

I, Willie J. Powell, Executive Director of the City of Ann Arbor Employees' Retirement System, hereby certify that the following is a true and correct copy of a resolution adopted by the Board of Trustees:

**CITY OF ANN ARBOR EMPLOYEES' RETIREMENT SYSTEM
POLICY RESOLUTION**

Adopted: May 21, 2009

Re: Insurable Interest

WHEREAS, the Board of Trustees is vested with the general administration, management and responsibility for the proper operation of the Retirement System, and for construing and making effective the provisions of this Ordinance, and

WHEREAS, Section 1:566 of the Retirement System Ordinance provides in pertinent part that:

...upon the death of a retirant, his reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Board prior to the beginning date of his retirement...

WHEREAS, the Board of Trustees acknowledges that a member may nominate, as an Option II or Option III beneficiary, an individual who has an "insurable interest" in the life of the member, and

WHEREAS, the Board of Trustees is of the opinion that it is in the best interest of the plan's participants and beneficiaries to provide clarification with respect to the term "insurable interest", and

WHEREAS, the Board of Trustees is of the opinion that the term "insurable interest" should be clarified consistent with said Ordinance, and

WHEREAS, the Board by prior resolution recognized domestic partners in accordance with the City's Domestic Partnership Ordinance which has since been rescinded,

WHEREAS, the City has provided benefits to "Other Qualified Adults" since January 2007 and has adopted delineated Other Qualified Adult criteria for participation in the City's Health Care Plan, and

WHEREAS, the Board of Trustees has discussed this matter, therefore be it

RESOLVED, that the Board of Trustees hereby recognizes that the definition of "insurable interest", as contained within the Retirement Ordinance, shall include:

- (1) the spouse of a member;
- (2) the natural or adopted child or children of a member;
- (3) a brother, sister, father, or mother of a member;
- (4) an individual who qualifies as an Other Qualified Adult pursuant to the Other Qualified Adult criteria established by the City to qualify for participation in the City's Health Care Plan at the time of beneficiary designation, it being expressly noted that a change in the relationship between the Member or Retiree and the Other Qualified Adult shall not in and of itself operate to terminate a beneficiary designation, said designation being governed by the terms of the Retirement System; or

- (5) as otherwise determined by the Retirement Board based upon reasonable grounds founded on the relations of the parties, either pecuniary or by blood or affinity.

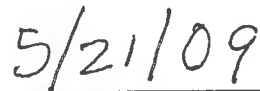
FURTHER RESOLVED, that Members wishing to designate an Other Qualified Adult as their named beneficiary under paragraph (4), shall complete and file with the Executive Director a notarized Other Qualified Adult Affidavit Form (ATTACHMENT A) approved by the Board, and be it

FURTHER RESOLVED, that Members wishing to designate an Other Qualified Adult as their named beneficiary under paragraph (5) above shall complete and file with the Pension Administrator a notarized Insurable Interest Affidavit form (ATTACHMENT B) approved by the Board, and further

RESOLVED, that a copy of this resolution shall be forwarded to all appropriate parties.



Willie J. Powell, Executive Director
City of Ann Arbor Employees' Retirement System



Date