



Email Alert

September 29, 2009

GM retirees are now receiving letters from the Garden City Group with instructions for the filing of individual claims of loss related to the GM bankruptcy.

While GMRA cannot give individualized legal or financial counsel, and there is no action required, we believe that no harm can result from filing a claim for the value of lost non-qualified pension, health care and life insurance benefits during the period leading up to, and resulting from, the bankruptcy.

Most retirees were affected by significant decreases to life insurance and over 65 retirees lost all health insurance as of January 1, 2009. We have yet to learn of the extent of “substantially increased” costs for under 65 health and prescription and know that this group will also lose dental, vision and extended care coverage. Executive retirees were affected by changes to the non-qualified Executive Retirement Program.

Determining the loss is fairly straight forward for life insurance – use the value of the insurance you had prior to the bankruptcy. For executive pension losses, multiply the monthly loss by the number of months remaining in the annuity or use actuarial tables available at the Social Security website for lifetime benefits.

Health care is a bit tougher. We are working to determine the cost to the Old GM for health care, dental, vision and extended care coverage benefits in a manner that can be used individually to calculate a claim. We will advise you when we have more information on this element.

As you might suspect, filing a claim will not guarantee that you will receive compensation for these losses. The Unsecured Creditors' Committee of the Old GM (Motors Liquidation Company) will be sorting through literally thousands of claims, and it is generally expected that claimants will only receive pennies on the dollar -- if anything at all.

We do suggest that retirees file separate claims for pension, health care and life insurance losses. This may increase the likelihood of one or more claims resulting in some recovery.

GMRA is also exploring the potential for filing of a class action claim on behalf of non-Union retirees.

Stay tuned – we’re still working for you!

