



Message from the CEO

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Partner | President & CEO

As we all continue to watch the stock market thanks to the Federal Reserve's decision to pause interest rate increases (for now) and an expected lower cost-of-living-adjustment (COLA) in 2024 with news that consumer prices and inflation are easing, we have been very busy at **USI Consulting Group (USICG)** focusing on successfully supporting our clients during these times of economic and regulatory changes. As we enter the second half of the year, we are excited to share recent developments at USICG and our parent company, **USI Insurance Services (USI)**.

USI CONSULTING GROUP



USICG's national presence continues to expand with new consultants in California, Colorado, Georgia, Indiana, Minnesota, New Jersey, Ohio, Pennsylvania and Texas.



In May, USI and USI Consulting Group announced the acquisition of Bloomfield, Connecticut-based Hooker & Holcombe, Inc. (H&H). Founded in 1956, H&H is a regional provider of comprehensive and integrated actuarial, investment advisory and retirement plan consulting services.



USICG continues to deliver ongoing guidance and thought leadership from USICG experts focused on helping you meet your fiduciary and administrative obligations, adjusting to recent market conditions and supporting your employees in their journey to financial wellness. You can access information on our **national webinars, insightful articles** and **retirement plan resources**.

Defined Benefit (DB) Pension Plan Consulting & Actuarial Services

With today's current interest rate environment, pension plan sponsors should also be considering further de-risking through a lump sum window, as changes in interest rates have made paying lump sums significantly less expensive for most plans. Lump sum windows, as well as annuity placements, typically reduce PBGC premiums, administrative costs and shrink the impact of the plan on the balance sheet and income statement going forward. But employers should also consider the impact on future minimum required contributions and any one-time accounting charges ("settlement charges").

USICG is committed to supporting our clients and keeping them updated on current market trends, as well as the impact to your plan. **Check out our recent communications on these topics:**

- **New video from our Chief Investment Officer** discussing the current market opportunity to de-risk your pension plan and protect funded status gains.
- **June article, Pension Risk Transfers Continue to Skyrocket in 2023**, to learn more about the steps employers can take action to better prepare for a plan termination.
- **On-demand webinar focused on the key SECURE 2.0 Act provisions impacting defined benefit pension plans** and what it means for your organization and employees.

DB Pension Plan Administration Services

Our Benefit Administrative practice is moving into a busy second half of 2023. As pension plans continue de-risking strategies, we are seeing continued interest in plan terminations and terminated vested buyouts. We support these projects by communicating directly with pension plan participants through our call center and secure participant website. In addition, we are adding new clients and discussing integration strategies with the Hooker & Holcombe Benefit Administration team.

Defined Contribution (DC) Consulting | 401(k), 403(b), 457, money purchase & profit-sharing plans

The Defined Contribution Consulting team helps clients fulfill their fiduciary obligations and provides support for the administration of 401(k), 403(b) and other defined contribution plans. Throughout 2023, our team has expanded the participant education offerings that we provide to our clients:

- **We launched the Employee Learning Center website**, which provides employers with access to education materials that can be distributed to their employees.
- **We expanded our pre-retiree seminars**, making them available to all Defined Contribution Consulting clients. These webinars are targeted for individuals age 50 and older and educate attendees on Retirement Income, Social Security, Long-Term

Care, Medicare and The Psychology of Retirement (including emotional and psychological considerations in transitioning out of the active workforce).

- **We published an Education Policy Statement template**, which helps our clients develop a participant education plan and assess the results of the plan.

We will continue to enhance participant education services to supplement the services provided to our clients by their recordkeeper.

Direct Solutions® DC Bundled Services

Direct Solutions (DS), our bundled offering for total DC plan services through a single source, has delivered the following enhancements for 401(k), 403(b) and other DC clients:

- **Delivered on the SECURE 2.0 provisions for retirement plan hardship withdrawal self-certification rules** and adjusted forms as required by the new rules.
- **Expanded investment offerings for the platform with new fund options** available for retirement plan sponsors to add to their retirement programs, including funds with new Environment, Social and Governance (ESG) standards and protocols as outlined by the Department of Labor.
- **Expanded participant education services to include group presentations and individual counseling sessions** to help participants with investing in a volatile market and retirement income planning.
- **Enhanced our USIRA program that provides automatic rollover IRA distributions of terminated vested amounts** from \$1 to \$5,000 to assist plan sponsors deal with smaller balances. This program removes those smaller unclaimed accounts from the plan, eliminates problems with uncashed small checks and reduces risk for the plan sponsor.

Emerging Plan DC Solutions

Our Emerging Plan Solutions (EPS) practice has continued to grow by welcoming new team members located in California, Colorado, Georgia, Indiana, Minnesota, Ohio, Pennsylvania and Texas. We are also continuing to hire in other states such as California, Washington and Wisconsin, as we look to expand our sales and service teams even further. Our robust model includes third-party administration and compliance consulting along with relationship management proactive service to support our clients in the emerging market retirement space. Our **core services** include:

- **Benchmarking to evaluate a retirement plan's marketplace competitiveness** with specific retirement recordkeepers that we identify as providing a strong offering for the employer's size. Ultimately helping the plan improve their overall pricing, product, technology, investment and service offering to their employees.
- **Plan design consulting as a Third-Party Administrator**, providing guidance on how design decisions impact effectiveness and help solve compliance issues.

- **Designated product offering specifically designed for start-up plans to \$1M in plan assets.** This service provides the highest level of fiduciary oversight and a 'hands on' approach that is needed for an employer just starting to navigate the retirement landscape.

With the enactment of the Secure 2.0 Act last December, our team has actively been engaging clients and prospects on these provisions, providing consulting oversight on how these new provisions may impact their plan.

Investment Advisory Services |

USI Advisors (USIA)

The Investment Advisory team has had a busy first half of the year being actively engaged in industry events, keeping our pension plan clients informed of impact due to the current market environment and enhancing our processes.

- **Participated as an expert panelist** on "Target Practices: The QDIA Evolution and its Impact on Your Practice(s)" at the National Association of Plan Advisors, an affiliate organization of the American Retirement Association, 401(K) Summit. The event was attended by 1,200 retirement plan advisors.
- **Pro-actively reached out to all DB pension plan clients** to take advantage of the very favorable market environment to de-risk the pension plan; developed customized de-risking strategies, updated asset allocation; took strategic and tactical de-risking steps.
- **Hired additional investment consultant** in the state of NJ due to business growth.
- **Conducted educational sessions with defined contribution plan sponsors** to evaluate capital preservation investments for participants in times of rising interest rates.
- **Expanded and enhanced our evaluation process** to benchmark asset classes offerings of defined contributions plans.

USI INSURANCE SERVICES

USI continues to receive national industry recognition:

- Each year, **Insurance Business America's "5-Star DE&I Awards"** recognize leading U.S.-based insurance companies for their work to foster impactful, forward-looking DE&I programs. USI was proud to be one of only 17 insurance organizations to receive this honor for 2023 in recognition of our ongoing efforts to build an increasingly diverse, equitable and inclusive culture at USI through our I'm With U DE&I program. [Learn more](#).
- The **American Heart Association's (AHA) 2022 Workforce Well-being Scorecard** results were announced in March, and USI once again achieved Gold level recognition for the fifth year in a row. Working in partnership with leading science and workforce well-being volunteers, the AHA has defined best practices for employers to use to build a culture of health equity and comprehensive organizational well-being programs for their workforces. This annual scorecard measures the extent to which a company has implemented those best practices. [Learn more](#).
- USI was once again named a **'Best of the Best' employer for the fifth year in a row for multicultural women by Professional WOMAN's Magazine (PWM)**, for the **fourth consecutive year by Black Equal Opportunity Employer (EOE) Journal** for the advancement of African Americans, and was recently recognized as a **'Best of the Best' employer for Hispanics by Hispanic Network Magazine (HNM) for the second straight year**. Each of these publications and programs seeks to highlight opportunity and inclusion in all aspects of business and employment. USI is proud to be recognized for its ongoing commitment to fostering a diverse, equitable, and inclusive workplace.
- In June, the Insurance Marketing & Communications Association hosted its 65th annual National Conference and Showcase Awards in Nashville, TN. The **IMCA Showcase Awards** recognize the highest quality marketing and communications initiatives in the insurance industry, and USI was proud to receive two industry recognitions for our I'm With U Monthly Discovery Theme Campaign and our 2023 Commercial P&C Market Outlook Report. [Learn more](#).

Thank you for your continued partnership with USICG. While you are in the capable hands of our team, I am always available if you would like to reach out to me directly with feedback, ideas or concerns.

Best Regards,



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