

PROPOSAL OF SHAREHOLDER'S RESOLUTION TO TIAA-CREF

RE: CREF-SOCIAL CHOICE HOLDINGS IN HEALTH INSURANCE COMPANIES

Whereas, we and many other TIAA-CREF participants with holdings in CREF-Social Choice believe that these funds should be invested in socially responsible companies that do not routinely harm individuals and are "managed in an exemplary and ethical manner" (the latter is one of five social criteria listed in the TIAA-CREF Summary Prospectus as factors guiding fund inclusion);

Whereas the inclusion of Aetna, CIGNA, Coventry Health Care, Humana, and Wellpoint violates these expectations;

Whereas, there is ample evidence that the health insurance industry in this country routinely harms individuals and is rife with unethical behavior, as documented by Linda Peeno, M.D., who as a former medical reviewer testified about the harmful and unethical practices of the health insurance industry in 1996 and again on September 16, 2009, before the Oversight and Government Reform Committee;

Whereas, additional testimony has been provided by Wendell Potter, a former executive at both Humana and CIGNA, who wrote about the practices of these companies in his 2010 book *Deadly Spin: An Insurance Company Insider Speaks Out on How Corporate PR is Killing Health Care and Deceiving Americans*;

Whereas, Potter left CIGNA in 2008 after 20 years in the industry and testified to a U.S. Senate Commerce, Science, and Transportation Committee on June 24, 2009 that "insurance companies make promises they have no intention of keeping...flout regulations designed to protect consumers... make it nearly impossible to understand—or even obtain—information needed by consumers... routinely cancel the coverage of policy-holders who get sick, and ...'purge' small businesses when employees' medical claims exceed what underwriters expected (p. 11)";

Whereas, on June 17, 2009, health insurance executives from WellPoint, UnitedHealth Group, and Assurant testified before the U.S. House Subcommittee on Oversight and not only admitted to their company's practice of rescission, or cancelling people's insurance when they become very ill, but refused to stop the practice;

Whereas, health insurance companies make money by denying coverage, raising premiums, and increasing out-of-pocket costs, and spend 15-30% of the healthcare dollar on administrative overhead (including profit, exorbitant executive salaries, and marketing costs) compared to less than 2% for traditional Medicare;

Whereas, these practices result in spiraling healthcare costs, worsening health, premature loss of life, and bankruptcy for countless Americans;

Whereas, given the injustices perpetrated by this industry, it is no surprise that a majority of Americans support a Medicare for All system (Kaiser Health Tracking Poll, July 2009);

Whereas, a single-payer, Improved Medicare for All system would provide excellent coverage to all by taking the private health insurance companies out of the equation and putting the needs of patients before profit;

THEREFORE BE IT RESOLVED that the participants request that TIAA-CREF exclude health insurance companies from the portfolio fund of CREF-Social Choice, in accordance with reasonable expectations for socially responsible investing.

Submitted by:

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