Gmail

Brian Raymond <braymond@daggettcounty.org>

Fwd: Gallagher Annual Disclosures: Compensation Disclosure and Solvency Letter

1 message

Keri Pallesen <kpallesen@daggettcounty.org> Wed, Feb 7, 2024 at 11:42 AM
To: Brian Raymond <braymond@daggettcounty.org>

Keri Pallesen
Daggett County Auditor
Daggett County HR Director
PO Box 219
95 N 1st W
Manila, UT 84046
Phone: 435-784-3210
Cell: 435-880-8161
Fax: 435-784-3009

Information contained in this e-mail message is privileged and/or confidential and intended only for the individual to whom it is addressed. If you are not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this message is strictly prohibited. If you have received this message in error, please immediately notify the Daggett County Auditor by telephone and delete this message from your computer.

---------- Forwarded message ---------
From: **GCOE.GBS_AnnualDisclosures** <GCOE.GBS_AnnualDisclosures@ajg.com>
Date: Wed, Feb 7, 2024 at 6:36 AM
Subject: Gallagher Annual Disclosures: Compensation Disclosure and Solvency Letter
To: kpallesen@daggettcounty.org <kpallesen@daggettcounty.org>
Cc: Julie Valdez <Julie_Valdez@ajg.com>

Hello Keri,

As part of Gallagher's Professional Standards, we are required to send a *Client Coverage Acknowledgment and Compensation Disclosure Statement (CCA)* and *Solvency Letter* on an annual basis.

The following documents are attached:

***Client Coverage Acknowledgment and Compensation Disclosure Statement* (CCA) -**

This document illustrates the compensation Gallagher receives as commissions and/or consulting fees. This disclosure will be in effect until all plans renew or there is a change in compensation.

Solvency – Gallagher partners with high quality insurance carriers, whenever possible to ensure our client's needs are being met. For your reference, we have included a copy of Gallagher's notice regarding the financial solvency of the carriers providing your Health and Benefit coverages.

Thank you for renewing your business with Gallagher, we value and appreciate your partnership. Please do not hesitate to contact us with any questions or concerns.

Gallagher Small Business Team

Gallagher

Insurance | Risk Management | Consulting

Gallagher Benefit Services, Inc.

Confidentiality Note: This e-mail and any files transmitted with it are intended only for the person or entity to which it is addressed and may contain confidential material and/or material protected by law. Any retransmission or use of this information may be a violation of that law. If you received this in error, please contact the sender and delete the material from any computer.

TLS encrypted by Symantec

2 attachments

Daggett County_CCA_20240101.pdf
219K

Daggett County_Solvency_20240101.pdf
258K

Gallagher

Insurance | Risk Management | Consulting

CLIENT COVERAGE ACKNOWLEDGMENT AND COMPENSATION DISCLOSURE STATEMENT FOR DAGGETT COUNTY

This form documents that Gallagher Benefit Services, Inc. (Gallagher) will apply its professional judgment to access those insurance companies it believes are best suited to insure the Client's risks. The final decision to choose any insurance company or vendor has been made by the Client in its sole and absolute discretion. The Client understands and agrees that Gallagher does not take risk, and that Gallagher does not guarantee the financial solvency or security of any insurance company. The Client, or other policy owner, is responsible for immediate payment of premiums for all insurance placed by Gallagher on Client's behalf. If any premium amounts or fees, as applicable, are not paid in full when due, the applicable insurance company for the Client's risks may cancel any applicable policies in accordance with the terms of such policies.

The following is the disclosure of commissions and/or fees to be paid to Gallagher for brokerage and/or consulting services to Client's Group Health and Welfare Plan and any relationships, or agreements Gallagher has with any insurance companies or vendors selected by Client as noted above. Gallagher will receive the following initial and renewal sale commissions expressed as percentage of gross premium payments, or fees, as agreed upon by Client:

Line of Coverage / Services[1]	Company	Commission[2&3]	Third Party Compensation	Direct Fees[4]	Effective Date
Medical	PEHP (Public Employer's Health Plan) (TPA)	$48 PEPM	N/A	N/A	01/01/2024
Dental	Dental Select	10%	N/A	N/A	01/01/2024
Life and AD&D	Lincoln Financial Group	Graded 15% to 0.5%	N/A	N/A	01/01/2024
Voluntary Life	Lincoln Financial Group	10% or 15%	N/A	N/A	01/01/2024
Vision	Opticare Vision Plans	10%	N/A	N/A	01/01/2024
Long Term Disability	Lincoln Financial Group	Graded 15% to 0.5%	N/A	N/A	01/01/2024
Group Accident	Assurity Life Insurance Company	8%	N/A	N/A	01/01/2024
Critical Illness	Assurity Life Insurance Company	8%	N/A	N/A	01/01/2024

[1] Services provided relative to the above lines of coverage include Benefits strategy consulting and design, to include funding evaluation options, financial reporting, as appropriate, based on funding arrangement, and vendor support; Plan management services, to include plan marketing and evaluation services; Renewal support, coordination, and oversight; Annual enrollment support, including drafting assistance for employee communications; Legislative compliance support in the form of updates, materials, and guidance; and Administrative support as mutually agreed to by the parties. Refer to your consulting agreement for further details on services, if applicable.

[2] Commissions include all commissions/fees paid to Gallagher that are attributable to a contract or policy between a plan and an insurance company, insurance service, or vendor. This includes indirect fees that are paid to Gallagher paid by a third party, and includes, among other things, the payment of "finders' fees" or other fees to Gallagher for a transaction or service involving the plan.

[3] Gallagher may receive supplemental compensation from insurance carriers and vendors, normally calculated at the end of each calendar year, that are contingent on a number of factors including the overall number of employer plans represented, plan retention rates, and overall premium growth. Historically, supplemental compensation has ranged, on average, between 0-3% based on specific carrier programs. These plans have no effect on premiums. Further, Gallagher may receive non-cash compensation from plan vendors or service providers that are not in connection with any particular client. If you have any questions regarding direct or indirect compensation received by Gallagher, please contact your dedicated Gallagher advisor or refer to the Gallagher Global Standards of Business Conduct.

[4] Direct Fees include compensation to Gallagher paid for directly by the plan sponsor/Client.

©2024 Arthur J. Gallagher & Co. All rights reserved. | Client Coverage Acknowledgement and Compensation Disclosure 10172023

Gallagher

Insurance | Risk Management | Consulting

It should also be noted that:

- **Gallagher** is not an affiliate of the insurer/vendor whose contract is recommended. This means the insurer/vendor whose contract is recommended does not directly or indirectly have the power to exercise a controlling influence over the management or policies of **Gallagher**. **Gallagher's** ability to recommend other insurance contracts/vendors is not limited by an agreement with the insurance company/vendor.
- **Gallagher** is effecting the transaction for the Plan(s) in the ordinary course of **Gallagher** business. The transaction set forth is at least as favorable to the Plan(s) as an arm's length transaction with an unrelated party.
- **Gallagher** is not a trustee of the Plan(s) and is neither the Plan Administrator of the Plan(s), a named fiduciary of the Plan(s), nor an employer which has employees in the Plan(s). **Gallagher** shall not exercise discretionary authority or control with respect to plan management, the disposition of plan assets or plan administration.
- **Gallagher's** liability to Client, or any party claiming by or through Client, on account of or relating to the provision of services to Client during the period of the relationship between Gallagher and Client shall not exceed the total amount of carrier commissions received by Gallagher during the twelve (12) month[5] period preceding the date on which the claim arises. Without limiting the foregoing, Gallagher shall only be liable for actual damages incurred by Client, and shall not be liable for any indirect, consequential or punitive damages.

For Employers and Plan Sponsors Subject to ERISA: This Disclosure Statement is being given to the Client (1) to make sure Client knows about Gallagher's and Gallagher affiliates' income before purchasing the insurance product and/or vendor services and (2) for plans subject to ERISA, to comply with the disclosure, acknowledgment and approval requirement of Prohibited Transaction Class Exemption No. 84-24[6], which protects both Client and Gallagher[7], and the disclosure requirements under ERISA §408(b)(2), as amended by Div. BB, Title II, §202 of the Consolidated Appropriations Act, 2021. Disclosure must be made to responsible plan fiduciary for the ERISA Plan(s), and Client acknowledges and confirms that this is a reasonable transaction in the best interest of participants in its ERISA Plan(s).

For more information on Gallagher's compensation arrangements, please visit www.ajg.com/compensation. In the event a Client wishes to register a formal complaint regarding compensation Gallagher receives, please send an email to Compensation_Complaints@ajg.com.

Thank you for your business and continued confidence in the services Gallagher provides to you and your employees. We sincerely appreciate the opportunity to serve Daggett County. Please contact your Gallagher advisor if you have questions regarding this information or would like more detail.

[5] If Client has executed a consulting, or other services, agreement currently in effect with Gallagher that contains a limitation of liability, the limitation specified herein shall be disregarded and the limitation in the executed agreement shall control for all purposes.

[6] Which allows an exemption from a prohibited transaction under Section 408(a) of the **Employee Retirement Income Security Act of 1974 (ERISA)**.

[7] In making these disclosures, no position is taken, nor is one to be inferred, regarding the use of assets of a plan subject to ERISA to purchase such insurance.

©2024 Arthur J. Gallagher & Co. All rights reserved. | Client Coverage Acknowledgement and Compensation Disclosure 10172023

Gallagher

Insurance | Risk Management | Consulting

Accepted by: **DAGGETT COUNTY**

GALLAGHER BENEFIT SERVICES, INC.

By _____

Name _____

Title _____

Date _____

By _____

Name _____

Title _____

Date _____

©2024 Arthur J. Gallagher & Co. All rights reserved. | Client Coverage Acknowledgement and Compensation Disclosure 10172023

Gallagher

Insurance | Risk Management | Consulting

Daggett County 01/30/2024

Solvency Disclosure

Gallagher Benefit Services takes the responsibility in assisting our clients when helping them place their insurance very seriously. This includes working with high quality insurance carriers whenever possible. The standard measure utilized by GBS to evaluate the financial condition of insurance markets is the ratings and financial size categories assigned by A.M. Best Company, Inc. A.M. Best is the oldest independent rating agency in the world to report on the financial strength of insurance companies.

Coverage	Carrier/TPA		
Medical	PEHP (Public Employer's Health Plan) (TPA)	While GBS does not guarantee the financial viability of any health insurance carrier or market, it is an area we recommend that clients closely scrutinize when selecting a health insurance carrier. There are a number of rating agencies that can be referred to including, A.M. Best, Fitch, Moody's, Standard & Poor's, and Weiss Ratings (TheStreet.com). Generally, agencies that provide ratings of Health Insurers, including traditional insurance companies and other managed care organizations, reflect their opinion based on a comprehensive quantitative and qualitative evaluation of a company's financial strength, operating performance and market profile. However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.	
Dental	Dental Select		
Vision	Opticare Vision Plans		
Life and AD&D / Voluntary Life / Long Term Disability	Lincoln Financial Group	Financial Strength Rating (FSR)	Financial Size Category (FSC)
		A	XV
Group Accident / Critical Illness	Assurity Life Insurance Company	A+	IX

Level	Category	Level	Category
A++, A+	Superior	C, C-	Weak
A, A-	Excellent	D	Poor
B++, B+	Good	E	Under Supervision
B, B-	Fair	F	In Liquidation
C++, C+	Marginal	S	Rating Suspended

Financial Size Categories					
FSC I	Up to 1,000	FSC VI	25,000 to 50,000	FSC XI	750,000 to 1,000,000
FSC II	1,000 to 2,000	FSC VII	50,000 to 100,000	FSC XII	1,000,000 to 1,250,000
FSC III	2,000 to 5,000	FSC VIII	100,000 to 250,000	FSC XIII	1,250,000 to 1,500,000
FSC IV	5,000 to 10,000	FSC IX	250,000 to 500,000	FSC XIV	1,500,000 to 2,000,000
FSC V	10,000 to 25,000	FSC X	500,000 to 750,000	FSC XV	2,000,000 or more

©2024 Arthur J. Gallagher & Co. All rights reserved.