



Classic Values, Innovative Advice

LANDOVER

Via Electronic Mail and USPS

JAN 27 2014

February 22, 2014

UFCW Unions & Participating Employers Health & Welfare Retiree Trust
c/o Mr. William R. Jensen, President
Associated Administrators, LLC
4301 Garden City Drive, Suite 201
Landover, Maryland 20785

Re: Engagement Letter for 2014

Dear Trustees:

This letter represents our proposed fees for the year 2014, pursuant to Section 2 of the Consulting Agreement between Cheiron and the UFCW Unions and Participating Employers Health & Welfare Fund dated February 7, 2003.

The proposed fee to provide the December 31, 2013 a full FASB ASC 965 report is \$18,300. based on reported inflation and will include the following:

- 1) Full FASB ASC 965 postretirement benefits valuation and report on retiree liability disclosures as of December 31, 2013.
- 2) An estimate of the incurred but not paid claims as of December 31, 2013.
- 3) Attend one annual Board of Trustees meeting or Policy Committee meeting to present the information above.
- 4) Provide response to auditors.
- 5) Attestation of the Medicare Retiree Drug Subsidy for 2014.

With respect to special consulting projects, Cheiron's billing rates during calendar year 2014 will range between \$84 and \$465 per hour.

We look forward to working with you during 2014. Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,
Cheiron

John L. Colberg, FSA, EA, MAAA
Principal Consulting Actuary

