

What do I need to do to be a Trustee of the Chamber Business Solutions Trust?

To be a Trustee of the Chamber Business Solutions Trust (d/b/a Chamber Advantage), a person must be elected by the participating employers in accordance with the Plan By-laws. Once elected, a Trustee must perform the following actions and other tasks as required from time to time.

1. Read and Sign the Trustee Code of Conduct
2. Access documents about the plan using the secured file sharing system provided
3. Make decisions for the plan when required and evaluate alternatives as needed
4. Sign Quarterly and Annual Financial Statement submissions to the Department of Insurance when asked
5. Report any activity that appears anomalous to the Trustee Chairperson, Plan Administrator or Plan Manager

What does it mean to be a Trustee of the Chamber Business Solutions Trust?

As a trustee of the Plan you are a fiduciary charged with making decisions for the plan to the benefit of Plan Participants. This decision-making power comes with the responsibility to exercise powers prudently. The U.S. Department of Labor provides an on-line guide titled *Understanding Your Fiduciary Responsibilities Under A Group Health Plan*, which can be accessed at www.dol.gov/ebsa which provides more details about the responsibilities of a fiduciary.

What is the Significance of Being a Fiduciary?

As a fiduciary, a Trustee is subject to a heightened standard of conduct because they act on behalf of participants and their beneficiaries in a welfare benefit plan. A Trustee who does not follow the standards of fiduciary conduct may be personally liable to restore any losses to the Plan, or to restore any profits made through improper use of the Plan's assets. In order to fulfill his or her obligations and limit potential liability, a Trustee should engage in a prudent process for carrying out any fiduciary responsibilities, and document that process. Fiduciary responsibilities include the following:

- Acting solely in the interest of plan participants and their beneficiaries and with the exclusive purpose of providing benefits to them;
- Carrying out their duties prudently;
- Following the plan documents (unless inconsistent with ERISA);
- Diversifying plan investments; and
- Paying only reasonable plan expenses.

The duty to act prudently is one of a fiduciary's central responsibilities under ERISA. It requires expertise in a variety of areas, such as investments. Lacking that expertise, a fiduciary will want to hire someone with that professional knowledge to carry out the investment and other functions. Prudence focuses on the *process* for making fiduciary decisions. Therefore, it is wise to document decisions and the basis for those decisions. For instance, in hiring any plan service provider, a fiduciary may want to survey a number of potential providers, asking for the same information and providing the same requirements. By doing so, a fiduciary can document the process and make a meaningful comparison and selection.

Following the terms of the plan document is also an important responsibility. The document serves as the foundation for plan operations. Employers will want to be familiar with their plan document, especially when it is drawn up by a third-party service provider, and periodically review the document to make sure it remains current. For example, if a plan official named in the document changes, the plan document must be updated to reflect that change.

Diversification – another key fiduciary duty – helps to minimize the risk of large investment losses to the plan. Fiduciaries should consider each plan investment as part of the plan's entire portfolio. Once again, fiduciaries will want to document their evaluation and investment decisions.

Does the Plan provide Fiduciary Liability Coverage for its named Fiduciaries?

The Plan maintains \$2,000,000 in Fiduciary Liability Coverage with Travelers Casualty and Surety Company of America.