The Union Labor Life Insurance Company

8403 Colesville Road
Silver Spring, MD 20910
202.682.0900

A Ullico Inc. Company

May 30, 2018

Trustees of the Warehouse Employees
Union Local No. 730 Health & Welfare Trust Fund
c/o Associated Administrators, LLC
911 Ridgebrook Road
Sparks, MD 21152

Attn: Ms. Alicia Cochran

RE: Renewal for Period Beginning August 1, 2018
Group Contract: SL 10287

Dear Trustees:

We have completed a full review of the current group insurance between The Union Labor Life Insurance Company (Union Labor Life) and the Warehouse Employees Union Local No. 730 Health & Welfare Trust Fund in order to determine any necessary changes for the upcoming renewal period. The following are the terms of our offer for the renewal period that will begin August 1, 2018. Please note that our renewal is contingent upon the receipt of any due and unpaid premium.

Teamsters Group Medical Stop Loss Program

The Stop Loss Insurance for your Fund is currently provided through a special group purchasing arrangement between the International Brotherhood of Teamsters and The Union Labor Life Insurance Company. This Stop Loss program is exclusively provided under a Union Labor Life contract and provides opportunities for dividends, optional claims management and special multi-year offers to help plan sponsors lock in next year's renewal rates on Specific Stop Loss coverage. One of the unique features of the program is that a premium volume dividend will be paid based on the total premium written for the entire program written in a year. For the 2018 year, a premium volume dividend of 5.0% of premium will be paid to your Fund. Note that this dividend will be paid one month after the end of the policy year and will not be available if your Fund were to terminate prior to the completion of the current policy year. We are pleased to provide our Stop Loss renewal proposal under this arrangement. Details of this proposal are provided in the enclosed pages.

Union Labor Life serves the union workplace with specialized Life and Health insurance products for unions and their members to support the Labor Movement. Our company is a wholly-owned subsidiary of Ullico Inc. with a solid financial position, currently rated B++ (Good) by A.M. Best, the impartial reporting firm that rates insurance companies on financial stability management.

Stop Loss Renewal

Our renewal rating is based on the overall experience of our stop loss business, adjusted for industry inflationary trends, as well as for the demographics, plan design, network discounts, managed care programs and claims experience of the particular group.

In order to continue providing the Specific Stop Loss insurance at the current $500,000 specific deductible Level, we are proposing to increase the total liability by 5.0% for the next contract year effective August 1, 2018.

	Current	***Renewal***
Specific Level	***$500,000***	***$500,000***
Billed Premium	*$68,012*	*$73,890*
Aggregating Deductible	*$50,000*	*$50,000*
Total Liability	*$118,012*	*$123,890*
Renewal Adjustment		*5.0% increase*

Note that our stop loss renewal proposal is *Preliminary* and subject to our receipt of updated disclosure reports in accordance with the enclosed Stop Loss Disclosure Instructions. Our review of the disclosure reports will enable us to determine if there are any known claim risks that will require higher deductibles, i.e., lasers or alternate coverage terms. In order to identify all possible claimants, information must be obtained from both the Claims Administrator as well as the UR and Case Management vendors. Failure to provide complete and accurate disclosure information may impact the coverage provided under the Stop Loss policy. Upon receipt of the completed disclosure reports, the Company will assess all data, new and previously reported, and will provide a Final Terms Proposal that will reflect the rates, factors and terms of coverage. The Company reserves the right to rescind the proposal in its entirety based upon a review of all information submitted during the proposal process.

Summary

Please find attached a summary of the proposed renewal factors, which will be guaranteed for **twelve months**.
Should you have any questions, please contact me

We look forward to continuing our service to the Warehouse Employees Union Local No. 730 Health & Welfare Trust Fund for the coming year.

Sincerely,

Brian Doherty
Regional Sales Manager
(202) 682-6681
bdoherty@ullico.com

cc: Francis Burroughs
cc: Ravi Malhotra

The Union Labor Life Insurance Company
8403 Colesville Rd. Silver Spring, MD 20910

Proposal Type **Teamsters Stop Loss Program - Standard Plan**

Group	**Warehouse Employees Union Local No. 730 H & W Trust Fund**				**27379**
Issuing Carrier	**The Union Labor Life Insurance Company**	Effective	**08/01/2018**	Expiration	**07/31/2019**
Underwriter	**Ravi Malhotra**	Proposal	**05/18/2018**	Valid Thru	**08/15/2018**

INDIVIDUAL EXCESS LOSS COVERAGE

Coverages		Option 1 Medical, Rx Card
Contract Type		**12/15**
Annual Specific Deductible Per Individual		**$ 500,000**
Maximum Plan Period Reimbursement		**Unlimited**
Maximum Lifetime Reimbursement		**Unlimited**
Quoted Rate Per Month	Enrollment	
Composite	**314**	**$ 19.61**
Estimated Annual Premium		**$ 73,890**
Quoted Rate(s) includes Commissions of		**0.00%**
Aggregating Specific Deductible		**$ 50,000**

OVERALL COST SUMMARY

	Option 1
Total Annual Fixed Costs	**$ 73,890**
Variable Costs	**$**
Maximum Annual Liability	**$ 123,890**

Terms and Conditions

TEAMSTERS GROUP MEDICAL STOP LOSS PROGRAM - Standard Plan -- One Year Guarantee

A special group purchasing Stop Loss arrangement will continue through the International Brotherhood of Teamsters (Teamsters) and The Union Labor Life Insurance Company (Union Labor Life). This Stop Loss program is exclusively provided under a Union Labor Life contract and provides opportunities for dividends, optional claims management and special multi-year offers to help plan sponsors lock in next year's renewal rates on Specific Stop Loss coverage. Highlights of the Teamsters Group Medical Stop Loss Program are provided on the attached flyer. The quoted rates in this proposal reflect a one-year rate guarantee.

There are currently two dividend opportunities under the Program:

Premium Volume Dividend

- A percentage of the participating group's annual premium based on the total premium attained for the program will be paid as a dividend at the end of the policy year.
- The current premium volume dividend is equal to 5.0% of annual premium for the participating group policies effective 1/1/2017 through 12/1/2017.
- It is anticipated that the dividend will likely be 5.0% for the policies effective 1/1/2018 through 12/1/2018 program year.
- The group's policy must be in force for the entire year and the maximum dividend is $100,000 for policies written 1/1/2016 and later.
- The policy must renew in order to be eligible for a dividend, unless it is a first year case.

Experience Dividend

- An additional dividend may be paid based on a net loss ratio of 65% or less for the combined claims experience of all the policies participating in the Teamsters Program pool.
- A calculation of the pool's experience will be performed every two years.
- The overall dividend will be allocated to all participating groups in a surplus position.
- The group's policy must be inforce at the time a dividend is declared.

The premium and maximum plan liability factors are based on the data submitted, plus other information furnished relevant to underwriting the risk. Any inaccuracy in the data or statistics submitted will necessitate additional calculations. Variations will, of course, affect results. We will not be bound by any typographical errors contained herein. Subject to the qualifications stated above, the proposed terms are valid for an effective date of 08/01/2018 provided application and deposit premium are submitted before 08/15/2018. Note that producing agent must hold a current and valid life, accident and health license. Quote assumes that claims will be administered by a facility which has been approved by the underwriting agency.

PRELIMINARY COVERAGE TERMS

- Our Actively-at-Work / Actively-at-Life requirements will apply until we receive and review updated disclosure reports in accordance with the attached Stop Loss Disclosure Instructions.
- Our review of the disclosure reports will enable us to determine if there are any known claim risks that will require higher deductibles, i.e., lasers or alternate coverage terms.
- In order to identify all possible claimants, information must be obtained from both the Claims Administrator as well as the UR and Case Management vendors.
- Failure to provide complete and accurate disclosure information may impact the coverage provided under the Stop Loss policy.
- **Note that prior to binding coverage we will require identification of all disclosed individuals by their first and last name.**

QUALIFICATIONS

This proposal is based on the information submitted. If it is determined that the information presented for the purposes of underwriting evaluation is inaccurate and/or incomplete, then we reserve the right to re-evaluate and modify the terms prior to binding the risk.

In accordance with the new Healthcare legislation, the Lifetime Maximum reimbursement will now be UNLIMITED on all of our Stop Loss policies. Note however, that the maximum reimbursement limit for the PLAN PERIOD quoted in this proposal will either be aligned with the current annual or lifetime maximum of the underlying self-funded Plan or it will be based on the reimbursement limit has been requested by the Plan Sponsor.

In order for a claim to be considered for reimbursement under the Stop Loss policy, notification must be given to our Company when on a covered person (1) the total claims equals or exceeds the lesser of 50% of the Specific Deductible or $50,000, OR (2) a catastrophic diagnosis has been identified based on the ICD-10 listing included with this proposal. All claims submitted that meet these criteria will be forwarded by our Company to our Medical Claims Settlement Specialists for possible audit review. .

As an optional service, our Company can also attempt to negotiate more cost effective charge levels, where appropriate, in full cooperation with the Claims Administrator or TPA. Note that in order to achieve the best results, all claims meeting these criteria should be submitted to our Company prior to payment by the Claims Administrator or TPA.

This proposal is subject to our underwriting review and acceptance of the provisions, limitations and exclusions contained in the Plan Sponsor's most recent approved Summary Plan Document (SPD) and supplemental amendments.

This proposal is based on the assumption that the Plan Sponsor's Plan Document is in compliance with all federal legislation, including traditional industry provisions and definitions including, but not limited to the following: eligibility, HIPAA, termination provisions, extension for leave of absence or disability, FMLA, subrogation, transplants, COB, exclusions for job related injuries, experimental and cosmetic treatment, usual and customary charges, war, not medically necessary, and traveling outside of the U.S. solely for the purpose of receiving medical care. A copy of the Plan applicable on the effective date, including all supplemental amendments, must be received by our Company within 45 days of the effective date. No policy will be issued or claim paid until the Plan Document and all supplemental amendments have been reviewed and approved by underwriting. Any deviation from the Plan upon which the sold quotation was based may result in a change to the benefits, rates and/or factors.

Underwriting reserves the right to change the terms and/or conditions of coverage when the participation varies by more than 10% and/or a new division is added and/or whenever plan or network changes occur.

Periodic open enrollments for any purpose other than for multiple plan selection or as defined by HIPAA will not be covered under the Stop Loss policy.

Only expenses that are considered medically necessary and not experimental will be covered under our stop loss policy.

The Stop Loss policy will include an Advance Funding (Simultaneous Reimbursement) provision under the Specific Stop Loss Insurance.

The minimum participation requirement is 75% for contributory plans and 100% for non-contributory plans.

Managed Care services, which include Utilization Review and Large Case Management, are required under the self-funded Plan. Underwriting discounts have been applied for these features. If it is determined that these managed care services are not in effect, then underwriting reserves the right to withdraw the rate credit. Our proposal is based on the assumption that these services will be provided by CareAllies.

Quote is based on the current schedule of benefits with utilization of the existing PPO network. Our proposal is based on the assumption that the PPO network will be CIGNA.

The proposed Third Party Administrator (Cigna with Shared Administrative Services with Fund Office) is accepted by our Company.

This proposal is based on the assumption that Actives, COBRA Participants and their eligible dependents will be covered under the Stop Loss policy. All retirees are excluded from stop loss terms.

Any member or dependent who does not enroll in the self-funded health plan during their initial eligibility period, will not be covered under the Stop Loss policy until coverage is elected at their next scheduled **annual** open enrollment.

The proposed rates are net of commissions.

Other than state premium tax, proposed rates are exclusive of any state assessments which may apply. Expenses for taxes, fees and surcharges that may be imposed on the self-funded Benefit Plan by Federal, State or local governments are not covered under either the Specific or Aggregate coverages.

The Stop Loss Policy will be underwritten by The Union Labor Life Insurance Company.