

REQUEST FOR PROPOSAL
Multiple Employer Welfare Arrangement and
Voluntary Employees' Beneficiary Association Trust Dissolution
Sequent Midwest Business Health Fund

Invitation

The Sequent Midwest Business Health Fund (“SMBHF”) Board of Trustees is seeking a qualified consultant (“Applicant”) to assist in the wind-down and dissolution of a multiple employer welfare arrangement and related voluntary employees’ beneficiary association trust.

Please submit proposals (“Proposals”) in response to this Request for Proposal (“RFP”) which will be accepted until 5pm on June 26, 2019. Proposals should be sent to:

Jeff Smith
Chairman, SMBHF – Board of Trustees
175 South Third Street, Suite 940
Columbus, Ohio 43215
jeff@ohioinsuranceagents.com

Desired format: Email, with attached pdf
If hardcopy: please send 5 copies

RFP Schedule

Activity	Date
RFP Distribution	June 12, 2019
RFP Responses Due	June 26, 2019
Proposal Review	June 27 - 30, 2019
Conduct Interviews with Selected Finalists	July 1-10, 2019
Select Consultant	July 17, 2019
Target Completion Date	August 2, 2020

Who We Are:

The SMBHF is a multiple employer welfare arrangement (“MEWA”) located in Columbus, Ohio that has a certificate of authority from the Ohio Department of Insurance and that is sponsored by and funded through an Internal Revenue Code Section 501(c)(9) voluntary employees’ beneficiary association trust (the “VEBA Trust). The MEWA and VEBA Trust were formed for the sole purpose of providing health and welfare benefits to participating employers’ employees and their eligible dependents, including self-insured medical benefits and fully-insured dental, vision, group life, and accidental death and dismemberment benefits. Effective as of December 31, 2018, the MEWA terminated the underlying benefit plans and is now in the process of winding down its operations, paying claims incurred prior to January 1, 2019, completing required federal and state filings

with the Department of Labor and the Internal Revenue Service, terminating the underlying VEBA Trust, distributing the remaining VEBA Trust assets and completing other dissolution activities. This is a voluntary, solvent, run off of the MEWA and VEBA Trust and it is not subject to any liquidation or bankruptcy proceedings.

Scope of Services

SMBHF is in the process of winding down and dissolving the MEWA and VEBA Trust. It is anticipated that, on or about December 31, 2019, substantially all claims under the health benefit plans previously offered by the MEWA will be run off and all creditors will be paid, except for continuing operational expenses, and the MEWA will be in a position to surrender its certificate of authority to the Ohio Department of Insurance. Nonetheless, after December 31, 2019, it is anticipated that the VEBA Trust will continue to hold assets, which must be returned to beneficiaries through a process of distribution that applies to Internal Revenue Code Section 501(c)(9) voluntary employees' beneficiary association trusts.

Based on current projections, we are targeting July or August 2020 for the dissolution of the VEBA Trust and final federal regulatory filings, which will formally end all activities of the MEWA and VEBA Trust. We need the assistance of a consultant to operate and manage the final stages of the wind-down of the MEWA and VEBA Trust, starting on January 1, 2019. Absent any unforeseen complications, the Applicant's work will continue for a 7-8 month period, during which time the Applicant shall perform the following "Scope of Work", which includes management and operation of the MEWA and VEBA Trust and execution of a dissolution strategy:

- Working with UMR (the MEWA's self-insured medical plan administrator) to administer any remaining medical benefits until all claims are paid;
- Organizing and holding quarterly and special meetings of the Board of Trustees of the MEWA and VEBA Trust and conducting 2020 Board of Trustees election process;
- Continuing to satisfy Ohio Department of Insurance reporting requirements applicable to self-insured multiple employer welfare arrangements until Ohio certificate of authority is surrendered, which is expected to occur in early 2020; Providing ongoing quarterly reporting to the Department of Labor in order to comply with conditions of plan audit conducted between 2016-2019 and closed in February 2019;
- Filing all required federal returns/reports with the Department of Labor and Internal Revenue Service (e.g., annual Form 5500, annual Form M-1, annual Form 990, additional Affordable Care Act reporting);
- Negotiating/executing agreements with all service providers to prepay SMBHF liabilities for 2020;
- Executing VEBA Trust surplus distribution strategy in accordance with Internal Revenue Code Section 501(c)(9) requirements governing the VEBA Trust, including (but not limited to): (a) identifying pool of eligible members, (b) calculating distribution amounts, (c) preparing participant notifications, (d)

- working with outside vendors to complete related tax withholding and reporting and timely distribution of notifications;
- Preparing and submitting filing(s) with Ohio Unclaimed Funds Division following surplus distributions;
 - In coordination with Ohio Department of Insurance, facilitating repayment of surplus notes issued to a professional employer organization whose employee clients participated in the MEWA and VEBA Trust;
 - Work and coordinate with attorneys, accountants, auditors, and vendors working on behalf of the MEWA and VEBA Trust to accomplish and complete the dissolution; and
 - Other day-to-day responsibilities as necessary in order to facilitate the SMBHF wind-down.

Questionnaire

Your Company

1. Please provide the following:
 - Full Name of Applicant;
 - Employer Identification Number (EIN) (if Applicant is an organization) or Social Security Number (if Applicant is an individual);
 - Office and/or Mailing Address;
 - Telephone Number;
 - Email Address;
 - Website; and
 - Primary Contact Person for Applicant, including name, address, telephone number, and email address.
2. Describe your firm's history and background.
3. Provide details of your firm's financial status and stability.
4. Discuss any impending changes in your organization that could impact the delivery of services.
5. Provide proof that your company carries applicable professional liability insurance coverage (including fiduciary liability coverage, ERISA fidelity bond, etc.).
6. Complete the Questionnaire attached hereto as Exhibit A and the Certification attached hereto as Exhibit B.

Your Practice

7. Describe the proposed team that would work with SMBHF and provide information or resumes reflecting the qualifications and expertise of each team member.
8. Describe what makes your firm qualified to provide the services identified in this RFP.
9. Describe your firm's experience serving as or working for a receiver, conservator, supervisor, trustee, independent fiduciary, or similar appointee with respect to the wind-down, dissolution or runoff of an insurance company, MEWA, trust, voluntary employees' beneficiary association, or employee welfare benefit plan.
10. Describe your experience working with self-insured multiple employer welfare arrangements and voluntary employees' beneficiary associations, particularly with respect to the termination and dissolution of such arrangements?
11. Describe your firm's background and experience with GAAP and statutory accounting, financial reporting, group health plan reporting, and tax issues associated with insurance companies, MEWAs, trusts, voluntary employees' beneficiary associations, and employee welfare benefit plans.

Expertise & Information needed to Complete Services

12. Describe your approach to completing the Scope of Work including timeframes, staffing, communication with the MEWA Board of Trustees and MEWA service providers, status reports, and other deliverables.
13. Describe the information you need to complete the Scope of Work.
14. In your opinion, what are the three major challenges for completing the Scope of Work?

Compensation & Timeline

15. Provide a cost proposal for performing the Scope of Work, which should include a description of the hourly fees and administrative expenses to be charged by Applicant, with a not-to-exceed limit on the total fees and expenses for entirety of the Scope of Work.
16. Provide the timeline and information needed to complete Scope of Work.

Acknowledgements and Terms and Conditions

By submitting a Proposal in response to this RFP, Applicant acknowledges and agrees to the following:

1. This RFP does not commit the SMBHF to select or enter into a contract with any Applicant. SMBHF has the right to rescind or retract this RFP at any time prior to the execution of a contract. SMBHF may in its sole discretion reject any or all Proposals for any reason.
2. SMBHF has sole discretion to evaluate Proposals and may consider and weigh as it determines appropriate information contained in a Proposal. SMBHF may also waive the failure of any Proposal to provide information responsive to the RFP or of any Applicant to respond by the deadline.
3. The cost of developing and submitting a Proposal is the sole responsibility of the Applicant, and this RFP does not provide any recourse to an Applicant that submits a proposal that is rejected or otherwise not accepted.
4. Decisions made by SMBHF as a result of its review of Proposals, including any decisions to select or contact an Applicant, does not grant any Applicant any right to contract or compensation.
5. SMBHF and Applicant must first execute a contract (a “Contract”) on mutually agreeable terms and conditions before Applicant shall have any rights or responsibilities relate to performance of the Scope of Work.
6. Any Contract to perform the Scope of Services may contain the following provisions.
 - a. The Contract shall remain in effect through the dissolution of the MEWA and VEBA Trust, unless terminated earlier under its terms. The Contract can be changed only with the written consent of both parties, except as otherwise provided.
 - b. The consultant must perform its duties in accordance with state and federal law.
 - c. The consultant serves under the authority of and at the pleasure of the SMBHF, and may be terminated at the SMBHF’s discretion.
 - d. The consultant shall be acting in the role of fiduciary with respect to the SMBHF and its members (and shall be subject to related fiduciary duties under ERISA).
 - e. The consultant must notify the SMBHF immediately upon the discovery of any potential or actual conflict of interest.
 - f. The consultant must provide a monthly detailed billing of services and expenses, which are payable subject to the terms of the Contract, including a not-to-exceed total Contract amount agreed upon by the parties.
 - g. The consultant must secure and maintain insurance as necessary to protect the assets of the SMBHF, including (but not limited to) fiduciary liability and ERISA fidelity bond coverage, at its own cost.
 - h. The consultant agrees to protect the confidentiality of confidential information.

- i. The consultant agrees to indemnify and hold harmless the SMBHF and its Board of Trustees against any claims, proceedings, lawsuits, penalties, judgments, costs or expenses resulting from, arising out of or in connection with willful misconduct, negligent activity, or breach of fiduciary duty of the consultant, its employees, agents or subcontractors in performing or failing to perform any act.
- j. The consultant may not assign any part of the Contract without prior written approval by the SMBHF.

Exhibit A - Questionnaire

With respect to the questions below, “you” refers to (1) the Applicant; (2) persons working for Applicant that will be involved in performing the Scope of Work; or (3) any officer or director of Applicant.

1. Have you been indicted, convicted of, plead guilty, imprisoned for, or received deferred adjudication to:
 - a. a felony;
 - b. a misdemeanor involving embezzlement, theft, conversion, larceny, fraud or similar crime;
 - c. a misdemeanor involving violence, workplace misconduct or similar crime;
 - d. any act that would prevent you from serving in a fiduciary, consultant, advisor, or other capacity of an employee benefit plan pursuant to Section 411(a) the Employee Retirement Security Act of 1974, as amended;
 - e. a violation of a securities or insurance law; or
 - f. any other crime of moral turpitude?

Yes No

2. Has any indictment or charges for any items listed in (1) above been issued against you?

Yes No

3. Has a finding of fraud, breach of fiduciary duty, bad faith, unfair business practices, deceptive trade practices, conversion or similar action been entered against you by a court or administrative law judge?

Yes No

4. Has any action been filed against you (or a business or employee benefit plan in which you were a fiduciary, trustee, officer, director, or controlling stockholder) by a plan sponsor, plan participant, receiver, trustee, or governmental entity for a breach, failure to perform, or assessment of penalties or liquidated damages in connection with a contract?

Yes No

5. Have you been subject to any disciplinary proceedings by any governmental or regulatory entity?

Yes No

6. Has a judgment or administrative fines or penalties been imposed against you, or a business or employee benefit plan in which were a fiduciary, trustee, officer, director, or controlling stockholder?
- Yes No
7. Have any of the following actions been taken with respect to an insurer, an entity involved in the business of insurance, a multiple employer welfare arrangement, a trust, or an employee benefit plan during the time that you were an officer, director, trustee, fiduciary, or controlling stockholder?
- a. suspension or revocation of a certificate of authority or license;
 - b. administrative oversight;
 - c. supervision;
 - d. conservatorship;
 - e. receivership; or
 - f. any other finding of hazardous condition.
- Yes No
8. Are you or any organization in which you have or have had a controlling interest delinquent in filing or paying any local, state, or federal tax?
- Yes No
9. Do you have any actual or potential conflict of interest with the SMBHF? If so, please explain in the space provided below.
- Yes No
10. Has a licensing agency or regulatory authority denied an application by you for an occupational or vocational license or certification, or revoked or suspended such a license held by you?
- Yes No
11. Have you been a party to a contract with a receiver, trustee, employee benefit plan, or governmental entity that was terminated for cause?
- Yes No
12. Have you ever been terminated as a receiver, trustee, conservator, fiduciary, or similar position?
- Yes No

13. Is there any situation similar to those described above, or any other situation that could create any appearance of impropriety, in connection with the Applicant's appointment to perform the Scope of Work on behalf of the SMBHF?

Yes No

If any answer to the questions above is a “yes”, please provide information in the space below or on a separate page.

Exhibit B - Certification

I affirm that I am authorized to act on behalf of the Applicant, that I have read the Applicant's Proposal to perform the Scope of Work on behalf of the Sequent Midwest Business Health Fund, including Responses to the Questionnaire, in their entirety, and that the information submitted by Applicant is true and correct to the best of my personal knowledge and belief.

Signature of Authorized Representative

Date: _____

Title

Printed Name