



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

MEMORANDUM

To: Board of Trustees
Industry & Local 338 Welfare Fund

From: Russell Bley
John P. Urbank

Date: November 12, 2019

Re: **Amalgamated Life Renewal effective January 1, 2020**
Basic Life, AD&D, Enhanced DBL and New York State Paid Family Leave Plan

We have reviewed and analyzed the Fund's Basic Life, AD&D, and Enhanced DBL renewal provided by Amalgamated Life effective January 1, 2020. The Fund's current rates through December 31, 2019, and the January 1, 2020 renewal offerings are detailed in the chart below:

Basic Life, AD&D, and Enhanced DBL	Current Rates through 12/31/2019	Renewal Rates Effective 1/1/2020
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)	\$7.00 PPPM	\$7.00 PPPM
Annual Premium*	\$15,300	\$15,300
Annual Dollar Change	Current	\$0
Percentage Change	Current	+ 0.0%

* Assumes 140 participants for Basic Life, 136 for AD&D, and 112 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 had an 86.4 percent claims to premium ratio and the Enhanced DBL had a 75.8

November 12, 2019

Page 2

percent claims to premium ratio over the most recent five-year period. 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.

While we weren't offered what was requested, we are pleased to inform the Trustees that Amalgamated Life has agreed to reduce the current Enhanced DBL rate from \$7.00 ppm to \$6.805 ppm which amounts to \$262 in annual savings. This reduced rate will be effective on January 1, 2020.

Finally, Amalgamated Life has agreed to provide a two-year rate guarantee through December 31, 2021 for the Life and AD&D coverages, and a one-year rate guarantee through December 31, 2020 for the Enhanced DBL coverage.

Amalgamated Life also proposed to increase the NYS PFL premium from 0.126% to 0.270% of covered payroll. There have been no claims for this coverage to date since its implementation on January 1, 2018. Amalgamated Life was not able to revise this renewal proposal since it is the state mandated rate.

If you have any questions, please let us know.

cc Fund Co-Counsel
Associated-Administrators

9024005v1/01163.001