

INDUSTRY AND LOCAL 338
Pension Fund

PENSION APPLICATIONS SUBMITTED FOR APPROVAL
06/18/2018

NAME	AGE	TYPE OF PENSION	EFFECTIVE DATE	YEARS OF SERVICE	BENEFIT AMOUNT	J&S OPT	LAST EMPLOYER	LAST DAY WORKED
CLARENCE WEAVER	65	NORMAL	02-01-18	18.25	\$2021.02	50%	CROWLEY FOOD INC.	01-05-18

APPROVED BY THE BOARD OF TRUSTEES

BARRY RUSSELL

THERESA BRESTEN

ROBERTA DUNKER

CHRIS PALMER

MICKEY SMITH

ALICIA COCHRAN
ACCOUNT EXECUTIVE

INDUSTRY AND LOCAL 338
Pension Fund

PENSION APPLICATIONS SUBMITTED FOR APPROVAL
July 24, 2018

NAME	AGE	TYPE OF PENSION	EFFECTIVE DATE	YEARS OF SERVICE	BENEFIT AMOUNT	J&S OPT	LAST EMPLOYER	LAST DAY WORKED
David Jordan	65	Statutory	07-01-2018	8.75	\$918.40	N/A	Crowley	06-03-2000
Donald Glover	56	Early	03-01-2018	18.25	\$1,125.72	N/A	Crowley	03-11-2011

APPROVED BY THE BOARD OF TRUSTEES

BARRY RUSSELL

THERESA BRESTEN

ROBERTA DUNKER

CHRIS PALMER

MICKEY SMITH

ALICIA COCHRAN
ACCOUNT EXECUTIVE

INDUSTRY AND LOCAL 338
Pension Fund

August 17, 2018

PENSION APPLICATIONS SUBMITTED FOR APPROVAL

NAME	AGE	TYPE OF PENSION	EFFECTIVE DATE	YEARS OF SERVICE	BENEFIT AMOUNT	J&S OPT	LAST EMPLOYER	LAST DAY WORKED
Irma Musa (surviving spouse of Aldo Musa)	90	Surviving Spouse	06-01-2018	25.00	\$322.25	N/A	Happiness Laundry	05-31-1990
Scott Katen	53	Service 20	12-01-2017	21.75	\$1,553.41	N/A	HP Hood	10-26-2014
Jesus Figueroa	66	Service 35	05-01-2018	35.00	\$2,005.00	75%	College of New Rochelle	Still working

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INDUSTRY & LOCAL 338 PENSION FUND
JULY 1, 2017 THROUGH JUNE 30, 2018
CASH OPERATING STATEMENT

	APRIL	MAY	JUNE	APRIL - JUNE	YEAR TO DATE
Remittances					
Employer Contributions *	274,414.97	307,220.76	263,266.54	844,902.27	3,219,258.16
Withdrawal Liability Principal	4,901.96	4,932.61	5,787.57	15,622.14	61,815.09
Withdrawal Liability Interest	10,374.93	10,344.28	12,034.77	32,753.98	135,304.90
Withdrawal Liability Fee	0.00	0.00	0.00	0.00	4,500.00
Withdrawal Liability - Sound Shore	0.00	0.00	8,656.44	8,656.44	8,656.44
Payroll Audit	0.00	0.00	0.00	0.00	0.00
Payroll Audit Interest	0.00	0.00	0.00	0.00	0.00
Interest- Delinquent Employer	165.18	39.64	0.00	204.82	2,187.27
Interest Income- BNY Mellon	0.00	0.00	0.00	0.00	0.00
Dividend Income	236,551.97	50,890.51	104,619.55	392,062.03	1,939,221.40
SEI Fund Rebate	0.00	37,488.49	0.00	37,488.49	146,819.53
Net Adjustment Per Custodian	0.00	0.00	0.00	0.00	0.00
Total Income **	526,409.01	410,916.29	394,364.87	1,331,690.17	5,517,762.79
Benefit Expenses					
Pension Benefits	681,667.05	665,968.54	666,507.54	2,014,143.13	8,058,604.06
Total Benefit Expenses	681,667.05	665,968.54	666,507.54	2,014,143.13	8,058,604.06
Administrative Expenses					
AA, LLC- Admin. Fees *	9,341.00	9,341.00	9,341.00	28,023.00	108,087.00
Legal Fees	0.00	0.00	7,500.00	7,500.00	30,287.88
Consulting Fees	0.00	0.00	0.00	0.00	0.00
SEI Invest./Custody Fees	0.00	123,130.45	0.00	123,130.45	497,041.71
Fiduciary Liability Insurance	0.00	0.00	0.00	0.00	30,994.00
Year End Audit	0.00	0.00	0.00	0.00	40,000.00
Payroll Audits	0.00	205.00	0.00	205.00	633.75
PBGC Insurance	33,236.00	0.00	0.00	33,236.00	33,236.00
Fidelity Bond Insurance	0.00	0.00	0.00	0.00	1,606.82
Convention & Seminars	0.00	0.00	0.00	0.00	2,420.19
Printing & Stationery	0.00	94.04	0.00	94.04	1,280.65
Postage	0.00	0.00	1.57	1.57	2,029.44
Office Supplies & Expenses	0.00	0.00	14.16	14.16	394.16
Bank Charges	191.40	214.45	190.50	596.35	3,177.72
Meeting Expenses	0.00	0.00	0.00	0.00	257.06
Dues & Membership	0.00	0.00	0.00	0.00	640.62
IFEBP Registration Fee	1,965.00	0.00	0.00	1,965.00	1,965.00
Actuarial Fees	7,356.67	9,824.17	5,889.17	23,070.01	118,776.56
Cyber Liability	0.00	0.00	0.00	0.00	1,469.70
TOTAL EXPENSES	733,757.12	808,777.65	689,443.94	2,231,978.71	8,932,902.32
INCREASE/(DECREASE)	(207,348.11)	(397,861.36)	(295,079.07)	(900,288.54)	(3,415,139.53)

FUND RESERVE AS OF 6/30/18: \$90,811,330.94

* Cash to Accrual

** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for April are 64,149.24 & 43,987.51

** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for May are 77,134.49 & 487,151.54

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**INDUSTRY AND LOCAL 338 PENSION FUND
AUTHORIZATION FOR DISBURSEMENTS
APRIL 30, 2018**

PENSION FUND CHECKING		
CHECK	DESCRIPTION	AMOUNT
	FEDERAL WITHHOLDING TAX (MAY)	57,638.70
	TOTAL PAYMENTS	<u>57,638.70</u>

**INDUSTRY AND LOCAL 338 PENSION FUND
AUTHORIZATION FOR DISBURSEMENTS
MAY 31, 2018**

PENSION FUND CHECKING		
CHECK	DESCRIPTION	AMOUNT
	FEDERAL WITHHOLDING TAX (JUNE)	57,636.70
	TOTAL PAYMENTS	57,636.70

**INDUSTRY AND LOCAL 338 PENSION FUND
AUTHORIZATION FOR DISBURSEMENTS
JUNE 30, 2018**

PENSION FUND CHECKING		
CHECK	DESCRIPTION	AMOUNT
	FEDERAL WITHHOLDING TAX (JULY)	59,694.70
	TOTAL PAYMENTS	<u>59,694.70</u>

Local 338 Delinquency Log

Delinquencies as of 6/30/18

Employer	Month(s) Delinquent
College of New Rochelle	5/18 *
Paraco Gas Corp.	5/18 **

Late Fees

Employer	Pension	Total Balance Owed	Month(s) Owed
Culinart, Inc.	\$29.59	\$29.59	7/15
College of New Rochelle	\$2,546.29	\$2,546.29	3/16-9/16, 11/16, 1/18-5/18
Suburban Propane	\$17.42	\$17.42	2/13-3/13
Friesland Campina USA LP	\$201.71	\$201.71	3/13
Paraco Gas Corp.	\$26.39	\$26.39	3/13, 6/13
Crowley Foods - La Fargeville	\$554.46	\$554.46	8/17, 1/18

Status of Withdrawal Liability Payments as of 6/30/18

Employer	Start Date	Amount of W/L Pymt Mthly	Total # of Pymts Required	Pymts Made to Date	Past Due?	Employer ID#	Date of withdrawal
Sodexo	6/1/2013	\$11,251.86	240	62	No	56	8/31/2012
Suburban Propane	8/1/2013	\$2,545.45	240	60	No	7	5/22/2013
Local 338 Welfare Fund	3/1/2014	\$1,479.58	240	52	No	36	6/30/2013

* College of New Rochelle Paid May Contributions on 7/5/18

** Paraco Gas Paid May Contributions on 7/5/18

Local 338 Pension Fund Employer Contribution Rates

Employer	Employer #	Pen Count	Contract Effective Date	Contract Expiration Date	Total Weekly Pension Rate	*5% Surcharge	**10% Surcharge	Rehab Plan	Current CBA on file	Which Union?
College of New Rochelle <i>Currently in negotiations</i>	9	19	9/1/2009	8/31/2013					No	445
			9/1/2009		130.40					
			9/1/2010		143.60					
			9/1/2011		158.00					
			9/1/2012		174.00					
			11/1/2017		182.70	8.70				
			4/1/2018		200.25	8.70		17.55		
			7/1/2018		208.95		17.40	17.55		
Crowley Foods-LaFargeville	13	90	11/1/2017	10/31/2020	303.98			17.55	Yes	687
			11/1/2018		322.67			18.69		
			11/1/2019		342.58			19.91		
Culinart, Inc. <i>Currently in negotiations</i>	60	19	1/1/2014	12/31/2016					No	445
			1/1/2014		187.53					
			1/1/2015		206.28					
			1/1/2016		226.91					
			11/1/2017		238.26	11.35				
			4/1/2018		255.81	11.35		17.55		
			7/1/2018		267.15		22.69	17.55		
Freisland Campina/ DMV mV Nutritionals	25	57	1/1/2016	12/31/2018					Yes	317
			1/1/2016		205.09					
			1/1/2017		215.09					
			11/1/2017		225.84	10.75				
			1/1/2018		236.34	11.25				
			7/1/2018		247.60		22.51			
L.P. Transportation	43	33	8/16/2016	8/15/2019					Yes	445
			8/16/2016		290.80					
			8/16/2017		305.20					
			11/1/2017		320.46	15.26				
			7/1/2018		335.72		30.52			
			8/16/2018		322.75			17.55		

*5% Surcharge Effective 11/1/17
 **10% Surcharge Effective 7/1/18

Local 338 Pension Fund Employer Contribution Rates

Employer	Employer #	Pen Count	Contract Effective Date	Contract Expiration Date	Total Weekly Pension Rate	*5% Surcharge	**10% Surcharge	Rehab Plan	Current CBA on file	Which Union?
Montefiore New Rochelle <i>Currently in negotiations</i>	50	17	2/26/2013	2/25/2017					No	445
			2/26/2013		193.44					
			2/26/2014		212.78					
			2/26/2015		234.06					
			2/26/2016		TBD					
			11/1/2017		245.76	11.70				
			5/4/2018		263.31	11.70		17.55		
			7/1/2018		275.02		23.41	17.55		
Paraco Gas Corp.	54	7	2/1/2018	1/31/2021					Yes	445
			2/1/2018		245.15			17.55		
			2/1/2019		227.60			18.69		
			2/1/2020		227.60			19.91		
Westchester Local 860 <i>Currently in negotiations</i>	21	1	10/1/2009	9/30/2013					No	445
			10/1/2009		154.17					
			10/1/2010		169.59					
			10/1/2011		186.55					
			10/1/2012		205.21					
			11/1/2017		215.47	10.26				
			4/1/2018		233.02	10.26		17.55		
			7/1/2018		243.28		20.52	17.55		

*5% Surcharge Effective 11/1/17

**10% Surcharge Effective 7/1/18

INDUSTRY AND LOCAL 338 PENSION FUND NUMBER OF ACTIVE MEMBERS & RETIREES RECEIVING BENEFITS JANUARY 2018 - DECEMBER 2018		
MONTH	<u>ACTIVES</u> PENSION	PENSION PAID
January-18	250	687
February-18	244	685
March-18	243	681
April-18	251	684
May-18	243	679
June-18	229	678
July-18		
August-18		
September-18		
October-18		
November-18		
December-18		

INDUSTRY AND LOCAL 338

PENSION FUND

FOURTH QUARTER 2017-18

ADMINISTRATIVE MANAGER'S REPORT

INDUSTRY & LOCAL 338 PENSION FUND
APRIL 2018
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS *

	<u>RATE</u>	<u>PARTICIPANTS</u>	<u>CONTRIBUTIONS</u>
COLLEGE OF NEW ROCHELLE	\$ 200.25	19	\$ 14,618
WESTCHESTER LOCAL 860	\$ 233.02	1	\$ 932
LP TRANSPORTATION	\$ 320.46	34	\$ 53,517
CROWLEY FOODS- LA FARGEVILLE	\$ 303.98	90	\$ 107,001
CULINART	\$ 255.81	19	\$ 19,442
MONTEFIORE NEW ROCHELLE	\$ 245.76	16	\$ 15,729
PARACO GAS	\$ 238.98	7	\$ 6,691
FRIESLAND CAMPINA USA	\$ 236.34	65	\$ 56,485
SUB TOTAL		251	\$ 274,415

TOTAL CONTRIBUTIONS	\$ 274,415
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* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
MAY 2018
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS *

	<u>RATE</u>	<u>PARTICIPANTS</u>	<u>CONTRIBUTIONS</u>
COLLEGE OF NEW ROCHELLE	\$ 200.25	19	\$ 19,024
WESTCHESTER LOCAL 860	\$ 233.02	1	\$ 932
LP TRANSPORTATION	\$ 320.46	33	\$ 42,301
CROWLEY FOODS- LA FARGEVILLE	\$ 303.98	90	\$ 134,359
CULINART	\$ 255.81	19	\$ 19,442
MONTEFIORE NEW ROCHELLE	\$ 263.31	17	\$ 17,115
PARACO GAS	\$ 238.98	7	\$ 6,691
FRIESLAND CAMPINA USA	\$ 236.34	57	\$ 67,357
SUB TOTAL		243	\$ 307,221

TOTAL CONTRIBUTIONS	\$ 307,221
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* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
JUNE 2018
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS *

	<u>RATE</u>	<u>PARTICIPANTS</u>	<u>CONTRIBUTIONS</u>
COLLEGE OF NEW ROCHELLE	\$ 200.25		\$ -
WESTCHESTER LOCAL 860	\$ 233.02	1	\$ 1,398
LP TRANSPORTATION	\$ 320.46	33	\$ 51,594
CROWLEY FOODS- LA FARGEVILLE	\$ 303.98	93	\$ 110,953
CULINART	\$ 255.81	19	\$ 19,442
MONTEFIORE NEW ROCHELLE	\$ 263.31	18	\$ 18,432
PARACO GAS	\$ 238.98		\$ -
FRIESLAND CAMPINA USA	\$ 236.34	65	\$ 61,448
SUB TOTAL		229	\$ 263,267

TOTAL CONTRIBUTIONS	\$ 263,267
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* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
APRIL 2018
EXPENSES

BENEFIT EXPENSES

<u>BENEFIT</u>	<u>RATE</u>	<u>EXPENSE</u>	<u>COMMENT</u>
PENSION BENEFITS		\$ 681,667	
SUB TOTAL		\$ 681,667	

ADMINISTRATIVE EXPENSES

AA, LLC ADMIN FEES *		\$ 9,341	
LEGAL FEES		\$ -	
CONSULTING FEES		\$ -	
SEI INVESTMENT FEES		\$ -	
FIDUCIARY LIAB. INSURANCE		\$ -	
YEAR-END AUDIT		\$ -	
PAYROLL AUDITS		\$ -	
PBGC INSURANCE		\$ 33,236	
FIDELITY BOND INSURANCE		\$ -	
CONVENTION & SEMINARS		\$ -	
PRINTING & STATIONERY		\$ -	
POSTAGE		\$ -	
OFFICE EXPENSES		\$ -	
BANK CHARGES		\$ 191	
TRAVEL EXPENSES		\$ -	
MEETING EXPENSES		\$ -	
DUES & MEMBERSHIP		\$ -	
IFEBP REGISTRATION FEES		\$ 1,965	
ACTUARIAL FEES		\$ 7,357	
CYBER LIABILITY		\$ -	
SUB TOTAL		\$ 52,090	

TOTAL EXPENSES	\$ 733,757
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* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND MAY 2018 EXPENSES

BENEFIT EXPENSES

<u>BENEFIT</u>	<u>RATE</u>	<u>EXPENSE</u>	<u>COMMENT</u>
PENSION BENEFITS		\$ 665,969	
SUB TOTAL		\$ 665,969	

ADMINISTRATIVE EXPENSES

AA, LLC ADMIN FEES *		\$ 9,341	
LEGAL FEES		\$ -	
CONSULTING FEES		\$ -	
SEI INVESTMENT FEES		\$ 123,130	
FIDUCIARY LIAB. INSURANCE		\$ -	
YEAR-END AUDIT		\$ -	
PAYROLL AUDITS		\$ 205	
PBGC INSURANCE		\$ -	
FIDELITY BOND INSURANCE		\$ -	
CONVENTION & SEMINARS		\$ -	
PRINTING & STATIONERY		\$ 94	
POSTAGE		\$ -	
OFFICE EXPENSES		\$ -	
BANK CHARGES		\$ 214	
TRAVEL EXPENSES		\$ -	
MEETING EXPENSES		\$ -	
DUES & MEMBERSHIP		\$ -	
IFEBP REGISTRATION FEES		\$ -	
ACTUARIAL FEES		\$ 9,824	
CYBER LIABILITY		\$ -	
SUB TOTAL		\$ 142,808	

TOTAL EXPENSES	\$ 808,777
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* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND JUNE 2018 EXPENSES
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BENEFIT EXPENSES

<u>BENEFIT</u>	<u>RATE</u>	<u>EXPENSE</u>	<u>COMMENT</u>
PENSION BENEFITS		\$ 666,508	
SUB TOTAL		\$ 666,508	

ADMINISTRATIVE EXPENSES

AA, LLC ADMIN FEES *		\$ 9,341	
LEGAL FEES		\$ 7,500	
CONSULTING FEES		\$ -	
SEI INVESTMENT FEES		\$ -	
FIDUCIARY LIAB. INSURANCE		\$ -	
YEAR-END AUDIT		\$ -	
PAYROLL AUDITS		\$ -	
PBGC INSURANCE		\$ -	
FIDELITY BOND INSURANCE		\$ -	
CONVENTION & SEMINARS		\$ -	
PRINTING & STATIONERY		\$ -	
POSTAGE		\$ 2	
OFFICE EXPENSES		\$ 14	
BANK CHARGES		\$ 190	
TRAVEL EXPENSES		\$ -	
MEETING EXPENSES		\$ -	
DUES & MEMBERSHIP		\$ -	
IFEBP REGISTRATION FEES		\$ -	
ACTUARIAL FEES		\$ 5,889	
CYBER LIABILITY		\$ -	
SUB TOTAL		\$ 22,936	

TOTAL EXPENSES	\$ 689,444
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* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND 2017-18 QUARTERLY RECAP
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INCOME	FIRST 2017	SECOND 2017	THIRD 2018	FOURTH 2018	TOTAL
EMPLOYER CONTRIBUTIONS *	\$ 777,366	\$ 814,630	\$ 782,360	\$ 844,903	\$ 3,219,259
SUPPLEMENTAL CONTRIBUTIONS *	\$ -	\$ -	\$ -	\$ -	\$ -
W/L PRINCIPAL & INTEREST	\$ 59,628	\$ 43,286	\$ 45,831	\$ 48,376	\$ 197,121
W/L FEE	\$ 3,000	\$ -	\$ 1,500	\$ -	\$ 4,500
W/L - SOUND SHORE	\$ -	\$ -	\$ -	\$ 8,656	\$ 8,656
INTEREST INCOME- BNY	\$ -	\$ -	\$ -	\$ -	\$ -
PAYROLL AUDIT & INTEREST	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST & DIVIDENDS	\$ 214,030	\$ 1,104,842	\$ 230,270	\$ 392,266	\$ 1,941,408
SEI FUND REBATE	\$ 35,845	\$ 36,502	\$ 36,984	\$ 37,488	\$ 146,819
NET ADJUSTMENT PER CUSTODIAN	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INCOME **	\$ 1,089,869	\$ 1,999,260	\$ 1,096,945	\$ 1,331,689	\$ 5,517,763

EXPENSES	FIRST 2017	SECOND 2017	THIRD 2018	FOURTH 2018	TOTAL
PENSION BENEFITS	\$ 1,962,538	\$ 2,065,173	\$ 2,016,750	\$ 2,014,144	\$ 8,058,605
AA, LLC ADMIN FEES *	\$ 26,688	\$ 26,688	\$ 26,688	\$ 28,023	\$ 108,087
LEGAL FEES	\$ 7,525	\$ 7,754	\$ 7,509	\$ 7,500	\$ 30,288
CONSULTING FEES	\$ -	\$ -	\$ -	\$ -	\$ -
SEI INVESTMENT FEES	\$ 133,467	\$ 118,998	\$ 121,446	\$ 123,130	\$ 497,041
FIDUCIARY LIABILITY INSURANCE	\$ 30,994	\$ -	\$ -	\$ -	\$ 30,994
YEAR-END AUDIT	\$ -	\$ -	\$ 40,000	\$ -	\$ 40,000
PAYROLL AUDITS	\$ -	\$ 75	\$ 354	\$ 205	\$ 634
PBGC INSURANCE	\$ -	\$ -	\$ -	\$ 33,236	\$ 33,236
FIDELITY BOND INSURANCE	\$ -	\$ -	\$ 1,607	\$ -	\$ 1,607
CONVENTION & SEMINARS	\$ -	\$ 2,420	\$ -	\$ -	\$ 2,420
PRINTING & STATIONERY	\$ 90	\$ 1,052	\$ 45	\$ 94	\$ 1,281
POSTAGE	\$ 521	\$ 1,106	\$ 401	\$ 2	\$ 2,030
OFFICE EXPENSES	\$ -	\$ 380	\$ -	\$ 14	\$ 394
BANK CHARGES	\$ 761	\$ 598	\$ 1,222	\$ 595	\$ 3,176
TRAVEL EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
MEETING EXPENSES	\$ 257	\$ -	\$ -	\$ -	\$ 257
DUES & MEMBERSHIP	\$ -	\$ 641	\$ -	\$ -	\$ 641
IFEBP REGISTRATION FEES	\$ -	\$ -	\$ -	\$ 1,965	\$ 1,965
ACTUARIAL FEES	\$ 34,998	\$ 42,070	\$ 18,639	\$ 23,070	\$ 118,777
CYBER LIABILITY	\$ -	\$ 1,470	\$ -	\$ -	\$ 1,470
TOTAL EXPENSE	\$ 2,197,839	\$ 2,268,425	\$ 2,234,661	\$ 2,231,978	\$ 8,932,903
SURPLUS (DEFICIT)	\$ (1,107,970)	\$ (269,165)	\$ (1,137,716)	\$ (900,289)	\$ (3,415,140)

	FIRST 2017	SECOND 2017	THIRD 2018	FOURTH 2018	AVG. TOTAL
TOTAL ACTIVE PARTICIPANTS	707	743	737	723	728

FUND RESERVE AS OF 6/30/18: \$90,811,330.94

* Cash to Accrual

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**Industry and Local 338 Pension Fund and
Industry & Local 338 Welfare Fund**

CYBER LIABILITY INSURANCE

Policy No. FF106818583CY

September 11, 2018



333 West 34th Street New York, NY 10001-2402
T 212.251.5000 www.segalsi.com

REVISED MEMORANDUM

To: Alicia Cochran
Account Executive

From: Angie Begazo
Insurance Broker

Date: September 11, 2018

Re: Cyber Liability Insurance
Industry and Local 338 Pension Fund and Industry & Local 338 Welfare Fund
Policy No. FF106818583CY

Thank you for the opportunity to provide quotations for this renewal of cyber liability coverage. We recommend renewing coverage with the incumbent carrier, Travelers, based on the broadened scope of coverage, competitive premium, and continuity of coverage.

Please be advised that AXIS provided **indications only**. If coverage is bound with AXIS, then firm prices will be confirmed once their subjectivities are reviewed and accepted.

Our recommendation is based on our analysis of our review of responses from the carriers that provided quotes, as summarized below.

Carrier	Premium	Limit of Liability	Response
Travelers (incumbent)	\$1,787	\$1-million	RECOMMENDED – Key decision variables: broadened scope of coverage and competitive premium
	\$2,501	\$2-million	
	\$3,020	\$3-million	
AXIS	\$2,317	\$1-million	ALTERNATIVE OPTION - Key decision variables: as outlined
	\$4,243	\$2-million	

Additional information is available in the attached sections outlined on the next page. Please advise us of the Trustees' decision at the earliest convenience, but not later than September 28, 2018. If we have not received contrary instructions from you, we will bind coverage with the recommended insurer to avoid a lapse in coverage.

If you have any questions, please contact us:

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Insurance Broker
212-251-5421
abegazo@segalsi.com

- Lead Regional Consultant: Matthew E. Jackson, RPLU
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Industry and Local 338 Pension Fund and Industry & Local 338 Welfare Fund

Cyber Liability Insurance

Policy No. FF106818583CY

September 11, 2018

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Recommendation

Limit of Liability

Travelers provided renewal proposals on limits of \$1-million, as expiring as well as higher limit options of \$2-million and \$3-million. AXIS provided quotes for \$1-million and \$2-million limits. Travelers offer a three-limit structure that do not affect or dilute each other.

Premium

At the expiring limit, Travelers quoted a premium increase of \$154 (8.6%), based on the various coverage enhancements, which remains competitive in the current market. As higher limits options are offered at \$2-million and \$3-million, the premiums quoted become more competitive where the carriers' rate-per-million improves by 23.4% and 38.3%, respectively.

Scope of Services

Cyber Liability offers many insuring agreements, each of which should be reviewed as they provide specific types of coverage. The basic "package" of coverage includes breach response services and expenses (first party expenses) and liability claims that may subsequently arise (third party exposure), but significant differences exist between insuring agreements.

Travelers separate their first and third party coverages into completely separate limits that do not impact each other. They break out the first party coverages further by offering a third limit of liability specifically for notifications and credit monitoring on a head count basis, rather than a specific dollar amount.

For this renewal, Travelers continues to offer broad scope of coverages as well as enhanced coverages as follows:

- Contingent Business Interruption – Outsource Provider Endorsement sublimited to \$100,000;
- Computer Theft Fraud, sublimited at \$100,000
- Fund Transfer Fraud, sublimited at \$100,000
- Reputational Harm Insuring Agreement Endorsement sublimited to \$100,000;
- Telecommunication Fraud coverage sublimited to \$100,000;
- Social Engineering coverage, sublimited to \$100,000.

Scope of Services

Cyber Liability Insurance carriers also provide various pre- and post-breach services to their policyholders. While these services vary between carriers and may be subject to separate, discounted rates, they can include:

- Online Cyber Security Education including Security Awareness Basics and Security Awareness for Information Technology;
- Network Vulnerability Scans;
- Password Defense services;
- Phishing simulations to test your workforce with a simulated email attack;
- Online portal for policyholders with additional services and information;
- 24-hour hotline and email to report potential breach events.

Comparison of Policy Terms and Conditions

Terms of Expiring Policy and Proposed Renewal Policies¹

	Expiring Terms	Renewal Options				
Description	Travelers	Recommended			Alternative Option	
		Travelers			AXIS	
Policy Terms and Conditions						
• A.M. Best Rating ²	A++	A++			A+	
• Policy Period	10/04/2017 – 10/04/2018	10/04/2018 – 10/04/2019			10/04/2018 – 10/04/2019	
• Limit of Liability	\$1-million	\$1-million	\$2-million	\$3-million	\$1-million	\$2-million
• Basic	\$1,633	\$1,787	\$2,501	\$3,020	\$2,317	\$4,243
• Pending & Prior Litigation Date	10/4/2017	10/4/2017			10/4/2017	
• Retroactive Date	Full Prior Acts	Full Prior Acts			Full Prior Acts	
• Deductible	\$2,500	\$2,500			\$2,500	\$5,000
First Party Expense Coverage's & Third Party Liability Coverages						
• Aggregate Limit of Liability	\$1-million	\$1-million	\$2-million	\$3-million	\$1-million	\$2-million
• Retention	\$2,500	\$2,500			\$2,500	\$5,000
• Business Interruption	✓ 8 hour waiting period	✓ 8 hour waiting period			✓ 6 hour waiting period	
• Computer Fraud Transfer	✗	✓ \$100,000 Sublimit/ \$5,000 retention			✗	
• Consequential Reputational Loss	✗	✓ \$100,000 Sublimit/ \$5,000 retention			✓	
• Data Protection	✓	✓			✓	
• Contingent Business Interruption – IT Provider	✓ \$100,000 sublimit	✓ \$100,000 sublimit			✓ \$1-million sublimit	
• Contingent Business Interruption – Outsource Provider	✗	✓ \$100,000 sublimit			✗	
• Fund Transfer Fraud	✗	✓ \$100,000 Sublimit/ \$5,000 retention			✗	

¹ Please note that this chart is not a bill for payment, and you should not make any remittance from it. A bill will be issued separately upon receipt of binding instructions. These policy summaries are not legal interpretations of coverage. Cyber Liability is a legal contract that Plan Counsel should review.

² Segal Select Insurance can recommend insurance carriers with an A.M Best rating of "A" or better.

• Criminal Reward Coverage	×	×	✓ \$50,000 sublimit \$0 retention
• Ransomware	✓	✓	✓
• PCI Fines & Penalties	×	×	✓
	available but only if affirmatively PCI compliant	available but only if affirmatively PCI compliant	
• Regulatory Defense/Penalties	✓	✓	✓
• Security & Privacy Liability	✓	✓	✓
• Social Engineering Fraud Loss	×	\$100,000 Sublimit/ \$5,000 retention	\$250,000 Sublimit/ \$5,000 retention
• System Failure	✓	✓	✓
• Telecommunication Fraud	×	\$100,000 Sublimit/ \$5,000 retention	\$250,000 Sublimit/ \$5,000 retention
• Public Relations and Crisis Management	✓	✓	✓
• Voluntary Notifications	✓	✓	✓
Breach Notification Services Coverages			
Aggregate Limit of Liability	100,000 Notifications	100,000 Notifications	250,000 Notification
Retention	Required notification of 100 individuals retention	Required notification of 100 individuals retention	Required notification of 1,000 individuals retention
• Call Center Services	✓	✓	✓
• Required Notifications	✓	✓	✓
• Credit Monitoring/Identity Monitoring	✓	✓	✓
Response Coverage Expenses			
Aggregate Limit of Liability	\$1-million	\$1-million	✓
• Retention	\$0	\$0	\$2,500 \$5,000
• Forensics	✓	✓	✓
• Legal Expenses	✓	✓	✓

✓ Included in the policy × Not included

Carrier Subjectivities

This section summarizes the additional information the carrier will require in order to bind coverage.

- Travelers
 - There are no subjectivities at this time.
- AXIS
 - Completed, signed and dated application

Supplemental Information for Insureds

The following material is presented in an effort to provide a better understanding of the offered coverage. While cyber liability insurance may policies follow a similar format, substantial differences exist between carriers. Cyber Liability insurance is a contract between the Insureds and the Insurer. Segal Select Insurance recommends Trustees familiarize themselves with the policy's coverage features, especially those that require action on your part, and that plan counsel review all cyber policies. Of course, as your broker, we are always available for your questions.

Claims Made Extension Clause (Notice of a "Circumstance")

When moving coverage from one carrier to another, the Trustees should consider utilizing the Claims Made Extension Clause. To do so, they should inform the existing carrier, in writing, of any wrongful act (as defined in the current policy) which may subsequently give rise to a claim against the insured. This notice should be given before the expiration of the current policy. Thus, if anyone is aware of circumstances that could result in a claim, the old carrier would retain an ongoing responsibility if a resultant claim were actually made in the future. This is important because the new carrier, whether it requires notification of known potential claim circumstances or not, could exclude coverage if such claim were to actually materialize.

Extended Reporting Period

The Trustees may also consider purchasing an Extended Reporting Period. The Extended Reporting Period provides the Trustees an additional 12-month period to report claims that occurred up to the date of the policy's expiration. This coverage is available for an additional premium to be determined by the carrier. Some policies may also offer an automatic 60-day extended reporting period for no additional premium.

Notice of Claim

The policy language requires that the carrier be notified as soon as practicable if the insured becomes aware of an occurrence that could give rise to a claim. Within this context, it is important to note that the policy's definition of claim is broader than just a lawsuit filed against the plan or its trustees. For example, in certain instances even a letter making a demand might be a claim. If a claim, especially a lawsuit, is brought against the insured, the claim or suit must be forwarded to the carrier immediately. Failure to do so could jeopardize coverage under the policy.

Disclosure in an application does not meet these terms and conditions. All regulatory audits or investigations should be treated as claims and should be noticed to the insurance carrier as soon as the first written communication from the regulatory agency is received.

All electronic claim notifications to be processed by Segal Select Insurance Services, Inc. **must** be sent to claims@segalsi.com. Please copy me on any notification, but Segal Select Insurance Services, Inc. is not responsible for the processing of any electronic claim notification if it is not addressed to claims@segalsi.com.

Insured's Obligation to Notice the Insurer

In addition to an obligation to notice the insurer of any claim or circumstance as soon as practicable, the policy will, or may, obligate the Insured to provide notice to the insurer in other instances.

Compensation

Information about our how we are compensated is available on our website at [here](#).

Learn More

For more information about Segal Select Insurance and our services, visit us online at www.segalselect.com.

Proposal Advisory

This proposal is a convenient outline of coverage forms, limits of insurance, policy endorsements and other terms and conditions provided to you in this quote memo.

Please review with legal counsel quotes/policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

In evaluating your exposures for loss, we have depended upon the information provided by you. If there are other areas that you think need to be evaluated prior to binding coverage, please immediately bring these items to our attention.

This quote memo does not amend, or otherwise affect, the provisions of coverage of any resulting insurance policy issued by any insurance company to you. It is your responsibility to check the policy or policies being purchased for accuracy.

This proposal is not a representation that coverage does or does not exist for any particular claim or loss under any policy. Coverage depends on the applicable provisions of the actual policy issued the facts and circumstances involved in each claims or loss and any applicable law.

Please advise if you have any questions for us.

Claim Handling Methodology

The carriers offer claim handling services that involve either a carrier directed and assisted process or a selection of vendors the insured can interview and select, ideally in advance. For more detailed information on their approaches, please see their insurance company websites.

Glossary of Terms

The statements below are not legal definitions. In all instances, the definitions contained within the policy will control coverage.

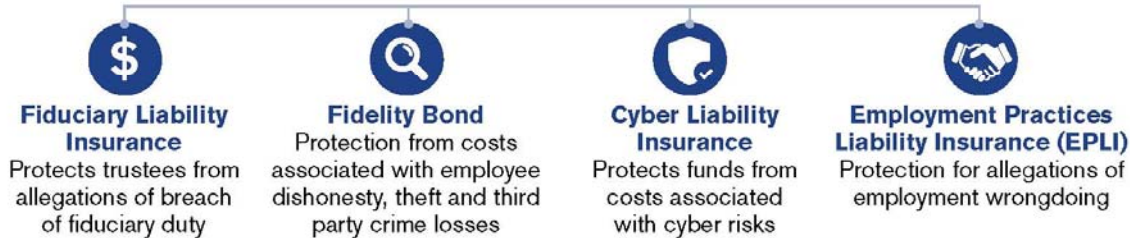
Business Interruption	Provides coverage for the actual Income lost during the time an Insured is not able to operate their own computer systems following a cyber breach.
Call Center Services	Provides coverage for the provision of a call center to answer calls during standard business hours after a required notification is received by an affected individual.
Credit Monitoring/Identity Monitoring	Provides coverage for the costs associated with retaining a company to monitor the credit scores and identities of breached individuals.
Data Protection	Provides coverage for the costs associated with restoring a computer system's data to state before the cyber breach occurred.
First Party Contingent Business Interruption Loss	Provides coverage for a loss caused by a disruption in an Insured's service providers' systems.
Forensics	Provides coverage for reasonable and necessary expenses incurred by the Insured Organization to investigate the source or cause of the failure of Computer Security to prevent a Security Breach.
Legal Expense	Provides coverage for fees for services charged by an attorney to determine the applicability of and actions necessary for the Insured Organization or to provide necessary legal advice to the Insured Organization.
Media Liability	
Ransomware	Provides coverage for a type of malicious software designed to block access to a computer system until a sum of money is paid.
PCI Fines & Penalties	Provides coverage for the direct monetary fines, penalties, reimbursements, fraud recoveries, or assessments owed by the Insured Organization under the terms of a Merchant Services Agreement.
Required Notifications	Provides coverage for notifications required by law after a cyber breach or disclosure of information.
Public Relations and Crisis Management	Provides coverage for costs incurred by a public relations or crisis management consultant.
Regulatory Defense/Penalties	Provides coverage for a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of a governmental entity.
Security & Privacy Liability	Provides coverage for the defense and indemnity of a Claim arising from a breach of Privacy Law.
Social Engineering Fraud Loss	For losses resulting from a fraudulent instruction by someone impersonating a fellow employee or vendor to part with money or securities from your account.
Voluntary Notifications	Provides coverage for notifications not required by law.

PROTECTING YOUR FUNDS FROM VARIOUS RISKS



Benefit funds have various risk exposures because of the many functions they perform. One of the mechanisms to help manage risk is the purchase of insurance protection that permits the transfer of fund and trustee risk to an insurance carrier.

CORE PRODUCTS FOR FUNDS OF ALL TYPES



DOES THE FUND OWN PROPERTY, HOST EVENTS, AND CONDUCT TRAVEL?

Property & Casualty

Protects and provides liability in case the fund is found legally responsible causing injuries or damages to others

Event Cancellation Insurance

Protects from unforeseen losses related to hosting events

Travel Accident Insurance

Protects for losses due to accidental death and dismemberment during business travel

DOES THE FUND PROVIDE SERVICE TO OTHERS?

Miscellaneous Errors

Protects against allegations of errors and omissions



Employed Lawyers

Protects a funds' in-house attorneys from legal advice allegations



Medical Professional Insurance

Protects for allegations of wrongful practices and services



Retiree Representatives

Protection designed for MPRA representatives for errors and omissions

DOES THE FUND MANAGE TRAINING FACILITIES?



Educators Liability

Protects against claims alleging improper or insufficient training



Directors and Officers

Protects for various operational exposures related to managing a training facility



Media

Protects against various personal injury allegations



Student Accident

Responds to injury of students, volunteers or participants

To learn more about Segal Select Insurance Services, visit our website at www.segalsi.com or contact Diane McNally, Senior Vice President, Senior Consultant and Principal at 212.251.5146, dmcnally@segalsi.com or Matthew Jackson, RPLU, Senior Vice President, Consultant at 212.251.5387, mjackson@segalsi.com.

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