



Group Dental Service of MD, Inc.
111 Rockville Pike, Suite 700
Rockville, MD 20850

June 2014

Board of Trustees
The Food Employers Labor Relations Association
& United Food and Commercial Workers Health and Welfare Fund
Attn: Mark Federici
Associated Administrators, Inc.
4301 Garden City Drive
Landover, MD 20785

Re: Contract Renewal 2014 - 2015

Dear Trustees,

Group Dental Service, Inc. ("GDS") would like to extend its thanks for the trust you have placed in us to provide dental services for **The Food Employers Labor Relations Association & United Food and Commercial Workers Health and Welfare Fund**. We have strived to fulfill your expectations by providing the highest quality dental care in a manner that ensures cost-effective delivery.

We have reviewed the Fund's utilization and costs for the year of 2013. Based upon our analysis, we are pleased to offer the Fund a **RATE HOLD** through 12/31/2014. Additionally, GDS has waived the Health Insurance Providers Fee for the 2014 plan year, also known as HIF (Health Insurer Fee), which took affect 1/1/2014 in accordance with the Affordable Care Act. This is applied to most forms of health insurance, including dental, and is used to fund premium subsidies and tax credits that were made available in 2014. We have calculated the impact of this fee to be 2.6% of premium.

Because we value your business, we have worked with our Underwriters, and based on our longstanding relationship, GDS proposes the following with regards to the 2014 – 2015 renewal:

- While the fund was scheduled to renew as 1/1/14, GDS has waived the HIF Tax, and any premium increases for the period of 1/1/2014 through 12/31/2014.
- Effective 1/1/2015 – 12/31/2015, GDS will propose a 2.6% premium increase due to the HIF Tax.

As you can see, the increase proposal is solely due to the tax, and will not be requested until the 2015 plan year. We understand the significance of this increase, and look forward to speaking to you. Thank you for your continued trust and confidence. Should you have any questions, please feel free to contact me.

Sincerely,

Dwight D. Hyman
Union, Labor Account Manager
Group Dental Service of Maryland

CC: Bill Jensen, President, Associated Administrators