

Ms. Beatriz López-Galvis
HRD General Manager
Inter-American Development Bank
1300 New York Avenue, NW
Washington, DC 20577

March 26, 2024

Dear Beatriz,

On behalf of the Retirees Association of the Inter-American Development Bank, we wish to reiterate our keen interest in collaborating with you and your team in ensuring not only the effective administration of our Medical Insurance Plan, but also, as both beneficiaries of, and contributors to, the Plan, its long-term financial sustainability.

In addition, we would like to reiterate concerns regarding the Plan that we had previously expressed to Bank Management on several occasions—most recently, in our letter to Gustavo de Rosa of December 4, 2023.

We believe that the overall administration of the Medical Insurance Plan could benefit from improvements in its current governance structure, transparency, and information disclosure.

From our recent consultations with external legal counsel, we understand that good practice obligations under ERISA rules for health and welfare plans should be followed with respect to information disclosure to participants. These include: (i) disclosure of plan terms in one document; (ii) prompt dissemination of any changes to plans terms and amendments made in accordance with established procedures; (iii) adherence to strict fiduciary standards; (iv) the provision of copies of certain plan document to participants and beneficiaries on written request; (v) establishment and careful following of claim procedures when processing benefit claims and when reviewing appeals of denied claims.

In an effort to improve the Plan's governance, we respectfully request the following:

- (i) that the Bank modify the current Health Benefits Advisory Committee to make it a more formal, deliberative committee, with participation of representatives of the staff and retirees as key stakeholders so that the Bank can inform, consult and receive feedback before changes are made to the Plan and to ensure appropriate accountability and oversight. While establishing an enhanced committee with these characteristics could potentially generate additional effort for its members, we believe that it is well worth it as it would enable the establishment of formal reporting and deliberations and help to avoid potential claims and petitions from Plan participants. We believe that this committee could be modeled on the Pension Benefits Committee which is responsible for the governance of our pension benefits;
- (ii) that the requirement that all matters be treated as "secret" by Committee members be revisited to allow for greater transparency, while maintaining necessary confidentiality, where warranted;
- (iii) that Plan participants receive a list of the roles and responsibilities of the relevant team members in HRD with whom we will be interacting; and
- (iv) that, consistent with item (iv) of the ERISA good practice obligation, we receive a copy of the relevant contracts, including the one the Bank signed with our Plan administrator with its key performance indicators, and any relevant managerial reports, as we have previously requested.

We believe that improving these aspects of the Plan management and governance are consistent with the IDB's strong commitment to the highest standards of integrity, transparency, and accountability as emphasized throughout its governing documents, financial reports and reported to bond holders and other stakeholders.

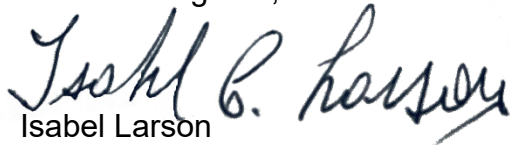
We look forward to working with you on the upcoming survey that will be taken of Plan participants and beneficiaries to understand areas of concern or improvement. Additionally, we offer to facilitate trainings and dissemination of materials to our members. We believe that the more educated and informed our members are, the better able they will be to manage their health care and its associated costs.

In this respect, we believe that participants should be informed that the nature of the CIGNA plan is different from the Indemnity PPO Plan stipulated in our Medical Benefits Manual until December 2022. The current plan and network is a managed plan with strict medical necessity and Pre-authorization requirements (like an HMO) and the Point of Service network is rejected by many providers due to the numerous administrative requirements and poor reimbursements arrangements. We reiterate that despite CIGNA's assertion that 91 % of participant providers are in network, many of our members express concern about their providers and the lack of in-network providers accepting new patients.

We reiterate our request that the IDB pursue with CIGNA that they contract with IDB participants' long-time providers into its network.

As a final note, we'd like to congratulate Bank Management on a successful Annual Meeting, including the approval of the new IDB Group Institutional Strategy. We look forward to our continued collaboration with the Bank as it endeavors to become an even more impactful organization.

With best regards,



Isabel Larson
President

cc: Kai Hertz, President, IDB Staff Association
Jonathan Rose, HRD Principal Specialist