Segal

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Board of Trustees
Food Employers Labor Relations Association and United Food &
Commercial Workers' VEBA Fund
Landover, Maryland 20785

Re: Symetra Life and AD&D Renewal Effective July 1, 2021

Dear Trustees:

We have received and reviewed Symetra's proposed renewal for life and AD&D coverage effective July 1, 2021 through June 30, 2023.

Renewal

Premium and claims data provided by Symetra for the period July 1, 2018 through December 31, 2020 illustrate that the Fund's current loss-ratio is 98%. A loss ratio is equal to the total benefits paid divided by the total premium. A loss ratio below 100% indicates that premiums have exceeded benefits received. Generally, a loss ratio at or above 100% will generate requests for premium increases from vendors.

Symetra's initial proposal represented a two year agreement with a 3.5% increase in premium. The following chart illustrates Symetra's current rates and initial proposal for life and AD&D coverage.

Symetra Life and AD&D Coverage Comparison of Current and Initial Proposal							
			Current Rates		Initial Proposal Effective July 1, 2021 through June 30, 2023		
Group	Benefit	Volume	Premium	Annual	Premium	Annual	Change
01-017797-00	Basic Life	$70,634,000	$0.183	$155,100	$0.192	$162,700	4.9%
01-017797-00	Basic AD&D	$40,579,500	$0.018	$8,800	$0.018	$8,800	0.0%
01-017797-01	Basic Life	$21,529,000	$0.204	$52,700	$0.204	$52,700	0.0%
		Total	-	$216,600	-	$224,200	3.5%

On behalf of the Fund, Segal requested that Symetra provide a best and final quote for the Trustees to consider. Symetra agreed to hold the inforce rates for two years. This results in $7,600 in annual savings or total savings of $15,800 for the two-year renewal period. The following chart outlines the current and negotiated proposal for life and AD&D coverage.

Symetra Life and AD&D Coverage Comparison of Current and Negotiated Proposal							
			Current Rates		Negotiated Proposal Effective July 1, 2021 through June 30, 2023		
Group	Benefit	Volume	Premium	Annual	Premium	Annual	Change
01-017797-00	Basic Life	$70,634,000	$0.183	$155,100	$0.183	$155,100	0.0%
01-017797-00	Basic AD&D	$40,579,500	$0.018	$8,800	$0.018	$8,800	0.0%
01-017797-01	Basic Life	$21,529,000	$0.204	$52,700	$0.204	$52,700	0.0%
		Total	-	$216,600	-	$216,600	0.0%

Financial Strength

Segal believes that it is important for clients to consider the financial strength of insurance companies, which are candidates for initial selection or renewal as insurers to employee benefit plans. Therefore, we are providing the current claims paying ability rating that was available to us as of the date this document was prepared, for the insurance company under consideration. We have provided the A.M. Best rating for your convenience. However, several other rating services (e.g., Standard & Poor's, Fitch and Moody's) also provide claims paying ability evaluations of insurance companies. You may wish to consult with these other services before making a decision regarding the initial selection or renewal of an insurance company.

Insurance Company	Rating Agency	Rating	Date of Rating
Symetra	A.M. Best	A (Excellent)	February 19, 2021

A.M. Best assigns an "Excellent" rating to companies that have, in their opinion, an excellent ability to meet their ongoing insurance obligations.

Segal does not itself perform insurance company or managed care organization credit quality evaluations and does not offer any warranty as to the scope or reliability (e.g., with respect to an organization's ability to meet future obligations) of the insurance company or managed care organizations.

Next Steps

Symetra's proposed renewal appears reasonable and competitive. The Trustees could accept this proposal or issue a formal RFP to see what the market would provide as a quote.

Please let us know if you have any questions, otherwise we look forward to discussing this with you further.

Regards,

Josh Timm
Senior Vice President

cc: Mr. David Jensen
Ms. Linda DuVall
Mr. Mitch Bramstaedt
Mr. Christopher Heppner