

ERISA Fiduciary IQ™ Full Report

408(b)(2) Disclosures · Fiduciary Duty Scoring · ERISA Checklist · DOL Audit Readiness

61

OUT OF 100

MODERATE RISK

ERISA Fiduciary Risk Score
Elevated · Plan Year 2024

4

CRITICAL
GAPS

\$184K

UNDISCLOSED
FEES

54/100

DOL AUDIT
SCORE

3

DISCLOSURES
MISSING

7

HIGH+CRITICAL
GAPS



KINCAID HEALTH

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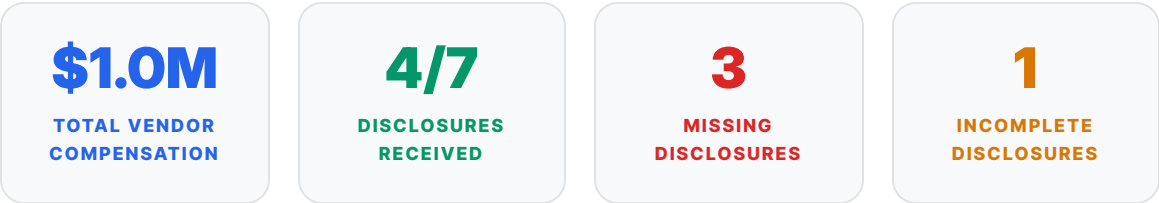
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SECTION 1

408(b)(2) Fee Disclosure Registry

ERISA §408(b)(2) requires covered service providers (CSPs) to disclose all direct and indirect compensation to plan fiduciaries before or upon entering a service agreement. Failure to obtain required disclosures is a prohibited transaction under ERISA §406(b) — attaching personal liability to plan administrators regardless of whether they were aware of the violation.



Prohibited Transaction Risk — Immediate Action Required

Under ERISA §408(b)(2) and 29 C.F.R. §2550.408b-2(c), each covered service provider ("CSP") must furnish a written disclosure of all direct and indirect compensation before or upon entering into, extending, or renewing a service agreement with a covered plan. Failure to obtain a required disclosure constitutes a prohibited transaction under ERISA §406(a)(1)(C), regardless of whether the plan fiduciary had actual knowledge of the deficiency. Personal liability under ERISA §409(a) attaches to each named plan fiduciary. Issue written demand letters by certified mail, return receipt requested, to: **Meritain Health (TPA); Northwood Network Access; Hirequest EAP**. Each demand must: (i) identify the specific service arrangement and contract effective date; (ii) cite ERISA §408(b)(2) and 29 C.F.R. §2550.408b-2(c)(1)(iv); (iii) specify a response deadline of not more than ninety (90) days; and (iv) state that failure to provide timely disclosure will be reported to the Employee Benefits Security Administration (EBSA) as a prohibited transaction pursuant to ERISA §502(a). Document all follow-up communications and retain records for a minimum of six (6) years pursuant to ERISA §107.

VENDORTYPE	ANNUAL COMP.	FEE BASIS	DISCLOSED	RECEIVED	COMPLETE
BlueCross Carrier / ASO BlueShield Indiana	\$312,000	% of premium	2024-01-15	✓	✓
KINCAID HEALTH — STRICTLY CONFIDENTIAL · ACCOUNT SHRACK-7742					

OptumRx ^{PBM}	\$284,000	Admin fee + retained rebates	2024-02-01	✓	⚠
Trustmark Stop-Loss Carrier	\$98,400	Fixed premium	2024-01-20	✓	✓
Kincaid Health Broker / Consultant	\$142,000	Commission + consulting fee	2024-01-10	✓	✓
Meritain Health (TPA) Third-Party Administrator	\$84,600	PEPM	NOT RECEIVED	✗	✗
Northwood Network Access Network Access / Rental	\$61,800	Per-claim access fee	NOT RECEIVED	✗	✗
Hirequest EAP EAP Provider	\$18,400	PEPM	NOT RECEIVED	✗	✗
TOTAL	\$1.0M				

SECTION 2

Fiduciary Duty Scorecard

ERISA §404 establishes four core duties for plan fiduciaries: Duty of Loyalty, Duty of Prudence, Duty to Diversify, and Duty to Follow the Plan Document. Each duty is scored based on documented evidence of compliance — undocumented compliance is treated as non-compliance in a DOL audit.

Prudent Expert Standard

Acting with the care, skill, prudence and diligence of a knowledgeable person

Weighting: 25% of overall score

58

/100

IDENTIFIED GAPS

- ⚠ No documented investment policy statement
- ⚠ Vendor benchmarking incomplete for 3 of 6 vendors

Exclusive Benefit / Loyalty

Acting solely in the interest of plan participants and beneficiaries

Weighting: 25% of overall score

44

/100

IDENTIFIED GAPS

- ⚠ PBM rebate pass-through not verified
- ⚠ Carrier fee disclosure incomplete
- ⚠ No conflict-of-interest policy on file

Plan Document Compliance

Operating plan in accordance with plan documents and governing law

Weighting: 20% of overall score

82

/100

IDENTIFIED GAPS

- ⚠ SPD last updated 2022 — CAA updates not incorporated

Monitoring & Oversight

Continuously monitoring service providers and plan performance

Weighting: 20% of overall score

55
/100



IDENTIFIED GAPS

- ⚠️ No formal vendor scorecard
- ⚠️ Fiduciary committee met only 2 of 4 required times in 2024

Diversification / Prudence

Prudent selection and diversification of plan service providers

Weighting: 10% of overall score

71
/100



IDENTIFIED GAPS

- ⚠️ Stop-loss carrier benchmarked — no competitive bid in 3 years

SECTION 3

Fiduciary Risk Register

Each risk is ranked by severity based on the probability of DOL enforcement, personal liability exposure, and financial impact. Critical risks require immediate legal or compliance remediation before the next DOL audit cycle.



No fiduciary risks on record

Continue monitoring and documenting all fiduciary committee actions.

SECTION 4

ERISA Compliance Checklist

This checklist covers statutory requirements under ERISA Title I (Plan Administration), Title II (Tax Qualification), and related DOL regulations. Items rated FAIL indicate non-compliance with an active enforcement provision; WARN items indicate partial compliance or impending deadlines.

13

COMPLIANT

7

NON-COMPLIANT

5

NEEDS ATTENTION

Plan Document Compliance

✓	Summary Plan Description (SPD) distributed to all participants ERISA §102	PASS
✗	SPD updated for CAA 2021 changes (price transparency, NSA) ERISA §102 / CAA · Due: 2025-01-01	FAIL
⚠	Summary of Material Modification (SMM) issued for plan changes ERISA §104(b) · Due: 2025-03-01	WARN
✓	Form 5500 filed timely with accurate data ERISA §104	PASS
✓	Claims and appeals procedures comply with ERISA §503 ERISA §503	PASS

Fee Disclosure (408b2)

✗	All covered service providers have filed 408(b)(2) disclosure 29 CFR 2550.408b-2 · Due: Ongoing	FAIL
✗	Disclosures reviewed and confirmed reasonable compensation ERISA §404(a) · Due: Ongoing	FAIL
⚠	Written request sent to non-compliant vendors 29 CFR 2550.408b-2(c)(1)(iv) · Due: 30 days	WARN

 Compensation benchmarked against market rates

WARN

ERISA §404(a)(1)(A) · Due: Annual

 Fiduciary Governance

 Named fiduciary identified in plan document

PASS

ERISA §402(a)

 Fiduciary committee meets at least quarterly

FAIL

ERISA §404 · Due: Quarterly

 Committee meeting minutes documented and retained

WARN

ERISA §404 · Due: Ongoing

 Fiduciary liability insurance in place

PASS

ERISA §410

 Conflict-of-interest policy adopted and documented

FAIL

ERISA §406 · Due: 2025-06-01

 CAA 2021 Compliance

 Gag clause prohibition attestation filed with DOL/HHS

PASS

CAA §201(b)

 Machine-readable files (MRF) published

PASS

CAA §201

 Advanced EOB implemented for scheduled services

FAIL

CAA §107 · Due: Past due

 Broker compensation disclosed to plan sponsor in writing

PASS

CAA §202

 Mental Health Parity (MHPAEA) comparative analysis documented

FAIL

MHPAEA / CAA §203 · Due: 2025-01-01

 Rx drug spend reporting (RxDC) submitted

PASS

CAA §204

 Participant Rights

 COBRA notices sent within required timeframes

PASS

ERISA §606