

March 8, 2023

Ms. Rena Wong
President
UFCW Local 663

Dear Rena,

We are responding to the information request you served to the Company on March 8, 2023 at approximately 10:15AM with the expectation that you would receive a response by 1:00PM this same day.

Lunds & Byerlys has maintained a very stable health and welfare benefit offering for its non-union employees. In fact, it is our belief that the Company's plan provides a better overall benefit to its participants without any labor union oversight as compared to the current benefit offered by the MRMC Health & Welfare plan.

It should be noted, we have made the proposal to withdraw from the MRMC Health & Welfare plan only after expressing to union leadership time and time again our concerns with the Union's proposal of redirecting \$7.65 million dollars away from its H&W plan, which only stands to serve the minority of its members whose employers have not withdrawn from the MRMC Pension plan. As you know, Lunds & Byerlys invested \$57 million dollars into the MRMC Pension plan to satisfy its liability associated with its employees' pension retirement benefit. We received no special financial assistance such as what the Union is offering currently to the minority share of employers participating in said pension fund, and because of this we are unclear and have been unable to get an answer from the Union as to why the minority share of employers could not instead follow the new 10 year rehabilitation plan as written. Furthermore, we, too, made an information request and served it to union leadership on February 14, 2023 that related to your proposal on this topic and have not yet received the requested information.

1. Is the Company plan proposed self-insured or insured? If self-insured, is this an ASO (administrative services only) arrangement?

Self-insured. ASO.

2. What is the plan's governance structure? Who will make decisions regarding plan design changes?

The Company has two (2) full employees (Total Rewards Manager and Benefit Administrator) that are responsible for daily benefit administration and report up through the Vice President of Employee Experience (VPEX).

The VPEX works with the Company's benefit consultant (USI Insurance Services) on benefit plan reviews and receives advisory support from the Vice President of Finance (Fred Miller) for Lunds & Byerlys. Any proposed changes by USI are considered by the VPEX as well as the Company's Compensation Committee consisting of three (3) Company officers and one (1) Company Board of Director who serves as Chair to the Compensation Committee.

3. What are the plan's current reserves? What are the plan's anticipated reserves? What are the plan's target reserves (both in terms of dollars and months of claims)?

The Company is responsible for paying any and all expenses associated with the plan that are not covered by the participant share of costs.

4. What would happen should the plan reserves exceed the target reserves? How would the excess reserves impact premiums? Who would decide and determine this?

Not applicable

5. What are the monthly employer premiums for the proposed plan in 2023?

Not applicable

6. What is the monthly per member per month and annual administrative expense of the proposed plan?

Not applicable, the Employer covers the administrative costs of said benefit plan.

7. Who are the current participants in the plan? What is the plan experience over the past 3 years and the projection for the next 3 years?

This is Lunds & Byerlys non-union healthcare plan. All non-union employees that are benefit eligible, including their eligible dependents, are able to be covered under this plan.

8. What are the differences in coverage, costs, etc. between current participants and our members who you propose to move into the plan?

Coverage is the same and would not be a subject of bargaining.

Premiums would be subject to bargaining for our employees who maintain membership with UFCW 663.

The company has proposed the following premium cost structure for its eligible employees who maintain membership for UFCW 663:

Coverage Type	Employee Premium
FT – Employee Only	\$10 per week
FT – Employee + Child(ren)	\$14 per week
FT – Employee + Spouse	\$16 per week
FT – Family	\$20 per week
PT Modified – Employee Only	\$10 per week
Reg PT / CC - Ancillary Benefits	\$1 per week

9. Are non-bargaining unit employees of the Company covered by the proposed plan, and if so what is the average age and male/female breakdown of the non-bargaining unit group, and what is the claims experience for the non-bargaining unit group?

Non-bargaining unit employees of the Company are covered by this proposed plan. The rest of this question is not applicable to our proposal.

10. What health and prescription drug trend rates were used to produce the premiums for the proposed plan?

Not applicable.

11. How will the cost of annual renewals be shared with bargaining unit employees in the proposed plan?

Need further clarification on the question.

12. Who will review the appeals on denied claims?

The benefit carrier.

13. Provide a list of all medical providers including doctors, hospitals, clinics, nursing homes, group homes, etc. that will be considered in-network.

The network will be the same as the MRMC Health & Welfare plan has today.

14. Provide a list of all medical providers including doctors, hospitals, clinics, nursing homes, group homes, etc. that will be considered out-of-network?

The network will be the same as the MRMC Health & Welfare plan has today.

15. Provide the Summary Plan Descriptions for all employer plans presented on healthcare, vision, dental, STD, Basic Life and AD&D, Supplemental Long Term Disability, and Supplemental Life Insurance.

To be provided in PDF format via email.

16. What are the out-of-network deductibles, co-pays, coinsurance on all plans? None were provided.

To be provided in PDF format via email.

17. What are the plan coverage exclusions? Please provide a list of all procedures (including experimental procedures) that will not be covered.

Refer to the SPD.

18. A list of all employers, customer or group subscribers of your healthcare plan with the name, phone number and address of the principal contact person or the purchaser or sponsor of the healthcare plan.

We object to providing this information as it isn't relevant to our proposal.

19. A list of all anticipated plan participants (including those in the bargaining unit and those not in the bargaining unit), including full name, position/job, phone number, address, age, and demographics.

Wilson McShane has this information to which the Union can request it from them. Those not in the bargaining unit are not applicable to our proposal.

20. Any and all information that the employer has used to evaluate and estimate utilization and any relevant documentation to support.

Monthly reporting exists to monitor plan experience.

21. Copies of all administrative manuals, rules, or regulations with respect to your proposed healthcare plan.

Not relevant. Current carrier will be replaced. Lunds & Byerlys will be changing carriers which will bring forth a new Administrative Services agreement, etc.

22. Who will the plan's administrator be? What experience do they have administering health plans, claims, etc.?

UMR / UnitedHealth Group. The Union Local should be well aware of their expertise since it is their carrier.

23. As part of our review process we will need to interview the principal administrators/managers responsible for the employer's plan. Please advise us of the names of those individuals who are principally responsible for its administration and dates when they would be available for interviews.

We object to this question.

24. Copies of all lawsuits or complaints with any plan administrators, as a company or as individuals, in the last ten years. Please include not only a copy of the complaint but also a copy of any document showing the disposition of said complaint.

To the best of my knowledge today, there has been no lawsuits or complaints served.

25. A list of all criminal convictions of all management employees and plan administrators and their employees during the last ten years.

We object to providing this information to the extent that it is intrusive, overly broad, and irrelevant to our current proposal.

Best regards,



Casey Enevoldsen
Vice President, Employee Experience

cc: Scott Larson, Metro Director and Vice President at UFCW 663