

**Agenda**

VBA Benefits Corporation Board Meeting  
May 21, 2021 10:30am  
Via Videoconference (Zoom)

- I. Welcome and Call to Order
- II. Approval of February 26, 2021 Minutes
- III. 2021 VBA Benefits Corporation Nominating Committee Report – Barry Elswick, Immediate Past Chair
- IV. Financial Report – Stacy Puckett, VBA
  - o Financial Results through March 2021
- V. COO Report and 2022 Health & Welfare Renewal Considerations – Laurie Milligan, VBA
- VI. VBA Benefits Corporation Investment Committee Report – John Caldwell, Chair ([1<sup>st</sup> Quarter 2021 Investment Performance Board Report](#))
- VII. Other Business
- VIII. Executive Session

\*Items underlined are active links.

**Minutes of the  
VBA Benefits Corporation  
Board Meeting  
February 26, 2021 at 10:30am  
Virtual Meeting**

**In Attendance:** Chairman Thomas F. Cherry, Michelle A. Austin, John R. Caldwell, J. Peter Clements, Barry C. Elswick, Robert M. Gorman, Mark C. Hanna, Mark Nelson, Patricia R. Lewis, Jay A. Stafford

**Unable to Attend:** Robert R. Chapman, III

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

**Guests:** VBA Chairman Elect – Leton Harding; Investment Committee Member – Jeff Brugh; SageView – Ken Barnes, Sean King, Nichole Labott, Dee Spivey, William Dowd

**Call to Order**

A quorum being present, Mr. Cherry 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 13, 2020 Minutes
- Board and Investment Committee Fiduciary Training
- 4<sup>th</sup> Quarter 2020 Investment Performance Board Report
- 2020 VBA Member Relations Report
- COO Report
- Financial Results for 2020 and Final 2021 Budget

**Approval of Minutes**

The minutes from the November 13<sup>th</sup> meeting were approved as written.

**Board and Investment Committee Fiduciary Training**

Mr. King provided training on the fiduciary responsibilities of a VBA Benefits Corporation Board member as it relates to the sponsored employee benefit plans. Board members discussed and asked questions about the materials being presented.

**VBA Benefits Corporation Investment Committee Report**

Mr. Caldwell updated the Board on the Investment Committee meeting held immediately prior to the Board meeting. Items discussed during the meeting included a legislative update, 4<sup>th</sup> quarter retirement plan funds' investment performance and discussion on adding a custom portfolio to the Defined Benefit Plans that will allow a plan nearing termination or having a unique circumstance to have a custom portfolio designed by SageView. The Board members discussed and approved adding the custom portfolio option for Defined Benefit Plans.

**Virginia General Assembly Legislative Update**

Mr. Bruning presented an update on the 2021 Virginia General Assembly Session and legislation impacting the Virginia banking industry. Board members discussed and asked questions.

**2020 Member Relations Report**

Mr. Snead reported on lines of businesses lost and gained during 2020; 2021 benefit plans enrollment changes; 2021 medical plan enrollment migration; and 2021 member relations engagement goals. Board members discussed and asked questions about the materials presented.

### **COO Report**

Ms. Milligan presented her report that covered:

- 2021 health and welfare initiatives, which included introducing a mental health initiative, exploring a musculoskeletal program, pre-diabetic program, telehealth and work services program, conducting a Life and Disability market analysis and changing pet insurance provider. Board members discussed and approved the VBA Benefits Corporation changing our pet insurance carrier to Nationwide.
- 2021 retirement plan initiatives, including new Defined Contribution adoption agreements and summary plan descriptions, Master Defined Benefit restatement mid-year, KBA partnership and retirement plans conferences.
- Review of year-end 2020 plan utilization for the self-funded medical and dental plans including examining COVID-19 impact to medical claims.

Board members discussed and asked questions about the materials presented.

### **VBA 2020 Master Defined Benefit Pension Plan & Trust Audit Report**

Mr. Cherry reported that the 2020 Master Defined Benefit Pension Plan & Trust audit had been completed and was a good report. The results of the audit were sent to the Board the following week.

### **Financial Report**

Ms. Puckett presented year-end 2020 financial results and final 2021 budget for the Trusts and VBA Benefits Corporation. The Board members discussed and asked questions. The financials and budget were then approved as written.

### **Adjourn to Executive Session**

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

Submitted by: John Snead, VP Member Relations

**VBA Benefits Corporation Investment Committee Meeting DRAFT**

**Meeting Date: February 26, 2021**

**Time: 8:30 am**

**Committee members in attendance**

**John Caldwell, Chairman  
Thomas Cherry  
Jeff Brugh  
Bruce Whitehurst  
Laurie Milligan**

**VBA staff in attendance**

**DeMarion Johnston  
Stacy Puckett**

**SageView Advisory Group:**

**Nichole Labott  
Ken Barnes  
Dee Spivey  
Bill Dowd**

**Plan Governance**

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- I. The minutes from the previous meeting were approved as written.

**Legislative Update**

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- II. SageView provided a brief legislative and regulatory update including a summary of the DOL's guidance on proxy voting, a summary of the Consolidation Appropriations Act of 2021 and brief update of the proposed Secure 2.0 legislation. SageView also provided an overview of the recent litigation trends in the industry.

**Defined Contribution Plans Investment Review**

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- III. The fund performance summary for the investment report was reviewed as of December 31, 2020. The total plan assets were \$279,676,804.49 as of 12/31/2020 and the weighted average investment expense is 0.19%. SageView provided an overview of the current investment performance and of note was the following:

<b>Fund Name</b>	<b>On Watch List Since</b>	<b>Qualitative or Quantitative</b>	<b>SageView Recommendation</b>
Janus Henderson Small Cap Value N	12/31/2020	Quantitative	Place on Watch
Cohen & Steers Real Estate Securities Z	12/31/2020	Qualitative	Place on Watch

## Defined Benefit Plans Investment Review

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- IV. The fund performance summary for the investment report was reviewed as of December 31, 2020. The total plan assets were \$116,363,919.36 as of 12/31/2020. SageView provided an overview of the current investment performance and current allocations. Of note was the following:

Fund Name	On Watch List Since	Qualitative or Quantitative	SageView Recommendation
Janus Henderson Small Cap Value N	12/31/2020	Quantitative	Place on Watch
Cohen & Steers Real Estate Securities Z	12/31/2020	Qualitative	Place on Watch

- V. SageView presented an overview of Custom Portfolio solutions that can be added as an additional option for banks who want to tie their allocation to one more suitable for plan termination. The Committee approved the solution to present to the Board for further discussion and approval.

## Non-qualified Plans Investment Review

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- VI. The fund performance summary for the investment report was reviewed as of December 31, 2020. The total plan assets were \$69,781,310.54. SageView provided an overview of the current investment performance and current allocations. Investment changes are in progress and will be complete on March 4, 2021. These changes are reflected on page 35 of the executive summary.
- VII. SageView provided a summary of the fee changes being implemented with the investment changes.
- VIII. SageView held a webinar earlier in the week to review participants and HR teams of the upcoming changes and provided a forum to ask additional questions. The webinars were well received. The Committee inquired if the webinar was recorded but instead SageView offered to meet individually with banks who want an overview of the changes.

## Additional Items

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- IX. Ms. Milligan provided the Committee with an update on activity related to the Kentucky Bankers Association.

## Follow-Up/Topics for Next Review

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- X. The next Committee meeting is scheduled for May 21, 2021.

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



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

**Rotation for Terms on the Board  
Effective July 1, 2021**

**Recommendations from Executive/Nominating Committee**

*Nomination for vacant Board position to serve new 3-year term:*

James (Jay) E. Hendricks, Village Bank & Trust

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

Patricia R. Lewis, Chesapeake Bank  
Mark Nelson, The First Bank & Trust Company  
Jay A. Stafford, Benchmark Community Bank

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

Thomas F. Cherry, C&F Bank

**Continuing Class of 2022 (July 2019 – June 2022)**

Thomas F. Cherry  
J. Peter Clements  
Michelle A. Crook  
Robert M. Gorman

**Continuing Class of 2023 (July 2020 – June 2023)**

John R. Caldwell  
Barry C. Elswick  
Mark C. Hanna  
Robert R. Chapman, III

**Proposed Class of 2024 (July 2021 – June 2024)**

James E. Hendricks  
Patricia R. Lewis  
Mark Nelson  
Jay A. Stafford

**VBA Group Medical and Dental Trust**  
**Statement of Net Assets**  
**3/31/2021**

	<b>3/31/2021</b>	<b>3/31/2020</b>
<b>Assets</b>		
Checking Account	8,760	3,651
Investments	25,513,256	21,757,322
Accrued Interest Receivable	186,518	200,925
Accounts Receivable - General	5,145,250	4,901,439
Total Assets	30,853,784	26,863,337
<b>Liabilities</b>		
Accounts Payable	2,648,569	2,507,534
Medical IBNR	7,167,161	6,540,507
Dental IBNR	199,000	161,400
Total Liabilities	10,014,730	9,209,441
<b>Net Assets</b>	<b>20,839,054</b>	<b>17,653,896</b>
Prior year end net assets	19,447,263	16,462,958
Year to date net income	1,391,791	1,190,938
Current net assets	20,839,054	17,653,896

**VBA Group Medical and Dental Trust**  
**Statement of Changes in Net Assets**  
**For the Three Months Ending 3/31/2021**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Prior Year</b>	<b>Variance</b>	<b>2021 Annual</b>
	<b>Year to Date</b>	<b>Year to Date</b>	<b>Year to Date</b>	<b>to Date</b>	<b>Current vs. Prior</b>	<b>Budget</b>
<b>Income:</b>						
Premiums from members:						
Medical Premiums	18,570,051	20,068,750	(1,498,699)	18,926,364	(356,313)	80,275,000
Dental Premiums	1,274,676	1,328,625	(53,949)	1,281,479	(6,803)	5,314,500
<b>Total premiums from members:</b>	<b>19,844,727</b>	<b>21,397,375</b>	<b>(1,552,648)</b>	<b>20,207,843</b>	<b>(363,116)</b>	<b>85,589,500</b>
Investment Return	17,610	25,000	(7,390)	79,935	(62,325)	100,000
<b>Total additions:</b>	<b>17,610</b>	<b>25,000</b>	<b>(7,390)</b>	<b>79,935</b>	<b>(62,325)</b>	<b>100,000</b>
<b>Total Income</b>	<b>19,862,337</b>	<b>21,422,375</b>	<b>(1,560,038)</b>	<b>20,287,778</b>	<b>(425,441)</b>	<b>85,689,500</b>
<b>Expenses:</b>						
Paid to insurance companies:						
Medical Claims & Fixed Costs	17,299,624	20,068,750	2,769,126	17,341,923	42,299	80,275,000
Dental Claims & Fixed Costs	1,211,528	1,328,625	117,097	1,107,066	(104,462)	5,314,500
<b>Total expenses paid:</b>	<b>18,511,152</b>	<b>21,397,375</b>	<b>2,886,223</b>	<b>18,448,989</b>	<b>(62,163)</b>	<b>85,589,500</b>
Increase (decrease) in IBNR provision	(48,159)	-	48,159	641,601	689,760	-
VEBA Investment Fees	7,553	6,250	(1,303)	6,250	(1,303)	25,000
<b>Total deductions:</b>	<b>(40,606)</b>	<b>6,250</b>	<b>46,856</b>	<b>647,851</b>	<b>688,457</b>	<b>25,000</b>
<b>Total Expenses</b>	<b>18,470,546</b>	<b>21,403,625</b>	<b>2,933,079</b>	<b>19,096,840</b>	<b>626,294</b>	<b>85,614,500</b>
<b>Net Income</b>	<b>1,391,791</b>	<b>18,750</b>	<b>1,373,041</b>	<b>1,190,938</b>	<b>200,853</b>	<b>75,000</b>



**SBA Group Insurance Trust**  
**Statement of Net Assets**  
**3/31/2021**

	<b>3/31/2021</b>	<b>3/31/2020</b>
<b>Assets</b>		
Investments	7,939	9,196
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Total Assets	7,939	9,196
<b>Liabilities</b>		
Accounts Payable	477	625
<hr/>		
Total Liabilities	477	625
<b>Net Assets</b>	<b>7,462</b>	<b>8,571</b>
Prior year end net assets	7,938	9,034
Year to date net income	(476)	(463)
Current net assets	7,462	8,571

**SBA Group Insurance Trust**  
**Statement of Changes in Net Assets**  
**For the Three Months Ending 3/31/2021**

	<b>Actual</b>				<b>Variance</b>	<b>2021</b>
	<b>Year to</b>	<b>Budget Year</b>	<b>Variance</b>	<b>Prior Year to</b>	<b>Current vs.</b>	<b>Annual</b>
	<b>Date</b>	<b>to Date</b>	<b>Year to Date</b>	<b>Date</b>	<b>Prior</b>	<b>Budget</b>
<b>Income:</b>						
Premiums from members:						
Medicare Supplement Premiums	138,681	130,937	7,744	164,236	(25,555)	523,750
Group Life Premiums	843,554	842,875	679	795,502	48,052	3,371,500
Long Term Care Premiums	24,042	30,000	(5,958)	28,421	(4,379)	120,000
Long Term Disability Premiums	440,626	461,250	(20,624)	413,343	27,283	1,845,000
Short Term Disability Premiums	115,882	75,000	40,882	89,121	26,761	300,000
Vision Premiums	209,717	209,500	217	185,425	24,292	838,000
Voluntary Benefits Premiums	255,695	223,750	31,945	234,807	20,888	895,000
<b>Total premiums from members:</b>	2,028,197	1,973,312	54,885	1,910,855	117,342	7,893,250
Investment Return	1	75	(74)	162	(161)	300
<b>Total additions:</b>	1	75	(74)	162	(161)	300
<b>Total Income</b>	2,028,198	1,973,387	54,811	1,911,017	117,181	7,893,550
<b>Expenses:</b>						
Premiums paid to insurance companies:						
Medicare Supplement Premiums	138,681	130,937	(7,744)	164,236	25,555	523,750
Group Life Premiums	843,554	842,875	(679)	795,502	(48,052)	3,371,500
Long Term Care Premiums	24,042	30,000	5,958	28,421	4,379	120,000
Long Term Disability Premiums	440,626	461,250	20,624	413,343	(27,283)	1,845,000
Short Term Disability Premiums	115,882	75,000	(40,882)	89,121	(26,761)	300,000
Vision Premiums	209,717	209,500	(217)	185,425	(24,292)	838,000
Voluntary Benefits Premiums	255,695	223,750	(31,945)	234,807	(20,888)	895,000
<b>Total premiums paid:</b>	2,028,197	1,973,312	(54,885)	1,910,855	(117,342)	7,893,250
VEBA Investment Fees	477	625	148	625	148	2,500
<b>Total deductions:</b>	477	625	148	625	148	2,500
<b>Total Expenses</b>	2,028,674	1,973,937	(54,737)	1,911,480	(117,194)	7,895,750
<b>Net Income</b>	(476)	(550)	74	(463)	(13)	(2,200)

**VBA Benefits Corporation**  
**Balance Sheet**  
**3/31/2021**

	<b>3/31/2021</b>	<b>3/31/2020</b>
<b>Assets</b>		
Cash & Cash Equivalents	599,575	1,649,613
Investments	3,533,389	2,307,091
Accounts Receivable	305,700	207,714
Accrued Interest Receivable	11,550	9,594
Deferred Tax Asset/Liability	37,374	37,374
Income Tax Receivable	50,128	33,628
Prepaid Assets	31,730	34,477
Current Assets	4,569,446	4,279,491
Furniture & Fixtures	165,449	159,037
Less: Accumulated Depreciation	(147,476)	(138,603)
Current Value	17,973	20,434
Investment in LLC	1,045,000	1,045,000
Total Assets	5,632,419	5,344,925
<b>Liabilities</b>		
Accounts Payable	195,323	253,146
Accrued Pension Liability	78,608	49,964
Total Liabilities	273,931	303,110
<b>Owners Equity</b>		
Retained Earnings	5,294,452	4,965,606
Common Stock	1,000	1,000
Current Year Earnings	63,036	75,209
Total Owners Equity	5,358,488	5,041,815
Total Liabilities & Equity	5,632,419	5,344,925

**VBA Benefits Corporation**  
**Income Statement**  
**For the Three Months Ending 3/31/2021**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Prior</b>	<b>Variance</b>	<b>2021 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	191,575	193,425	(1,850)	198,309	(6,734)	773,700
Dental Fees	34,061	35,500	(1,439)	33,359	702	142,000
Group Life Fees	156,022	152,500	3,522	150,155	5,867	610,000
Vision Fees	13,425	13,413	12	11,959	1,466	53,650
Long Term Care Fees	15,929	15,000	929	15,201	728	60,000
Long Term Disability Fees	57,681	62,500	(4,819)	53,368	4,313	250,000
Short Term Disability Commissions	5,043	5,000	43	4,404	639	20,000
Flex Cafeteria Fees	-	-	-	-	-	35,800
Voluntary Benefits Commission	13,345	23,750	(10,405)	22,340	(8,995)	101,500
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Health and welfare fees	487,081	501,088	(14,007)	489,095	(2,014)	2,046,650
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Management Fees-DB	30,198	23,625	6,573	20,000	10,198	94,500
Management Fees-DC	167,742	150,000	17,742	63,061	104,681	600,000
Management Fees-NQ	43,125	33,750	9,375	37,845	5,280	172,500
Revenue Share - DC	4	-	4	167,921	(167,917)	-
Revenue Share - NQ	13,128	13,000	128	35,514	(22,386)	26,000
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Defined benefit, contribution and nonqualified	254,197	220,375	33,822	324,341	(70,144)	893,000
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Interest Income	9,272	7,987	1,285	8,040	1,232	31,950
ABG Commissions	-	300	(300)	500	(500)	1,200
Miscellaneous Income	27	375	(348)	-	27	1,500
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Subtotal Other Income	9,299	8,662	637	8,540	759	34,650
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Total Income	750,577	730,125	20,452	821,976	(71,399)	2,974,300

**VBA Benefits Corporation**  
**Income Statement**  
**For the Three Months Ending 3/31/2021**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Prior</b>	<b>Variance</b>	<b>2021 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	309,181	349,302	40,121	294,725	(14,456)	1,360,000
Benefits Administration						
Cobra Administration	6,338	7,500	1,162	8,368	2,030	30,000
Recordkeeping DC	-	-	-	110,970	110,970	-
Recordkeeping NQ	73,657	70,750	(2,907)	57,003	(16,654)	255,000
	<u>79,995</u>	<u>78,250</u>	<u>(1,745)</u>	<u>176,341</u>	<u>96,346</u>	<u>285,000</u>
Occupancy Expense	8,738	8,738	-	8,606	(132)	34,950
Office Expenses						
Memberships & Subscriptions	825	1,575	750	1,293	468	6,300
Postage	52	500	448	76	24	2,000
Property Taxes & Licenses	67	75	8	41	(26)	2,000
Office Supplies	1,806	1,800	(6)	1,073	(733)	7,200
Equipment Maintenance	20,552	20,250	(302)	13,897	(6,655)	32,300
Telephone	2,270	2,900	630	2,063	(207)	11,600
	<u>25,572</u>	<u>27,100</u>	<u>1,528</u>	<u>18,443</u>	<u>(7,129)</u>	<u>61,400</u>
Consulting						
Consulting & Technology	121,176	129,067	7,891	117,637	(3,539)	520,000
Health Renewal	37,596	39,360	1,764	34,035	(3,561)	163,000
Section 125 Discrim. Testing	-	-	-	-	-	40,000
Other Consulting	13,200	13,200	-	13,050	(150)	53,000
	<u>171,972</u>	<u>181,627</u>	<u>9,655</u>	<u>164,722</u>	<u>(7,250)</u>	<u>776,000</u>
Professional fees						
Audit & Tax Fees	17,722	17,722	-	13,870	(3,852)	62,600
Legal Fees - Troutman	53,389	53,750	361	27,739	(25,650)	215,000
	<u>71,111</u>	<u>71,472</u>	<u>361</u>	<u>41,609</u>	<u>(29,502)</u>	<u>277,600</u>
Meetings						
Benefits Seminar Expense	-	-	-	-	-	23,100
Board of Directors	-	-	-	70	70	2,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>70</u>	<u>70</u>	<u>25,100</u>
Insurance	11,205	11,539	334	10,307	(898)	19,950
Marketing	-	3,500	3,500	20,771	20,771	14,000
Travel and Education						
E & T / Convention	2,352	2,360	8	2,034	(318)	10,000
Travel	1,715	4,500	2,785	3,720	2,005	35,000
	<u>4,067</u>	<u>6,860</u>	<u>2,793</u>	<u>5,754</u>	<u>1,687</u>	<u>45,000</u>
Depreciation	4,304	4,825	521	4,471	167	19,300
Other Operating Expenses						
Miscellaneous Expense	1,396	1,500	104	948	(448)	6,000
	<u>1,396</u>	<u>1,500</u>	<u>104</u>	<u>948</u>	<u>(448)</u>	<u>6,000</u>
<b>Total Expenses</b>	<u>687,541</u>	<u>744,713</u>	<u>57,172</u>	<u>746,767</u>	<u>59,226</u>	<u>2,924,300</u>
<b>Pretax Income/(Loss)</b>	<u>63,036</u>	<u>(14,588)</u>	<u>77,624</u>	<u>75,209</u>	<u>(12,173)</u>	<u>50,000</u>

**RETIREMENT PLAN TRUSTS UNDER VBA BENEFITS OVERSIGHT**

**March 31, 2021**

**Statement of Changes in Net Assets Available for Benefits (Trust basis, excludes contribution accruals)**

	3 mos Plan yr ended 12/31/21	12 mos Plan yr ended 12/31/20	6 mos Plan yr ended 9/30/21	12 mos Plan yr ended 9/30/20	NonQualified Plans 3/31/21	NonQualified Plans 3/31/20
	<b>Defined Contribution 1/1-12/31/21</b>	<b>Defined Contribution 1/1-12/31/20</b>	<b>Defined Benefit 10/1/20-9/30/21</b>	<b>Defined Benefit 10/1/19-9/30/20</b>		
Increase (decrease) in net assets resulting from investment income	7,928,623	26,504,848	9,628,692	7,270,727		
Employer contributions	3,092,174	4,569,237	8,753,103	3,965,558		
Employee contributions	5,626,274	14,900,720	-	-		
Transfers from other trust	-	7,794,025	-	-		
Total employee/employer contributions	8,718,448	27,263,982	8,753,103	4,000,231		
Total additions	16,647,071	53,768,830	18,381,795	11,270,958		
Benefits paid to participants	1,078,462	27,374,788	2,432,626	6,411,539		
Plan terminations	5,175,268	19,854,572	2,574,350			
Increase (decrease) in net assets	10,393,341	6,539,470	13,374,819	4,859,419		
<b>Net assets - beginning of period</b>	<b>279,640,307</b>	<b>273,100,837</b>	<b>106,141,062</b>	<b>101,281,643</b>		
<b>Net assets - end of period</b>	<b>290,033,648</b>	<b>279,640,307</b>	<b>119,515,880</b>	<b>106,141,062</b>	<b>81,598,012</b>	<b>53,484,823</b>

**COO Report  
and  
2022 Health & Welfare Plan Renewal  
Considerations**

**VBA Benefits Corporation Board Meeting**  
May 21, 2021

# Benefits Corp Response to COVID-19 Legislation

## American Rescue Plan Act (ARPA), effective March 11, 2021

- Potential COBRA subsidy for employees involuntarily terminated or loss of benefits due to reduction in hours
  - Retroactive back 18 months from effective date
  - Must offer even if employee did not elect COBRA at the time of termination
- Spending Account Provisions (ARPA and CAA provisions) **Need Board approval**
  - Healthcare spending accounts: Carry over 2020 funds into 2021; extend grace period provision through end of 2021
  - Dependent care spending accounts: Same options as HCSAs

*Plan sponsors must complete election form and update adoption agreement*

*COVID-19 telehealth cost share waivers extended through May 2021; following Anthem's recommendations for their fully-insured book of business*



# 2021 Health & Welfare Initiatives

- Updated goal for 2021 amount of cash reserves:
  - Three-six months of claims for pooled banks and associate members
  - 10%-15% of minimum premium banks' claims

Net assets ending 3/31/2021 for the Group Medical & Dental Trust were \$20.8M.

	Projected 2021 Claims	Reserve Goal Range
Pooled banks & associate members	\$30,500,000	\$7,625,000-\$15,250,000
Minimum premium banks	\$45,200,000	\$4,520,000-\$6,780,000
TOTAL	\$75,700,000	\$12,145,000-\$22,030,000

- Learn Your Benefits (LYB) video learning platform – update custom videos for plan content, scripting, design and flow as well as new motion layout:

- Medical plan videos
- Prescription drug plan video
- Dental plan videos

Cost: \$26,970, which can be paid by the Group Medical & Dental Trust, as this is an administrative expense for participant education. **Need Board approval.**



# 2021 Health & Welfare Initiatives cont.



## Consumerism Card Overview



Non-insured benefits provided to employees and families



Base package of benefits paid by VBA/employers; employers and employees can purchase additional benefits



Easy access for member experience:

Mobile App and portal

Call center for inquiries

# VBA Consumerism Card Conceptual Program



<u>Base Package</u>	<u>ER Buy-up Options</u>	<u>EE Buy-up Options</u>
<ul style="list-style-type: none"> <li>Teladoc (\$0 Visit Fee)</li> <li>Worklife Services</li> <li>Caregiver Support</li> <li>Discounts: Hearing Aids</li> <li>Discounts: Lab Testing</li> <li>Discounts: Imaging Services</li> <li>Discounts: Vitamins</li> </ul>	<ul style="list-style-type: none"> <li>Teladoc Behavioral Health Counseling (\$0 Visit Fee)</li> <li>Telephonic Counseling Services</li> <li>Health Advocate Solutions</li> </ul>	<ul style="list-style-type: none"> <li>Pet Care</li> <li>Roadside Assistance</li> <li>Global Travel Assistance</li> <li>Tax Hotline</li> </ul>

*Board approval to pilot program from July to December 2021, with intent to offer all banks effective January 1, 2022. Cost is approximately \$6.00 per employee per month, which would be built into the medical plan administrative fees.*

Note: Programs are available for use by the member (employee), their spouse and legal dependents.

## 2021 Health & Welfare Initiatives cont.



- Partnership with HR Technology firm to help banks manage HR risks including:
  - Discrimination, EEO, ADA
  - Employee relations
  - Hiring and onboarding practices
  - Leaves of absence
  - State and regional laws
  - Safety and OSHA
- All banks have access to own live site, managed by VBA Benefits Corp. and offered to those employers who participate in the medical plan.
- Services outlined on next page.

# 2021 Health & Welfare Initiatives cont.



## OUR PEOPLE RISK MANAGEMENT SOLUTIONS



### Compliance Library

An extensive resource library including insightful guides, comprehensive checklists, and other invaluable resources to navigate HR, compliance, safety, and People Risk Management issues.



### Law Alerts, Newsletters, and Webinars

A steady stream of need-to-know information such as breaking compliance news, expert analysis, legislative updates, and best practices through Law Alerts, monthly newsletters, and webinars approved for SHRM & HRCI credits.



### Live Advisors

Senior SPHR and PHR certified advisors to provide trustworthy guidance to prevent and resolve challenging people situations and compliance issues.



### Living, Adaptive Employee Handbook

A federal and state level compliant handbook builder that allows the incorporation of unique company policies and delivers policy update alerts as regulations change.



### Learning Management System

Delivers courses on a variety of topics your employees and organization need to adhere to compliance mandates, improve safety, foster professional development, and improve engagement.



### Benefits Document Creator

A simplified solution for the creation and ongoing maintenance of ERISA compliant Wrap, SPD, and POP documents, including policy update alerts and digital signature functionality.

Cost is determined by number of VBA Benefits Corp. employees; initial proposal is \$12,000 per year. Offered to banks with medical coverage.

**Need Board approval to add mid-year 2021**

# 2022 Health & Welfare Renewal Considerations

- Medical and Prescription Drug plan considerations:
  - No major plan design changes
  - Generic diabetes medications (non-insulin) provided at \$0.00 for members; *estimated initial cost of \$40,000*
  - Specialty medication payment alternatives: Disease alliances/foundations; pharmacy manufacturer assistance programs or carrier pooling programs.
  - *Hinge Health*: Digital physical therapy program to address musculoskeletal costs (second highest cost driver at over \$6M affecting 3,242 members).
    - Treatment includes complete clinical care team (physician, PT, health coach, nutritionist)
    - Opportunity to reach participants in a convenient delivery model (wearable sensor-guided technology)
    - Contract directly with Hinge Health
    - Considered a disease management benefit; no cost to member and HSA-compliant
    - Health plan pays a fixed fee based on treatment plan completion; 100% of fees at risk
- Competitive market study for Life Insurance, AD&D and Disability coverages being conducted by MMA for effective date of January 1, 2022
- No plan design changes for other lines of coverages proposed for 2022

# 2021 Retirement Plan Initiatives

- Cybersecurity Request for Information – in progress
  - DOL released new guidance in April 2021 for plan sponsors, fiduciaries and recordkeepers on best practices for maintaining cybersecurity
  - PRM Consulting sent Voya RFI and responses due mid-May
  - Results will be presented at August Investment Committee meeting
  
- 401(k) Plan Fee Comparison – Completed by SageView in April
  - Compared three plans that varied by asset sizes and number of participants
  - SBA Master Trust is significantly less than the industry average expense compared to most recent 401(k) Averages Book benchmarking data (includes recordkeeping, trustee, investment management, mutual fund expense):

	Size	Master Trust Expense	Industry Average Expense
Bank A	\$35.8M; 278 participants	.55%	.91%
Bank B	\$6.7M; 170 participants	.70%	1.16%
Bank C	\$4.5M; 57 participants	.61%	1.16%

- 401(k) Managed Account offering – SageView and Voya
  - Finalizing partnership to offer 401(k) plan participants a means to build a customized investment fund portfolio utilizing the individual fund line up.
  - SageView Advisory would act as 3(38) investment manager
  
- NQDC Plan Documents
  - Exploring option of utilizing Voya (legacy Pen-Cal's) plan document and adoption agreements
  - Conducting a comparison of plan features
  - Could save on administrative and legal fees as well as streamlining and improving efficiency in administration

## **Appendix**

YTD 2021 Health Plan Utilization

YTD 2021 Dental Plan Utilization



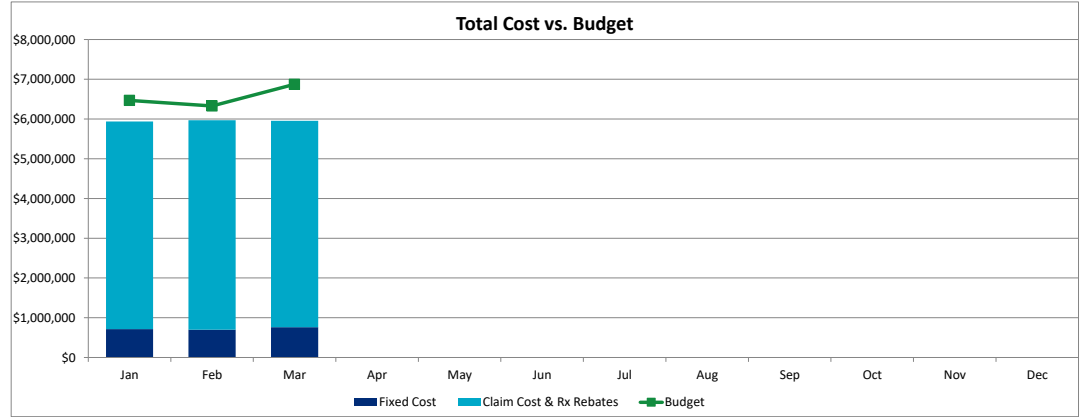
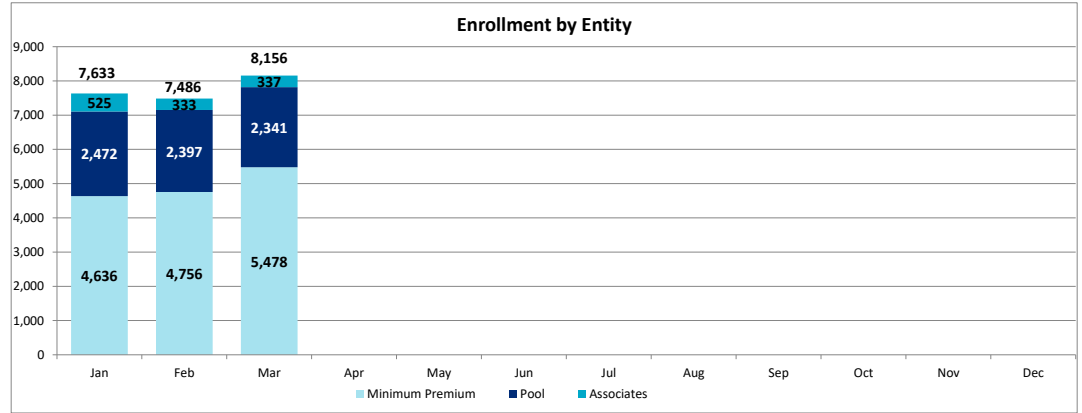
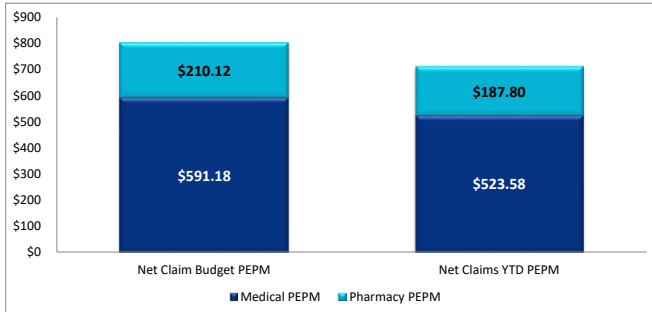
# Dashboard

Group: **Virginia Bankers Association**  
 Plan Year: 1/1/2021  
 Current Period: March

Stop Loss Terms:  
 Specific Coverage \$300,000 Paid Med-Rx  
 Aggregate Coverage 115% Paid Med-Rx

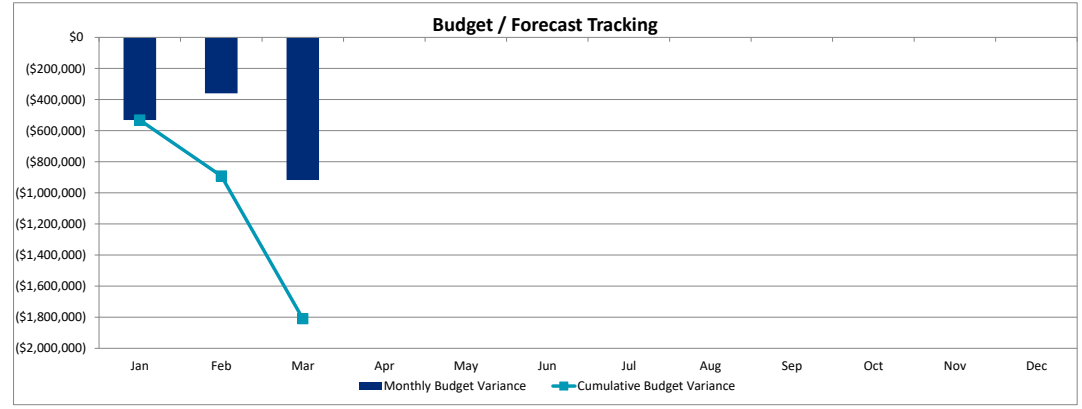
	March	YTD
Total Subscribers	8,156	23,275
Medical Claims	\$4,857,294	\$13,279,858
Pharmacy Claims	\$1,569,208	\$3,900,084
Stop Loss Claim Credits	(\$179,303)	(\$445,207)
Rx Rebates*	(\$1,054,502)	(\$1,054,502)
Administration Fees	\$368,221	\$1,050,802
VBA Admin Fees	\$65,158	\$188,228
Stop Loss Premium	\$326,566	\$931,931
ACA Fees	\$2,984	\$8,516
<b>Total Claims &amp; Fixed Expenses</b>	<b>\$5,955,627</b>	<b>\$17,859,711</b>
Total Budget	\$6,873,222	\$19,669,148
Over / (Under) Total Budget	(\$917,595)	(\$1,809,437)
PEPM Over / (Under) Total Budget	(\$112.51)	(\$77.74)
<b>Percent Over / Under Budget</b>	<b>-13.4%</b>	<b>-9.2%</b>

\* Rx rebates are shown in the month paid.



**MMA Commentary**

- 1) March total costs were 13.4% below budget (\$917,595 below), bringing the plan year to 9.2% below budget (\$1,809,437 below). This includes \$1,014,176 in rx rebates from ESI and \$40,326 in rebates from Anthem paid in March.
- 2) Medical claims PEPM are 6.7% below expected.
- 3) Pharmacy claims PEPM are 20.3% below expected.
- 4) There are 7 claimants over \$150,000 through March, and 2 claimants have hit the \$300,000 SSL.
- 5) The Pool and Associates have a combined estimated surplus of \$741,402.
- 6) The Minimum Premium Banks have an estimated surplus of \$1,068,035.
- 7) The Minimum Premium banks had an estimated \$1,436,591 in internal pooling fees with internal pooling claims of \$858,603 resulting in a surplus of \$577,988.



# YTD 2021 Dental Plan Claims Experience

2021		Monthly Claims		Cumulative Claims	
Policy Year	Monthly Enrollment	Actual Claims	Expected Claims*	Total Actual Claims	Total Expected Claims
Jan-21	7,559	\$343,780.50	\$379,311	\$343,781	\$379,311
Feb-21	7,622	\$368,718.91	\$382,472	\$712,499	\$761,783
Mar-21	7,603	\$409,561.56	\$381,519	\$1,122,061	\$1,143,302
Apr-21			\$0	\$1,122,061	\$1,143,302
May-21			\$0	\$1,122,061	\$1,143,302
Jun-21			\$0	\$1,122,061	\$1,143,302
Jul-21			\$0	\$1,122,061	\$1,143,302
Aug-21			\$0	\$1,122,061	\$1,143,302
Sep-21			\$0	\$1,122,061	\$1,143,302
Oct-21			\$0	\$1,122,061	\$1,143,302
Nov-21			\$0	\$1,122,061	\$1,143,302
Dec-21			\$0	\$1,122,061	\$1,143,302
<b>Total</b>	<b>22,784</b>	<b>\$1,122,061</b>	<b>\$1,143,302</b>		

