INDUSTRY AND LOCAL 338
Pension Fund

PENSION APPLICATIONS SUBMITTED FOR APPROVAL
June 7, 2018

NAME	AGE	TYPE OF PENSION	EFFECTIVE DATE	YEARS OF SERVICE	BENEFIT AMOUNT	J&S OPT	LAST EMPLOYER	LAST DAY WORKED
Peter Cumberbatch	56	Service 30	01-01-18	30.50	$911.13	50%	College of New Rochelle	12-15-17

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
May 23, 2018

NAME	AGE	TYPE OF PENSION	EFFECTIVE DATE	YEARS OF SERVICE	BENEFIT AMOUNT	J&S OPT	LAST EMPLOYER	LAST DAY WORKED
Maria Duarte (surviving spouse of Manuel Duarte)	76	Surviving Spouse	04-01-18	18.00	$404.00	N/A	College of New Rochelle	09-04-1997

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
MARCH 15, 2018

NAME	AGE	TYPE OF PENSION	EFFECTIVE DATE	YEARS OF SERVICE	BENEFIT AMOUNT	J&S OPT	LAST EMPLOYER	LAST DAY WORKED
Audrey Dykeman (surviving spouse of Cecil Dykeman)	81	Surviving Spouse	2-1-2018	32.00	$185.25	N/A	Staats Dairy	11-16-1988
Joseph Harding(surviving spouse of Patricia Harding)	78	Surviving Spouse	3-1-2018	17.00	$120.00	N/A	HP Hood	02-28-1992

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
FEBRUARY 20, 2018

NAME	AGE	TYPE OF PENSION	EFFECTIVE DATE	YEARS OF SERVICE	BENEFIT AMOUNT	J&S OPT	LAST EMPLOYER	LAST DAY WORKED
Juan Baca	75	Normal-additional pension credit	10-1-2017	4.25 additional	$472.36*	75%	Montefiore New Rochelle	9-29-2017
Lucia DiMattia	59	25 Yr. Service	12-1-2017	29.00	$2,182.19	75%	College of New Rochelle	11-29-2017
Beverly Fabiano (surviving spouse of John Fabiano)	73	Surviving Spouse	2-1-2018	18.75	$274.92	N/A	ARA Services	9-30-1988

***Additional monthly benefit based on 4.25 years of service accrued after his original retirement date of April 1, 2013**

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 JANUARY 30, 2018								
NAME	**AGE**	**TYPE OF PENSION**	**EFFECTIVE DATE**	**YEARS OF SERVICE**	**BENEFIT AMOUNT**	**J&S OPT**	**LAST EMPLOYER**	**LAST DAY WORKED**
Michael Wendler	50	Disability	12-1-2017	11.50	$400.00	75%	LP Transportation	4-10-2013
Eduardo Baca	78	Normal-additional pension credit	10-1-2017	7.25 additional	$680.00*	100%	Montefiore New Rochelle	9-30-2017
Craig Placek	69	Statutory	12-1-2017	9.50	$304.81	N/A	Delltown Foods	12-31-1983

***Additional monthly benefit based on 7.25 years of service accrued after his original retirement date of April 1, 2010.**

APPROVED BY THE BOARD OF TRUSTEES

BARRY RUSSELL

THERESA BRESTEN

ROBERTA DUNKER

CHRIS PALMER

MICKEY SMITH

ALICIA COCHRAN
ACCOUNT EXECUTIVE

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

	OCTOBER	NOVEMBER	DECEMBER	OCTOBER - DECEMBER	YEAR TO DATE
Remittances					
Employer Contributions *	246,487.06	307,572.94	260,570.17	814,630.17	1,591,996.18
Withdrawal Liability Principal	3,942.90	4,751.61	4,781.30	13,475.81	31,668.98
Withdrawal Liability Interest	8,788.54	10,525.28	10,495.59	29,809.41	71,244.22
Withdrawal Liability Fee	0.00	0.00	0.00	0.00	3,000.00
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	465.39	107.37	0.00	572.76	1,366.07
Interest Income- BNY Mellon	0.00	0.00	0.00	0.00	0.00
Dividend Income	209,607.63	51,384.72	843,277.28	1,104,269.63	1,317,506.25
SEI Fund Rebate	0.00	36,501.76	0.00	36,501.76	72,347.16
Net Adjustment Per Custodian	0.00	0.00	0.00	0.00	0.00
**Total Income ** **	**469,291.52**	**410,843.68**	**1,119,124.34**	**1,999,259.54**	**3,089,128.86**
Benefit Expenses					
Pension Benefits	737,190.94	664,517.06	663,465.31	2,065,173.31	4,027,711.54
Total Benefit Expenses	**737,190.94**	**664,517.06**	**663,465.31**	**2,065,173.31**	**4,027,711.54**
Administrative Expenses					
AA, LLC- Admin. Fees *	8,896.00	8,896.00	8,896.00	26,688.00	53,376.00
Legal Fees	0.00	7,754.13	0.00	7,754.13	15,278.82
Consulting Fees	0.00	0.00	0.00	0.00	0.00
SEI Invest./Custody Fees	0.00	118,997.92	0.00	118,997.92	252,464.74
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	0.00
Payroll Audits	75.00	0.00	0.00	75.00	75.00
PBGC Insurance	0.00	0.00	0.00	0.00	0.00
Fidelity Bond Insurance	0.00	0.00	0.00	0.00	0.00
Convention & Seminars	682.49	1,737.70	0.00	2,420.19	2,420.19
Printing & Stationery	639.10	412.80	0.00	1,051.90	1,142.03
Postage	534.52	571.20	0.00	1,105.72	1,627.02
Office Supplies & Expenses	220.00	160.00	0.00	380.00	380.00
Bank Charges	197.75	207.00	193.25	598.00	1,359.00
Meeting Expenses	0.00	0.00	0.00	0.00	257.06
Dues & Membership	0.00	640.62	0.00	640.62	640.62
IFEBP Registration Fee	0.00	0.00	0.00	0.00	0.00
Actuarial Fees	21,180.84	12,595.42	8,294.17	42,070.43	77,067.94
Cyber Liability	0.00	1,469.70	0.00	1,469.70	1,469.70
TOTAL EXPENSES	**769,616.64**	**817,959.55**	**680,848.73**	**2,268,424.92**	**4,466,263.66**
INCREASE/(DECREASE)	**(300,325.12)**	**(407,115.87)**	**438,275.61**	**(269,165.38)**	**(1,377,134.80)**

FUND RESERVE AS OF 12/31/17: $92,716,484.77

* Cash to Accrual
** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for October are 69,517.75 & 1,031,885.85
** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for November are 88,211.68 & 864,757.75
** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for December are 1,265,341.54 & (1,229,412.80)

INDUSTRY AND LOCAL 338 PENSION FUND
AUTHORIZATION FOR DISBURSEMENTS
OCTOBER 31, 2017

PENSION FUND CHECKING

CHECK	DESCRIPTION		AMOUNT
	FEDERAL WITHHOLDING TAX (NOVEMBER)		57,202.70
		TOTAL PAYMENTS	**57,202.70**

INDUSTRY AND LOCAL 338 PENSION FUND
AUTHORIZATION FOR DISBURSEMENTS
NOVEMBER 30, 2017

PENSION FUND CHECKING

CHECK	DESCRIPTION		AMOUNT
	FEDERAL WITHHOLDING TAX (DECEMBER)		56,805.20
		TOTAL PAYMENTS	**56,805.20**

INDUSTRY AND LOCAL 338 PENSION FUND
AUTHORIZATION FOR DISBURSEMENTS
DECEMBER 31, 2017

PENSION FUND CHECKING

CHECK	DESCRIPTION		AMOUNT
	FEDERAL WITHHOLDING TAX (JANUARY)		58,062.70
		TOTAL PAYMENTS	**58,062.70**

Local 338 Delinquency Log

Delinquencies as of 12/31/17

Employer	Month(s) Delinquent
College of New Rochelle	11/17 *

Late Fees

Employer	Pension	Total Balance Owed	Month(s) Owed
Culinart, Inc.	$29.59	$29.59	7/15
College of New Rochelle	$2,371.85	$2,371.85	3/16-9/16, 11/16, 11/17, 1/18
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 12/31/17

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	56	No	56	8/31/2012
Suburban Propane	8/1/2013	$2,545.45	240	54	No	7	5/22/2013
Local 338 Welfare Fund	3/1/2014	$1,479.58	240	46	No	36	6/30/2013

* College of New Rochelle Paid November Contributions on 1/24/18

Local 338 Pension Fund Employer Contribution Rates

Employer	Employer #	Pen Count	Contract Effective Date	Contract Expiration Date	Total Weekly Pension Rate	*5% Surchage	Rehab Plan	Current CBA on file	Which Union?
College of New Rochelle	**9**	**20**	9/1/2009	*8/31/2013*				No	445
			9/1/2009		130.40				
Currently in negotiations			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		17.55		
Crowley Foods-LaFargeville	**13**	**93**	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.	**60**	**21**	1/1/2014	*12/31/2016*				Yes	445
			1/1/2014		187.53				
Currently in negotiations			1/1/2015		206.28				
			1/1/2016		226.91				
			11/1/2017		238.26	11.35			
			4/1/2018		255.81		17.55		
Freisland Campina/ DMV mV Nutritionals	**25**	**56**	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			
L.P. Transportation	**43**	**32**	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			
			8/16/2018		322.75		17.55		

*5% Surcharge Effective 11/1/17

Local 338 Pension Fund Employer Contribution Rates

Employer	Employer #	Pen Count	Contract Effective Date	Contract Expiration Date	Total Weekly Pension Rate	*5% Surchage	Rehab Plan	Current CBA on file	Which Union?
Montefiore New Rochelle	**50**	**16**	2/26/2013	*2/25/2017*				No	445
			2/26/2013		193.44				
Currently in negotiations			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		17.55		
Paraco Gas Corp.	**54**	**8**	2/1/2015	1/31/2018				Yes	445
			2/1/2015		206.80				
			2/1/2016		227.60				
			2/1/2017		227.60				
			11/1/2017		238.98	11.38			
Westchester Local 860	**21**	**1**	10/1/2009	*9/30/2013*				No	445
			10/1/2009		154.17				
Currently in negotiations			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		17.55		

*5% Surcharge Effective 11/1/17

INDUSTRY AND LOCAL 338 PENSION & WELFARE FUNDS
NUMBER OF ACTIVE MEMBERS & RETIREES
RECEIVING BENEFITS
JANUARY 2017 - DECEMBER 2017

MONTH	ACTIVES PENSION	PENSION PAID
January-17	258	701
February-17	251	702
March-17	229	704
April-17	252	696
May-17	249	692
June-17	241	689
July-17	230	690
August-17	230	684
September-17	247	685
October-17	250	698
November-17	246	684
December-17	247	680

INDUSTRY AND LOCAL 338

PENSION FUND

SECOND QUARTER 2017-18

ADMINISTRATIVE MANAGER'S REPORT

INDUSTRY & LOCAL 338 PENSION FUND
OCTOBER 2017
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS *

	RATE	PARTICIPANTS	CONTRIBUTIONS
COLLEGE OF NEW ROCHELLE	$ 174.00	21	$ 14,616
WESTCHESTER LOCAL 860	$ 205.21	1	$ 821
LP TRANSPORTATION	$ 305.20	30	$ 34,488
CROWLEY FOODS- LA FARGEVILLE	$ 300.07	95	$ 106,825
CULINART	$ 226.91	21	$ 19,060
MONTEFIORE NEW ROCHELLE	$ 234.06	17	$ 15,214
PARACO GAS	$ 227.60	8	$ 7,283
FRIESLAND CAMPINA USA	$ 215.09	57	$ 48,180
SUB TOTAL		**250**	**$ 246,487**

TOTAL CONTRIBUTIONS	**$ 246,487**

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
NOVEMBER 2017
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS *

	RATE	PARTICIPANTS	CONTRIBUTIONS
COLLEGE OF NEW ROCHELLE	$ 182.70	21	$ 19,184
WESTCHESTER LOCAL 860	$ 215.47	1	$ 882
LP TRANSPORTATION	$ 320.46	28	$ 39,096
CROWLEY FOODS- LA FARGEVILLE	$ 303.98	92	$ 135,879
CULINART	$ 238.26	21	$ 25,017
MONTEFIORE NEW ROCHELLE	$ 245.76	16	$ 15,729
PARACO GAS	$ 238.98	8	$ 7,647
FRIESLAND CAMPINA USA	$ 225.84	59	$ 64,139
SUB TOTAL		**246**	**$ 307,573**

TOTAL CONTRIBUTIONS	**$ 307,573**

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
DECEMBER 2017
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS *

	RATE	PARTICIPANTS	CONTRIBUTIONS
COLLEGE OF NEW ROCHELLE	$ 182.70	20	$ 14,433
WESTCHESTER LOCAL 860	$ 215.47	1	$ 1,293
LP TRANSPORTATION	$ 320.46	32	$ 41,019
CROWLEY FOODS- LA FARGEVILLE	$ 303.98	93	$ 110,041
CULINART	$ 238.26	21	$ 20,014
MONTEFIORE NEW ROCHELLE	$ 245.76	16	$ 15,729
PARACO GAS	$ 238.98	8	$ 7,647
FRIESLAND CAMPINA USA	$ 225.84	56	$ 50,394
SUB TOTAL		**247**	**$ 260,570**

TOTAL CONTRIBUTIONS	**$ 260,570**

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND

OCTOBER 2017

EXPENSES

BENEFIT EXPENSES

BENEFIT	RATE	EXPENSE	COMMENT
PENSION BENEFITS		$ 737,191	
SUB TOTAL		**$ 737,191**	

ADMINISTRATIVE EXPENSES

AA, LLC ADMIN FEES *		$ 8,896	
LEGAL FEES		$ -	
CONSULTING FEES		$ -	
SEI INVESTMENT FEES		$ -	
FIDUCIARY LIAB. INSURANCE		$ -	
YEAR-END AUDIT		$ -	
PAYROLL AUDITS		$ 75	
PBGC INSURANCE		$ -	
FIDELITY BOND INSURANCE		$ -	
CONVENTION & SEMINARS		$ 682	
PRINTING & STATIONERY		$ 639	
POSTAGE		$ 535	
OFFICE EXPENSES		$ 220	
BANK CHARGES		$ 198	
TRAVEL EXPENSES		$ -	
MEETING EXPENSES		$ -	
DUES & MEMBERSHIP		$ -	
IFEBP REGISTRATION FEES		$ -	
ACTUARIAL FEES		$ 21,181	
CYBER LIABILITY		$ -	
SUB TOTAL		**$ 32,426**	

TOTAL EXPENSES	**$ 769,617**

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
NOVEMBER 2017
EXPENSES

BENEFIT EXPENSES

BENEFIT	RATE	EXPENSE	COMMENT
PENSION BENEFITS		$ 664,517	
SUB TOTAL		**$ 664,517**	

ADMINISTRATIVE EXPENSES

AA, LLC ADMIN FEES *		$ 8,896	
LEGAL FEES		$ 7,754	
CONSULTING FEES		$ -	
SEI INVESTMENT FEES		$ 118,998	
FIDUCIARY LIAB. INSURANCE		$ -	
YEAR-END AUDIT		$ -	
PAYROLL AUDITS		$ -	
PBGC INSURANCE		$ -	
FIDELITY BOND INSURANCE		$ -	
CONVENTION & SEMINARS		$ 1,738	
PRINTING & STATIONERY		$ 413	
POSTAGE		$ 571	
OFFICE EXPENSES		$ 160	
BANK CHARGES		$ 207	
TRAVEL EXPENSES		$ -	
MEETING EXPENSES		$ -	
DUES & MEMBERSHIP		$ 641	
IFEBP REGISTRATION FEES		$ -	
ACTUARIAL FEES		$ 12,595	
CYBER LIABILITY		$ 1,470	
SUB TOTAL		**$ 153,443**	

TOTAL EXPENSES	**$ 817,960**

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
DECEMBER 2017
EXPENSES

BENEFIT EXPENSES

BENEFIT	RATE	EXPENSE	COMMENT
PENSION BENEFITS		$ 663,465	
SUB TOTAL		**$ 663,465**	

ADMINISTRATIVE EXPENSES

AA, LLC ADMIN FEES *		$ 8,896	
LEGAL FEES		$ -	
CONSULTING FEES		$ -	
SEI INVESTMENT FEES		$ -	
FIDUCIARY LIAB. INSURANCE		$ -	
YEAR-END AUDIT		$ -	
PAYROLL AUDITS		$ -	
PBGC INSURANCE		$ -	
FIDELITY BOND INSURANCE		$ -	
CONVENTION & SEMINARS		$ -	
PRINTING & STATIONERY		$ -	
POSTAGE		$ -	
OFFICE EXPENSES		$ -	
BANK CHARGES		$ 193	
TRAVEL EXPENSES		$ -	
MEETING EXPENSES		$ -	
DUES & MEMBERSHIP		$ -	
IFEBP REGISTRATION FEES		$ -	
ACTUARIAL FEES		$ 8,294	
CYBER LIABILITY		$ -	
SUB TOTAL		**$ 17,383**	

TOTAL EXPENSES	**$ 680,848**

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
2017-18
QUARTERLY RECAP

INCOME	FIRST 2017	SECOND 2017	THIRD 2018	FOURTH 2018	TOTAL
EMPLOYER CONTRIBUTIONS *	$ 777,366	$ 814,630	$ -	$ -	$ 1,591,996
SUPPLEMENTAL CONTRIBUTIONS *	$ -	$ -	$ -	$ -	$ -
W/L PRINCIPAL & INTEREST	$ 59,628	$ 43,286	$ -	$ -	$ 102,914
W/L FEE	$ 3,000	$ -	$ -	$ -	$ 3,000
INTEREST INCOME- BNY	$ -	$ -	$ -	$ -	$ -
PAYROLL AUDIT & INTEREST	$ -	$ -	$ -	$ -	$ -
INTEREST & DIVIDENDS	$ 214,030	$ 1,104,842	$ -	$ -	$ 1,318,872
SEI FUND REBATE	$ 35,845	$ 36,502	$ -	$ -	$ 72,347
NET ADJUSTMENT PER CUSTODIAN	$ -	$ -	$ -	$ -	$ -
**TOTAL INCOME ** **	**$ 1,089,869**	**$ 1,999,260**	**$ -**	**$ -**	**$ 3,089,129**

EXPENSES	FIRST 2016	SECOND 2016	THIRD 2017	FOURTH 2017	TOTAL
PENSION BENEFITS	$ 1,962,538	$ 2,065,173	$ -	$ -	$ 4,027,711
AA, LLC ADMIN FEES *	$ 26,688	$ 26,688	$ -	$ -	$ 53,376
LEGAL FEES	$ 7,525	$ 7,754	$ -	$ -	$ 15,279
CONSULTING FEES	$ -	$ -	$ -	$ -	$ -
SEI INVESTMENT FEES	$ 133,467	$ 118,998	$ -	$ -	$ 252,465
FIDUCIARY LIABILITY INSURANCE	$ 30,994	$ -	$ -	$ -	$ 30,994
YEAR-END AUDIT	$ -	$ -	$ -	$ -	$ -
PAYROLL AUDITS	$ -	$ 75	$ -	$ -	$ 75
PBGC INSURANCE	$ -	$ -	$ -	$ -	$ -
FIDELITY BOND INSURANCE	$ -	$ -	$ -	$ -	$ -
CONVENTION & SEMINARS	$ -	$ 2,420	$ -	$ -	$ 2,420
PRINTING & STATIONERY	$ 90	$ 1,052	$ -	$ -	$ 1,142
POSTAGE	$ 521	$ 1,106	$ -	$ -	$ 1,627
OFFICE EXPENSES	$ -	$ 380	$ -	$ -	$ 380
BANK CHARGES	$ 761	$ 598	$ -	$ -	$ 1,359
TRAVEL EXPENSES	$ -	$ -	$ -	$ -	$ -
MEETING EXPENSES	$ 257	$ -	$ -	$ -	$ 257
DUES & MEMBERSHIP	$ -	$ 641	$ -	$ -	$ 641
IFEBP REGISTRATION FEES	$ -	$ -	$ -	$ -	$ -
ACTUARIAL FEES	$ 34,998	$ 42,070	$ -	$ -	$ 77,068
CYBER LIABILITY	$ -	$ 1,470	$ -	$ -	$ 1,470
TOTAL EXPENSE	**$ 2,197,839**	**$ 2,268,425**	**$ -**	**$ -**	**$ 4,466,264**
SURPLUS (DEFICIT)	**$ (1,107,970)**	**$ (269,165)**	**$ -**	**$ -**	**$ (1,377,135)**

	FIRST 2017	SECOND 2017	THIRD 2018	FOURTH 2018	AVG. TOTAL
TOTAL ACTIVE PARTICIPANTS	707	743			725

FUND RESERVE AS OF 12/31/17: $92,716,484.77

* Cash to Accrual
** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for October are 69,517.75 & 1,031,885.85
** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for November are 88,211.68 & 864,757.75
** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for December are 1,265,341.54 & (1,229,412.80)

Segal Select Insurance

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

FIDUCIARY LIABILITY INSURANCE

Policy No. MFL0014934

May 21, 2018

Segal Select Insurance

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

MEMORANDUM

To: Alicia Cochran
Account Executive

From: Angie Begazo
Matthew Jackson

Date: May 21, 2018

Re: Fiduciary Liability Insurance
Industry and Local 338 Pension Fund and Industry & Local 338 Welfare Fund
Policy No. MFL0014934

Thank you for the opportunity to provide a quotation for this renewal of Fiduciary Liability coverage. We recommend renewing coverage with the incumbent carrier, Ullico/Markel based on the broadened scope of coverage, competitive premium and continuity of coverage. Our recommendation is based on our review of responses from the carrier that provided a quote, as summarized below. [1]

Carrier	Premium	Limit of Liability	Response
Ullico/Markel (incumbent)	**$33,919**	**$10-million**	**RECOMMENDED—Key decision variables: broadened scope of coverage, competitive premium continuity of coverage and a renewal guarantee.**
Euclid/Hudson	**$37,514**	**$10-million**	**ALTERNATIVE OPTION**

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 June 8, 2018. If we have not received contrary instructions from you, we will bind coverage with the recommended insurer to avoid a lapse in coverage.

1 We received written communication from Chubb and Hartford and verbal communications from Axis, Great American and Travelers advising us that they would not be providing quotes because they could not offer better premiums and/or coverages than the current carrier.

If you have any questions, please contact:

- Broker: Angie Begazo, RPLU
  Insurance Broker
  212-251-5421
  abegazo@segalsi.com

- Lead Regional Consultant: Matthew Jackson, RPLU
  Senior Vice President
  212-251-5387
  mjackson@segalsi.com

cc: John Urbank

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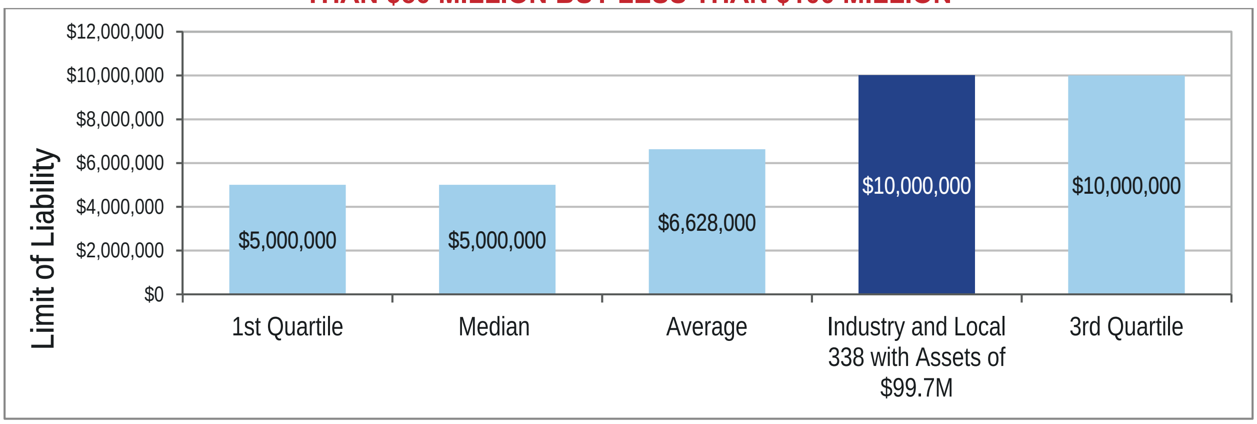
Industry and Local 338 Pension Fund and Industry & Local 338 Welfare Fund
Fiduciary Liability Insurance
Policy No: MFL0014934
May 21, 2018

Limit of Liability and Premium

Limit of Liability

Ullico/Markel and Euclid/Hudson provided renewal proposals at the expiring $10-million limit, which we can support based on the current asset size of the Funds. Our proprietary benchmarking data illustrates what similar sized Funds typically purchase in limits.

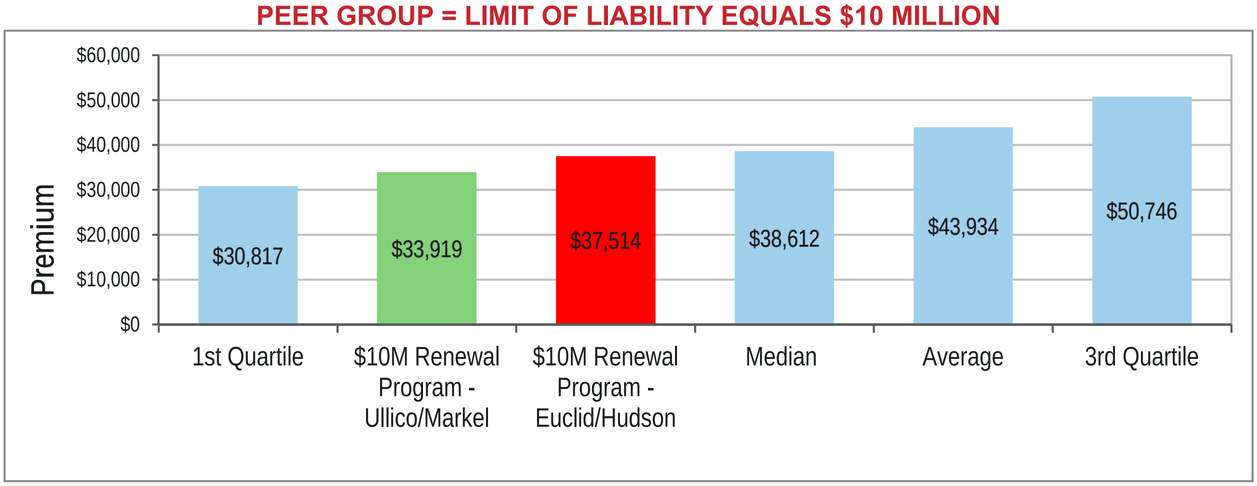
PEER GROUP = ASSETS EQUAL TO OR GREATER THAN $50 MILLION BUT LESS THAN $100 MILLION



Premium

For this renewal, Ullico/Markel quoted a premium increase of $13 (.04%), the renewal premium falls below the Medium and remains competitive in the current market.

PEER GROUP = LIMIT OF LIABILITY EQUALS $10 MILLION



Comparison of Policy Terms and Conditions

Terms of Expiring Policy and Proposed Renewal Policies[1]

	Expiring Terms	Renewal Options	
		Recommended	Alternative Option
Description	Ullico/Markel	Ullico/Markel	Euclid/Hudson
Policy Terms and Conditions			
• Rating by A.M. Best[2]	A	A	A
• Policy Period	6/10/2017 – 6/10/2018	6/10/2018 – 6/10/2019	6/10/2018 – 6/10/2019
• Limit of Liability	$10-million	$10-million	$10-million
• Basic Premium	$33,906	$33,919	$37,514
• Recourse Premium	$150	$150	$150
• Deductible	$0	$0	$0
Coverages/ Endorsements[3]			
• 502 (l) & (i) Coverages	✓	✓	
• 502(c) & PPA Coverages	$200,000 sublimit	***$250,000 sublimit***	$250,000 sublimit
• Administrative Errors & Omissions	✓	✓	✓
• Affirmative Equitable Relief Coverage	✓	✓	✓
• COBRA Coverage	✓	✓	✓
• Conduct Exclusions – Final Adjudication	✓	✓	✓
• Duty to Defend	✓	✓	✓
• Enforcement Agency Interview Coverage	✓	✓	✓
• First Party Benefit Overpayments Coverage	$100,000 sublimit	$100,000 sublimit	$100,000 sublimit
• First Party Cyber Essentials	✗	✗	$100,000 sublimit
• Hammer/Settlement Clause Deleted	✓	✓	✓
• HIPAA Fines/Penalties	No sublimit	No sublimit	No sublimit
• IRC 4975 & 4976 Tax Coverage	No sublimit	No sublimit	No sublimit

[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. Fiduciary 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.

[3] See attached glossary for definitions of selected coverage terminology appearing in this table.

Description	Expiring Terms Ullico/Markel	Renewal Options Recommended Ullico/Markel	Alternative Option Euclid/Hudson
• Misc. Regulatory Penalty Coverage	$250,000 sublimit	$250,000 sublimit	$250,000 sublimit
• Non-cancellable except for non-payment	✓	✓	✓
• Non-Fiduciary Defense Coverage	$2-million sublimit	$2-million sublimit	$2-million sublimit
• Penalty Box or Umbrella Endorsement	×	×	$250,000 sublimit, Includes Misc. Penalties
• Pending & Prior Litigation Exclusion	6/10/2000	6/10/2000	6/10/2000
• Plan Sponsor and Settlor Coverage	✓	✓	✓
• Pre-Approved Fund Counsel/Ability to Select Counsel	Ability to Select Counsel	Ability to Select Counsel	Ability to Select Counsel
• Pre-Claim Investigation Coverage	✓ DOL, PBGC, “similar governmental enforcement agency”	✓ DOL, PBGC, “similar governmental enforcement agency”	✓ DOL, PBGC, IRS, HHS, SEC
• PPACA Fines/Penalties	No sublimit	No sublimit	No sublimit
• Renewal Guarantee	×	✓	✓
• Severability Coverage	✓	✓	✓
• Section 203 Bipartisan Coverage	$250,000 sublimit	$250,000 sublimit	No sublimit
• Spousal/Domestic Partner Coverage	✓	✓	✓
• Surcharge/Equitable Relief	✓	✓	✓
• Voluntary Settlement Program	$250,000 sublimit	$250,000 sublimit	$250,000 sublimit One reinstatement per policy period

✓ Included in the policy × Not included

Carrier Subjectivities

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

Ullico/Markel

- There are no subjectivities at this time.

Trustees List

Please review the accuracy of the attached listing in determining the elimination of recourse. If there are any discrepancies, please contact us immediately to avoid any billing problems.

1. Bresten, Theresa M.
2. Dunker, Roberta
3. Palmer, Chris
4. Polesel, Lori
5. Russell, Barry
6. Smith, Mickey

Recommendation

Our recommendation is based on the following:

Scope of Coverage

At this renewal, Ullico/Markel will provide expanded scope of coverage, including increasing the 502(c) Penalty sublimits from $200,000 to $250,000.

Ullico/Markel will also bind coverage with a two-year renewal guarantee endorsement. The premium would be payable in equal annual installments, and the second year of coverage is subject to the terms and conditions contained within that endorsement. While there is no break in premium for doing so, we still recommend binding coverage for two years in order to lock in premium and because no additional underwriting information would be required next year.

Continuity of Coverage

Continuity is a concept addressing the scope of coverage provided by a renewal policy from the incumbent carrier or a new policy from a new carrier. The policy in force when a claim is made will determine whether coverage is or is not provided. When renewing coverage with the incumbent or moving coverage to a new carrier, the insured should determine whether the renewal (or new) policy will provide at least the same scope of coverage as the expiring policy. In particular, a new carrier may wish to limit coverage in some fashion.

To maintain continuity, any additional policy exclusions, new Pending & Prior Litigation dates, and/or new Prior Acts dates that exist should be reviewed.

Supplemental Information for Insureds

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

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 a claim and noticed to the insurance carrier as soon as the first written communication from a regulatory agency is received.

Notice must be in accordance with the policy's terms and conditions and must be sent to a designated address. 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.

Please note that insurance coverage cannot be bound or changed via email or voicemail message unless confirmed by a licensed broker.

Compensation

Information about how we are compensated is available here.

Learn More

For more information about Segal Select Insurance and our services, visit us online at www.segalsi.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 quotes/policies with legal counsel 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.

Glossary of Terms

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

502 (l) & (i) Coverages	Section 502(l) of ERISA provides that the Secretary of Labor shall assess a civil penalty against a fiduciary equal to 20% of any damage award resulting from a breach of fiduciary duty. Section 502(i) of ERISA provides that the Secretary of Labor may assess a civil penalty, not to exceed five percent of the amount involved in each such transaction, against a party-in-interest in the case of a prohibited transaction.
502(c)/PPA Penalty Coverage	Section 502(c) of ERISA provides for the assessment of penalties for various administrative failures. This coverage also encompasses penalties imposed for violation of the Pension Protection Act of 2006.
Administrative Errors & Omissions	Basic coverage for negligent administrative acts, which is defined to mean giving advice to participants and beneficiaries with respect to a Trust or Plan, interpreting a Trust or Plan, and handling the records, effecting enrollment, and termination or cancellation of participants under a Trust or Plan.
Conduct Exclusions – Final Adjudication	Excludes claims based upon deliberately fraudulent acts or omissions or willful violations of any statute or regulations, or the gaining of any personal profit to which the insured was not entitled to, but will not apply unless a final adjudication establishes such acts.
Duty to Defend	Duty to defend, which is usually associated with the carrier's right to appoint defense counsel or, more typically, for the Insured to select defense counsel from a pre-approved list of "panel counsel", means that as long as any one pleading or allegation is a covered matter, the carrier must defend all the pleadings or allegations. This does not mean, however, that the carrier will be obligated to pay the settlement or judgment of an uncovered matter. "Duty to defend" applies only to the defense costs.
Enforcement Agency Interview Coverage	Defense coverage should an Insured be interviewed by an Enforcement Unit (except the DOL or PBGC) in connection with the individual's capacity as a fiduciary of the covered Fund or that Fund's business activities.
First Party Cyber Reimbursement	Coverage is provided for first-party content restoration and crisis notification expenditures for information breaches as part of the base policy. The policy reimburses a benefit plan for certain expenses in responding to an information breach.
First Party Benefit Overpayments Coverage	Coverage is provided for benefit overpayments based on miscalculations, subject to a sublimit, that cannot be paid out of trust assets or recovered from beneficiaries after a "reasonable effort" has been made to recover them, even if a formal Claim has not been made against an Insured. If a formal Claim against an Insured has been made regarding the alleged overpayment(s), full policy limits may be available, subject to the specific fact pattern of the claim and the other terms and conditions of the policy.
Hammer/Settlement Clause Deleted	Removes clause from policy so that if the Insured rejects a proposed settlement, the carrier cannot cap or limit its exposure to the amount of the initial proposed settlement.
HIPAA Coverage	Amends policy to include coverage for allegations of a violation of HIPAA. Coverage is also extended to include the fines and penalties that can be imposed by HIPAA.

IRC 4975 & 4976 Tax Coverage	Section 4975 of the IRS Tax Code provides for the assessment of tax penalties, equal to 15 percent of the amount involved, or if the prohibited transaction is not corrected within the taxable period, 100 percent of the amount involved, on prohibited transactions between the plans and disqualified persons. Section 4976 of the IRS Tax Code provides for the assessment of tax penalties for a disqualified benefit, as that term is defined, provided by an employer-maintained welfare benefit fund - the penalty can be equal to 100 percent of such disqualified benefit.
Misc. Regulatory Penalty Coverage	Coverage for various regulatory fines and penalties are provided that would not already be covered by the policy and not uninsurable by law. This includes regulatory agencies including the DOL, IRS, or similar regulatory bodies.
Non-cancellable except for non-payment	Carrier cannot cancel the policy for any reason other than non-payment of premium.
Non-Fiduciary Defense Coverage	This endorsement will provide defense costs coverage for Trustee functions beyond fiduciary duties. We believe this is a valuable coverage for Funds that may need to consider benefit changes, other amendments, or regulatory issues that are the responsibility of the Trustees but may not clearly fall within a breach of fiduciary duty. This coverage provides defense only and is subject to a sublimit.
Pending and Prior Litigation Exclusion	The pending and prior litigation exclusion restricts coverage for claims that are a result of any current or past lawsuits. Full coverage is provided for claims not previously litigated or reported.
PPACA Coverage	Coverage is provided for civil fines and penalties imposed pursuant to the Patient Protection and Affordable Care Act (PPACA).
Pre Approved Fund Counsel	Pre-Approved Fund Counsel, provides the insured the option to select defense counsel to defend any claim, other than any “Mass or Class Action Claim”, first made against the insured.
Pre-Claim Investigation Defense	Coverage for "pre-claim" defense costs at the commencement of a DOL investigation. Typically, coverage during a DOL investigation is not provided until after a clear focus of the investigation is identified or breaches of fiduciary duty allegations are actually alleged.
Sec 203 Bipartisan Budget Act '13	Section 203 of the Bipartisan Budget Act of 2013 limits access to the Social Security Administration's (SSA) Death Master File (DMF). Funds need to become certified under the law and agree to maintain information obtained under certain safeguards. The Department of Commerce will review eligibility of applicants, examine the safeguards and conduct audits of certified entities to ensure compliance. Penalties can be assigned if there are findings during the audit.
Severability Coverage	The severability clause allows coverage to apply separately to each insured under the policy.
Spousal/Domestic Partner Coverage	Amends the policy to include coverage for an insured’s spouse or domestic partner should they be named as a defendant in an otherwise covered claim.
Surcharge/ Equitable Relief	Coverage is provided for appropriate equitable relief (including but not limited to a surcharge) to redress violations for Section 502(a)(3) of ERISA which provides that a civil action may be brought by a participant, beneficiary, or fiduciary to enjoin any act or practice which violates ERISA.
Voluntary Settlement Program	Additional coverage for fees, sanctions, and penalties assessed by the IRS or DOL pursuant to a voluntary settlement or compliance program, such as the IRS EPCRS or DOL Delinquent Filer Program. These losses typically cannot be paid from plan assets.

PROTECTING YOUR FUNDS FROM VARIOUS RISKS

Segal Select Insurance

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

Fiduciary Liability Insurance
Protects trustees from allegations of breach of fiduciary duty

Fidelity Bond
Protection from costs associated with employee dishonesty, theft and third party crime losses

Cyber Liability Insurance
Protects funds from costs associated with cyber risks

Employment Practices Liability Insurance (EPLI)
Protection for allegations of employment wrongdoing

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.

Industry And Local 338
Pension Fund
911 Ridgebrook Road
Sparks, MD 21152-9451
Telephone No. (855) 412-3797 (toll free)
www.associated-admin.com

REPORT OF SUMMARY PLAN INFORMATION

TO CONTRIBUTING EMPLOYERS AND LOCAL 445, I.B.T., LOCAL 317, I.B.T., AND LOCAL 687, I.B.T.

2016 Plan Year

In accordance with Section 104(d) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Trustees of the Industry and Local 338 Pension Fund (the "Plan") are providing the following Report of Summary Plan Information to unions that represent Plan participants and employers obligated to contribute to the Plan. Except as otherwise specified, all information in this Report pertains to the Plan Year beginning on July 1, 2016 and ending on June 30, 2017 ("2016 Plan Year").

1. Contribution Schedule and Benefit Formula Information.

Contribution rate schedules for the Plan are established by collective bargaining agreements. The contribution rates under the Plan range from \$4.35 per hour to \$7.27 per hour, averaging \$5.81 per hour as of July 1, 2016.

During the 2016 Plan Year, the Plan's benefit formula was as follows: Effective on and after July 1, 2016, benefit accruals are equal to 0.9% of the employer contribution made. For pension credits earned on or after July 1, 2010 and before July 1, 2016, the accrual rate is \$37.00 for each \$1.00 of hourly employer contributions for each year of pension credit earned. For pension credits earned on or after July 1, 1997 and before July 1, 2010, the accrual rate is \$49.00 for each \$1.00 of hourly employer contributions. For pension credits earned prior to July 1, 1997, the accrued benefit based on the prior plan formula increased by 20.75%. The maximum pension credits for benefit purposes is 35.

For benefits accrued on and after July 1, 2010, the early retirement reduction is 6% per year of age younger than 65.[1]

2. Number of Contributing Employers.

For the 2016 Plan Year, eight (8) employers were obligated to contribute to the Plan.

3. Employers Contributing More than 5% of the Total Contributions to the Plan.

During the 2016 Plan Year, the employers listed below contributed more than 5% of total contributions to the Plan:

HP Hood LLC
Friesland Campina US
L.P. Transportation, Inc.
Montefiore New Rochelle
College of New Rochelle
Culinart

4. Participants for Whom No Contributions Were Made.

The chart below sets forth the number of participants with respect to whom no employer contributions were made by an employer as the participant's employer for the last three plan years:

	2016 Plan Year	2015 Plan Year	2014 Plan Year
Participants	0	0	0

[1] As described in a notice dated September 28, 2017, the Plan made an election to be in Critical Status for the Plan Year beginning on July 1, 2017. As a result of this certification, the Board of Trustees adopted and implemented a Rehabilitation Plan which supersedes the Funding Improvement Plan. The Rehabilitation Plan includes changes to contributions required and benefits provided by the Plan, as described in the notice. The Rehabilitation Plan is not described in this Report because this Report covers the period from July 1, 2016 through June 30, 2017.

5. Plan Funding Status; Actions Taken to Improve Plan's Funding Status; Funding Improvement Plan or Rehabilitation Plan.

The Plan was in Endangered Status during the 2016 Plan Year.

The Trustees adopted a Funding Improvement Plan which contains schedules of benefit reductions and contribution increases which are designed to improve the Plan's funding status and to allow it to emerge from Endangered Status. In addition, as described in a notice dated September 28, 2017, the Plan made an election to be in Critical Status for the Plan Year beginning on July 1, 2017. As a result of this election and Critical Status certification, the Board of Trustees adopted and implemented a Rehabilitation Plan which supersedes the Funding Improvement Plan. The Rehabilitation Plan includes changes to contributions required and benefits provided by the Plan, as described in the September 28, 2017 notice. The Rehabilitation Plan is not described in this Report because this Report covers the period from July 1, 2016 through June 30, 2017.Yo u may obtain a copy of the Funding Improvement Plan and the Rehabilitation Plan by submitting a written request to:

Industry and Local 338 Pension Fund
911 Ridgebrook Rd.
Sparks, MD 21152

6. Number of Employers That Withdrew in Preceding Plan Year and Total Withdrawal Liability Assessed.

During the Plan Year beginning on July 1, 2015 and ending on June 30, 2016 ("2015 Plan Year"), no employers withdrew from the Plan.

7. Transaction Information.

The Plan did not merge with another plan and did not receive a transfer of the assets and liabilities of any other plan during the 2016 Plan Year.

8. Amortization Extension or Shortfall Funding Method Information.

The Plan has not sought or received an amortization extension under Section 304(d) of ERISA or Section 431(d) of the Internal Revenue Code of 1986, as amended for the 2015 Plan Year. The Plan did not use the shortfall funding method (as described in Section 305 of ERISA) for the 2016 Plan Year.

9. Right to Additional Information.

Any contributing employer or participating union under the Plan may request from the Plan Administrator, in writing, a copy of the documents listed below, but not more than one time during any one 12-month period. The Plan may charge a reasonable amount to cover the cost of providing the document requested.

- ☐ The Plan's 2016 Form 5500.
- ☐ The Plan's Summary Plan Description.
- ☐ Any Summaries of Material Modification to the Plan.

Please provide any written requests to the office of the Industry and Local 338 Pension Fund at:

911 Ridgebrook Rd.
Sparks, MD 21152

Additionally, if you have any questions regarding the information contained in this notice, please contact the Fund Office at 410-683-7763.

Segal Select Insurance

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

FIDELITY BOND INSURANCE

Policy No. **CH82422482FB**

February 1, 2018

Segal Select Insurance

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

MEMORANDUM

To: Alicia Cochran

From: Angie Begazo
Matthew Jackson

Date: February 1, 2018

Re: Industry and Local 338 Pension Fund and Industry & Local 338 Welfare Fund
Fidelity Bond Insurance
Policy No. CH82422482FB

Thank you for the opportunity to provide a quotation for this renewal of Fidelity Bond coverage.

We recommend renewing coverage with the incumbent carrier, Chubb, based on the broad scope of coverage and competitive premium.

Chubb automatically covers losses caused by "any natural person handling ERISA Plan assets and is required to be bonded by ERISA," if coverage for Outside Agents (TPA, Investment Managers, etc.) is desired.

Carrier	Total 3-Year Premium	Limits of Liability	Response
Chubb	$9,267 ($3,089 per installment)	$3-million	**RECOMMENDED**—Key decision variables: broad scope of coverage and continuity.

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 February 12 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 at:

Broker: Angie Begazo at (212) 251-5421 or abegazo@segalsi.com
Senior Vice President: Matt Jackson at (212) 251-5387 or mjackson@segalsi.com

cc: John Urbank
Russell Bley

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Industry and Local 338 Pension Fund and Industry & Local 338 Welfare Fund
Fidelity Bond Insurance
Policy No: CH82422482FB
February 1, 2018

Limits of Liability and Premium

Limits of Liability

Since the inception of ERISA, new technology has been introduced, risk issues have evolved, and fund assets have increased. Further, inflation has devalued ERISA's original bond limit requirement of 10 percent of handled assets up to $500,000. A DOL Field Assistance Bulletin, available here, confirms that nothing precludes a Fund from purchasing a higher bond limit than what is required.

Most bonds provide coverage on a "per occurrence" basis, which means that the bond's limits of liability applies anew to each unrelated loss sustained during the bond's term. If more than one Fund is covered on the same bond, the limit must equal at least the sum of each Fund's individual required limit.

Premium

At this renewal, Chubb has quoted a premium decreased of 1.51 percent ($44) annually from the expiring. An additional premium of $227 is included for the Social Engineering Coverage, if elected.

The information contained within this memo discusses legal issues and does not purport to have addressed all the decision issues trustees may need to discuss. Pursuing the strategies discussed herein may represent a change in the purchase of a plan's ERISA bond, especially its internal and external agent ERISA bonds. This may also result in significantly higher premium costs. Segal Select recommends that the trustees carefully consider these options and seek legal counsel's advice before pursuing them. Segal Select does not provide legal services or practice law and cannot provide legal opinions or binding interpretations of coverage. Segal Select emphasizes that plan trustees must rely on their legal counsel for authoritative legal advice on all questions concerning compliance with ERISA and DOL regulations.

Comparison of Policy Terms and Conditions

Terms of Expiring Policy and Proposed Renewal Policies[1]

	Expiring Terms	Renewal Terms
DESCRIPTION	**Chubb**	**Chubb (Recommended)**
Policy Terms and Conditions		
• Rating by A.M. Best[2]	A++	A++
• Policy Period	2/15/2015 to 2/15/2018	2/15/2018 to 2/15/2021
• Limits of Liability	$3-million	$3-million
• Total 3-Year Premium	$8,718 ($2,906 per installment)	$8,586 ($2,862 per installment)
• Social Engineering Coverage Premium	×	$681 ($227 per installment)
• Deductible for ERISA Coverage	$0	$0
• Deductible forNon-ERISA Coverages Only	$2,500	$5,000
• Deductible for Social Engineering Coverage Only	×	$10,000
Coverages/ Endorsements[3]		
• ERISA Fraud & Dishonesty	✓	✓
• 3rd Party Forgery	✓	✓
• 3rd Party Computer Fraud	✓	✓
• 3rd Party Funds Transfer Fraud	✓	✓
• Expense Coverage	✓ $10,000 sublimit	✓ $10,000 sublimit
• Outside Agents Coverage[4]	✓	✓
• Loss Discovered	✓	✓
• Extended Discovery Period	As soon as practical and no later than twelve (12) calendar months	No later than twelve (12) calendar months
• Pension Protection Act Enhancement	✓	✓
• Social Engineering Coverage	×	✓ - if purchased $50,000 sublimit $10,000 Retention

✓ Included in the policy × Not included

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. Fidelity Bond 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.
3 See attached glossary for definitions of selected coverage terminology appearing in this table.

Carrier Subjectivities

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

- Chubb:

  There are no subjectivities at this time.

Recommendation

Our recommendation is based on the following:

Scope of Coverage

The Chubb bond continues to automatically covers losses caused by employees, Trustees, and "any other natural person who handles ERISA plan assets, who is required to be bonded by Title 1 of ERISA". If coverage for losses caused by Outside Agents (TPA, Investment Managers, etc.) is desired, the Chubb bond does not require maintaining a list of these Outside Agents.

We also recommend the continued purchase of coverage for third party exposures commonly present in Fund administration: Forgery, Computer Fraud, and Funds Transfer Fraud. Given the increasing involvement of computers and fund transfer activities in the operation of benefit plans, Segal Select always recommends these third party coverages.

The carrier also continues to provide a $10,000 sublimit for Expense coverage for costs incurred to establish the existence and amount of covered loss. Please be advised that Chubb's coverage applies to all losses.

For this renewal, Chubb has included coverage for Social Engineering which covers losses resulting from a fraudulent instruction by someone impersonating a Fund trustees, employee or aendor to transfer money or securities from your account. Chubb has provided a sublimit and a deductible that applies specifically for this coverage in the chart above.

Supplemental Information for Insureds

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

Notice of Claim

The policy language requires that the carrier be notified as soon as practicable if the insured discovers any potential loss. Within this context, it is important to note that the policy's definition of Discovery is broad and subject to terms and conditions under the policy. Failure to notify under these terms could jeopardize coverage under the policy.

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.

Please note that insurance coverage cannot be bound or changed via email or voicemail message unless confirmed by a licensed broker.

Compensation

Information about our how we are compensated is available here.

Learn More

For more information about Segal Select Insurance and our services, visit us online at www.segalsi.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 tht 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 brng 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 insuance 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.

Glossary of Terms

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

Employee	The definition includes funds, fiduciary, trustees, administers, officers and employees. In addition, the Chubb bond includes language covering losses caused by "natural persons while in the service of any Employee Benefit Plan (included as Insured herein) as fiduciary, trustee, administrator, officer or employee and any other natural person required to be bonded by Title 1 of the Employee Retirement Income Security Act of 1974."
Expense Coverage	A sublimit of reasonable expenses associated with investigative or computer violation expenses resulting from a direct loss other than internal business expenses such as employee remuneration.
Computer Fraud	Losses resulting from third party "hacking" into the Insured's computer system to steal money, securities, or other property. The policy will also respond if a bank holding money, securities, or other property of the Insured is "hacked" and such an event results in a loss to the Insured. The ERISA bond automatically provides this coverage for losses caused by employees, directors, or Trustees of the Fund.
Forgery	Losses resulting from a third party forging or altering a check drawn on the Insured. The ERISA bond automatically provides this coverage for losses caused by employees, directors or trustees of the Fund.
Funds Transfer Fraud	Losses resulting from a third party providing fraudulent instructions directing a financial institution to transfer, pay, or deliver funds from your account. The ERISA bond automatically provides this coverage for losses caused by employees, directors or trustees of the Fund.
Loss Discovered	Losses are adjusted based on the limit and coverage in force when the loss is discovered, regardless of when the loss was sustained.
Outside Agents	e.g., Third Party Administrators, Investment Managers, etc. – Understanding which coverage is being purchased is important – Here's why. On the Chubb bond, Outside Agents do not need to be scheduled. The policy includes language covering losses caused by "any natural person who handles ERISA plan assets and who is required to be bonded by ERISA." Each natural person, rather than the collective outside entity, is considered when determining related claims.
Social Engineering Coverage	Losses resulting from a fraudulent instruction by someone impersonating a fellow employee or vendor to part with money or securities from your account.

PROTECTING YOUR FUNDS FROM VARIOUS RISKS

Segal Select Insurance

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

Fiduciary Liability Insurance
Protects trustees from allegations of breach of fiduciary duty

Fidelity Bond
Protection from costs associated with employee dishonesty, theft and third party crime losses

Cyber Liability Insurance
Protects funds from costs associated with cyber risks

Employment Practices Liability Insurance (EPLI)
Protection for allegations of employment wrongdoing

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.