

**From:** Anne Lennan [mailto:[anne@spbatpa.org](mailto:anne@spbatpa.org)]  
**Sent:** Monday, November 15, 2010 3:34 PM  
**To:** EBSA, E-ORI - EBSA  
**Subject:** Hearing on Welfare Plan Fee Disclosure

Office of Regulations and Interpretations  
Employee Benefits Security Administration  
Department of Labor  
ATTN: 408(b)(2) Hearing on Fee Disclosures to Welfare Benefit Plans  
Room N-5655

This request is submitted on behalf of Thomas Doney, President of Cypress Benefit Administrators, and an incoming board member of the Society of Professional Benefit Administrators. Mr. Doney would like to present testimony and answer questions at the public hearing to be held on December 7, 2010 on issues relating to the disclosure of fees, conflict of interest and other information by service providers to group health plans and other employee welfare benefit plans under section 408(b)(2) of the Employee Retirement Income Security Act.

Cypress Benefit Administrators is a Third Party Administration firm and a member of the Society of Professional Benefit Administrators (SPBA). The Society of Professional Benefit Administrators (SPBA) is the national association of independent Third Party Administration firms (TPAs) which manage client employee benefit plans. It is estimated that 55% of all non-federal U.S. workers and their dependents, from every size and format of employment, are covered by employee benefit plans managed by such TPA firms.

SPBA member TPA firms operate much like independent CPA or law firms, providing continuing professional outside claims and benefit plan administration for several client employers and benefit plans. Many of the plans include some degree of self-funding. SPBA represents a wide range of benefit plans, including small business, large corporations, union, non-union, and association-sponsored plans.

Below is an outline of the topics to be discussed, along with time estimates for each topic.

1. Why a rule addressing the transparency of fees related to health plans is needed.

Approximate time – 1 minute

2. Explain the market realities of the disclosure of fees in placing fully insured policies and self-funded arrangements.

Approximate time – 6 minutes

3. Why the Form 5500 Schedule A is not sufficient disclosure.

Approximate time – 1 minute

4. Why fully insured plans should not be exempted from 408(b)(2) because these plans are subject to State insurance laws.

Approximate time – 1 minute

5. Why the Department should craft a safe harbor for the conflict of interest disclosure component to ease industry fears and prevent insurance carriers and administrators from feeling compelled to flood plan fiduciaries with complex and unreadable information.

Approximate time – 1 minute

Thank you for considering our request,

Anne C. Lennan  
Vice President  
SPBA  
Two Wisconsin Circle, Suite 670  
Chevy Chase, MD 20815  
301-718-7722  
[anne@spbatpa.org](mailto:anne@spbatpa.org)