

## AGC HEALTH BENEFIT TRUST

### POLICY REGARDING MONITORING OF PROFESSIONAL SERVICE PROVIDERS

The Board of Trustees (the “Trustees”) of the AGC Health Benefit Trust (the “Trust”) hereby adopts this Policy Regarding Monitoring of Professional Service Providers (the “Policy”) for the purpose of monitoring the professional service providers of the Trust.

**1. Purpose.** The Department of Labor (“DOL”) has specific procedural guidance with respect to selection and monitoring of service providers under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The responsible fiduciary must engage in an objective process designed to elicit information necessary to assess the qualifications of the service provider, the quality of services offered, and the reasonableness of the fees charged in light of the services provided. The Policy is intended to assist the Trustees by establishing guidelines for prudently reviewing the service providers to the Trust. The procedures outlined in this Policy are intended to comply with the DOL’s procedural guidance; the Trustees recognize that the procedures may vary depending upon the facts and circumstances of the particular service provider.

**2. Professionals.** Subject to the terms of the Trust, the Trustees are responsible for selecting the service providers to the Trust and approving the use of any Trust assets to pay their fees. The Trustees are also responsible for prudently monitoring the Plan’s service providers and fees on an ongoing basis. If the Trustees delegate any of these responsibilities to another fiduciary, the Trustees will be responsible for monitoring such other fiduciary and its performance of the delegated responsibilities. At the time of adoption, the service providers monitored by the Trustees under this Policy include the Trust’s administrative agent, consultant/general managing agent (GMA), auditor, and attorney. Review of the Trust’s insurance carrier(s), brokers and vendor partners will generally be in accordance with the consultant/GMA’s monitoring procedure, rather than under this Policy.

**3. Regularly Scheduled Reviews.**

**3.1** The Trust will conduct a complete review of the service providers identified above at least once every two years (schedule to be determined).

**3.2** The Executive Director of AGC Oregon-Columbia Chapter will coordinate the review and complete the following items (See **Exhibit A, Section I**):

- (a) Confirmation that there is a written agreement between the Trust and the service provider;
- (b) Confirmation that the services and fees are identified in the written agreement and that the terms of the written agreement are current;

- (c) Confirmation that the services identified are actually being performed and are authorized by the Trust and not in conflict with other Trust governing documents or adopted policies;
- (d) Confirmation that there is no duplication of services between service providers; and
- (e) Provide a copy of the current written agreement for each service provider under review to the Trustees.

**3.3** Following confirmation of the above, each Trustee shall complete and review a questionnaire regarding the service provider's performance. See **Exhibit A, Section II**. The questionnaire shall be distributed and collected by the Executive Director of AGC Oregon-Columbia Chapter, who shall summarize and present the findings to the Trustees, as well as discuss the findings with the service provider being reviewed.

**3.4** The Trustees or a subcommittee of Trustees may meet with the service provider as part of the review. Following any performance review meeting with the service provider, the Chair of the Trustees or a representative of the subcommittee shall submit a performance report to the Trustees, which will be documented in the Trust's meeting minutes. The performance report may include a list of objectives for the future.

**3.5** Copies of the performance report, if in writing, and meeting minutes, including any objectives for the future, will be maintained for a minimum of seven years.

**4. Investigative Reviews.** If a change in circumstances or facts come to the attention of the Trustees that may warrant review of a service provider, and the service provider has not adequately addressed the change or facts to the Trustees satisfaction, the Trustees will conduct an investigation of the facts and circumstances. Examples of items that may trigger such review include a change in the affiliation or corporate structure of the service provider; change in the primary individuals who provide services; questions regarding the appropriateness of fees; or concerns over potential prohibited transactions. Any such review will be documented through either a written report, correspondence, or in Trust meeting minutes.

Adopted this 23rd day of April, 2021.

EXHIBIT A

AGC HEALTH BENEFIT TRUST  
PLAN PROFESSIONAL SERVICE PROVIDER REVIEW

The purpose of this evaluation is to review the services provided to the AGC Health Benefit Trust by the professional service provider identified below. The goal of this evaluation is to document monitoring of the Trust's service providers, enhance the effectiveness of such service providers, and advance the Trust's goals, mission, and day-to-day operations.

Section I of this document will be completed by the Executive Director of AGC Oregon-Columbia Chapter. Section II of this document shall be completed by each Trustee and returned to the Executive Director of AGC Oregon-Columbia Chapter.

**Plan Professional Service Provider:**

\_\_\_\_\_

**SECTION I – Document Review (to be completed by the Executive Director of AGC Oregon-Columbia Chapter)**

The Executive Director of AGC Oregon-Columbia Chapter has confirmed the following regarding the professional service provider:

- (a) There is a written agreement between the Trust and the professional service provider:  
\_\_\_ Yes/ \_\_\_ No
- (b) The services and fees are identified in the written agreement and the terms of the written agreement are current: \_\_\_ Yes/ \_\_\_ No
- (c) The services performed are authorized by the Trust Agreement and not in conflict with other Trust governing documents or adopted policies: \_\_\_ Yes/ \_\_\_ No
- (d) The services are not duplicated by another provider: \_\_\_ Yes/ \_\_\_ No
- (e) The agreement has been provided to the Trustees: \_\_\_ Yes/ \_\_\_ No

Comments:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **SECTION II – Trustee Review (to be completed by each Trustee)**

### **Definition of Rankings**

1 = Commendable: Performance meets and exceeds expectations for the category with an extraordinary level of skill and ability on a consistent basis.

2 = Competent: Performance meets expectations for the category with a satisfactory level of skill and ability.

3 = Needs Improvement: Performance needs improvement for expected competencies for the category. Performance objectives have not been met or have only partially been met.

4 = Unsatisfactory: This ranking indicates that the professional service provider is not meeting expected competencies for the category listed and that failure to improve may be cause for action by the Board of Trustees.

N/A = No interaction with the service provider during the period under review.

### **Performance Categories**

\_\_\_ Leadership - Exercises sound judgment. Maintains ethical standards. Supports and seeks to advance the goals and mission of the Trust. Anticipates need for change based on market or other conditions and proposes appropriate response to changes required.

\_\_\_ Problem Solving - Anticipates and responds to problem situations in a timely manner. Produces alternatives and innovative strategies to problems or potential problems that lead to workable solutions.

\_\_\_ Relationships and Interpersonal Skills - Maintains cooperative, effective and professional relationships with all parties including Board of Trustees, employers and their representatives, service providers, plan professionals, and other individuals or groups as may be required. Is aware of and sensitive to the needs of others. Considers all sides of an issue when framing responses.

\_\_\_ General Knowledge - Serves as a knowledgeable resource to the Board of Trustees. Demonstrates competence in skills and knowledge of all matters relative to the operations of the Trust. Understands requirements of the position, policies, regulations, procedures, and plan designs approved by the board of Trustees. Seeks to acquire new knowledge where required in order to advise the Board of Trustees effectively.

\_\_\_ Communication - Speaks, writes, and presents with effectiveness. Listens well and asks clarifying questions as needed. Keeps the Board of Trustees and appropriate individuals informed on the status of key issues and at the same time maintains confidentiality as needed or required. Provides clear and complete reports to Board. Communicates problems to the Board in a timely manner.

\_\_\_ Responsiveness - Is results oriented and assumes responsibility and accountability for own work and work of subordinates as it relates to the operation of the Trust. Responds in a timely manner to internal requests of the Board of Trustees and external requests of others as may be related to the day to day operation of the Trust. Demonstrates initiative and flexibility.

Fees: Do you believe that that the current fee arrangement commensurate with the services being provided?  
\_\_\_ Yes/\_\_\_ No

Services Performed: Is the service provider performing meeting your expectations?  
\_\_\_ Yes/\_\_\_ No

If the answer to either of the above questions is no, please provide an explanation:

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