

**Agenda**

VBA Benefits Corporation Board Meeting

***May 19, 2026, 10:00am***

Virtual - Zoom

- I. Welcome and Call to Order
- II. Approval of February 27, 2026 Minutes
- III. 2026 VBA Benefits Corporation Nominating Committee Report – John Caldwell, Past Chair
- IV. VBA Benefits Corporation Investment Committee Report – Laurie Milligan, VBA Benefits Corp.
- V. New VBA Group Medical & Dental Trust Investment Policy Statement – Matt Bral, Tony Neidert; Bral Neidert
- VI. Financial Report – Stacy Puckett, VBA Benefits Corp.
  - o Financial Results through March 2026
- VII. COO Report – Laurie Milligan, VBA Benefits Corp.
- VIII. State Banking Association Reinsurance Captive – Tom Mackay, Brandon Moorefield; MMA
- IX. Other Business
- X. Executive Session

**Minutes of the  
VBA Benefits Corporation  
Board Meeting  
February 27, 2026 at 10:30am  
VBA Capitol Room**

**In Attendance:** Chairman Michelle R. Austin, Elizabeth T. Beale, John R. Caldwell, Thomas F. Cherry, Jeffrey H. Culver, Barry C. Elswick, Brandon C. Lorey, W. Mark Nelson, C. Taylor Quicke, Lara E. Ramsey

**Unable to Attend:** Melody D. Emswiler

**VBA Staff:** Matt Bruning, DeMarion Johnston, Laurie Milligan, Stacy Puckett, John Snead

**Guests:** MMA – Tom Mackay, Brandon Moorefield / SageView Advisory Group – Ken Barnes, Dee Spivey

**Call to Order**

A quorum being present, Chairman Michelle Austin called the meeting to order. Notice of the meeting was properly given more than five days before the meeting and materials were also sent in advance, including:

- November 14, 2025 Minutes
- Year-end 2025 Retirement Plans & VBA Group Medical and Dental Trust Investment Performance
- 2026 Member Relations Report
- COO Report
- Financial Results for 2025 and Final 2026 Budget
- State Bankers Association Reinsurance Captive Concept

**Approval of Minutes**

The minutes from the November 14<sup>th</sup> meeting were approved as written.

**Year-end 2025 Retirement Plans & VBA Group Medical and Dental Trust Investment Performance**

Ken Barnes and Dee Spivey updated the Board on year end 2025 Retirement Plans and Group Medical and Dental Trust investment performance. Ken and Dee discussed adding a new capital preservation fund option as needed for members joining the Defined Contribution Plan. The Investment Committee recommended and Board approved adding the new capital preservation fund as an alternative to the Stable Value fund, only when a prospective bank has a fixed account in its current investment fund line-up.

**2025 Master Defined Benefit Pension Plan & Trust Audit Report**

Michelle Austin reported that the 2025 Master Defined Benefit Pension Plan & Trust audit had been completed and was a good report. The results of the audit were posted to the Board Portal two days before the meeting.

**2026 Member Relations Report**

John Snead reported on 2025 marketing efforts, activity with other state banking associations, enrollment and assets changes, and 2026 engagement goals.

**COO Report**

Laurie Milligan presented on the below items:

- State banking association partnership updates
- Acknowledgement that the Board unanimously voted to confirm VBA Benefits Corporation as the named trustee of the State Bankers Association Group Insurance Trust and Virginia Bankers Association Group

Medical and Dental Trust. This was accomplished through unanimous written consent between the November 2025 and February 2026 meetings.

- 2026 health and welfare initiatives, including updated VEBA Trust agreements, well-being initiatives, COBRA administration transition from FBA to bswift, cost containment strategies, and captive reinsurance
- 2026 retirement plan initiatives, including PRM's request for information on recordkeeping and TPA services as a formal due diligence process; Voya's new ESOP capabilities
- Year-end 2025 plan utilization for the self-funded medical and dental plans.

Board members discussed and asked questions about the materials being presented.

#### **Financial Report**

Stacy Puckett presented year-end 2025 financial results and final 2026 budget for the Trusts and VBA Benefits Corporation. The financials and budget were approved as written.

#### **State Bankers Association Reinsurance Captive Concept**

Tom Mackay and Brandon Moorefield introduced a new captive reinsurance concept exclusively for State Banking Association health plans as an alternative to traditional stop loss protection. Board members discussed and asked questions. MMA will present a pro-forma utilizing the Trust's historical stop-loss claims at the May Board meeting.

#### **Virginia General Assembly Legislative Update**

Matt Bruning presented an update on the 2026 Virginia General Assembly Session and legislation impacting the Virginia banking industry.

#### **Adjourn to Executive Session**

There being no other business, the meeting adjourned to executive session.

Submitted by: John Snead, SVP Member Relations



**BOARD OF DIRECTORS  
Executive/Nominating Committee Report**

**Rotation for Terms on the Board  
Effective July 1, 2026**

**Recommendations from Executive/Nominating Committee**

*Nominations for current Board members to serve new 3-year term:*

Elizabeth T. Beale  
John R. Caldwell  
Barry C. Elswick  
Brandon C. Lorey

*Nomination for vacant Board position to serve 2026-2027 term:*

Rebecca A. Foster, Chesapeake Bank

*Nomination for Board Chairman to serve 1-year term:*

Michelle R. Austin, Bank of Botetourt

**Continuing Class of 2027 (July 2024 - June 2027)**

Melody D. Emswiler  
Rebecca A. Foster  
W. Mark Nelson  
Lara E. Ramsey

**Continuing Class of 2028 (July 2025 - June 2028)**

Michelle R. Austin  
Thomas F. Cherry  
Jeffrey H. Culver  
C. Taylor Quicke

**Proposed Class of 2029 (July 2026 - June 2029)**

Elizabeth T. Beale  
John R. Caldwell  
Barry C. Elswick  
Brandon C. Lorey



## VBA Benefits Corporation Investment Plan Committee Meeting

### 4<sup>th</sup> Quarter 2025 Meeting Minutes

**Meeting Date:** February 27, 2026  
**Time:** 9:00 A.M. ET  
**Location:** In Person

#### Meeting Attendees

**Committee Chair:** Jeff Culver  
**Voting Members:** John Caldwell, Thomas Cherry, Laurie Milligan, Matt Vance, Barry Elswick, Michelle Austin  
**VBA Staff:** DeMarion Johnston, Stacy Puckett, John Snead  
**SageView Advisory Group:** Ken Barnes, Dee Spivey  
**Absent:** Bruce Whitehurst, Leesa Christian

#### Meeting Topics

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- Prior Meeting Minutes
- Creative Planning Integration
- Voya Fixed Account Discussion
- Investment Review (All Plans)
- Voya SOC Review
- Education Update

#### Open Items

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**Approval of Prior Meeting Minutes:** The minutes from the prior meeting were approved by the Committee with no changes.

#### Creative Planning Integration

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SageView provided an update on the integration with Creative Planning.

#### Voya Fixed Account Discussion

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The Committee reviewed potential approaches regarding capital preservation options within the Master Trust structure, specifically addressing the use of the Goldman Sachs Stable Value Fund and the Voya Fixed Account and providing flexibility to address specific transition circumstances without broadly restructuring the Trust's capital preservation lineup. The Committee discussed the fiduciary implications, structural consistency within the Master Trust, and the importance of maintaining appropriate 3(38) oversight in evaluating these alternatives. The Committee approved a recommendation to the Board, to utilize the Voya Fixed Income account on an as needed basis to assist in plan transitions into the Master Trust.

## Investment Review

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**Market & Regulatory Update:** SageView provided a general summary of the capital markets for the fourth quarter as well as a brief overview of recent regulatory and legislative activity.

### Defined Contribution Plans

**Total Plan Assets:** \$522,613,055.63

**Investment Performance:** SageView provided an overview of the performance of the Plan's investment alternatives.

Core Option Investment Review:

- 16 of the 17 core investments passed SageView scoring criteria.
- Average core option SageView score is 22<sup>nd</sup> percentile.

Asset Allocation Investment Review:

- 12 of the 12 Asset Allocation investments, including the Vanguard Target Retirement Trust II series investments passed SageView scoring criteria.
- Average Asset Allocation SageView score is 12<sup>th</sup> percentile.
- 61.60% of assets are allocated to a target date investment.

**Watch List Summary:** SageView reviewed the Plan's investment alternatives designated for the *Watch List*.

Investment Name	Watch List Date	Qualitative / Quantitative	SageView 3(38) Action
MFS Growth Equity Fund CL S	9/30/23	Quantitative	Continue on Watch
Wasatch Core Growth CIT A	12/31/25	Quantitative	Place on Watch
PIMCO RAE US Small Instl	N/A	N/A	Replace with PIMCO RAE US Small CIT CI S
Vanguard Target Retirement Trust II Series	N/A	N/A	Change the share class to Trust Select

**Plan Portfolio Weighted Expense:**

- **Weighted Expense Ratio:** 0.14

### Defined Benefit Plans

**Total Plan Assets:** \$92,914,462.90

**Investment Performance:** SageView provided an overview of the performance of the Plan's investment alternatives.

Core Option Investment Review:

- 15 of the 16 core investments passed SageView scoring criteria.
- Average core option SageView score is 25<sup>th</sup> percentile.

**Watch List Summary:** SageView reviewed the Plan's investment alternatives designated for the *Watch List*.

Investment Name	Watch List Date	Qualitative / Quantitative	SageView 3(38) Action
PIMCO Long Duration Total Return Instl	9/30/22	Quantitative	Continue on Watch
MFS Growth Equity Fund CL S	9/30/23	Quantitative	Continue on Watch
Wasatch Core Growth CIT A	12/31/25	Quantitative	Place on Watch
T. Rowe Price Overseas Stock I	12/31/24	Qualitative	Remove from Watch

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## Non-Qualified Plans

**Total Plan Assets:** \$102,601,708.63

**Investment Performance:** SageView provided an overview of the performance of the Plan's investment alternatives.

Core Option Investment Review:

- 14 of the 15 core investments passed SageView scoring criteria.
- Average core option SageView score is 23<sup>rd</sup> percentile.

Asset Allocation Investment Review:

- 3 of the 4 Asset Allocation investments passed SageView scoring criteria.
- Average Asset Allocation SageView score is 20<sup>th</sup> percentile.

**Watch List Summary:** SageView reviewed the Plan's investment alternatives designated for the *Watch List*.

Investment Name	Watch List Date	Qualitative / Quantitative	SageView 3(38) Action
Wasatch Core Growth CIT A	12/31/25	Quantitative	Place on Watch
Vanguard LifeStrategy Income Inv	12/31/22	Quantitative	Continue on Watch

**Plan Portfolio Weighted Expense:**

- **Weighted Expense Ratio:** 0.20%

## VEBA Plan

**Total Plan Assets:** \$10,983,689.00

**Q4 2025 Portfolio Return:** 1.41%

**Inception Portfolio Return:** 13.29%

**Investment Performance:** SageView provided an overview of the performance of the Plan's investment alternatives and recent tactical portfolio allocation decisions.

Core Option Investment Review:

- 15 of the 16 core investments passed SageView scoring criteria.
- Average core option SageView score is 21<sup>st</sup> percentile.

Investment Name	Watch List Date	Qualitative / Quantitative	SageView 3(38) Action
Loomis Sayles Core Plus Bond Y	3/31/25	Quantitative	Continue on Watch
MFS Emerging Markets Debt I	3/31/25	Quantitative	Continue on Watch

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## Voya SOC Review

To satisfy audit requirements, the VBA Benefits Corp team reviewed the recordkeeper SOC 1 report and identified the complementary user controls and addressed any deficiencies applicable to the Plan.

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## Education Update

SageView provided an update on participant education delivered in 2025 and the financial wellness workshops available to all employees.

## Follow-Up Items

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**Follow-Up Items:** The following items will be addressed following the meeting:

- SageView will email the Q4 2025 Meeting Minutes for review and approval.

*As there was no further business, the meeting was adjourned.*

VIRGINIA BANKERS ASSOCIATION  
GROUP MEDICAL AND DENTAL TRUST  
Investment Policy Statement & Transition Review

VIRGINIA BANKERS  
ASSOCIATION

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# Benefit Plan Trust Taxation is Unique

## Federal Income Taxes: Estate and Trust Tax Rates

Income Range	Ordinary Income & Short-Term Capital Gains	Qualified Dividends & Long-Term Capital Gains
\$0 – \$3,150	10%	0%
\$3,151 – \$11,450	24%	0%
\$11,451 – \$15,650	35%	15%
Over \$15,650	37%	20%

## Tax-Aware Investment Strategies

- Tax-exempt bonds vs. taxable bonds
- Passive/Index Exchange Traded Funds (ETFs) vs. Active Mutual Funds
- Lower portfolio turnover
- Long-term gains vs. short-term gains
- Tax loss harvesting

# Timeline and Implementation Update

## February

- Assets transferred from Charles Schwab
- First tranche of portfolio repositioning
  - › Moved from taxable bonds to tax-exempt bonds
  - › Replaced three actively-managed equity mutual funds with passive ETFs
  - › Realized capital gains of ~\$259,000

## March

- Took advantage of market volatility to execute tax-loss harvesting transactions
- Realized capital losses of ~\$153,000

## May

- Replaced two remaining actively-managed equity mutual funds with passive ETFs
- YTD realized capital gains: ~\$517,000
- For context, 2025 capital gains were ~\$624,000

# Investment Policy Statement

## Executive Summary

- Current IPS reflects best practices for a tax-exempt qualified retirement plan.
- Proposed IPS is tailored to a VEBA trust that is subject to taxation on investment income.

## What Did Not Change

- ERISA fiduciary framework and prudence standard
- Board oversight and control
- Investment objectives
- Asset allocation targets

## What Was Removed

- Detailed active fund manager evaluation, selection, and replacement framework.
  - › These controls are necessary for tax-exempt plans that use active mutual funds.
  - › They can create tax friction in a trust subject to investment income taxation.
  - › Index-focused ETF strategy simplifies oversight and reduces unnecessary capital gains.

## What Was Added

- Explicit recognition of UBIT taxation. Focus on after-tax returns.
- Clearly defined Reserves Structure which incorporates cash and short-term fixed income.

# **The Virginia Bankers Association Group Medical and Dental Trust Investment Policy Statement**

## **1. Scope and Purpose**

The Virginia Bankers Association Group Medical and Dental Trust (“Trust”) was established to hold cash and reserves used to pay claims and administrative expenses for the Virginia Bankers Association medical, prescription drug and dental plans (“Plans”). The VBA Benefits Corporation, a wholly owned subsidiary of the Association, serves as Plan Sponsor and oversees the Trust.

The Trust is maintained for the exclusive purpose of benefiting plan participants and their beneficiaries and intends to operate in accordance with applicable state and federal laws and regulations. The trust is considered a Voluntary Employees’ Beneficiary Association (VEBA) Trust. It is tax-exempt under Section 501(c) (9) of the Internal Revenue Code but, because of its reserve balances, may be subject to Unrelated Business Income Tax (UBIT) under IRC sections 511B, 512A, and 419A. Investment decisions should consider potential UBIT implications.

This Investment Policy Statement (“IPS”) establishes the objectives and guidelines for managing the Trust’s assets and is intended to assist the VBA Benefits Corporation Board of Directors (“Board”) and the Investment Manager(s) in effectively managing Trust assets. It outlines an investment philosophy that is intended to comply with the prudence requirements of the Employee Retirement Income Security Act (“ERISA”).

## **2. Roles and Responsibilities**

All parties involved in the management of the Trust’s assets shall:

- Act solely in the interest of plan participants and beneficiaries and for the exclusive purpose of providing benefits and defraying reasonable plan administration costs.
- Act with care, skill, prudence, and diligence in making investment decisions.
- Diversify Trust investments.
- Follow plan documents (unless inconsistent with ERISA).
- Comply with applicable state and federal laws, rules, and regulations.

### VBA Benefits Corporation Board of Directors

The Board has fiduciary responsibility for invested assets. The Board may designate individuals to act for the Board and/or communicate with any Investment Manager on the Board’s behalf. The Board’s responsibilities include:

- Establish investment objectives and guidelines for the Trust.
- Approve the IPS and any amendments.
- Appoint or Terminate Investment Managers and service providers.
- Monitor Investment Managers and other service providers.
- Monitor portfolio asset allocation and investment performance.

### Investment Committee

The VBA Benefits Corporation Investment Committee (“Committee”) assists the Board in overseeing and monitoring the Trust’s investments but has no discretionary authority over investment decisions. The Committee members are appointed by the Board Chair and is comprised of several Board members, other state banking association representatives, as appropriate, and the CEO and the President of Benefits Corp.

### VBA Benefits Corporation Staff

The VBA Benefits Corporation Staff (“Staff”) provides administrative support, coordinates meetings, and facilitates communication between the Board and Investment Manager(s).

### Investment Manager

The Board may employ an outside Investment Manager to manage the Trust’s investment portfolio. The Investment Manager has discretion to manage the portfolios in accordance with this IPS, applicable law, and applicable investment management agreements. Specific responsibilities include:

- Acknowledge in writing the acceptance of responsibility as a fiduciary and agree to comply with this IPS and all applicable laws and regulations.
- Measure, evaluate, and report portfolio performance, including comparisons against established benchmarks.
- Meet quarterly, and as requested, with the Investment Committee to review investment strategy and performance.
- Meet with the Board once per year in person to review year-end performance.
- Review IPS annually and recommend changes as appropriate.
- Provide support in financial reporting required by regulators, auditors, and other entities which may require financial reports from time to time.
- Provide education to the Board, Investment Committee and Staff related to governance/fiduciary responsibility, industry trends, capital markets, and other investment-related topics.

## **3. Investment Objectives and Guidelines**

The assets held by the Trust are to be invested for the sole benefit of the Plans and their members. The Trust’s primary investment objective is to provide liquidity for the timely payment of claims and plan administrative expenses. The secondary objective is to grow Trust assets to help offset future benefits and administrative cost increases and maintain an appropriate level of claims reserves. Investment decisions should also consider potential UBIT implications.

### Reserve Structure

#### 1. Short-Term Reserve

Time Horizon:	Short-term investment fund
Primary Objectives:	Capital preservation and liquidity
Secondary Objectives:	Income

The target balance for the Short-Term Reserve is 200% to 400% of the greater of:

- Average monthly premiums over the past 12 months
- Estimated incurred but not reported (IBNR) liability
- Premiums collected in advance.

The Short-Term Reserve is limited to holding FDIC-insured bank deposits, U.S. Government money market funds, or U.S. Treasury securities with maturities of one year or less.

## 2. Long-Term Reserve

Time Horizon:	Long-term investment fund
Primary Objectives:	Exceed inflation (CPI) by 4% per year, after fees, over a full market cycle
Secondary Objectives:	Outperform the Policy Benchmark, after fees, over a full market cycle

The Long-Term Reserve portfolio shall have two components: an equity portion and a fixed income portion. The expected role of equity investments is to maximize the long-term growth of portfolio assets, while the role of fixed income investments is to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the value of equity investments.

The long-term strategic asset allocation targets and allowable ranges determined by the Board to be the most appropriate, given the Long-Term Reserve's objectives, are outlined below. This allocation reflects long-term nature of these assets. While equity exposure is high, ongoing liquidity needs are expected to be met through Cash and Short-Term Reserves.

<b>Asset Class</b>	<b>Allowable Range</b>	<b>Allocation Target</b>
Cash and Equivalents	0 - 5%	1%
Fixed Income	6 - 16%	11%
<i>Short-Term Bonds</i>	0 - 16%	3%
<i>Intermediate-Term Bonds</i>	0 - 16%	6%
<i>High Yield Bonds</i>	0 - 5%	2%
Equities	83 - 93%	88%
<i>US Equities</i>	56 - 76%	66%
<i>Non-US Equities</i>	12 - 32%	22%

Specific allocations within equities and fixed income will be determined by the Investment Manager subject to the above constraints.

The targeted amount of invested assets is intended to represent 25% of the total amount of net assets in the Trust.

## Diversification

Diversification across and within asset classes is the primary means by which the Board expects the Long-Term Reserve portfolio to avoid undue risk of large losses over long periods. To protect the portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, the Board will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will be in place:

- Except for fixed income investments explicitly guaranteed by the U.S. government, the portfolio will hold no individual securities.
- Except for U.S. Government bonds or passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single holding shall comprise more than 20% of total portfolio assets.
- All investments must maintain sufficient liquidity to meet foreseeable obligations.

## Prohibited Investments

Unless authorized by the Board, the Long-Term Reserve portfolio is prohibited from:

- Purchasing securities on margin or executing short sales.
- Pledging or hypothecating securities.
- Purchasing or selling derivative securities for speculation or leverage.
- Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the portfolio's objectives.

## Portfolio Monitoring and Review

The Board, assisted by the Board, will monitor the Long-Term Reserve portfolio on a quarterly basis. Investment performance (net of fees) will be assessed using the following standards:

1. The Portfolio's absolute long-term real return objective of Inflation (CPI) + 4%.
2. A Policy Benchmark consisting of the following unmanaged market indexes weighted to mirror the Portfolio's strategic asset allocation targets:
  - US Equities: Russell 3000 Index
  - Non-US Equities: MSCI All Country World Ex-US Index
  - Fixed Income: Bloomberg Muni Index
  - Cash: Bloomberg US Treasury Bill (1-3M) Index

The Board recognizes that investment objectives will not always be achieved over short periods. In keeping with portfolio's long-term orientation, the Board will evaluate portfolio and Advisor performance over a suitably long investment horizon, generally across a full market cycle or, at a minimum, on a rolling five-year basis.

#### **4. IPS Review and Amendment**

The Board reserves the right to amend the Investment Policy Statement at any time it deems such amendment to be necessary or to comply with changes in applicable law as these changes affect the investment of the Plan's assets; however, the Investment Manager must agree to any such changes in advance of adoption. Until revised or amended by the Board, the Investment Policy Statement shall remain in effect.

#### **Disclaimer**

This Investment Policy Statement is intended to provide general guidelines for the management of the Trust's assets and does not constitute legal or tax advice. The Board and its designees are responsible for ensuring compliance with all applicable laws and regulations, including ERISA, the Internal Revenue Code, and state requirements. Nothing in this document supersedes governing plan documents or applicable law. In the event of any conflict between this IPS and the Trust Agreement, the terms of the Trust Agreement shall prevail.

## **DISCLAIMER**

The specimen Investment Policy Statement (“IPS”) provided by SageView Advisory Group (“SageView”) is intended solely as a sample document. The Board should use its discretion and independent judgment in determining the need and content of an IPS document.

It is the Board’s sole responsibility to:

- Determine its authority to review and adopt an IPS document.
- Carefully review any IPS document to ensure it is consistent with the Board’s policies and procedures.

The Board should consider whether it is prudent to retain legal counsel for issues relating to the review and/or adoption of an IPS document.

# INVESTMENT POLICY STATEMENT

Virginia Bankers Association Group Medical and  
Dental Trust

Adopted November, 2022

## Investment Policy Statement

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## Investment Policy Statement

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### Purpose of the Investment Policy Statement

This Investment Policy Statement establishes the policies and guidelines for the Virginia Bankers Association Group Medical and Dental Trust (the “Trust”) and is intended to assist the VBA Benefits Corporation Board of Directors or its designee, as applicable (the “Board”) and the Investment Consultant in effectively selecting, monitoring and evaluating Trust assets. It outlines an investment philosophy that is intended to comply with the prudence requirements of the Employee Retirement Income Security Act (“ERISA”). It sets out to assist the Board by:

1. Stating in a written document the Board’s objectives and guidelines for maintaining the Trust.
2. Encouraging effective communication between the Board and parties involved with the investment management decisions.
3. Establishing the benchmark(s) and guidelines against which plan performance will be evaluated.
4. Establishing formal criteria to select, monitor, evaluate and compare the performance results achieved by an investment on a regular basis.
5. Identifying sufficient liquidity for purposes of paying scheduled benefits.

*Note: The provisions of this Investment Policy Statement are guidelines only. The fiduciaries are not required to follow them. Instead, in all cases, fiduciaries are expected to exercise discretion and independent judgment when it considers this to be prudent and in the best interest of participants and beneficiaries of the Trust.*

### Purpose of the Trust

The VBA Group Medical and Dental Trust was established to hold cash and reserves used to pay claims and administrative expenses for the VBA medical, prescription drug and dental plans in which covered employees of the employer members of the Association and the Association itself participates. The VBA’s wholly owned subsidiary, the VBA Benefits Corporation is the Plan Sponsor of the health plans and oversees the Trust activities. The Plans and Trust is maintained for the exclusive purpose of benefiting Plan participants and their beneficiaries and intends to operate in accordance with applicable state and federal laws and regulations. It is considered a Voluntary Employees’ Beneficiary Association (VEBA) Trust and tax-exempt under Section 501(c) (9) of the Internal Revenue Code as established by ERISA, Plan fiduciaries are responsible for:

1. Acting solely in the interest of the plan participants and their beneficiaries and with the exclusive purpose of providing benefits to them;
2. Carrying out their duties prudently;
3. Following the plan document (unless inconsistent with ERISA);
4. Diversifying plan investments; and
5. Paying only reasonable plan expenses.

ERISA requires that fiduciaries demonstrate an area of expertise in managing the plan or hire professionals knowledgeable to assist plan fiduciaries in their responsibilities. ERISA further states that prudence focuses on processes in making fiduciary decisions, therefore plan fiduciaries should document any applicable discussions and decisions made by plan fiduciaries.

## Investment Policy Statement

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### Statement of Objectives

The broad objectives of the Trust are to:

1. Maintain the ability to pay designated benefits and expense obligations when due.
2. Meet the return objectives set forth by the Board while managing Trust assets in a risk-conscious fashion that is in line with the Trust's time horizon, liquidity constraints, and risk tolerance.
3. Maintain a reasonable cost associated with administering the Trust and managing the investments.
4. Comply with applicable state and federal laws, rules and regulations including but not limited to ERISA.

These objectives influence the development of the various factors and constraints that serve as the pillars of the investment decision-making process. Both the Trust objectives and the investment constraints are periodically evaluated to ensure that they remain applicable and appropriate over time. The following is a list of pertinent factors and constraints for the investment management process:

#### Time Horizon

Time horizon identifies the longevity of the plan assets. It is not limited to, but generally a factor of:

1. The addition of new participants to the health plans to grow the enrollment and stabilize fluctuations in claims,
2. Ability to grow cash reserves through annual premium rate setting and positive claims experience,

Understanding the time horizon will help establish the appropriate level of risk to be taken by Trust investments.

#### Liquidity Needs

The Trust's current liquidity needs are determined by the medical, prescription drug and dental claims experience. Expected Trust contributions may be used to fund cash outflow. The Trust must maintain sufficient monthly liquidity to cover claims by participants in the group medical and dental benefit plans sponsored by the Board, fees and expenses incurred by the Trust, and premium payments to excess-loss insurance carriers. The remainder is available for investment.

#### Risk Tolerances

Risk may be defined in many terms, including but not limited to market risk, security risk, credit risk, and interest rate risk. The Board recognizes that when using a comprehensive definition of risk, there are no truly risk-free assets. As risk cannot be completely eliminated, the Board shall develop its investment structure consistent with a reasonable level of total risk. Therefore, the Board will evaluate various investment structures when determining the appropriate level of risk for the Trust, balancing both risk and return expectations.

A portion of the investable assets will be invested in low-risk investments such as: money market funds, Certificates of Deposit, demand deposit accounts and other vehicles that are covered by FDIC Insurance to provide adequate reserves to pay claims. Trust is the custodian and Directed Trustee for these funds. The Investment Consultant shall have no oversight over the assets invested in these vehicles.

The Board will determine a portion of the assets that are available for investment that will be managed in accordance with the Asset Allocation Guidelines outlined in Appendix D.

## **Investment Policy Statement**

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### Performance Expectations

The Trust's performance objective is to achieve returns, that in concert with Plan contributions, adequately fund plan benefit obligations. Over a full market cycle, the Trust's performance will primarily be measured against a custom weighted average of broad market indices allocated according to the strategic asset allocation, and / or

While the Board primarily views performance in the context of the overall portfolio, individual plan investments will be continuously monitored and evaluated in accordance with Appendix A.

## **Statement of Responsibilities**

### VBA Benefits Corporation Board of Directors

The members of the Board are plan fiduciaries and shall be responsible for the following:

1. Set general policies and procedures and interpret Plan and Trust provisions, as necessary;
2. Select vendors to maintain the Plan's records and implement policies and procedures;
3. Supervise the Plan's service providers, and conduct periodic performance and cost assessment reviews;
4. Delegate responsibilities to agents as appropriate;
5. Prepare and maintain this Investment Policy Statement;
6. Evaluate and approve the Asset Allocation in accordance with Appendix D;
7. Monitor investment and administrative expenses associated with the Trust;
8. Monitor and evaluate service vendors;
9. Avoid prohibited transactions and conflicts of interest;
10. Comply with applicable state and federal laws, rules and regulations including but not limited to, ERISA; and
11. Vote proxies with respect to all securities held by the Trust if the Board so elects.

### Trustee/Custodian

The Trustee and/or Custodian shall be responsible for the following:

1. Receive contributions from the Sponsor;
2. Value the Trust's holdings;
3. Collect income and dividends owed to the Trust;
4. Settle transactions (buy-sell orders);
5. Provide monthly or quarterly reports that detail transactions, cash flows, securities held and their current value, change in security value, and the overall Trust since the previous report;
6. Issue an annual consolidated statement of trust assets and trust income and expenses, including supplemental schedules for the Trust's auditors;
7. Maintain separate accounts by legal registration;
8. Process benefit payments and other transactions as instructed by the Board;
9. Perform benefit distribution administrative functions, including tax withholding, deposit and reporting, direct rollover processing, and other necessary requirements pertaining to Trust distributions;
10. Fulfill the fiduciary duties required of a trustee by ERISA and other applicable laws and regulations.

### Investment Consultant

1. Advise the Board on investment allocation in accordance with the Asset Allocation defined in Appendix D;
  2. Advise the Board on the selection of investments upon request;
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## Investment Policy Statement

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3. Monitor and evaluate investment performance and advise the Board of the results of the evaluation periodically or upon request;
4. Educate the Board on economic and investment trends that may impact the performance of the selected and available investments;
5. Select and replace investments for the Plan in accordance with IPS guidelines. The Investment Consultant is not responsible for the individual investment performance and does not guarantee investment results.

### Investment Managers to Underlying Investment Products

The Board may elect to utilize separate account or collective investment trust investment vehicles within the Trust. If utilized, the Investment Manager(s) of such investment shall be responsible for the following:

1. Manage the assets under their supervision in accordance with the guidelines and objectives outlined in their respective Service Agreements, Prospectus or Trust Agreement.
2. Exercise full investment discretion with regards to buying, managing, and selling assets.
3. Vote promptly proxies and related actions in a manner consistent with the long-term interest and objectives of the Plan as described in this IPS. An investment manager shall keep detailed records of the voting of proxies and related actions and will comply with applicable regulatory obligations.
4. Communicate to the Board/Investment Consultant significant changes pertaining to the investment it manages or the firm itself. Changes in ownership, organizational structure, financial condition, and professional staff are some examples of significant changes to the firm.
5. Effect transactions subject “to best price and execution.”
6. Use the same care, skill, prudence, and due diligence under the circumstances that experienced investment professionals, acting in a like capacity and fully familiar with such matters, would use in accordance and compliance with applicable laws, rules, and regulations.

### Asset Class Guidelines

The Board believes investment performance is primarily a function of asset class mix. In choosing which asset classes should be included in the Trust, the Board weighs the long-term performance and risk characteristics of the asset category. Historically, while interest-generating investments, such as bonds, have the advantage of relative stability of principal value, they provide little opportunity for real long-term capital growth due to their susceptibility to inflation. On the other hand, equity investments, such as common stocks, clearly have a significantly higher expected return but have the disadvantage of much greater year-by-year variability of returns.

Even more important than the investment’s standalone performance and risk characteristics is its potential to enhance the overall risk-return profile of the portfolio as a whole (i.e. its diversification potential). Even if a single category is on a standalone basis seemingly out-of-line with the Plan’s investment time horizon and/or return expectations, it may be considered for inclusion in the Plan if it helps the overall portfolio achieve the IPS objectives.

Asset classes that may be included in the plan’s overall asset allocation strategy are shown in Appendix A:

### Rebalancing of Strategic Allocation

The percentage allocation to an asset class may vary depending upon market conditions. Please reference the allocation tables in Appendix D for the lower and upper bounds for an asset class as applicable to the plan’s funded status. When necessary and/or available, cash inflows/outflows will be deployed in a manner

## Investment Policy Statement

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consistent with the strategic asset allocation and allocation ranges of the Trust. If the Board judges cash flows to be insufficient to bring the Trust within the target allocation ranges, the Board shall decide whether to effect transactions to bring the allocation of Trust assets within the threshold ranges.

### Selection of Underlying Investments

This section and those that follow describe the steps the Investment Consultant takes in selecting and monitoring investments. It is expected that the Investment Consultant will make use of this information in its discretion to the extent it deems prudent, and the following steps are meant to serve as guidelines to the Investment Consultant in carrying out its fiduciary functions and not as mandatory steps. The Investment Consultant takes a two-tiered approach to fund selection. Quantitative and qualitative screens are used as follows:

#### *Quantitative Screening (including but not limited to):*

- Investment track record
- Investment risk/return
- Investment style analysis
- Performance consistency
- Investment cost
- Turnover ratio

#### *Qualitative Screening (Investments that pass the quantitative screens will be reviewed for characteristics that include but are not limited to):*

- Investment-style variations
- Portfolio concentration
- Asset size and growth

Interviews with portfolio managers and/or analysts will also be conducted if deemed necessary.

Selected investments will be reviewed by the Investment Consultant with a view as to whether there are any additional factors that would make them unsuitable for inclusion in the Trust. Investments will be examined with the objective of determining if it appropriately complements the overall diversification and risk and return parameters of the entire Trust investment lineup.

In addition to diversification and risk tolerance considerations, the Board intends to consider investment expenses in the selection of investments. It is anticipated the Board will review regularly costs associated with the management of the Trust's investment program. These costs include the following:

- Expense ratios of an investment against the appropriate peer group.
- Trustee and custody fees for holding assets, collecting income and payment disbursements.
- Plan administrative fees, including record keeping fees and other fees associated with services the plan receives, such as compliance testing fees, audit fees, fees for communication services, etc.

## Investment Policy Statement

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### Evaluation Methodology for Underlying Investments

The Board anticipates the Investment Consultant will use certain criteria in selecting and monitoring Trust investments. Each investment should be evaluated on an ongoing basis using several measures that quantify the expenses, returns and risk-adjusted performance of each fund within its peer group.

Each Trust investment should be reviewed at least annually against its peer group and benchmark index to assess the performance and quality of each offering. The list of criteria that may be used for evaluation is included as Appendix B of this document and may be updated by the Board, as necessary.

As noted in Appendix A, whenever possible, each fund is benchmarked to a specific market index, and fund performance is evaluated and compared to a relevant peer group using Morningstar category classifications. Each criterion for a fund is given a peer group ranking, shown as a percentage. As an example, a criterion ranking of 10% indicates a fund is in the top 10% of its peer group for said criterion. The rankings for all criteria are then weighted and averaged to give a fund its average ranking score. The lower the average ranking score, the better. In general, a fund with an average ranking score of 25% would be more attractive than a comparable fund with a ranking score of 50%. An overall ranking score is used to indicate where a fund places in relation to the scores of the other funds in its category. Generally, funds are divided into categories of deciles and quartiles.

Peer group rankings generally require a three-year history to ensure an accurate evaluation of the fund. Any fund with fewer than three years of history will generally not be evaluated using this method. In the event there is a sufficiently similar investment alternative, the Investment Consultant may elect to use its history for evaluation purposes. Sufficiently similar investment alternatives may include:

- Alternate share classes of the same product.
- Other products, such as collective investment trusts (CITs), separate accounts or recordkeeper sub-advised investment alternatives, that are managed by the same portfolio management team according to a substantially similar investment strategy.

In addition to the quantitative methodology described above, many qualitative criteria and possible warning signs are expected to be monitored in order to highlight a fund's potential exposure to risk that may make it unsuitable as a Trust investment. The warning signs may include, but are not limited to, the following:

- Above-average operating expenses
- Above-average style drift (as determined by returns-based and holdings-based analyses)
- High degrees of portfolio concentration among individual holdings
- High degrees of portfolio concentration among economic sectors
- Above-average performance volatility
- Above-average portfolio turnover
- Below-average Alpha
- Below-average manager tenure and/or above-average turnover
- Rapid growth in fund assets
- Significantly positive or negative cash flows
- Unusual levels of corporate scrutiny; poor public perception
- For bond portfolios, very low average credit quality relative to peers
- For bond portfolios, significantly above- or below-average portfolio duration

## Investment Policy Statement

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- Recent changes to or concerns with the firm structure / ownership
- Recent changes to or concerns with the corporate management team structure
- Changes in key investment personnel
- Changes in investment strategy /process

### Other Investment Evaluation Criteria

The Board recognizes that certain investments present challenges in monitoring, given the nature of the investment's portfolio and peer group. Thus, there are several instances where investments will not fit neatly into the monitoring framework set forth herein. Therefore, the Investment Consultant may consider additional or different factors when evaluating certain investments. The following are common examples of investments requiring a different point of view, whether the Investment Consultant has included them in the current menu or may consider doing so in the future.

*Multi-Asset Class investments.* For multi-asset class investment options, the asset allocation should be evaluated taking into account factors such as generally accepted investment theories and prevailing investment industry practices, and goals of the plan, the philosophy of the fiduciaries regarding asset class diversification and the desired relationship of risk (or volatility) and potential return.

As the process for comparing multi-asset class investments differ from the analysis used for other investment selections in several respects, criteria listed elsewhere in this Investment Policy Statement may not apply.

*Index fund.* The goal of an index fund is to closely mirror the performance of a predetermined index at a reasonable cost. The criteria which may be used to evaluate index funds is set forth in Appendix C, and may be updated from time-to-time at the Board's discretion.

Each index fund will be compared to a standard index for its respective category classification and assigned a ranking in each of the four criterion. The rankings for all criteria are then weighted and averaged to give a fund its average ranking score. Index funds with an average ranking score in the top 75% of the funds in a category are given a passing score ("Pass"), while funds below in the lowest 25% of funds are given a failing score ("Fail").

### Monitoring of Investment Policy and Underlying Investment Performance

The Board, with the assistance of the Investment Consultant, will review the Trust's Investment Policy and monitor the investment alternatives on an ongoing basis. The Investment Consultant will periodically evaluate the investment performance of the investments.

In addition, the Investment Consultant shall maintain a "Watch List" for investments that are not meeting certain objectives. An investment will be placed on the "Watch List" when the Investment Consultant determines that the investment selected for the Plan fails to meet the performance benchmarks set forth above in the Evaluation Methodology for some period of time to be determined by the Investment Consultant and, if applicable, the Board.

As a general guideline, the Investment Consultant should consider following the below procedure:

## **Investment Policy Statement**

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Whenever the average ranking score for an investment falls into the 3rd quartile based on SageView's scoring system, except as previously noted for index funds or funds that are not scored, it should be placed on the Watch List. The investment will be monitored and remain on the Watch List for four consecutive quarters, even if its performance improves. If the investment remains in the 3rd quartile for four consecutive quarters, a detailed review of the investment should be conducted by the Investment Consultant and it will decide whether to replace or retain the investment. The investment may be reviewed sooner at the Investment Consultant's discretion.

Whenever an investment falls into the 4th quartile based on the Investment Consultant's scoring system, a detailed review of the investment should be made as soon as possible, or at the next Board meeting, and the Investment Consultant will decide whether to replace or retain the investment. Investments that fail to meet qualitative criteria (e.g.: manager changes, investment company reorganizations, strategy changes) will be put on the Watch List by the Investment Consultant.

The Board shall have the authority to establish, modify, amend, or adjust acceptable performance measurement standards by which an investment is to be evaluated; however, the Investment Consultant must agree to any such changes in advance of adoption.

Final selection, replacement and/or removal of an investment shall be completed only after conducting a thorough review of the identified investment.

### **Proxy Voting**

Subject to the provisions of the plan documents and delegation from the Plan Sponsor, the Board intends to comply with the Department of Labor guidance in fulfilling its fiduciary duties.

In the event the Board elects to participate in a proxy vote, the Board will vote, to the best of their abilities, in the best interest of the Plan's participants and beneficiaries. The Investment Consultant is able to offer general information and provide clarification with respect to the process of voting by proxy, but will not be responsible for making recommendations or voting on behalf of the Board.

### **Review and Revisions**

The Board reserves the right to amend the Investment Policy Statement at any time it deems such amendment to be necessary or to comply with changes in applicable law as these changes affect the investment of the Plan's assets; however, the Investment Manager must agree to any such changes in advance of adoption. Until revised or amended by the Board, the Investment Policy Statement shall remain in effect.

If there is any conflict between the Investment Policy Statement and the Trust, the terms and conditions of the Trust will control.



## Investment Policy Statement

### APPENDIX A – Categories and Benchmarks

Investment categories are defined based on their Morningstar category classifications, which also serve as the peer groups against which investment are assessed. The following list of investment categories and their corresponding benchmarks which may be used in the investment alternative evaluation process, includes but is not limited to:

<i>Investment Alternative Category</i>	<i>Benchmark/Index</i>
Money Market-Taxable / Stable Value / Guaranteed	ICE BofA 3-Month Treasury Bill Index
<b><i>Bond</i></b>	
Ultrashort Bond	Bloomberg US Govt/Credit 1-3 Yr TR USD <sup>1</sup>
Short-Term Bond	Bloomberg US Govt/Credit 1-3 Yr TR USD
Short Government	Bloomberg Government 1-5 Yr TR USD
Intermediate Government	Bloomberg US Govt/Mortgage TR USD
Intermediate Core Bond	Bloomberg US Agg Bond TR USD <sup>1</sup> Bloomberg US Corporate Bond USD <sup>1</sup>
Intermediate Core-Plus Bond	Bloomberg US Agg Bond TR USD <sup>1</sup> Bloomberg US Corporate Bond USD <sup>1</sup>
Long Government	Bloomberg US Government Long TR USD Bloomberg US Treasury STRIPS USD <sup>1</sup>
Long-Term Bond	Bloomberg US Govt/Credit Long TR USD <sup>1</sup> Bloomberg US Long Credit TR USD <sup>1</sup> Bloomberg US Long Corporate TR USD <sup>1</sup> Other investment specific benchmark <sup>2</sup>
Inflation-Protected Bond	Bloomberg US Treasury US TIPS TR USD
Corporate Bond	Bloomberg US Credit TR USD
Multisector Bond	Bloomberg US Agg Bond TR USD
Convertibles	BofA Merrill Lynch Convertible Bonds All Qualities
High Yield Bond	Bloomberg US HY 2% Issuer Cap TR USD
Bank Loan	Credit Suisse Leveraged Loan TR USD
World Bond	Bloomberg Global Aggregate TR USD
World Bond-USD Hedged	Bloomberg Global Aggregate TR Hdg USD
Emerging Markets Bond	JPM EMBI Global Diversified TR USD
Emerging-Markets Lcoal-Currency Bond	JPM GBI-EM Global Diversified TR USD
Nontraditional Bond	Wilshire Liquid Alternatives TR
<b><i>Large Cap</i></b>	
Large Value	Russell 1000 Value TR USD
Large Blend	S&P 500 Index Russell 3000 Index CRSP U.S. Total Market Index
Large Growth	Russell 1000 Growth TR USD
<b><i>Mid-Cap</i></b>	
Mid-Cap Value	Russell Mid Cap Value TR USD
Mid-Cap Blend	Russell Mid Cap TR USD

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<i>Investment Alternative Category</i>	<i>Benchmark/Index</i>
	S&P Mid Cap 400 Index MSCI U.S. Mid Cap 450 Index CRSP U.S. Mid Cap Index S&P Completion Index DJ US Completion Total Stock Market Index
Mid-Cap Growth	Russell Mid Cap Growth TR USD
<b><i>Small-Cap</i></b>	
Small Value	Russell 2000 Value TR USD
Small Cap Blend	Russell 2000 TR USD S&P Small Cap 600 Index MSCI U.S. Small Cap 1750 Index CRSP U.S. Small Cap Index
Small Growth	Russell 2000 Growth TR USD
<b><i>World Stock</i></b>	
World Large-Stock Blend	MSCI ACWI NR USD
World Large-Stock Growth	MSCI ACWI Growth NR USD
World Large-Stock Value	MSCI ACWI Value NR USD
World Small/Mid Stock	MSCI ACWI SMID NR USD
<b><i>International</i></b>	
Foreign Large Value	MSCI ACWI ex USA Value NR USD
Foreign Large Blend	MSCI ACWI ex USA NR USD
Foreign Large Growth	MSCI ACWI ex USA Growth NR USD
Foreign Small/Mid Value	MSCI ACWI ex USA SMID Value NR USD
Foreign Small/Mid Blend	MSCI ACWI ex USA SMID NR USD
Foreign Small/Mid Growth	MSCI ACWI ex USA SMID Growth NR USD
Diversified Emerging Markets	MSCI EM NR USD
<b><i>Risk-based/Hybrid</i></b>	
World Allocation	60% MSCI ACWI NR/40% Bloomberg Global Agg TR
<b><i>Specialty</i></b>	
Real Estate	FTSE NAREIT Equity REITs TR USD
Global Real Estate	FTSE EPRA/ Nareit Developed NR USD
Commodities Broad Basket	Bloomberg Commodity TR USD
Long-Short Equity	S&P 500 TR USD
Equity Market Neutral	Morningstar Mod Con Tgt Risk TR USD
Event Driven	Morningstar Mod Con Tgt Risk TR USD
Macro Trading	CBOE S&P 500 BuyWrite BXM
Multistrategy	Morningstar Mod Con Tgt TR USD
Systematic Trend	S&P 500 TR USD
Natural Resources	S&P North American Natural Resources TR
Options Trading	Morningstar Mod Con Tgt Risk TR USD
Relative Value Arbitrage	Morningstar Mod Con Tgt Risk TR USD
Tactical Allocation	50% MSCI ACWI NR / 50% Bloomberg US Agg Bond TR USD

**Date Appendix updated: November, 2022**

## Investment Policy Statement

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### **APPENDIX B – SageView Investment Ranking Criteria Definitions**

The criteria used to evaluate each plan investment alternative, except as otherwise noted in the Investment Policy Statement, may include, but not limited to, the following:

1. **Total Return (trailing 1, 3, 5 and 10 year returns)** – measures the performance of an investment over a given period, including income from dividends and interest, plus any appreciation or depreciation in the market value of the investment. Total return values longer than 1 year are typically annualized for ease of comparison.
2. **Rolling Period Returns** – A single period return measures performance over one specified time frame, such as five years. A rolling period return divides a longer time frame into smaller time periods. A rolling 12-month return over five years would start out by calculating a single period return over the first twelve months. Next, it would calculate the 12-month return for months 2-13. The process would continue until finally reaching the 12-month period spanning months 48-60. The final rolling 12-month return figure would reflect the average of all of the rolling periods returns over that five-year time period.
3. **Batting Average** – Batting average is calculated by (1) tallying the number of months in a given observation window where the investment return is greater than the return of the peer group median return and (2) dividing this amount by the total number of months in the observation window. The result is a ratio that ranges between 0 and 1. A batting average of greater than 0.50 signifies that the investment has outperformed the peer group more frequently than it has underperformed, irrespective of the magnitude of any outperformance or underperformance. A 10-year observation window is used in calculating batting average, unless the investment does not have sufficient performance history, in which case an inception-to-date figure is calculated.
4. **Modified Sharpe Ratio** – The standard Sharpe Ratio calculation is calculated by subtracting the risk-free rate of return (the US Treasury Bill is typically used) from the portfolio return and dividing the result by the portfolio's standard deviation. A higher Sharpe ratio indicates that the portfolio was able to generate a higher return per unit of risk. Modified Sharpe Ratio is a related statistic that is equal to the Sharpe Ratio under normal circumstances. However, the Modified Sharpe calculation adds an exponent to the denominator that effectively raises the denominator to the -1 power in circumstances in which an investment's excess return is negative. This modification ensures that investments with both negative excess returns and higher standard deviations rank lower than investment with negative excess returns and lower standard deviations. Under the standard Sharpe Ratio calculation, the opposite is true.
5. **Alpha** – A risk-adjusted measure of performance, that is equal to the difference between a portfolio's actual return and its expected performance given its level of risk as measured by beta. Alpha can also be viewed as an abnormal level of return in excess of what might be predicted by an equilibrium pricing model like the Capital Asset Pricing Model (CAPM).
6. **Up Market Capture Ratio** – A ratio that measures the overall performance of a portfolio during rising markets. This measure analyzes how well a portfolio (or an investment manager) performed relative to its benchmark index during periods when the benchmark rose. For example, an up-market capture ratio of 108% (for a given period of time) means that the portfolio gained 8% more than its benchmark during the specified time period.

## Investment Policy Statement

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7. **Down Market Capture Ratio** – A ratio that measures the overall performance of a portfolio during falling markets. This measure analyzes how well a portfolio (or an investment manager) performed relative to its benchmark index during periods when the benchmark fell. For example, a down-market capture ratio of 95% (for a given period of time) means that the portfolio lost 5% less than its benchmark during the specified time period.
8. **R-Squared (style consistency)** – A statistical measure that ranges from zero to 100 and measures the percentage of portfolio's performance that is explained by the movement of its benchmark index. R-Squared is helpful in assessing the reliability of alpha and beta in explaining a portfolio risk and return characteristics. An r-squared of 100 would mean that the portfolio's performance movements are perfectly correlated with those of the benchmark over time and would suggest that alpha and beta may be relied upon with a high degree of confidence.
9. **Expense Ratio** – The percentage of investment alternative assets, net of reimbursements, used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the investment alternative, except brokerage costs. Investment alternative expenses are reflected in the alternative's NAV. Sales charges are not included in the expense ratio.

*Date Appendix updated: November, 2022*

## Investment Policy Statement

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### **APPENDIX C – SageView Index Funds Ranking Criteria**

The criteria used to evaluate each Index Fund alternative may include, but not limited to, the following:

1. **Expense Ratio** – The percentage of investment alternative assets, net of reimbursements, used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the investment alternative, except brokerage costs. Investment alternative expenses are reflected in the alternative's NAV. Sales charges are not included in the expense ratio.
2. **Tracking Error** – A measure of the difference in returns between an investment and a benchmark. Tracking error is reported as a standard deviation of the difference between the returns of an investment and its benchmark.
3. **R-Squared** – A statistical metric that ranges from zero to 100 and measures the percentage of portfolio's performance that is explained by the movement of its benchmark index. R-Squared is helpful in assessing the reliability of alpha and beta in explaining a portfolio risk and return characteristics. An r-squared of 100 would mean that the portfolio's performance movements are perfectly correlated with those of the benchmark over time and would suggest that alpha and beta may be relied upon with a high degree of confidence.
4. **Beta** – A measure of the volatility, or systematic risk, of an investment in comparison to a market index as a whole. Beta is calculated using regression analysis. Beta represents the tendency of an investment's returns to respond to moves in the market or index that it's calculated against. A beta of 1 indicates that the investment's price moves with the market. A beta of less than 1 means that the investment is theoretically less volatile than the market. A beta of greater than 1 indicates that the investment's price is theoretically more volatile than the market. The reliability of an investment's beta is a function of the investment's r-squared value in relation to the benchmark. A high r-squared value signifies that the beta measures is reliable, while a low r-squared signifies that it is potentially inaccurate.

***Date Appendix updated: November, 2022***

## Investment Policy Statement

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### Appendix D – Plan Asset Allocation Guidelines

For the portion of the assets custodied by Charles Schwab the broad Growth to Fixed Income asset allocation is:

88% Growth  
12% Fixed Income

This asset allocation is designed to meet the previously stated long-term target investment rate of return.

The Upper and Lower boundaries are set to +/- 5% of the target allocation established in the table above.

Sub-asset class allocations for Growth and Traditional Bond investments are developed using annual SageView's Capital Markets Assumptions (CMA) and SageView's Asset Allocation Guidelines. These allocations are contained in the periodic investment review.

*Date Appendix updated: November, 2022*

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**VBA Group Medical and Dental Trust**  
**Statement of Net Assets**  
**3/31/2026**

	<b>3/31/2026</b>	<b>3/31/2025</b>
<b>Assets</b>		
Cash and Cash Equivalents	6,912,873	211,489
Investments	20,558,753	29,429,949
Accrued Interest Receivable	-	72,704
Accounts Receivable - General	4,328,064	5,016,459
Total Assets	31,799,690	34,730,601
<b>Liabilities</b>		
Accounts Payable	708,118	287,272
UBIT Income Tax Payable	-	883,597
Medical IBNR	5,660,077	4,246,689
Dental IBNR	118,000	144,000
Total Liabilities	6,486,195	5,561,558
<b>Net Assets</b>	<b>25,313,495</b>	<b>29,169,043</b>
Prior year end net assets	23,703,345	24,944,084
Year to date net income	1,610,150	4,224,959
Current net assets	25,313,495	29,169,043

**VBA Group Medical and Dental Trust**  
**Statement of Changes in Net Assets**  
**For the Three Months Ending 3/31/2026**

	Actual Year to Date	Budget Year to Date	Variance Year to Date	Prior Year to Date	Variance Current vs. Prior	2026 Annual Budget
<b>Income:</b>						
Premiums from members:						
Medical Premiums	15,144,948	15,202,500	(57,552)	15,584,170	(439,222)	60,810,000
Dental Premiums	774,750	783,750	(9,000)	802,243	(27,493)	3,135,000
<b>Total premiums from members:</b>	<b>15,919,698</b>	<b>15,986,250</b>	<b>(66,552)</b>	<b>16,386,413</b>	<b>(466,715)</b>	<b>63,945,000</b>
Realized Gain/Loss on Investments	80,222	168,750	(88,528)	269,130	(188,908)	675,000
<b>Total additions:</b>	<b>80,222</b>	<b>168,750</b>	<b>(88,528)</b>	<b>269,130</b>	<b>(188,908)</b>	<b>675,000</b>
<b>Total Income</b>	<b>15,999,920</b>	<b>16,155,000</b>	<b>(155,080)</b>	<b>16,655,543</b>	<b>(655,623)</b>	<b>64,620,000</b>
<b>Expenses:</b>						
Paid to insurance companies:						
Medical Claims & Fixed Costs	13,318,284	15,202,500	1,884,216	13,033,806	(284,478)	60,810,000
Dental Claims & Fixed Costs	766,966	783,750	16,784	725,412	(41,554)	3,135,000
<b>Total expenses paid:</b>	<b>14,085,250</b>	<b>15,986,250</b>	<b>1,901,000</b>	<b>13,759,218</b>	<b>(326,032)</b>	<b>63,945,000</b>
Increase/(Decrease) in IBNR provision	247,206	-	(247,206)	(1,440,190)	(1,687,396)	-
VEBA Investment Fees	-	-	-	5,871	5,871	-
Other Expenses	379	1,250	871	114	(265)	5,000
<b>Total deductions:</b>	<b>247,585</b>	<b>1,250</b>	<b>(246,335)</b>	<b>(1,434,205)</b>	<b>(1,681,790)</b>	<b>5,000</b>
<b>Total Expenses</b>	<b>14,332,835</b>	<b>15,987,500</b>	<b>1,654,665</b>	<b>12,325,013</b>	<b>(2,007,822)</b>	<b>63,950,000</b>
<b>Income before unrealized gains/(losses)</b>	<b>1,667,085</b>	<b>167,500</b>	<b>1,499,585</b>	<b>4,330,530</b>	<b>(2,663,445)</b>	<b>670,000</b>
Unrealized Gain/(Loss) on Investments	(56,935)	-	(56,935)	(105,571)	48,636	-
<b>Net Income</b>	<b>1,610,150</b>	<b>167,500</b>	<b>1,442,650</b>	<b>4,224,959</b>	<b>(2,614,809)</b>	<b>670,000</b>

**SBA Group Insurance Trust**  
**Statement of Net Assets**  
**3/31/2026**

	<b>3/31/2026</b>	<b>3/31/2025</b>
<b>Assets</b>		
Cash and Investments	42,490	41,281
<hr/>		
Total Assets	42,490	41,281
<b>Liabilities</b>		
Accounts Payable	-	385
<hr/>		
Total Liabilities	-	385
<b>Net Assets</b>	<b>42,490</b>	<b>40,896</b>
Prior year end net assets	42,276	40,743
Year to date net income	214	153
<hr/>		
Current net assets	42,490	40,896

**SBA Group Insurance Trust**  
**Statement of Changes in Net Assets**  
**For the Three Months Ending 3/31/26**

	<b>Actual</b>	<b>Budget Year</b>	<b>Variance</b>	<b>Prior Year to</b>	<b>Variance</b>	<b>2026</b>
	<b>Year to</b>	<b>to Date</b>	<b>Year to Date</b>	<b>Date</b>	<b>Current vs.</b>	<b>Annual</b>
	<b>Date</b>				<b>Prior</b>	<b>Budget</b>
<b>Income:</b>						
Premiums from members:						
Medicare Supplement Premiums	61,466	63,000	(1,534)	62,289	(823)	252,000
Group Life Premiums	520,691	520,000	691	506,074	14,617	2,080,000
Long Term Care Premiums	8,293	8,750	(457)	8,847	(554)	35,000
Long Term Disability Premiums	282,996	281,765	1,231	288,054	(5,058)	1,127,060
Short Term Disability Premiums	90,893	87,500	3,393	88,527	2,366	350,000
Vision Premiums	139,596	138,125	1,471	141,636	(2,040)	552,500
Voluntary Benefits Premiums	213,943	195,000	18,943	206,980	6,963	780,000
<b>Total premiums from members:</b>	<b>1,317,878</b>	<b>1,294,140</b>	<b>23,738</b>	<b>1,302,407</b>	<b>15,471</b>	<b>5,176,560</b>
Investment Return	214	125	89	538	(324)	500
<b>Total additions:</b>	<b>214</b>	<b>125</b>	<b>89</b>	<b>538</b>	<b>(324)</b>	<b>500</b>
<b>Total Income</b>	<b>1,318,092</b>	<b>1,294,265</b>	<b>23,827</b>	<b>1,302,945</b>	<b>15,147</b>	<b>5,177,060</b>
<b>Expenses:</b>						
Premiums paid to insurance companies:						
Medicare Supplement Premiums	61,466	63,000	1,534	62,289	823	252,000
Group Life Premiums	520,691	520,000	(691)	506,074	(14,617)	2,080,000
Long Term Care Premiums	8,293	8,750	457	8,847	554	35,000
Long Term Disability Premiums	282,996	281,765	(1,231)	288,054	5,058	1,127,060
Short Term Disability Premiums	90,893	87,500	(3,393)	88,527	(2,366)	350,000
Vision Premiums	139,596	138,125	(1,471)	141,636	2,040	552,500
Voluntary Benefits Premiums	213,943	195,000	(18,943)	206,980	(6,963)	780,000
<b>Total premiums paid:</b>	<b>1,317,878</b>	<b>1,294,140</b>	<b>(23,738)</b>	<b>1,302,407</b>	<b>(15,471)</b>	<b>5,176,560</b>
<b>Total Expenses</b>	<b>1,317,878</b>	<b>1,294,140</b>	<b>(23,738)</b>	<b>1,302,792</b>	<b>(15,086)</b>	<b>5,176,560</b>
<b>Net Income</b>	<b>214</b>	<b>125</b>	<b>89</b>	<b>153</b>	<b>61</b>	<b>500</b>

**VBA Benefits Corporation**  
**Balance Sheet**  
**3/31/2026**

	<b>3/31/2026</b>	<b>3/31/2025</b>
<b>Assets</b>		
Cash & Cash Equivalents	788,793	871,849
Investments	4,123,727	3,840,242
Accounts Receivable	498,113	378,686
Accrued Interest Receivable	14,430	21,901
Income Tax Receivable	37,386	(21,895)
Prepaid Assets	-	839
	5,462,449	5,091,622
Current Assets		
Furniture & Fixtures	172,142	170,702
Automobiles	45,000	45,000
Less: Accumulated Depreciation	(200,113)	(182,349)
	17,029	33,353
Current Value		
Investment in LLC	1,345,000	1,045,000
	6,824,478	6,169,975
Total Assets		
<b>Liabilities</b>		
Accounts Payable	250,229	283,130
Accrued Pension Liability	(217,312)	(207,372)
	32,917	75,758
Total Liabilities		
<b>Owners Equity</b>		
Retained Earnings	6,749,605	6,036,443
Common Stock	1,000	1,000
Current Year Earnings	40,956	56,774
	6,791,561	6,094,217
Total Owners Equity		
	6,824,478	6,169,975
Total Liabilities & Equity		

**VBA Benefits Corporation**  
**Income Statement**  
**For the Three Months Ending 3/31/2026**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Prior</b>	<b>Variance</b>	<b>2026 Annual</b>
	<b>Year to Date</b>	<b>Year to Date</b>	<b>Year to Date</b>	<b>Year to Date</b>	<b>to Prior Year</b>	<b>Budget</b>
<b>Income:</b>						
Medical Fees	161,163	160,375	788	162,297	(1,134)	641,500
Dental Fees	27,758	27,675	83	28,034	(276)	110,700
Group Life Fees	116,311	115,000	1,311	115,440	871	460,000
Vision Fees	12,511	11,950	561	12,676	(165)	47,800
Long Term Care Fees	15,271	13,750	1,521	14,333	938	55,000
Long Term Disability Fees	43,883	40,300	3,583	44,575	(692)	161,200
Short Term Disability Commissions	4,213	3,750	463	4,138	75	15,000
Flex Cafeteria Fees	-	-	-	-	-	30,700
Voluntary Benefits Commission	27,335	25,000	2,335	25,279	2,056	104,000
<hr/>						
Health and welfare fees	408,445	397,800	10,645	406,772	1,673	1,625,900
<hr/>						
Management Fees-DB	21,341	18,750	2,591	19,872	1,469	75,000
Management Fees-DC	303,577	282,500	21,077	262,199	41,378	1,130,000
Management Fees-NQ	95,740	93,125	2,615	86,750	8,990	372,500
<hr/>						
Defined benefit, contribution and nonqualified	420,658	394,375	26,283	368,821	51,837	1,577,500
Investment Return	20,766	21,250	(484)	22,759	(1,993)	85,000
HSA Commissions	697	500	197	698	(1)	2,000
<hr/>						
Subtotal Other Income	21,463	21,750	(287)	23,457	(1,994)	87,000
<hr/>						
Total Income	850,566	813,925	36,641	799,050	51,516	3,290,400

**VBA Benefits Corporation**  
**Income Statement**  
**For the Three Months Ending 3/31/2026**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Prior</b>	<b>Variance</b>	<b>2026 Annual</b>
	<b>Year to Date</b>	<b>Year to Date</b>	<b>Year to Date</b>	<b>Year to Date</b>	<b>to Prior Year</b>	<b>Budget</b>
<b>Expenses:</b>						
Salaries & Benefits	432,855	440,373	7,518	418,355	(14,500)	1,720,000
Benefits Administration						
Cobra Administration	4,950	5,400	450	5,087	137	53,000
Recordkeeping NQ	75,479	72,500	(2,979)	64,838	(10,641)	290,000
ACA PCORI Fees	-	-	-	-	-	20,000
	<u>80,429</u>	<u>77,900</u>	<u>(2,529)</u>	<u>69,925</u>	<u>(10,504)</u>	<u>363,000</u>
Office Expenses						
Memberships & Subscriptions	2,413	3,000	587	2,728	315	12,000
Postage	25	125	100	20	(5)	500
Property Taxes & Licenses	-	100	100	100	100	2,000
Office Supplies	1,361	2,250	889	727	(634)	9,000
Equipment Maintenance	29,105	29,400	295	27,950	(1,155)	45,000
Telephone	1,445	3,550	2,105	965	(480)	14,200
	<u>34,349</u>	<u>38,425</u>	<u>4,076</u>	<u>32,490</u>	<u>(1,859)</u>	<u>82,700</u>
Consulting						
Consulting & Technology	71,580	74,404	2,824	66,728	(4,852)	320,000
Health Renewal	45,133	45,999	866	41,700	(3,433)	234,000
Section 125 Discrim. Testing	-	-	-	1,350	1,350	10,000
Other Consulting	10,500	10,500	-	10,400	(100)	42,000
	<u>127,213</u>	<u>130,903</u>	<u>3,690</u>	<u>120,178</u>	<u>(7,035)</u>	<u>606,000</u>
Professional fees						
Audit & Tax Fees	12,690	12,690	-	13,993	1,303	81,000
Legal Fees	33,717	52,500	18,783	37,028	3,311	210,000
	<u>46,407</u>	<u>65,190</u>	<u>18,783</u>	<u>51,021</u>	<u>4,614</u>	<u>291,000</u>
Meetings						
Benefits Seminar Expense	-	-	-	799	799	14,000
Board of Directors	279	750	471	22	(257)	3,000
	<u>279</u>	<u>750</u>	<u>471</u>	<u>821</u>	<u>542</u>	<u>17,000</u>
Insurance	39,032	40,900	1,868	36,250	(2,782)	40,900
Marketing	-	2,500	2,500	-	-	10,000
Travel and Education						
Education & Training	1,420	2,525	1,105	1,604	184	10,100
Travel	5,580	16,437	10,857	3,951	(1,629)	65,750
	<u>7,000</u>	<u>18,962</u>	<u>11,962</u>	<u>5,555</u>	<u>(1,445)</u>	<u>75,850</u>
Depreciation	4,488	4,363	(125)	4,674	186	17,450
Other Operating Expenses						
Miscellaneous Expense	1,530	1,625	95	932	(598)	6,500
	<u>1,530</u>	<u>1,625</u>	<u>95</u>	<u>932</u>	<u>(598)</u>	<u>6,500</u>
<b>Total Expenses</b>	<u>773,582</u>	<u>821,891</u>	<u>48,309</u>	<u>740,201</u>	<u>(33,381)</u>	<u>3,230,400</u>
Pretax Income/(Loss) before investment return	<u>76,984</u>	<u>(7,966)</u>	<u>84,950</u>	<u>58,849</u>	<u>18,135</u>	<u>60,000</u>
Unrealized Gain/Loss on Investment	(36,028)	-	(36,028)	(2,075)	(33,953)	-
Pretax Income/(Loss)	<u>40,956</u>	<u>(7,966)</u>	<u>48,922</u>	<u>56,774</u>	<u>(15,818)</u>	<u>60,000</u>
Tax Expense	-	-	-	-	-	-
<b>Net Income/(Loss)</b>	<u>40,956</u>	<u>(7,966)</u>	<u>48,922</u>	<u>56,774</u>	<u>(15,818)</u>	<u>60,000</u>

# COO Report

VBA Benefits Corporation  
Board Meeting

May 19, 2026

The logo for the Virginia Bankers Association Benefits Corporation is centered within a large white circle. The text is arranged in three lines: "VIRGINIA BANKERS" in a blue, all-caps, sans-serif font; "ASSOCIATION" in a larger, bold, blue, all-caps, sans-serif font; and "Benefits Corporation" in a smaller, blue, title-case, sans-serif font below it.

VIRGINIA BANKERS  
ASSOCIATION  
Benefits Corporation

# Q2 2026 Health & Welfare Initiatives



Initial life insurance renewal resulting in 29.5% increase for basic employer-paid life; MMA will conduct a competitive market study, including supplemental health benefits



2026 Medical & Dental Trust Reserves Goal



Mercer medical claims audit results



Two new programs:

Care.com caregiving benefit  
Expand Hello Heart eligibility to include members with high cholesterol

# 2026 Cash Reserves Goal for Medical & Dental Trust

- Updated goal for 2026 amount of cash reserves:
  - Three-six months of claims for pooled banks and associate members
  - 15%-20% of minimum premium banks' claims

Net assets ending 3/31/2026 for the Group Medical & Dental Trust were \$25,313,495 (3/31/2025 assets totaled \$30,052,640).

	Projected 2026 Claims	Reserve Goal Range
Pooled bank & associate members	\$24,785,000	\$6,196,000 - \$12,393,000
Minimum premium banks	\$36,282,600	\$5,442,000 - \$7,257,000
<b>TOTAL</b>	<b>\$61,067,600</b>	<b>\$11,638,000 - \$19,650,000</b>

# 2024 Claims Audit Results - Mercer

Claim type	Claim count	Total billed	Total allowed	Total plan paid	Total member paid
Hospital <sup>1</sup>	9,221	\$82,615,292	\$25,670,559	\$22,240,079	\$3,430,480
Professional <sup>2</sup>	97,844	\$48,530,828	\$17,783,750	\$12,117,102	\$5,666,648
<b>Total</b>	<b>107,065</b>	<b>\$131,146,120</b>	<b>\$43,454,309</b>	<b>\$34,357,182</b>	<b>\$9,097,128</b>



<sup>1</sup> Hospital type claims are billed under a UB04 claim form and considered facility type claims

<sup>2</sup> Professional type claims are billed under a HCFA/CMS form and considered professional type claims, some Ambulatory Surgical Center claims may be billed under a HCFA/CMS form

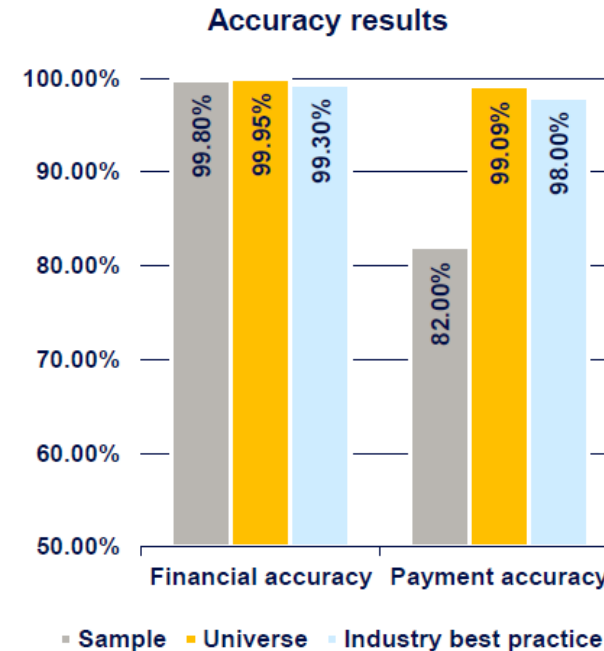
# 2024 Claims Audit Results cont. - Mercer

## Conclusion

- Based on our review of the data and materials provided for this audit, we conclude the **Elevance's performance is satisfactory**
  - Financial accuracy (total dollars paid correctly): 99.95%, exceeding industry best practice of 99.30% (delta: +0.65 percentage points)
  - Payment accuracy (total claims paid correctly): 99.09%, exceeding industry best practice of 98.00% (delta: +1.09 percentage points)
- Elevance's claims administration and pre-/post-payment integrity programs appear to be operating effectively as seen by the **favorable audit results**

## Plan impact

- Sample results: errors identified in the 50-issue targeted sample (18% of sample), totaling \$1,886 in mispayments (overpayments/underpayments)
- Extrapolated impact: ~974 claims in the population, totaling \$15,755 in potential erroneous payments in mispayments
- Note: Elevance disputed 6 of the 9 errors
  - Findings 3 and 5 were removed due to Elevance's report response



# Care Benefits by Care.Com

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- Caregiving benefit offering designed to alleviate workforce stress and anxiety for employees with caregiving challenges
- Results in increased productivity, decreased absenteeism and improved recruitment and retention
- Proposal includes Care.com Membership and LifeMart Discount Program

87%

of employers say CareBenefits **improve productivity**

71%

of employers say CareBenefits **improve recruitment**

79%

of employers say CareBenefits **helps with retention**<sup>1</sup>

<sup>1</sup>Based on a 2024 Care survey of 60 Care clients and 3,300 employees

# Care.com Proposed Solutions

- Care.Com Membership includes:
  - Unlimited access to marketplace for finding care for children, seniors, and pets.
  - Providers include nannies, babysitters, daycare, tutors, senior caregivers, pet caregivers, errand runners and housekeepers.
  - Provider match from employees' home zip code results on chart to the right:

Number of Providers	% of Employees with access	Within X Miles
91,285	92.6% (childcare); 90.5% (senior)	Five miles
151,790	96.1% (childcare); 94.8% (senior)	10 miles
202,846	99.3% (childcare); 98.7% (senior)	15 miles
242,561	99.9% (childcare); 99.6% (senior)	20 miles
274,830	100.0% (childcare); 99.9% (senior)	25 miles

# Care.com Proposed Solutions

## Safety Features:

- Caregivers on platform have required background checks.
- Messages and reviews are continually monitored and have a 24/7 safety hotline.
- Tips and resources available to help employees make safe hiring choices

## Proposed Fees:

- Annual membership fee for access to caregiver network and platform is \$21,675
- Employees pay fees at time of service

***Board approval: Recommend Benefits Corp. to pay the annual \$21,675 membership fee for all benefits-eligible employees***

# Hello Heart Update – current utilization

## Virginia Bankers Association & Hello Heart: Celebrating our partnership

Your members are taking control of their heart health...

**1,253**

Total enrolled members

**4.9**

Average User Satisfaction Score

(Out of 5)

...and seeing the real-life health benefits of the program

**-17 mmHg**

point average drop in systolic blood pressure among members with stage 2 hypertension\*

**66%**

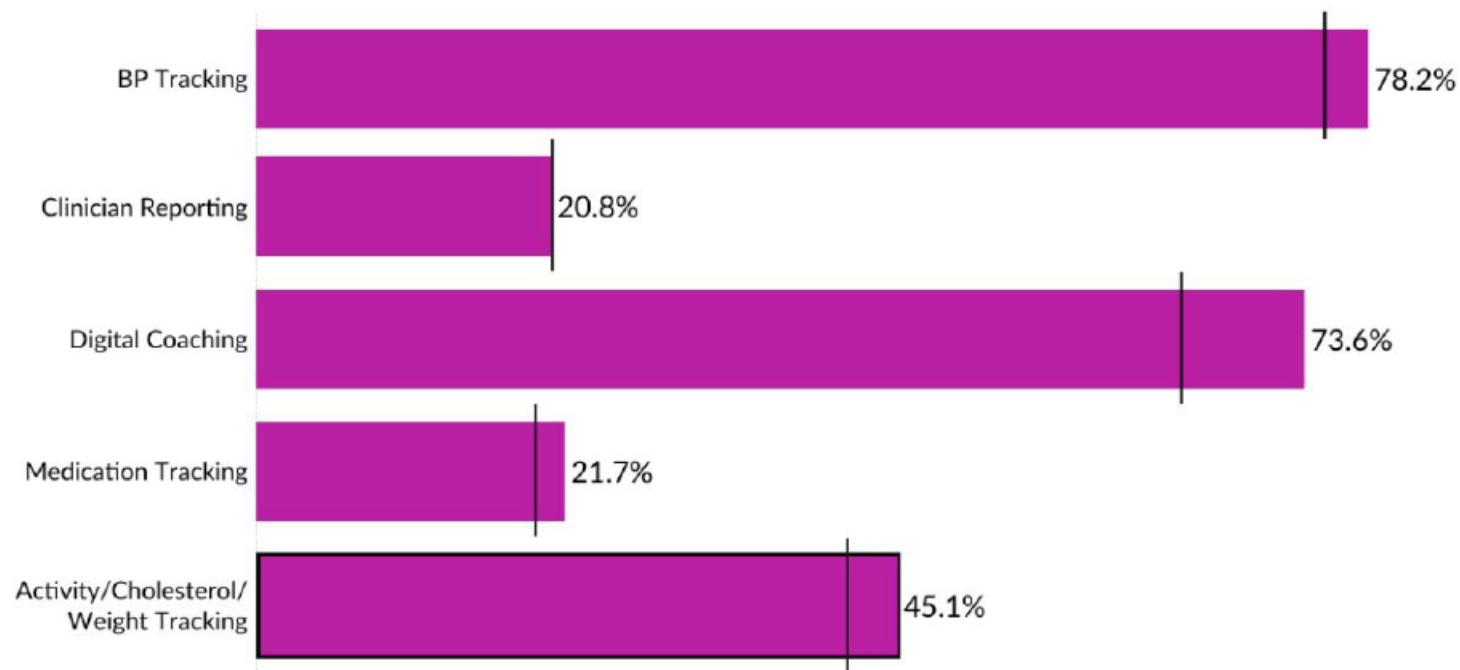
of stage 2 members moved to a healthier category

The bottom line is your bottom line.

**Projected ROI for 2025: 1.8:1**

# Hello Heart: Member Engagement

Percent of Members Engaging with Each Feature



| BoB benchmark

# Hello Heart: Cholesterol

## Cholesterol plays a key role in heart health



**Heart disease**  
is the leading  
cause of death



High LDL cholesterol  
can **double** a person's  
risk of heart disease



High cholesterol  
usually has **no signs  
or symptoms**

**High blood pressure and high cholesterol are top risk factors for heart disease**



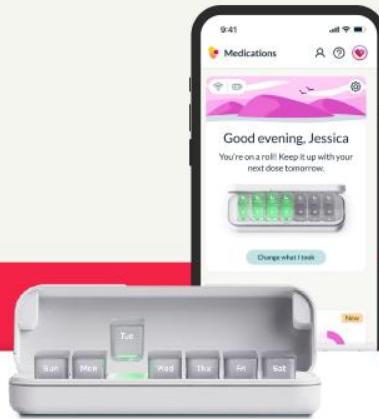
### Eligibility criteria

- ✓ Employees and adult dependents covered by Anthem
- ✓ BP over 130/80 or on BP medication
- ✓ Woman aged 52+ or menopausal/postmenopausal
- Members taking cholesterol-lowering medications or diagnosed with high cholesterol

**Board approval: Add cholesterol to eligibility criteria during third quarter 2026; cost is \$588/claimant for 12 months and included as a claims charge**

# Hello Heart: Add Hello Meds to 1/1/2027 renewal

## Hello Meds is a new set of tools that improve medication use & outcomes



### Connected Pill Box

Connected pill box & app help users stick to their meds, saving money on expensive medical visits later



### Meet Nia - your AI heart health assistant

Digital companion for timely answers on medication, side effects, and interactions



Lauren Chen  
Clinical Pharmacist

### Medication reviews by live pharmacists

Pharmacists review user medications, flag gaps or dose changes, and guide them to follow up with their doctors

# Q2 2026 Retirement Plan Initiatives

Annual 401(k) Stewardship Reports will be completed in June; will include results from the Recordkeeping request for information results.

Hosted virtual 401(k) workshop on April 14<sup>th</sup> with 40 attendees representing over 25 banks

# State Banking Association Initiatives Update



## MD Health Plan Initiative

Collected data from five banks; interviewed four during week of April 8<sup>th</sup>. Two additional banks interested in participating.

Postponing 2027 plan launch date due to several factors:

- MD regulatory environment
- Alignment of stop-loss renewals and contracts
- Potential member disruption
- Build scale and enhance competitiveness



## NCBA 401(k) Partnership

Hosted capabilities webinar on April 13<sup>th</sup>

One outstanding proposal in process

One comparative analysis completed and initial meeting conducted in late April



## Tennessee Bankers Association insurance agency, FPS Insurance

Met on 4/15 to provide overview of SBA retirement plan

Marketing agreement sent to FPS

Will conduct comparative analysis for TBA retirement plan

# Benefits Corp. Name Rebrand

- Not legal name change
- Doing business as (DBA): Bankers Benefit Solutions
- Next steps:
  - Confirming Name and Logo copyright
  - Legal filings
  - Marketing efforts



# Marketing Samples

NEW NAME



.....

SAME GREAT BENEFITS

VIRGINIA BANKERS ASSOCIATION  
Benefits Corporation




2026

@vobenefits   VBA Benefits Corp.   Virginia Bankers Association

[www.vabankers.org/explore-employee-benefits](http://www.vabankers.org/explore-employee-benefits)

SBA 401(k) Retirement Program



Retirement Plans Uniquely Designed for You.

SAGE VIEW   BANKERS BENEFIT SOLUTIONS   VOYA FINANCIAL

# Appendix

**YE 2026 Health Plan Utilization**  
**YE 2026 Dental Plan Utilization**

## Dashboard

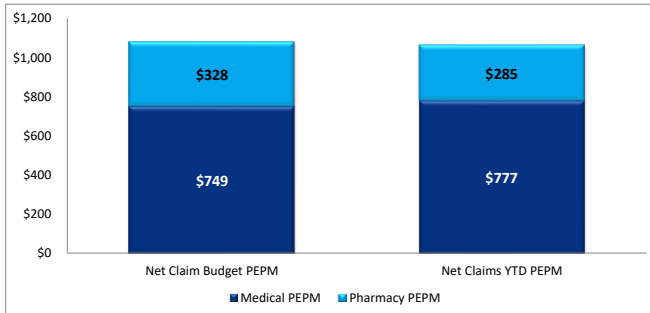
Group: **Virginia Bankers Association**  
 Plan Year: 1/1/2026  
 Current Period: March

### Stop Loss Terms:

Specific Coverage	\$400,000	Paid	Med-Rx
Aggregate Coverage	125%	Paid	Med-Rx

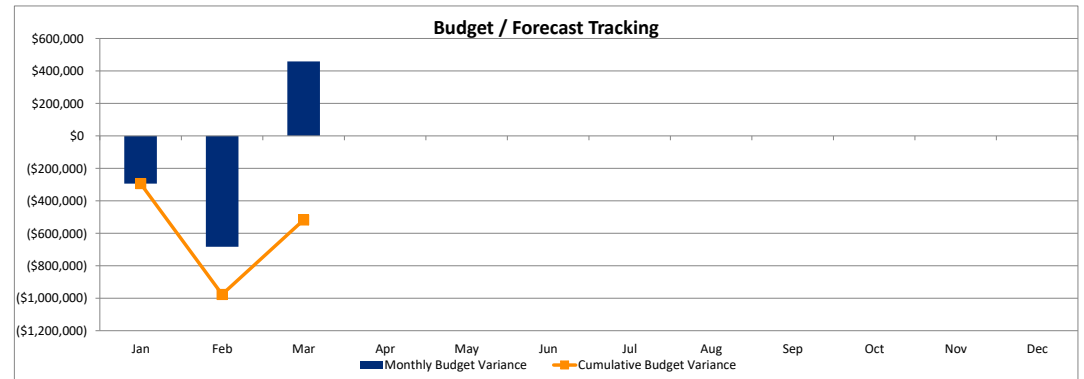
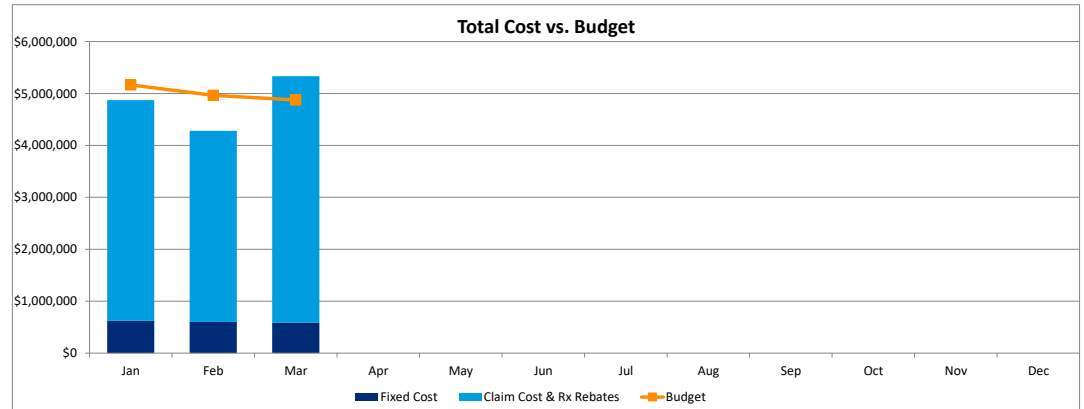
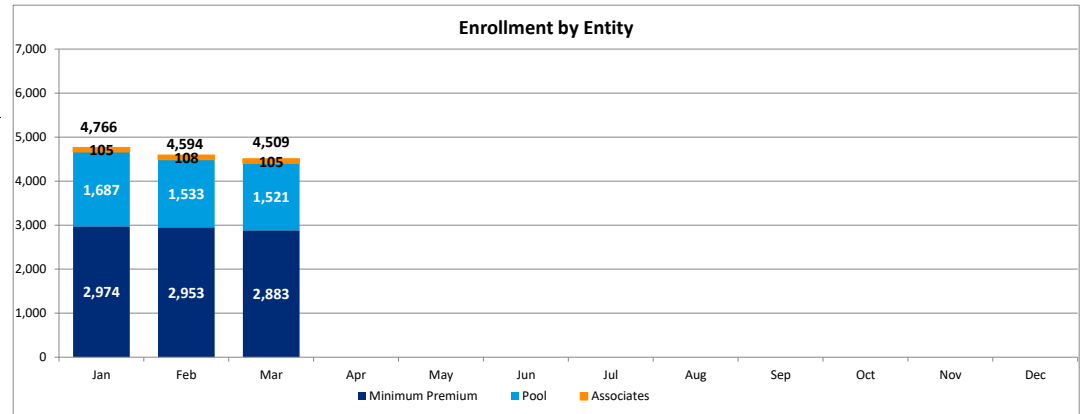
	March	YTD
Total Subscribers	4,509	13,869
Medical Claims	\$4,376,470	\$11,314,588
Pharmacy Claims	\$1,220,414	\$3,945,823
Stop Loss Claim Credits	(\$536,775)	(\$536,775)
Rx Rebates & Reconciliation*	(\$315,630)	(\$2,049,975)
Administration Fees	\$185,636	\$570,987
VBA Admin Fees	\$50,696	\$156,046
Stop Loss & Gene Therapy	\$352,919	\$1,085,527
<b>Total Claims &amp; Fixed Expenses</b>	<b>\$5,333,730</b>	<b>\$14,486,221</b>
Total Budget	\$4,874,855	\$15,004,082
Over / (Under) Total Budget	\$458,875	(\$517,862)
PEPM Over / (Under) Total Budget	\$101.77	(\$37.34)
<b>Percent Over / Under Budget</b>	<b>9.4%</b>	<b>-3.5%</b>

\* Rx rebates include Anthem rx rebate admin credit.



### MMA Commentary

- 1) March total costs were 9.4% above budget (\$458,875 above), bringing plan year to date total costs to 3.5% below budget (\$517,862 below).
- 2) Medical claims PEPM for the plan year to date were 3.8% above expected.
- 3) Pharmacy claims PEPM for the plan year to date were 13.3% below expected.
- 4) There were 6 claimants over \$150,000 through March.
- 5) The Pool and Associates had a combined estimated deficit of \$757,761.
- 6) The Minimum Premium Banks had an estimated surplus of \$1,275,623.
- 7) The Minimum Premium banks had an estimated \$1,430,163 in internal pooling fees with internal pooling claims of \$362,311 resulting in a surplus of \$1,067,851.
- 8) The Pool and Associates had an estimated \$915,016 in internal pooling fees with internal pooling claims of \$693,330 resulting in a surplus of \$221,686.



# YTD 2026 Dental Plan Claims Experience

		Monthly Claims		Cumulative Claims	
2026 Policy Year	Monthly Enrollment	Actual Claims	Expected Claims	Total Actual Claims	Total Expected Claims
Jan-26	4,651	\$219,266	\$248,131	\$219,266	\$248,131
Feb-26	4,650	\$241,535	\$248,078	\$460,801	\$496,209
Mar-26	4,617	\$248,434	\$246,317	\$709,235	\$742,526
<b>Total</b>		\$709,235	\$742,526		

