of \$56,953, administrative service fees of \$49,720 and state taxes of \$77.00.

BASIC FINANCIAL STATEMENT

Benefits under the Plan are provided by a trust fund and insurance.

Plan expenses were \$515,971.

The expenses included \$37,935 in administrative expenses and \$478,036 in benefits paid to participants and beneficiaries.

The value of the Plan assets, after subtracting liabilities, was -\$3,865,273 as of June 30, 2008 compared to -\$3,985,080 as of July 1, 2007. During the plan year, the Plan experienced a decrease in net liabilities of \$119,807. The decrease included unrealized appreciation (depreciation) in the value of plan assets; that is, the difference between the value of plan assets at the end of the year and the value of the plan assets at the beginning of the year and/or the cost of plan assets acquired during the year. In addition, the decrease in net liabilities was largely due to a decrease in the actuarial calculation of the Accumulated Post Retirement Benefit Obligation (APBO). During the plan year, the plan had total income of \$635,778, including employer contributions of \$323,517, retiree contributions of \$248,688, earnings from investments of \$7,728 and a decrease in the APBO of \$55,845.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. an accountant's report;
2. financial information and information on payments to service providers;
3. insurance information, including sales commissions paid by insurance companies;
4. assets held for investment; and
5. transaction in excess of 5% of plan assets.

To obtain a copy of the full annual report, or any part thereof, write or call the Office of the Treasurer, Grinnell College, 733 Broad Street, Grinnell, IA 50112-1690 (641) 269-3500. The charge to cover copying costs will be \$0.00 for the full annual report or \$0.00 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the Plan (Office of the Treasurer, Old Glove Factory, Grinnell College, 733 Broad Street, Grinnell, IA 50112-1690) and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department of Labor should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.