Summary of Responses to Request for Proposals to Provide Consulting Services to the Industry and Local 338 Welfare Fund

Prepared by:
Elizabeth O'Leary
Kauff McGuire & Margolis LLP

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Introduction

On October 3, 2024, the Industry and Local 338 Welfare Fund (the "Fund") issued a Request for Proposals (the "RFP") for consulting services to the following five firms:

(1) Bolton
(2) Brown & Brown
(3) Cheiron
(4) Segal
(5) Summit Actuarial Services, LLC ("Summit")

Each firm submitted a timely response to the RFP. The responses will be circulated via email. A summary of the highlights of each firm's response follows.

Fee Proposals

Bolton	$32,000 per year, includes one in-person meeting and unlimited virtual meetings
Brown & Brown	$35,000 annual retainer, guaranteed for 2 years.
Cheiron	Year 1: $27,500 Year 2: $27,500 Year 3: $28,325 After the first 3 years, the retainer would increase every 12 months by the increase in CPI estimated at 3% per annum. ** Fees for any supplemental services would be agreed to in advance. Hourly rates range from $130 to $170 for administrative staff to $450 to $550 for principal consulting actuaries.
Segal	Two proposals: 1. Transition to fully-insured product for which Segal would act as a broker and receive commissions from the insurance company but would no longer receive annual fee paid by the Fund; or 2. Reduce current annual retainer from $50,000 to $45,000, guaranteed for 3 years. Hourly rates for supplemental services not provided in RFP.
Summit	2025 & 2026: $32,000 Fees for special services would be agreed upon in advance. Although non-retainer projects are generally not based on hourly billing, charges are calculated based on hourly rates of $125 for administrative staff, $250 for consultants, and $350 for actuaries.

Firm Overview

Bolton	Founded in 1981 as independent actuarial and employee benefits consulting firm; since its founding, has consulted on all aspects of multiemployer pension and welfare benefits.
Brown & Brown	Full-service benefit consulting firm; the 5th largest insurance intermediary in the world with several thousand clients worldwide; its Connecticut and Seattle offices specialize in public and labor benefits services for about 100 clients.
Cheiron	Employee-owned, full-service actuarial consultancy founded in 2002 after the 7 founding consultants left a major actuarial firm due to a philosophical disagreement with respect to imposing liability limitations on clients; clients include multiemployer plans, public employers, non-profits, and corporations. 8 offices, including a New York office.
Segal	Has been the Fund's consultant for many decades; major consulting firm with actuarial, compliance, communications, technology, and other capabilities.
Summit	Founded in 2002; joint venture that is owned 50% by Frank Iannucci and 50% by Lou Bach; all revenue comes from services to jointly trusteed benefit funds.

Proposed Staffing

Bolton	Provided information on firm's personnel but clarification needed on team to be assigned to the Fund.
Brown & Brown	Same as above.
Cheiron	Michele Domash will be Lead Consultant. Joe Bawazer will be the Backup Consultant. They will be assisted by various other employees.
Segal	Jake Pine will serve as the Client Relationship Manager, Lead Consultant and Primary Contact. Kayla Davis will serve as the Co-Consultant. Mike Tesoriero will serve as Lead Health Consultant. Joane Lee will serve as the Health Consultant.
Summit	Frank Iannucci and Lou Bach, with assistance from Susan Bach and Dale McGar.

Client Information

Bolton	➢ 54 public and private health plans ➢ 55 multiemployer health plans
Brown & Brown	➢ 40+ multiemployer welfare clients
Cheiron	➢ 133 clients, of which 55 are multiemployer welfare plans
Segal	➢ 820+ health plan clients, of which 460+ are multiemployer welfare clients
Summit	➢ 21 health benefit consulting clients

Client References

Bolton	(1) Teamsters Local 456 (2) Upstate New York Engineers (3) Plumbers and Pipefitters Local 373
Brown & Brown	(1) Sheet Metal Workers Local #40 (2) IBEW Local #728 (3) Fulton Fish Market Welfare Fund
Cheiron	(1) Bricklayers & Allied Craftworkers Health Fund (2) St. Louis – Kansas City Carpenters Regional Health Plan (3) IBT Roofers Local 522
Segal	(1) Bakery and Confectionary Union & Industry International Health Benefits Fund (2) Soft Drink & Brewery Workers Local 812 Benefit Funds (3) Teamsters Local 282 Trust Funds
Summit	(1) Local 342 Healthcare Fund (2) Plumbers Local Union No. 200 Welfare Fund (3) Laborers' Local 17 Health Benefit Fund

Sample Reports*

Bolton	➢ Sample Renewal and Marketing Analysis
Brown & Brown	➢ Sample Trustees Report ➢ Sample Actuarial Valuation Report
Cheiron	➢ Sample Monitoring Report with Financials ➢ Sample H-Scan Models ➢ Sample Power BI
Segal	➢ FEBP Report
Summit	➢ Redacted Report on Actuarial Valuation ➢ Redacted Annual Report and Projections

* The sample reports are included in the firm's responses.

Conflicts of Interest

Bolton	None
Brown & Brown	None
Cheiron	None
Segal	None
Summit	None

Data Security

Bolton	See pages 10-12 of RFP response for detailed information on logging/audit controls, incident management, vulnerability/security assessment, anti-virus/malware controls, data integrity, server and infrastructure, continuous monitoring, secure data transfer, access controls for external connections, access controls for internal resource use, vulnerability management. Uses: AlienVault, Sophos Solarwinds Patch Manager and WSUS, Cisco ASA routers, Citrix ShareFile.
Brown & Brown	See pages 8-9 of RFP response. Robust Information Security and Cyber Risk Management Program. Secure designed and implemented controls where applicable across secure cloud infrastructure, secure and redundant data centers (SOC 2 certified) and secured third-party integrations. Adherence to various information security frameworks and regulations. See page 8 of response to RFP for information on encryption. Multiple options for secure data transmissions.
Cheiron	See pages 26-27 of RFP response Complete encryption of all computers and servers; two-factor VPN authentication; documented policies and procedures; secure portal for transmission of information. Data sharing handled through secure network.
Segal	Too detailed for chart. See pages 15-17 of Segal's response for very detailed response.
Summit	See page 6 of RFP response. ShareFile and anti-virus software.

Subcontracting

Bolton	None
Brown & Brown	None
Cheiron	None
Segal	None
Summit	No services or outsourced. However, Summit does outsource operational functions, including payroll, HR, and IT services.

Limitation of Liability or Indemnification Requirements

Bolton	No direct response other than information about insurance coverage. Will request additional information.
Brown & Brown	No liability for consequential, indirect, special or incidental damages, including loss of profits, revenue, data or use.
Cheiron	None
Segal	Includes a “reasonable” limitation of liability clause, which can be discussed.
Summit	Indemnification for any losses due to Fund’s provision of inaccurate data; arbitration requirement.

Litigations/Investigations

Bolton	None
Brown & Brown	As a national firm, Brown & Brown is involved in ongoing litigation of a variety of types. None of the litigation is substantive enough to have a material impact.
Cheiron	One employment-related litigation and one pension fund client litigation. Both cases dismissed as having no merit.
Segal	As a firm in business for more than 80 years with more than 2,500 current clients, Segal is occasionally named as a party in litigations, but none have affected Segal's ability to provide services or materially affected Segal's financial position or operations.
Summit	None

Insurance Coverage

Bolton	➢ Commercial General Liability and other coverage: $1 million, Umbrella - $5 million ➢ D&O - $1 million ➢ Fiduciary - $1 million
Brown & Brown	➢ $20 million Professional Liability Errors & Omissions coverage, after $5 million deductible
Cheiron	➢ $20 million professional liability Errors & Omissions insurance ➢ $5 million aggregate and per occurrence cyber insurance coverage
Segal	➢ $20 million in aggregate Errors and Omission insurance coverage ➢ $25 million in cyber insurance coverage
Summit	➢ $2 million individual claim and $3 million aggregate claim limit for professional services. ➢ IT services are outsourced so cyber insurance is provided through service provider.