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MEMORANDUM

To: Board of Trustees
Industry & Local 338 Welfare Fund

From: Russell Bley
John P. Urbank

Date: January 25, 2018

Re: Basic Life, AD&D, and Enhanced DBL Renewal Effective January 1, 2018

We have reviewed and analyzed the Fund's Basic Life, AD&D, and Enhanced DBL renewal provided by Amalgamated Life effective January 1, 2018. The Fund's current rates through December 31, 2017, and the January 1, 2018 renewal offerings are detailed in the chart below:

Basic Life, AD&D, and Enhanced DBL	Current Rates through 12/31/2017	Renewal Rates Effective 1/1/2018
Basic Life Actives (\$15,000 Coverage)	\$0.200/\$1,000	\$0.200/\$1,000
AD&D (\$15,000 Coverage)	\$.035/\$1,000	\$.035/\$1,000
Enhanced DBL (\$240 per week)	\$10.50 PPPM	\$10.50 PPPM
Annual Premium*	\$25,800	\$25,800
Annual Dollar Change	Current	\$0
Percentage Change	Current	+ 0.0%

* Assumes 153 participants for Basic Life, AD&D, and for Enhanced DBL coverage.

As illustrated above, Amalgamated Life has agreed to maintain the current rates for the Life, AD&D and Enhanced DBL coverages. Based on the Amalgamated Life's experience report, the Basic Life has had a 98 percent claims to premium ratio and the Enhanced DBL has had a 67 percent claims to premium ratio over the most recent five-year period.

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While we believe that the offer to maintain the Life and AD&D rates was a fair offer from Amalgamated Life, on behalf of the Fund we appealed the Enhanced DBL rate renewal action.

We are pleased to inform the Trustees that Amalgamated Life has agreed to reduce the current Enhanced DBL rate from \$10.50 ppm to \$9.25 ppm which amounts to \$2,300 in annual savings. This reduced rate will be made retroactive to the January 1, 2018 effective date.

Finally, Amalgamated Life has agreed to provide a two-year rate guarantee through December 31, 2019 for the Life and AD&D coverages, and a one-year rate guarantee through December 31, 2018 for the Enhanced DBL coverage.

If you have any questions, please let us know.

cc Fund Co-Counsel
Associated-Administrators

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