

May 21, 2014

VIA ELECTRONIC MAIL

Ms Alicia Cochran
Account Executive
Warehouse Employees Union Local No. 730 Health and Welfare Fund
911 Ridgebrook Road
Sparks, Maryland 21152-9451

Dear Alicia:

This letter represents our proposed fees for the year 2014, pursuant to Section 2 of the Consulting Agreement between Cheiron and the Warehouse Employees Union Local No. 730 Health and Welfare Fund dated January 1, 2006.

A) Retainer – For 2014, the required Fund valuation can be met with a roll-forward, so a full valuation is not required. Accordingly, the proposed annual fee for 2014 retainer services will be \$4,600.00. The retainer fee covers the following annual valuation services:

- All aspects of producing the annual FASB ASC (formerly SOP 92-6 (as amended)) Actuarial Valuation Report
- Attend one Board of Trustees meeting to present and discuss the report
- Provide information required by the auditor to complete annual filings
- Informal discussions with the Trustees or Fund professionals not exceeding ½ hour each

In addition, there will be a \$615.00 charge for the Retiree Drug Subsidy Attestation pursuant to our agreement dated November 12, 2009.

B) Non-Retainer – With respect to special consulting projects, Cheiron's billing rates during calendar year 2014 will range between \$85 and \$460 per hour.

Please note that the Health and Welfare work **does not** include the calculation of the IBNR. If you need Cheiron to compute an IBNR this could be up to an additional \$3,600.00 per year depending on the format and availability of the data required for the calculation.

Any other requested services may be performed either on a fixed fee basis negotiated in advance or based on hourly billing rates.

Out-of-pocket travel expenses will be charged separately but travel time will not be compensable. We will not bill for expenses for meetings in the Washington, DC metropolitan area.



Ms Alicia Cochran

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If you are agreeable to the above fee structure, please sign below and return a copy for our files.

Sincerely,
Cheiron



Peter R. Hardcastle, FSA, EA
Principal Consulting Actuary

Accepted and Agreed To:
