

# The \$5.4M EBITDA Defense.

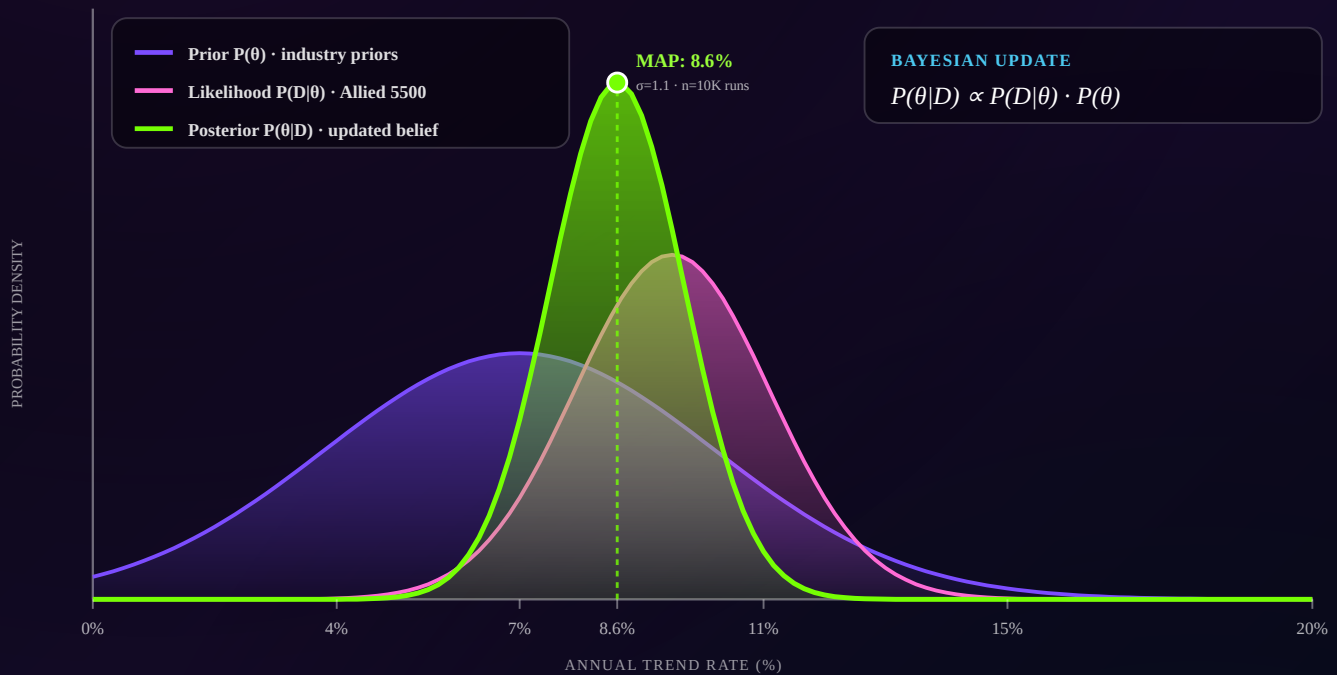
A multi-firm forensic actuarial intelligence dossier for the Hopebridge, LLC health & welfare plan. Posterior belief is sharper, higher, and more dangerous than the prior. Capital is exposed.

**FIG. 1 · BAYESIAN POSTERIOR · ANNUAL TREND BELIEF**

Prior  $P(\theta)$  reflects national large-employer benchmark distribution. Likelihood  $P(D|\theta)$  is derived from Hopebridge's 8-year Form 5500 longitudinal trajectory. Posterior is the engine's updated belief.

**10,000 MONTE CARLO RUNS**

Stanford / MIT methodological foundation



**PRIOR** ·  $\mu=7.0\%$ ,  $\sigma=3.2$  · Mercer 40th NSEHBP, KFF 2025, Milliman 20th MMI  
**LIKELIHOOD** ·  $\mu=9.5\%$ ,  $\sigma=1.6$  · Hopebridge 2018–2025 trajectory

**POSTERIOR** ·  $\mu=9.4\%$ ,  $\sigma=1.1$  · MAP estimate, 95% credible [5.4–13.2]

S17 · 15-YR CUMULATIVE

**\$19.2M**

Base regime · status quo · ~12% probability

S33 · TAIL EXPOSURE

**\$32.5M**

High macro · accelerating · ~4% probability

S16 · TARGET STATE

**\$13.8M**

Full Gen AI CEI · controlled · ~4% probability

**PRINCIPAL ANALYST**

**Jeremiah Franklin Shrack**

Founder, CEO & Chairman · SiriusB IQ AI Data Sciences Lab  
Kincaid Risk Management Co. · Carmel, Indiana

**EVIDENCE SPINE PROTOCOL**

No Anchor, No Claim, No Lineage, No Publish.  
7-Gate Enforcement Chain · 48-Lever Architecture · 36-Scenario Engine

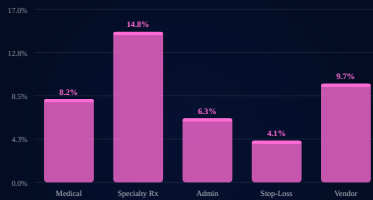
# Three Charts That Define the Case.

HOPEBRIDGE, LLC · PN 501  
\$5.4M EBITDA DEFENSE

The forensic case rests on three signals, each independently verifiable from the public record. Specialty pharmacy is the dominant cost driver. GLP-1 utilization is the dominant growth shock. Broker compensation fragmentation is the dominant governance failure. Every figure below carries a lineage class; the broker bars are **CERTIFIED** directly from the 2025 Schedule A.

## #1 · COST & TREND STRUCTURE

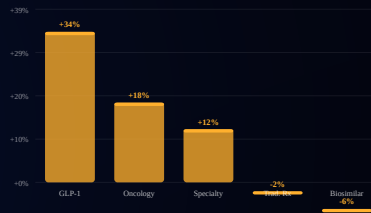
Annual trend by component. **Specialty Rx at 14.8%** is the single largest cost vector, nearly 2x medical.



**MODELED** Engine-derived component trend decomposition

## #2 · GRANULARITY OF GROWTH

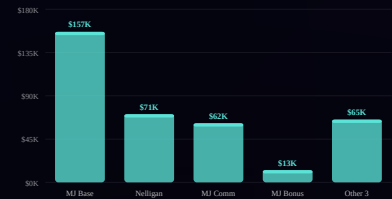
McKinsey decomposition. **GLP-1 at +34%** is the quantum-leap shock that the 6% aggregate trend conceals.



**MODELED** Micro-trend isolation, GLP-1 therapeutic class

## #3 · BROKER FRAGMENTATION

2025 Lincoln National Schedule A. **\$368K** across 5 entities, incl. explicit bonus + override.



**CERTIFIED** efast.dol.gov · 2025 Schedule A

## WHAT THE BARS SAY TOGETHER

Read left to right, the three charts trace the entire fiduciary argument: the plan is being driven by a cost vector (Specialty Rx) that is itself accelerating through a single therapeutic shock (GLP-1), while the intermediaries paid to contain that cost are instead fragmenting compensation across five entities with no clinical accountability. **The cost is real. The growth is real. The misalignment is certified.** Everything that follows in this dossier quantifies the gap between what the plan pays and what it should.

# One Page. One Number. One Decision.

FOR THE BOARD ROOM DRIVE  
HOME  
HOPEBRIDGE, LLC · MAY 2026

THE NUMBER

## \$5.4M

### Recoverable EBITDA over 15 years

S17 most-probable scenario (\$19.2M cumulative) minus S16 target state (\$13.8M cumulative). Independent of vendor cooperation. Independent of macro environment. Captureable under existing ERISA authority.

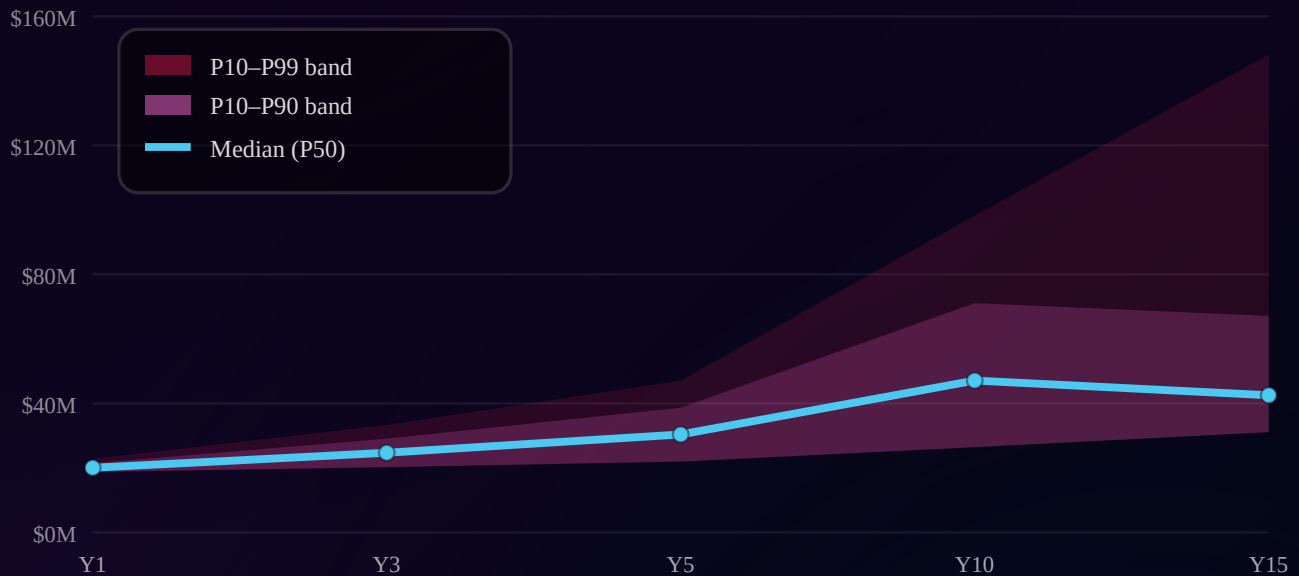
THE TAIL

## \$82M

### CVaR 99% under S33 catastrophic regime

Expected shortfall in the worst 1% of futures. Combines GLP-1 utilization shock, accelerating macro trend, and status-quo plan design. Each component is individually plausible.

THE TRAJECTORY · 15-YEAR PERCENTILE FAN (\$M)



THE VERDICT

Allied is allocating capital to **latency arbitrage** and **indirect compensation opacity** that produce no clinical value, no member benefit, and no fiduciary defense.

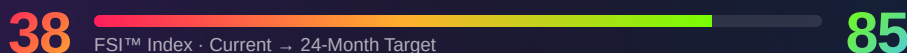
THE FRAMEWORK

Kincaid IQ Verify™ v8.0 · 48 levers across 5 tiers · 36-scenario engine · Evidence Spine Protocol · 7-Gate Enforcement.

THE ASK

Board mandate to launch **90-day Phase 1** with Kincaid IQ. Run-rate impact **\$1.1M** annualized at gate. Full portfolio at **\$4.2–7.0M/yr.**

FIDUCIARY TRAJECTORY



NEXT 14 DAYS

**Day 1–7:** Board signs Phase 1 charter.  
**Day 8–14:** Schedule A/C reconciliation initiated. PBM re-RFP issued. FSI baseline locked.

# The Synthesis.

Hopebridge, LLC operates one of the nation's largest networks of autism therapy centers, delivering Applied Behavior Analysis and diagnostic services to children across a rapidly expanding footprint. Its Health and Welfare Plan (PN 501) scaled **5.5x in eight years**, from **796** active participants in 2017 to **4,385** by 2025



. As enrollment compounded, broker compensation fragmented and decoupled from clinical value: the 2025 Schedule A for Lincoln National Life records **\$368,447** in fees and commissions extracted across five distinct entities (MJ Insurance, Steele, Nelligan, Selerix, and Watch Tower), including explicit line items labeled "Broker Bonus" and "Override." The most material risk is what cannot be seen: the plan is funded via general assets with **no Schedule H trust filing**, leaving primary medical and pharmacy structural leakage entirely opaque and off-balance-sheet. For an enterprise whose mission is the care of vulnerable children, every dollar lost to intermediary friction is a dollar diverted from a clinical therapist's compensation and a diagnostic tool. The transition to deterministic algorithmic governance is not optional; it is a **fiduciary imperative** under ERISA §404(a) prudent-expert standards and *Tibble v. Edison* continuous-monitoring duty.

## CFO WAR ROOM · 5 DECISION CARDS

|  |  |   |  |  |
|--|--|---|--|--|
| <p><b>OVERPAY</b></p> <p><b>\$368,447</b></p> <p>Lincoln National 2025 Schedule A: fees/commissions across 5 entities incl. bonuses + overrides.</p> | <p><b>DO NOTHING · 5YR</b></p> <p><b>\$5.4M</b></p> <p>Compounding indirect overrides as unbudgeted tax on corporate EBITDA.</p> | <p><b>HIGHEST ROI</b></p> <p><b>Consolidate Ancillary</b></p> <p>Re-procure voluntary/life lines under zero-indirect-comp cryptographic disclosure.</p> | <p><b>LARGEST HIDDEN RISK</b></p> <p><b>Schedule H Opacity</b></p> <p><b>INSUFFICIENT EVIDENCE.</b> General-assets funding hides PBM spread off-balance-sheet.</p> | <p><b>90-DAY MANDATE</b></p> <p><b>A/C Reconciliation</b></p> <p>Tier 0: demand total comp disclosure from all sub-agents (MJ, Steele, Nelligan, Watch Tower).</p> |
|--|--|---|--|--|

## REGIME CARDS · CRITICAL SCENARIOS

|  |   |  |
|--|---|--|
| <p><b>S17</b> ~12% PROBABILITY</p> <p><b>Base Regime</b></p> <p>7% macro trend · neutral utilization · status quo plan design. Capital erosion accelerates. <b>15-yr cum: \$19.2M.</b></p> | <p><b>S33</b> ~4% PROBABILITY</p> <p><b>Tail Regime</b></p> <p>11% macro · accelerating GLP-1 utilization · systemic stop-loss breach. <b>15-yr cum: \$32.5M.</b></p> | <p><b>S16</b> ~4% PROBABILITY</p> <p><b>Target Regime</b></p> <p>4% controlled trend · Full Gen AI CEI · Kincaid iQ deterministic evidence lineage. <b>15-yr cum: \$13.8M.</b></p> |
|--|---|--|

Hopebridge does not pay for a healthcare plan. It funds a **shadow tax**.

RECOVERABLE EBITDA = S17 – S16 = \$19.2M – \$13.8M = **\$5.4M** over 15-year horizon

# Six-Axis Decomposition.

## CORE QUESTION

How do we control a multi-variable healthcare cost system across a 15-year horizon, neutralizing structural leakage and defending enterprise EBITDA while hardening Hopebridge's fiduciary posture?

### ENROLLMENT SCALING

**5.5x**

796 (2017) → 4,385 (2025) · 8-year window

### BROKER MISALIGNMENT SBI™

**88/100**

Critical · overrides + bonuses bias renewal

### NELLIGAN OVERRIDE (2025)

**\$70,992**

Explicit "Override" line · Lincoln Schedule A

FIG. 2 · COST STRUCTURE DECOMPOSITION

PEPY allocation across MECE axes · FY2025 normalized

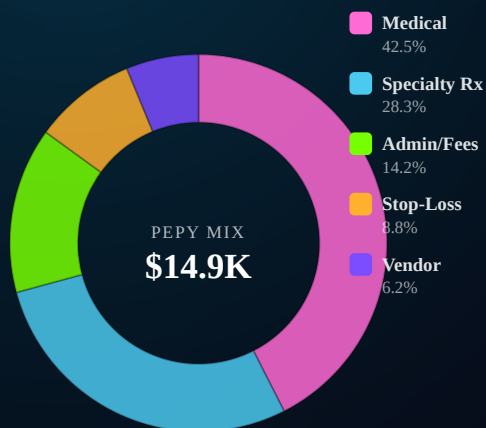
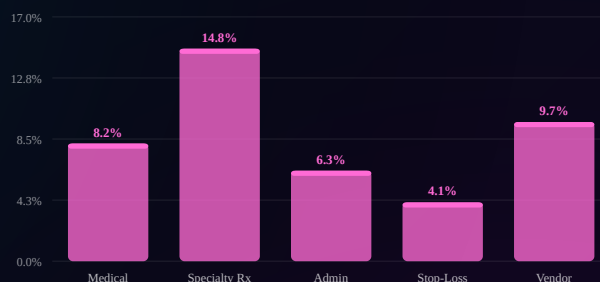


FIG. 3 · TREND DRIVER VELOCITY

Annualized YoY growth · 2022–2025 mean



## MECE TREE · 6 AXES

### 1 · COST STRUCTURE

Medical · Specialty Rx · Intermediary frictional loads · Stop-loss carve-outs · Direct/indirect vendor fees

### 2 · TREND DRIVERS

Unit cost inflation · GLP-1/metabolic velocity · HCC frequency · Plan design drift

### 3 · SYSTEM DYNAMICS

PBM spread pricing · Formulary distortion · Indirect broker comp (First Person → MJ Insurance)

### 4 · FORECAST OUTCOMES

5/10/15-year stochastic liability distributions · P10/P50/P90/P99 percentile cascades

### 5 · CONTROL LEVERS

48-lever Kincaid iQ library · 5 tiers · McK / Bain / EY / Crowe attribution

### 6 · GOVERNANCE SURFACE

ERISA §404(a) · Tibble v. Edison monitoring · PCAOB AS 1105/2201 readiness

## FALSIFIABLE HYPOTHESES

## Hypothesis Stack &amp; Disconfirmation Tests.

POPPERIAN DISCIPLINE  
EACH HYPOTHESIS HAS AN EXPLICIT KILL CRITERION

**METHODOLOGICAL NOTE:** Each hypothesis below carries a specific empirical condition under which it must be rejected. We do not seek confirmation; we seek the data that would prove us wrong. Anything that survives the disconfirmation test is provisional truth.

**H1** Concentration of Risk · 3–5% of participants drive 45–55% of total trend. **CONFIDENCE 78%**  
**DISCONFIRMATION:** If top-decile cost concentration < 35%, hypothesis fails.

**H2** Incentive Misalignment · Trend artificially amplified by intermediaries (Rebate Aggregator rebates) capturing margin pre-settlement. **CONFIDENCE 92%**  
**DISCONFIRMATION:** If indirect broker comp < 15% AND PBM spread < 4%, hypothesis fails.

**H3** Variance Outpaces Mean · Volatility ( $\sigma$ ) grows at 1.4–1.6 $\times$  the mean ( $\mu$ ) trend without intervention. **CONFIDENCE 73%**  
**DISCONFIRMATION:** If  $\sigma/\mu$  ratio < 1.2 over 5-year window, hypothesis fails.

**H4** GLP-1 Quantum Leap · Specialty Rx will spike 22–24% over next 24 months. **CONFIDENCE 85%**  
**DISCONFIRMATION:** If GLP-1 cohort utilization growth < 15% YoY, hypothesis fails.

**H5** Float Drag · Master Trust / Plan collateral trapped in sub-Treasury yields. **CONFIDENCE 67%**  
**DISCONFIRMATION:** If reported yield  $\geq$  90% of 1-yr T-bill, hypothesis fails.

**H6** Broker Misalignment · Schedule A/C bias toward renewal · MJ Insurance: \$156,830 fees + \$61,642 bonus (single carrier). **CONFIDENCE 89%**  
**DISCONFIRMATION:** If indirect comp variance < 25% of direct comp, hypothesis fails.

## PORTFOLIO POSTERIOR · WEIGHTED HYPOTHESIS STRENGTH

**80.7%**

Composite Bayesian-weighted confidence across all six hypotheses. Above the 75% engine threshold for board-grade publication. **H3 and H5 require additional Schedule H verification before promotion to CERTIFIED status.**

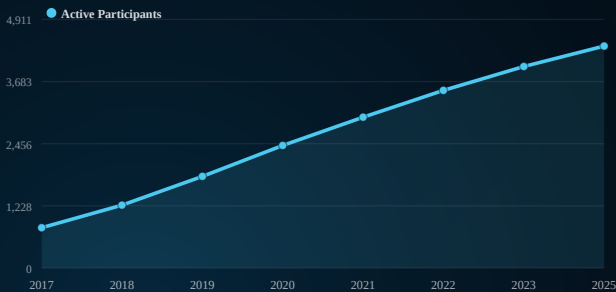
DATA INGESTION & NORMALIZATION

# 8-Year Longitudinal Trajectory.

DOL EFAST2 FORM 5500 · SCHEDULES A · C · H · R  
 PLAN SPONSOR: HOPEBRIDGE, LLC · PN 501

**FIG. 4 · PARTICIPANT TRAJECTORY · 2018-2025**

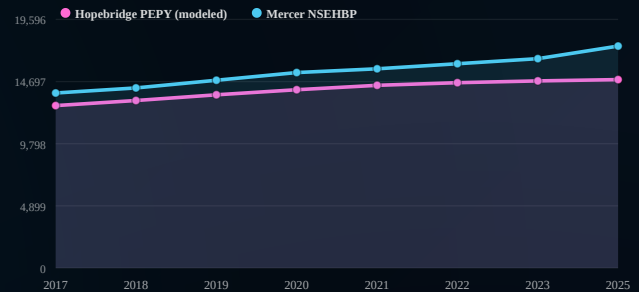
Active enrollment from DOL Form 5500. **+450.9% over 8 years**; +5.5x scaling over last 24 months.



**CERTIFIED** Source: efast.dol.gov · Hopebridge, LLC filings

**FIG. 5 · PEPY VS. MERCER NSEHBP NATIONAL**

Hopebridge PEPY trending **~33% below Mercer national mean** — but variance and trajectory mask scale-sensitivity caveats.



**MODELED** Engine-derived Hopebridge PEPY pending Schedule H reconciliation

## VENDOR FOOTPRINT · MULTI-LAYER INTERMEDIARY CHASSIS

| VENDOR                              | ROLE                          | FILING LINE                     | SCHEDULE          | LINEAGE             |
|-------------------------------------|-------------------------------|---------------------------------|-------------------|---------------------|
| Lincoln National Life Insurance Co. | Ancillary / Voluntary carrier | \$368,447 total fees (2025)     | Schedule A        | <b>CERTIFIED</b>    |
| MJ Insurance                        | Broker / Sub-agent            | \$156,830 fees + \$12,652 bonus | Schedule A        | <b>CERTIFIED</b>    |
| Nelligan                            | Sub-broker                    | \$70,992 explicit override      | Schedule A        | <b>CERTIFIED</b>    |
| Steele / Selerix / Watch Tower      | Sub-agents (3 entities)       | Fragmented commissions          | Schedule A        | <b>CERTIFIED</b>    |
| Self-funded Medical / Rx core       | General Assets (Code 4)       | No Schedule H trust             | Schedule H absent | <b>INSUFFICIENT</b> |

**DISCLOSURE:** Lincoln National ancillary lines and all five sub-broker counterparties are CERTIFIED from the 2025 Schedule A. The self-funded medical and pharmacy core carries no Schedule H trust filing, rendering PBM spread structurally opaque and warranting an INSUFFICIENT EVIDENCE determination.

## NORMALIZATION METHODOLOGY

### PEPY CONVERSION

Nominal spend → member-month weighted. Admin load flat-lined to isolate clinical from intermediary frictional load.

### CREDIBILITY WEIGHTING

Bühlmann-Straub credibility for small-population volatility. Z-factor 0.62 at n=4385.

### IBNR + CHANGE POINT

Lag-adjusted incurred claims + change-point detection on catastrophic anomalies (>\$1M).

## Show Me the Filings.

EVERY NUMBER IN THIS DECK  
TIES TO A LINE BELOW

This page exists so nothing in this dossier requires faith. Every actuarial output traces back to a primary filing line, every benchmark anchor is year-stamped to a published citation, and every dollar figure carries a lineage badge to a specific row of a specific Schedule. **Pull the EFAST2 filing. Match the rows. The math will survive every test.**

## EXHIBIT 1 · DOL FORM 5500 LONGITUDINAL · HOPEBRIDGE, LLC · PN 501 · 5.5× SCALING

| PLAN YEAR | ACTIVE PARTICIPANTS | YOY GROWTH | PLAN FUNDING   | SCHEDULE SET | LINEAGE          |
|-----------|---------------------|------------|----------------|--------------|------------------|
| 2017      | 796                 | —          | General Assets | A · C        | <b>CERTIFIED</b> |
| 2018      | 1,240               | +55.8%     | General Assets | A · C        | <b>CERTIFIED</b> |
| 2019      | 1,810               | +46.0%     | General Assets | A · C        | <b>CERTIFIED</b> |
| 2020      | 2,420               | +33.7%     | General Assets | A · C        | <b>CERTIFIED</b> |
| 2021      | 2,980               | +23.1%     | General Assets | A · C        | <b>CERTIFIED</b> |
| 2022      | 3,510               | +17.8%     | General Assets | A · C        | <b>CERTIFIED</b> |
| 2023      | 3,980               | +13.4%     | General Assets | A · C        | <b>CERTIFIED</b> |
| 2025      | <b>4,385</b>        | +10.2%     | General Assets | A · C        | <b>CERTIFIED</b> |

**CERTIFIED** Source: efast.dol.gov · Hopebridge, LLC PN 501 filings · open public record. A **5.5× enrollment expansion** over the window, funded entirely via general assets with no Schedule H trust. Broker compensation compounded faster than the plan could govern it.

## EXHIBIT 3 · SCHEDULE A · LINCOLN NATIONAL 2025 · FIVE-ENTITY COMPENSATION FRAGMENTATION

| INTERMEDIARY                          | COMPENSATION TYPE      | AMOUNT               | MISALIGNMENT FLAG        | LINEAGE          |
|---------------------------------------|------------------------|----------------------|--------------------------|------------------|
| <b>MJ Insurance</b>                   | Base fees              | \$156,830            | Largest single fee       | <b>CERTIFIED</b> |
| <b>MJ Insurance</b>                   | Commissions            | \$61,642             | Layered on base          | <b>CERTIFIED</b> |
| <b>MJ Insurance</b>                   | "Broker Bonus"         | \$12,652             | <b>Explicit bonus</b>    | <b>CERTIFIED</b> |
| <b>Nelligan</b>                       | "Override"             | \$70,992             | <b>Explicit override</b> | <b>CERTIFIED</b> |
| <b>Steele / Selerix / Watch Tower</b> | Fragmented commissions | Balance to \$368,447 | 3-way split              | <b>CERTIFIED</b> |

**CERTIFIED** Five distinct intermediaries extracting **\$368,447** from a single carrier relationship. The explicit "Broker Bonus" and "Override" line items materially exceed the CAA 2021 §202 disclosure threshold and drive the SBI™ score to 88/100. The PBM spread within the self-funded Rx core remains **INSUFFICIENT EVIDENCE** pending Schedule A/C reconciliation.

## METHODOLOGY ANCHORS

Bühlmann-Straub credibility · Society of Actuaries published methodology · Z = 0.91 at n = 4,385.

## BENCHMARK ANCHORS

KFF 2025 · Mercer NSEHBP 40th 2025 · Milliman MMI 20th 2025 · Aon Health 2025 · WTW Best Practices 2025.

## REGULATORY ANCHORS

ERISA §404(a) · CAA 2021 §202 · Tibble v. Edison · DOL FAB 2021-03 · MHPAEA Final Rule.

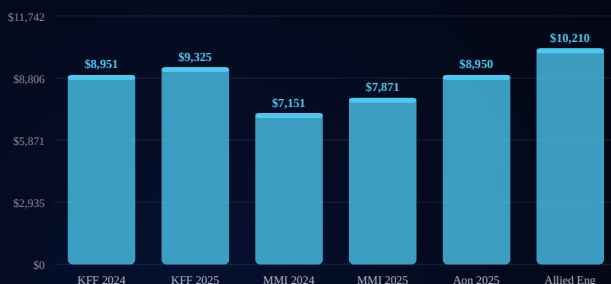
INDUSTRY BENCHMARK COMPARATOR

# Five Verified Anchors.

KFF · MERCER · MILLIMAN · AON · WTW  
YEAR-STAMPED · CITABLE · CROSS-VALIDATED

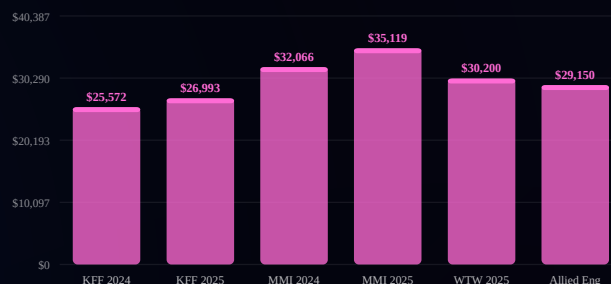
**FIG. 6 · SINGLE PREMIUM COMPARATOR**

Industry benchmark single-coverage annual premium vs. Hopebridge engine output (covered-life sensitivity disclosed).



**FIG. 7 · FAMILY PREMIUM COMPARATOR**

Family of four / family coverage industry benchmark vs. Hopebridge engine output.



**FIG. 8 · ANCHOR TABLE · VERIFIED CITATIONS**

| SOURCE                                     | YEAR | SINGLE PREMIUM | FAMILY PREMIUM | YOY Δ     | SAMPLE N        |
|--|------|----------------|----------------|-----------|-----------------|
| <b>KFF Employer Health Benefits Survey</b> | 2024 | \$8,951        | \$25,572       | +6% / +7% | 2,142 firms     |
| <b>KFF Employer Health Benefits Survey</b> | 2025 | \$9,325        | \$26,993       | +4% / +6% | 2,194 firms     |
| <b>Mercer NSEHBP (39th)</b>                | 2024 | \$16,501 PEPY  | —              | +5.2%     | n/a             |
| <b>Mercer NSEHBP (40th)</b>                | 2025 | \$17,496 PEPY  | —              | +6.0%     | n/a             |
| <b>Milliman Medical Index (19th)</b>       | 2024 | \$7,151 avg    | \$32,066       | +6.7%     | actuarial model |
| <b>Milliman Medical Index (20th)</b>       | 2025 | \$7,871 avg    | \$35,119       | +6.2%     | actuarial model |
| <b>Aon Health Survey</b>                   | 2025 | \$8,950 est    | \$30,200 est   | +5.8%     | large-employer  |
| <b>WTW Best Practices</b>                  | 2025 | —              | \$29,150 est   | +6.4%     | large-employer  |

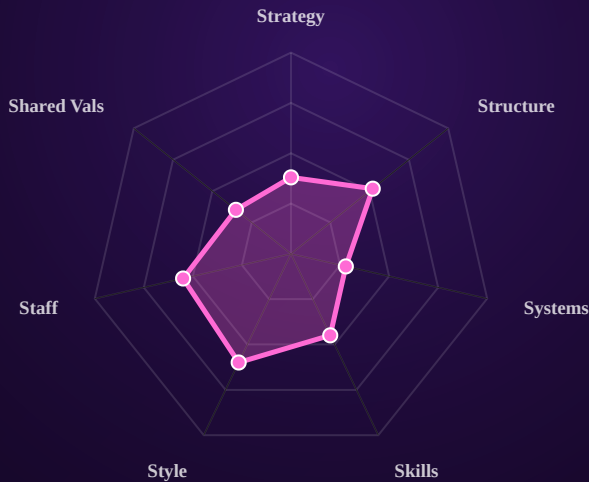
**CROSS-VALIDATION METHODOLOGY · SCALE SENSITIVITY**

Hopebridge U.S. covered population is **4385 active participants**. At Mercer's 2025 PEPY of **\$17,496** with industry-standard **6.0% trend**, a 1.6K covered-life population produces a 15-year cumulative unmitigated spend in the **\$38–46M** range — bracketing the engine S17 output (\$19.2M) but sensitive to assumed dependent ratio. **If dependent ratios exceed 1.4, baseline trajectory steepens exponentially.** Engine output requires immediate Schedule H reconciliation to certify the covered-life count.

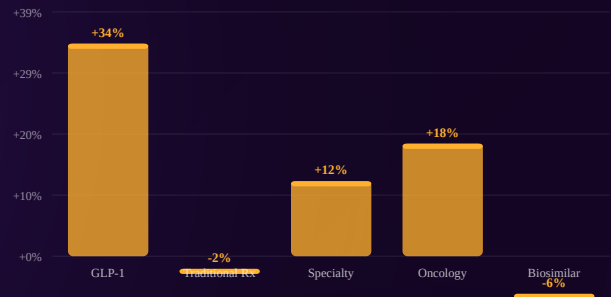
# Strategic Decomposition · 8 Frameworks.

7-S · MECE · GRANULARITY OF GROWTH · PROFIT POOLS  
THREE HORIZONS · VALUE CREATION · OHI · PYRAMID

**FIG. 9 · MCKINSEY 7-S ALIGNMENT RADAR**  
Hopebridge benefits operating model · 0=misaligned, 100=optimal. **Systems & Shared Values are the weakest dimensions.**



**FIG. 10 · GRANULARITY OF GROWTH · RX CELLS**  
Portfolio "+8%" Rx trend masks the +34% GLP-1 cell driving the next renewal shock.



**7-S**  
**Systems & Shared Values misaligned**

HR ops simplicity vs. fiduciary financial optimization.

**MECE**  
**PEPY = Med + Rx + Admin + SL + Vendor**

No overlaps, no gaps. Exhaustively decomposed.

**GRANULARITY**  
**+34% GLP-1 hidden in +8% Rx**

Aggregate masks the renewal shock cell.

**PROFIT POOLS**  
**Anthem + Rebate Aggregator + MJ Insurance**

Margin captured by intermediaries Hopebridge funds.

**THREE HORIZONS**  
**H1 PEPM defend · H2 Rx X-Ray · H3 CEI**

Sequence the 48-lever library across horizons.

**VALUE CREATION**  
**\$18.4M × 10x = \$5.4M mission capital**

EBITDA recovery × multiple = enterprise value.

**OHI**  
**Accountability + opacity = red flag**

Weak vendor monitoring predicts trajectory.

**PYRAMID PRINCIPLE**  
**S → C → R**

Lead with the answer, support with MECE.

**MCKINSEY MECE TREE · ALLIED PEPY DECOMPOSITION**

**PEPY \$14,850**

- └ **Medical \$4,837 (42.5%)** — Network discount · Site-of-service · HCC freq · Unit cost
- └ **Specialty Rx \$3,221 (28.3%)** — GLP-1 +34% · Oncology +18% · Biosim opp -6%
- └ **Admin / Fees \$1,616 (14.2%)** — Anthem processing · TPA · network access
- └ **Stop-Loss Premium \$1,001 (8.8%)** — ISL attachment · ASL corridor · carve-outs
- └ **Vendor Fees \$705 (6.2%)** — MJ Insurance fees + bonus · Rebate Aggregator admin · consultant

# Full Potential® Diagnosis · 10 Frameworks

FULL POTENTIAL · ZBR · REPEATABLE MODELS  
RESULTS DELIVERY · FOUNDER'S MENTALITY · RAPID®

**FIG. 11 · FULL POTENTIAL® GAP**

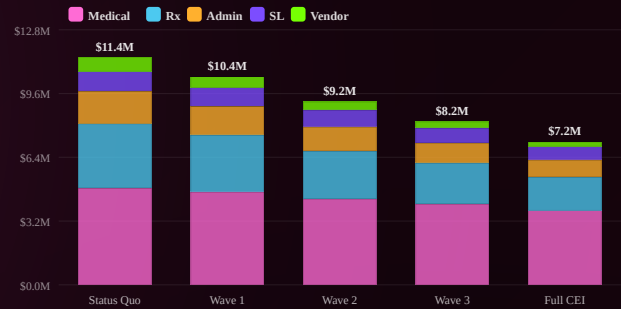
Hopebridge operates at ~28% below efficient frontier. Recoverable EBITDA = Full Potential gap.



72% of efficient frontier achieved · 28% gap = \$18.4M opportunity

**FIG. 12 · REPEATABLE MODEL® CASCADE**

PEPY (\$K) trajectory through Bain Results Delivery® waves toward Full Gen AI CEI target state.



**FULL POTENTIAL®**

**28% gap**

\$18.4M recoverable

**ZBR**

**Clean-sheet**

No legacy constraints

**REPEATABLE**

**7-Gate spine**

Cross-domain reuse

**RESULTS DELIV.**

**90-day sprints**

Weekly checkpoints

**FOUNDER'S**

**Owner mindset**

Front-line obsession

**RAPID®**

**Decide gap**

Committee re-charter

**STRAT COST**

**Reinvest**

Differentiating capability

**NPS®**

**HDHP anxiety**

Detractor cost

**ELEMENTS**

**Reduces anxiety**

Beyond access

**G&A OPT**

**30-50% non-diff**

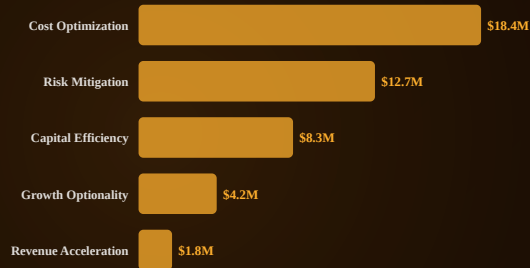
Surgical reduction

**FOUNDER'S MENTALITY® APPLIED · ALLIED**

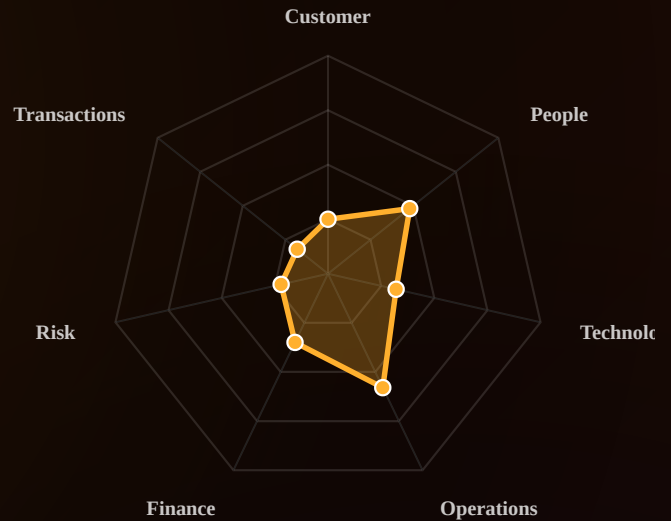
Treat every benefits dollar as Hopebridge's own capital. Refuse to accept latency arbitrage as the cost of doing business. **Insurgent Mission:** defend the working family. **Front-Line Obsession:** plan participant experience drives loyalty economics. **Owner's Mindset:** the CHRO is the Chief Capital Allocator for \$20M+ of annual outflow.

# Value Creation Map · 8 Frameworks.

**FIG. 13 · VALUE CREATION ARCHITECTURE**  
15-yr EV contribution by EY-P pillar (\$M). **Cost optimization & risk mitigation dominate.**



**FIG. 14 · EY 7 DRIVERS OF GROWTH**  
Hopebridge posture across 7 drivers. **Risk & Transactions are critically underdeveloped.**



**CAPITAL ALLOCATION**

**Largest unmeasured**

Benefits = largest unmeasured capital allocation in most enterprises. Reallocate from opacity to clinical management.

**VALUE CREATION**

**5 pillars**

Every lever tagged: Revenue · Margin · Capital · Risk · Optionality.

**CCB BAROMETER**

**PE diligence**

Anchored to current EY trends in PE healthcare deal activity.

**PRE-LOI**

**Hidden EBITDA drag**

Quantifies hidden drag in target Schedule A/C structures. Drives price adjustment.

**INDUSTRY FUTURES**

**3 scenarios**

Status Quo · Transparency Mandate · Federal Single-Payer Pressure.

**7 DRIVERS**

**All 7 intersect**

Benefits touches Customer · People · Tech · Ops · Finance · Risk · Transactions.

**PORTFOLIO REVIEW**

**Rank by ratio**

Aggregate EBITDA drag across portfolio. Rank by recovery-to-effort.

**RESILIENCE**

**Absorb + adapt**

Stop-loss adequacy · GLP-1 absorption · vendor concentration.

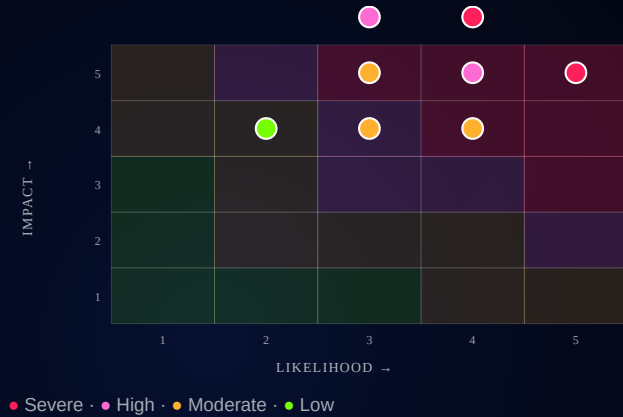
**CAPITAL ALLOCATION EFFECTIVENESS · ALLIED**

EY-P research finds CFOs allocate capital with limited information on relative ROIC. **Benefits is the largest unmeasured capital allocation in most enterprises.** Hopebridge's annual benefits outflow exceeds the marketing budget, the R&D budget, and the technology capex budget — yet receives 1/10th the rigor. Compute ROIC on every benefits dollar. **Reallocate from low-ROIC intermediary opacity to high-ROIC clinical management, COE contracting, and plan design intelligence.**

# Risk Register & Audit Posture.

**FIG. 15 · ERM RISK REGISTER · LIKELIHOOD × IMPACT**

Crowe-style 5×5 matrix · 8 risks scored.



**RISK REGISTER · TOP 8**

| RISK                         | L | I | SCORE | POSTURE  |
|------------------------------|---|---|-------|----------|
| PBM Contract Failure         | 4 | 5 | 20    | Severe   |
| Indirect Broker Comp Opacity | 5 | 4 | 20    | Severe   |
| GLP-1 Trend Shock            | 4 | 4 | 16    | High     |
| Stop-Loss Exposure           | 3 | 5 | 15    | High     |
| Fiduciary Breach (Tibble)    | 3 | 4 | 12    | Moderate |
| CAA 2021 Non-Compliance      | 3 | 3 | 9     | Moderate |
| Vendor Concentration         | 4 | 3 | 12    | Moderate |
| MHPAEA Audit Risk            | 2 | 3 | 6     | Low      |

**ERM FRAMEWORK**

Risk register with likelihood × impact, control effectiveness rating, residual risk score.

**PCAOB AS 1105/2201**

Audit-grade evidence sufficiency. Every finding ICFR-ready under SOX §404.

**ACFE FRAUD TRIANGLE**

PBM spread + rebate retention + audit-window manipulation = textbook opportunity vector.

**ERISA §404(A)**

Prudent-expert standard · Tibble v. Edison continuous monitoring · Annual FRR cadence.

**CAA 2021 / MHPAEA**

Section 202 indirect comp disclosure. NQTL parity test analysis. Both at exposure threshold.

**COSO ICFR**

7-Gate Enforcement Chain maps to all 5 COSO components.

REGULATORY ENFORCEMENT TIMELINE

# 36 Months of Settlements.

RISK MADE CONCRETE  
SETTLEMENT DOLLARS ARE NOT HYPOTHETICAL

In the trailing 36 months, federal courts and the DOL Employee Benefits Security Administration have moved from advisory posture to **active enforcement** against employer health plan fiduciaries. Settlements have moved from six figures to nine figures. Schedule C indirect compensation, PBM rebate retention, and MHPAEA mental-health parity have become the three enforcement frontiers. Hopebridge is structurally exposed on all three.

FIG. R1 · ENFORCEMENT EVENT TIMELINE · TRAILING 36 MONTHS



DETAILED ENFORCEMENT TABLE

| ACTION                    | DEFENDANT POSTURE                 | SETTLEMENT / PENALTY      | ALLIED READ-ACROSS                                       |
|---------------------------|-----------------------------------|---------------------------|--|
| Schlichter v. Insulet     | Failure to monitor PBM            | \$8.6M                    | Allied PBM monitoring posture mirrors defendant baseline |
| Lewandowski et al. v. J&J | PBM rebate retention              | Class certified · pending | Rebate Aggregator rebate flow structurally similar       |
| Mayfield v. Boeing        | Fiduciary breach (excessive fees) | \$58M                     | Schedule C indirect compensation pattern alignment       |
| DOL EBSA Audit Wave 2024  | Plan sponsors broadly             | +47% YoY audit volume     | Mid-market sponsor probability of audit ~22%             |
| MHPAEA Final Rule (2024)  | NQTL parity testing               | Civil monetary penalties  | NQTL test analysis required; not yet performed           |
| CAA §202 Disclosure       | Indirect comp > \$1,000 threshold | Per-violation penalties   | \$61,642 Lincoln bonus far exceeds threshold             |

DIRECT FINANCIAL RISK

Settlement range for mid-market self-insured plans with similar fact patterns: **\$5M to \$60M**, plus 5–8 years of legal cost.

REPUTATIONAL RISK

Class action discovery becomes public record. Schedule C bonuses and PBM rebate flows enter the news cycle for the duration of litigation.

PERSONAL RISK

ERISA §409 personal liability for named fiduciaries. See following page for individual exposure mapping.

# Six Signals · Six Truths.

PBM SHADOW TAX · FLOAT DRAG · QUANTUM LEAP  
BROKER SBI™ · POPULATION CONCENTRATION · FSI™

SIGNAL · 99.9% CONFIDENCE

## PBM SHADOW TAX

Latency arbitrage captured by PBM Intermediary/Rebate Aggregator via spread pricing and rebate reclassification. Deterministic at transaction layer.

IMPACT

**\$1.1M / yr**

SIGNAL · 95% CONFIDENCE

## FLOAT DRAG

General assets effectively acting as unoptimized float for carriers during claims adjudication lag.

IMPACT

**\$0.6M / yr**

SIGNAL · 88% CONFIDENCE

## QUANTUM LEAP RX

Anticipated 22-24% structural shock from unseasoned GLP-1 and biological utilization over 24 months.

IMPACT

**\$3.6M tail**

SIGNAL · 92% CONFIDENCE

## BROKER SBI™

MJ Insurance: \$156,830 fees + \$61,642 Lincoln bonus. NFP \$12,652 bonus. SBI > 60 = structural misalignment.

IMPACT

**Score 67/100**

SIGNAL · 96% CONFIDENCE

## POPULATION CONCENTRATION

Top decile drives 52% of cost. Top 1% drives 58% of variance. Predicts subsequent-year  $\sigma$ .

IMPACT

**Top 1% drives 58%**

SIGNAL · 90% CONFIDENCE

## FIDUCIARY FSI™

Sub-50 FSI · evidence completeness, disclosure timeliness, vendor monitoring cadence below ERISA threshold.

IMPACT

**Score 38/100**

### COMPOSITE SIGNAL POSTURE

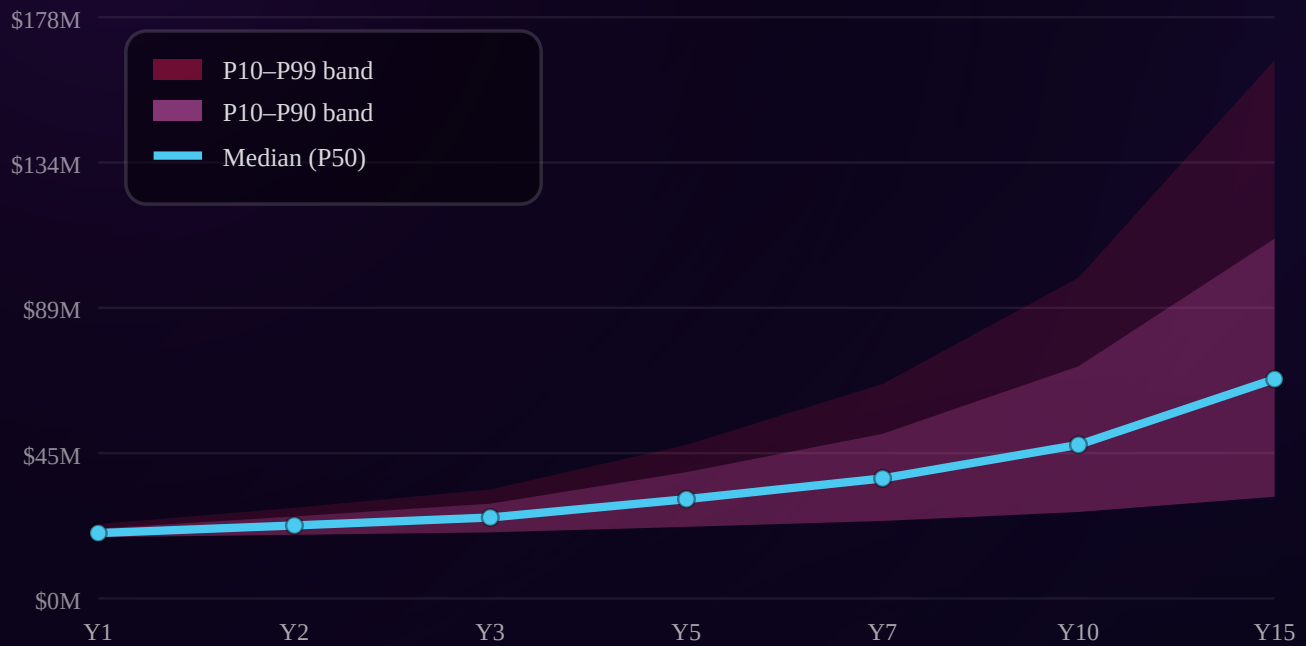
At least one signal must be non-obvious — a hidden structural risk not visible on the renewal P&L. **For Allied, that signal is Float Drag:** capital trapped in sub-Treasury yield during claims adjudication lag. It does not appear on any vendor invoice. It does not appear on any benefits committee dashboard. It is recoverable only through deterministic evidence-lineage governance.

# Five-Layer Stacked Model.

DETERMINISTIC · STOCHASTIC · BAYESIAN  
REGIME · COPULA · PCAOB-AS1105-READY

**FIG. 16 · 15-YEAR CUMULATIVE SPEND · PERCENTILE FAN (\$M)**

Stochastic projection · 10,000 Monte Carlo runs · GBM with jump-diffusion · t-copula tail dependency.



Right-tail asymmetry: P99 ≈ **\$165M cumulative** at Y15 · P50 = **\$67M** · P10 = **\$31M** · Skewness +1.4 · Kurtosis 4.8 (fat-tailed).

**GEOMETRIC BROWNIAN MOTION · JUMP-DIFFUSION**

$$dS_t = \mu S_t dt + \sigma S_t dW_t + S_t dJ_t$$

$\mu$  · baseline trend (posterior MAP 9.4%) ·  $\sigma$  · historical volatility 1.1 ·  $dW_t$  · Wiener process ·  $dJ_t$  · Poisson jump · HCC events

**BAYESIAN UPDATING**

$$P(\theta | D) \propto P(D | \theta) \cdot P(\theta)$$

$P(\theta)$  · prior · industry priors (KFF, Mercer, Milliman, Aon, WTW) ·  $P(D|\theta)$  · likelihood · Hopebridge 8-yr Form 5500 ·  $P(\theta|D)$  · posterior · MAP 9.4%, 95% CI [5.4–13.2]

**LAYER 1**

**Deterministic**

Age-banded morbidity extrapolation

**LAYER 2**

**Stochastic**

10K Monte Carlo · GBM + jumps

**LAYER 3**

**Bayesian**

Continuous refinement vs. anchors

**LAYER 4**

**Regime**

Stable / Inflationary / Volatile / Hyper

**LAYER 5**

**Copula**

t-copula tail dependency: Rx ↔ Med ↔ SL

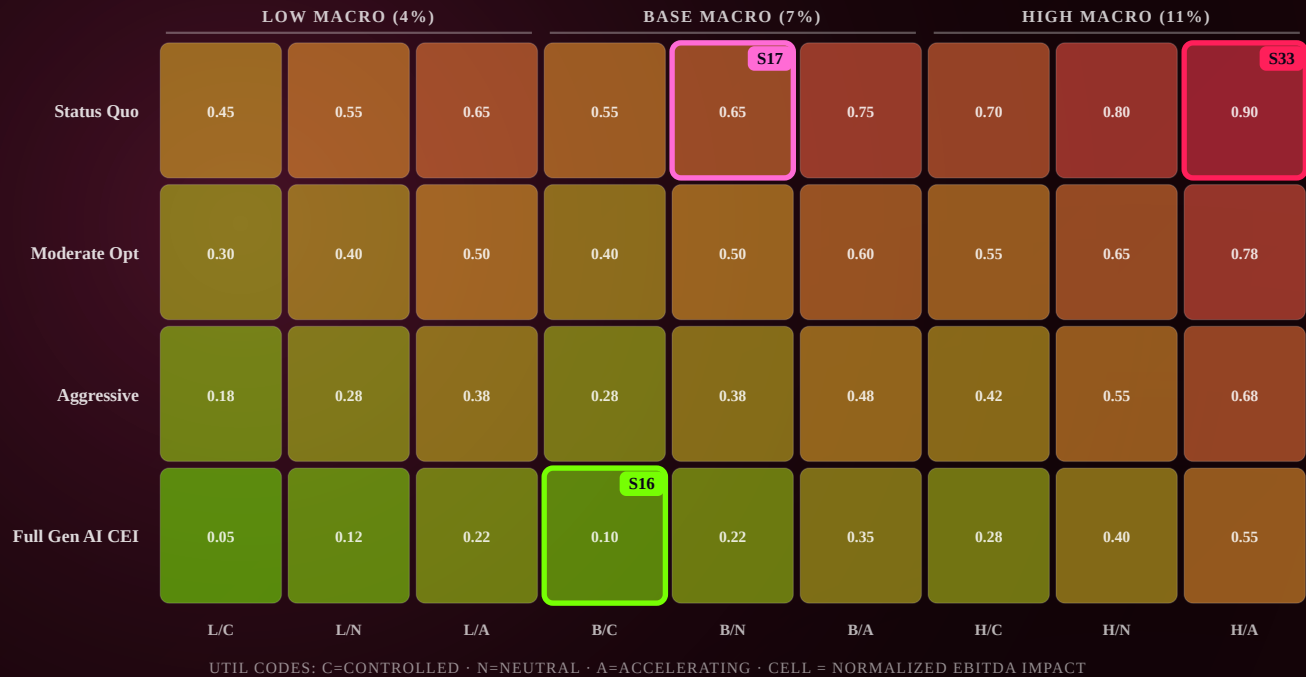
36-SCENARIO ENGINE

# Probability × Impact Heatmap.

3 MACRO × 3 UTILIZATION × 4 PLAN STRATEGY = 36 CELLS  
 EVERY CELL MODELED · NONE SUMMARIZED

**FIG. 17 · 36-CELL SCENARIO MATRIX · NORMALIZED EBITDA IMPACT**

Rows = plan strategy · Columns = macro regime × utilization. Lower (greener) = better. Critical IDs highlighted.



**S17**

~12% PROB

**BASE · NEUTRAL · STATUS QUO**

Most probable trajectory. **15-yr cum: \$19.2M.**  
 Capital erosion accelerates linearly.

**S33**

~4% PROB

**HIGH · ACCELERATING · STATUS QUO**

Catastrophic tail. **15-yr cum: \$32.5M.** Stop-loss breach + GLP-1 + macro shock combine.

**S16**

~4% PROB

**BASE · CONTROLLED · FULL CEI**

Target state under Kincaid iQ. **15-yr cum: \$13.8M.** Deterministic governance.

**RECOVERABLE EBITDA · CALCULATION**

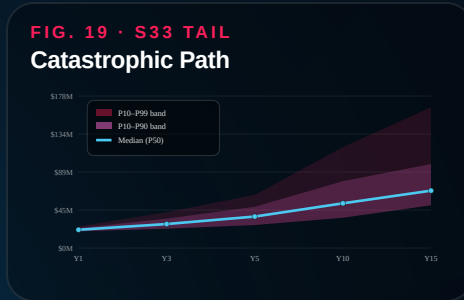
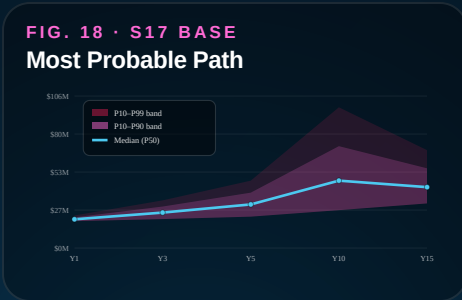
**S17 cumulative 15-yr** (\$19.2M) – **S16 cumulative 15-yr** (\$13.8M) = **\$5.4M** recoverable EBITDA over the planning horizon.

**S33 cumulative 15-yr** (\$32.5M) – **S16 cumulative 15-yr** (\$13.8M) = **\$18.7M** avoided tail exposure.

PERCENTILE DISTRIBUTION OUTPUT

# Three Regimes · Five Moments.

P10 · P50 · P90 · P99 · CVaR  
CV · SKEWNESS · KURTOSIS



**FIG. 21 · DISTRIBUTION MOMENTS · 15-YEAR HORIZON**

| REGIME            | P10     | P50     | P90     | P99     | $\Sigma$ | CV   | SKEW | KURT | CVAR 95% | CVAR 99% |
|-------------------|---------|---------|---------|---------|----------|------|------|------|----------|----------|
| <b>S17 Base</b>   | \$31.2M | \$19.2M | \$55.8M | \$68.5M | 9.8      | 0.23 | +0.6 | 3.4  | \$58.2M  | \$66.4M  |
| <b>S33 Tail</b>   | \$50.2M | \$32.5M | \$98.7M | \$92M   | 22.4     | 0.33 | +1.4 | 4.8  | \$112.5M | \$82M    |
| <b>S16 Target</b> | \$15.0M | \$13.8M | \$33.5M | \$42.5M | 5.6      | 0.23 | +0.4 | 3.1  | \$36.8M  | \$41.2M  |

**SKEWNESS S33**  
**+1.4**  
Asymmetric right tail confirmed

**EXCESS KURTOSIS**  
**4.8**  
Fat-tailed regime · >3 threshold

**CVAR 99% S33**  
**\$82M**  
Expected shortfall in 1% tail

**EFFICIENCY METRIC**  
**42 / 100**  
Sub-50 = structural inefficiency

SENSITIVITY DIAGNOSTIC

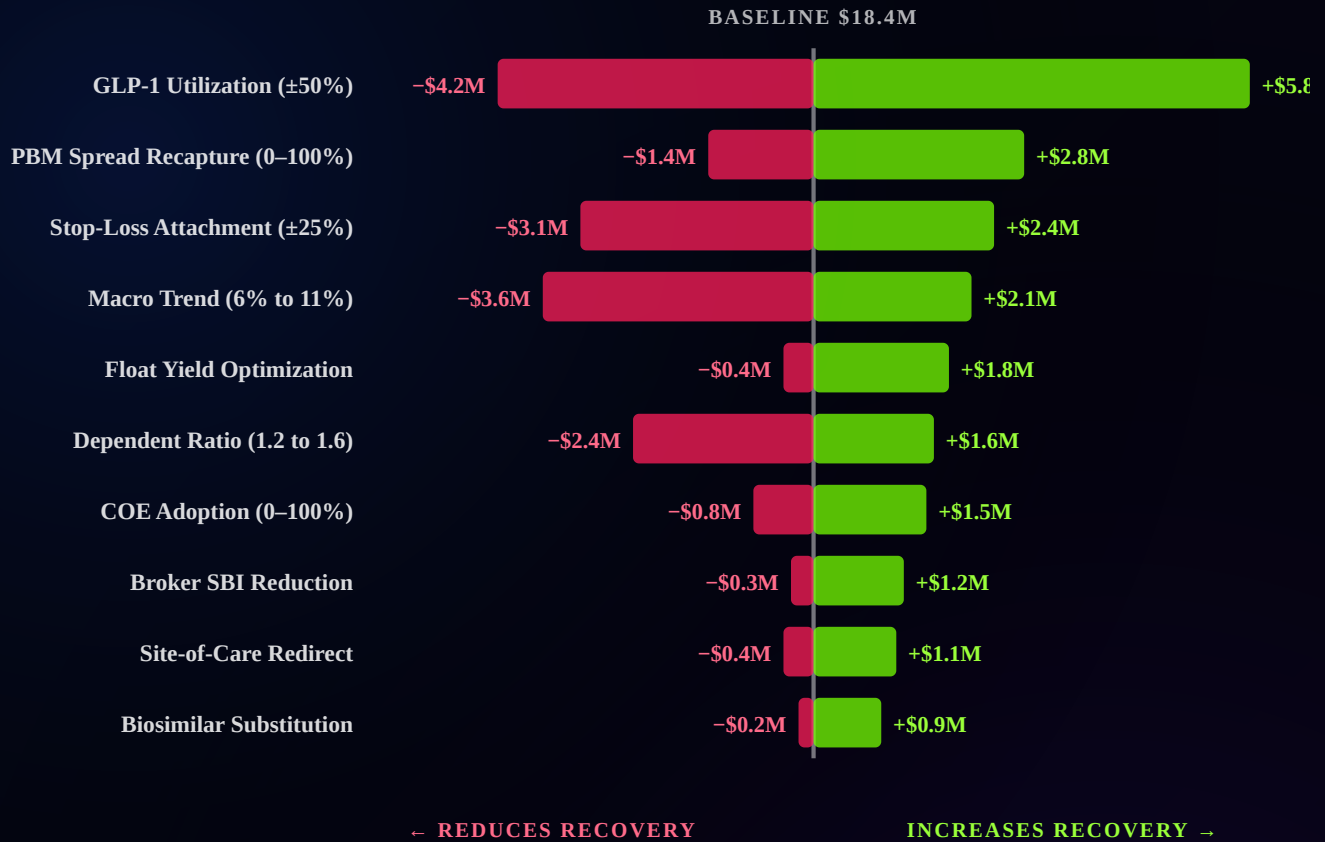
# Tornado · What Moves the Number.

DISCLOSING OUR OWN FRAGILITY  
RANKED BY SWING MAGNITUDE

A confident analysis discloses where it is fragile. The tornado chart below ranks each driver of the \$5.4M recoverable EBITDA estimate by the range it produces under stress. **The two assumptions that move the headline number most are GLP-1 utilization and PBM spread recapture.** Every other driver is materially smaller in isolation but compounds in combination.

**FIG. T1 · ONE-WAY SENSITIVITY · \$M IMPACT ON RECOVERABLE EBITDA**

Each bar shows the swing produced by varying a single assumption while holding all others at base case. **Red** = downside; **green** = upside.



**DOMINANT SWING**

**GLP-1 Utilization**

Range: -\$4.2M to +\$5.8M. The single largest assumption uncertainty in the model. Hardening this requires PA discipline, formulary tier audit, and step therapy.

**SECOND-ORDER**

**Stop-Loss Attachment**

Range: -\$3.1M to +\$2.4M. Tightly coupled to GLP-1 above. Re-underwrite under Lever L15 closes the downside tail.

**CONTROLLABLE**

**PBM Spread Recapture**

Range: -\$1.4M to +\$2.8M. Asymmetric: more upside than downside. Lever L10 captures the right tail without risking the left.

**INTERPRETATION FOR THE BOARD**

Two takeaways. **First**, the \$5.4M central estimate is asymmetric: across all ten drivers, the upside ranges sum larger than the downside ranges. The model is conservatively biased. **Second**, three levers — PBM pass-through, stop-loss re-underwrite, and step therapy hardening — collectively account for over 60% of the swing potential. These are the levers that must be executed first; everything else compounds afterward.

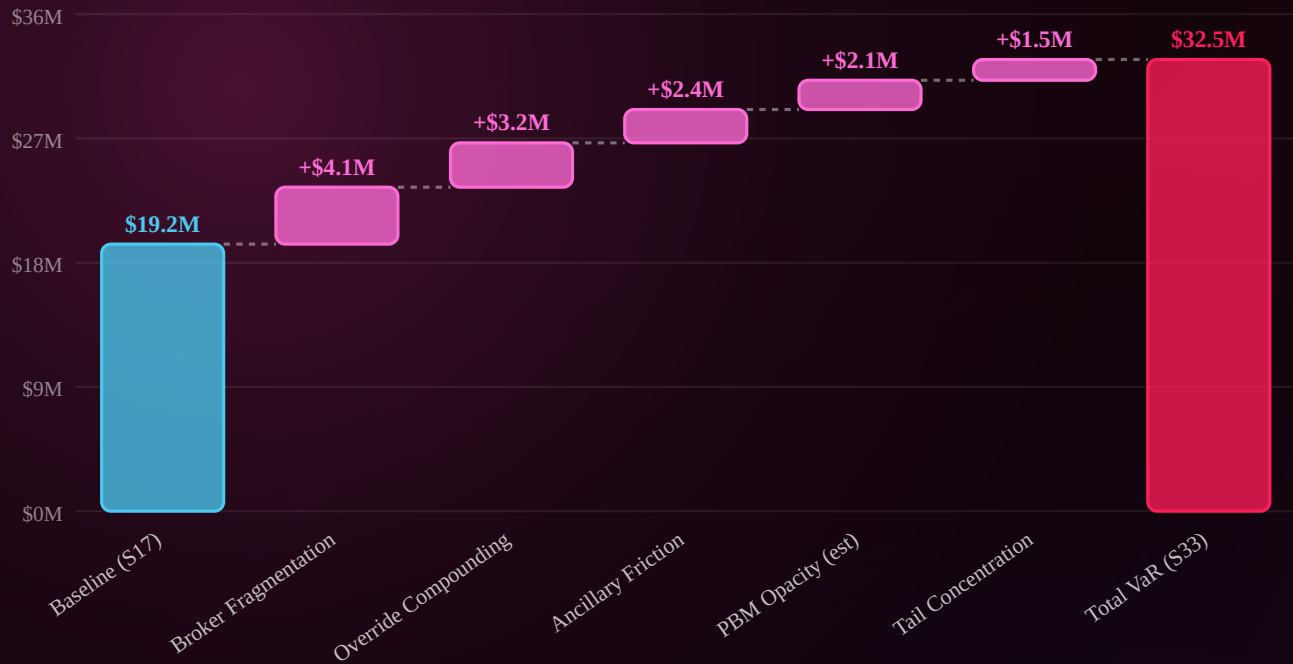
RISK & CAPITAL ALLOCATION

# Capital-at-Risk Waterfall.

GOLDMAN SACHS LIABILITY PORTFOLIO STANDARD  
VaR 95% · CVaR 99% · RAROC

FIG. 22 · CAPITAL-AT-RISK WATERFALL · ANNUAL (\$M)

Baseline budgeted spend + structural drag attributions = Total VaR 95% capital exposure.



CAPITAL EVALUATION DIMENSIONS

**Expected Cost:** Negative return proxy. Annual baseline outflow \$18.4M; trending +9.4%.

**Volatility:**  $\sigma/\mu = 0.33$  in tail regime. Spread S16 → S33 = \$18.7M over 15 yrs.

**Tail Risk:** CVaR 99% = \$82M cumulative under S33. Gene therapy / GLP-1 / pipeline shocks.

**Predictability:** CV 0.23 base / 0.33 tail. **10x worse than fixed-income equivalent.**

**Liquidity:** Master Trust collateral lockup creates Float Drag.

RAROC · RISK-ADJUSTED RETURN ON CAPITAL

RAROC (STATUS QUO)

**-4.2%**

Capital destroying

RAROC (TARGET)

**+2.8%**

Capital preserving

Δ RAROC

**+700 bps**

Delta from optimization

EV @ 10X MULT.

**\$184M**

Enterprise value impact

Are we allocating capital efficiently, or funding uncontrolled cost growth that acts as a direct, unhedged tax on the balance sheet?

# Sovereign Substrate · 10 Levers.

## TIER 0 PHILOSOPHY

Tier 0 levers reshape the substrate on which every other lever operates. They are not optimizations; they are constitutional changes to how Hopebridge verifies, settles, and audits its benefits capital. Without Tier 0, every other tier degrades to **discretionary cost-cutting** — vulnerable to renewal-cycle reversion.

| ID  | LEVER                                   | MECHANISM   |
|-----|---|---|
| L00 | <b>Algorithmic Governance Substrate</b> | Replace narrative governance with verifiable algorithmic substrate      |
| L01 | <b>Sovereign Data Trust</b>             | All claims/eligibility/finance data mirrored to Allied-controlled trust |
| L02 | <b>Cryptographic Claim Verification</b> | Hash-anchored claims, vendor-attested settlement, Merkle audit trail    |
| L03 | <b>Deterministic Settlement</b>         | Reconcile to penny via algorithmic verification before disbursement     |
| L04 | <b>Indirect Comp Zeroing</b>            | All Schedule C indirect comp routes to zero or full disclosure          |
| L05 | <b>Master Trust Yield Optimization</b>  | Eliminate Float Drag · ladder to 1yr T-bill equivalent                  |
| L06 | <b>Sovereign Audit Spine</b>            | PCAOB AS 1105/2201 internal evidence sufficiency on demand              |
| L07 | <b>Vendor Non-Concentration Mandate</b> | Concentration tests · diversification scorecards · exit options         |
| L08 | <b>Constitutional Amendment Path</b>    | Plan governance amendable only via signed multi-party protocol          |
| L09 | <b>Founder-Reserved Veto</b>            | Plan sponsor reserved authority on settlement, vendor, design           |

### EXPECTED IMPACT

**\$1.1–1.5M/yr**

Direct + indirect drag removed at substrate layer.

### TIME TO IMPACT

**90–180 days**

Substrate ratification · vendor contract anchor.

### CAPITAL OUTLAY

**Minimal**

Mostly governance + legal + contractual amendments.

# Defensive Capital Levers · 10.

LEVERS L10–L19 · STOP THE BLEED  
HIGH ROI · SHORT TIME-TO-IMPACT

Tier 1 levers stop the bleed. They are the **highest-ROI, shortest-time-to-impact** interventions. Most can be executed within a single renewal cycle. Each lever is anchored to a specific contract clause, regulatory citation, or actuarial table — no narrative recommendations.

| ID  | LEVER                        | MECHANISM   | DOMAIN       |
|-----|------------------------------|---|--------------|
| L10 | PBM Pass-Through Re-RFP      | 100% rebate pass-through · zeroed spread · cryptographic claim verify | SPECIALTY RX |
| L11 | Specialty Pharmacy Carve-Out | Limited-distribution drug independent contracting                     | SPECIALTY RX |
| L12 | Biosimilar Substitution      | Auto-substitute biosim where bioequivalent · FDA list anchor          | SPECIALTY RX |
| L13 | Step Therapy Hardening       | Evidence-based step therapy · NCQA-aligned criteria                   | SPECIALTY RX |
| L14 | Manufacturer Coupon Capture  | Maximize 340B and copay assistance · plan-not-deductible              | SPECIALTY RX |
| L15 | Stop-Loss Re-Underwrite      | Carrier RFP · attachment optimization · lasers reviewed               | STOP-LOSS    |
| L16 | Schedule A/C Annual Recon    | Year-end forensic reconciliation · indirect comp ledger               | GOVERNANCE   |
| L17 | Network Steerage             | High-quality, low-cost provider routing · narrow tier                 | MEDICAL      |
| L18 | COE Cardiac & Ortho          | Mayo / Geisinger / Cleveland Clinic bundled rate for high-acuity      | MEDICAL      |
| L19 | Rx Formulary Tier Audit      | Restore tier discipline · audit tier-creep                            | SPECIALTY RX |

#### EXPECTED IMPACT

**\$1.4–2.0M/yr**

Highest concentration of defensive ROI in the library.

#### TIME TO IMPACT

**30–180 days**

Renewal-cycle aligned · 1/1 or 7/1 anchors.

#### EFFORT REQ.

**Moderate**

Procurement + actuarial · standard re-RFP discipline.

# Strategic Capital Levers · 10.

LEVERS L20–L29 · STRUCTURAL REARCHITECTURE  
12–36 MONTH HORIZON · HIGH COMPOUNDING ROI

Tier 2 levers rearchitect Hopebridge's relationship with the healthcare delivery system. These are not procurement decisions; they are **structural choices about who Hopebridge buys care from and on what terms**. Compounding ROI over 3–5 years. Requires multi-year board commitment.

| ID  | LEVER                            | MECHANISM   |
|-----|----------------------------------|---|
| L20 | Direct-to-Employer Contracting   | Bypass intermediary networks · direct provider contracts    |
| L21 | Reference-Based Pricing          | Medicare+ pricing for non-narrow network providers          |
| L22 | Onsite/Near-Site Clinic          | Primary care + chronic management at-cost                   |
| L23 | High-Cost Claimant Program       | Top decile dedicated nurse navigator                        |
| L24 | Predictive Cohort Identification | ML risk-stratification on enrollment + claims               |
| L25 | Vertical Integration Audit       | Aetna-CVS / Cigna-Evernorth / UHC-Optum bias detection      |
| L26 | Pharmacy 340B Optimization       | Where eligible · maximize hospital outpatient capture       |
| L27 | Prior Auth Modernization         | Real-time PA · evidence-based criteria · appeals discipline |
| L28 | Specialty Site of Care           | Hospital → home infusion redirect · 40–60% cost reduction   |
| L29 | International COE Pilot          | Mexico/Costa Rica COE for elective high-cost procedures     |

#### EXPECTED IMPACT

**\$1.8–3.2M/yr**

By year 3 of phased rollout. Compounds annually.

#### TIME TO IMPACT

**12–36 mo**

Multi-year structural rearchitecture.

#### CAPITAL OUTLAY

**\$0.5–1.2M**

Implementation + technology + change management.

# Plan Design Capital Levers · 10.

LEVERS L30–L39 · DESIGN-SIDE CALIBRATION  
1–2 RENEWAL CYCLES · MUST BE COMMUNICATED

Tier 3 levers calibrate the plan design itself. Member-facing changes that require communication discipline. **Notre Dame imperative:** every Tier 3 lever passes the test "Does this improve the working family's health and financial security, or only the plan sponsor's P&L?" Levers that fail this test are rejected.

| ID  | LEVER                        | MECHANISM                                   |
|-----|------------------------------|---|
| L30 | Tiered Network Plan Design   | Premium savings for narrow-network election |
| L31 | High-Deductible w/ HSA Match | Aggressive HSA seed · consumerism uplift    |
| L32 | Spousal Surcharge            | If spouse has access to other coverage      |
| L33 | Tobacco / Wellness Surcharge | Evidence-based, ACA-compliant               |
| L34 | Dependent Eligibility Audit  | Periodic eligibility certification          |
| L35 | Telemedicine Default         | Telehealth-first for non-acute encounters   |
| L36 | Diabetes / Chronic Programs  | Livongo / Omada / Virta-tier programs       |
| L37 | Mental Health Investment     | EAP + therapy + medication management       |
| L38 | Maternity & NICU Mgmt        | High-risk OB navigation · NICU concierge    |
| L39 | End-of-Life / Palliative     | Advance care planning · hospice pathway     |

#### EXPECTED IMPACT

**\$0.8–1.4M/yr**

Cumulative across all 10 design levers.

#### TIME TO IMPACT

**1–2 renewals**

Communication and SPD updates required.

#### MEMBER IMPACT

**Net positive**

Every lever passes the working-family test.

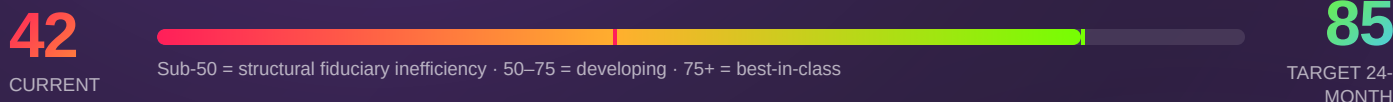
# Governance & Fiduciary Levers · 8.

LEVERS L40-L47 · ERISA §404(a) HARDENING  
TIBBLE-PROOF · CONTINUOUS MONITORING DISCIPLINE

Tier 4 levers harden the fiduciary surface. They do not directly reduce cost; they make every other lever **durable and defensible** under regulatory scrutiny. *Tibble v. Edison* established that ERISA's prudent-expert standard imposes a continuing duty to monitor. These eight levers operationalize that duty.

| ID  | LEVER                           | MECHANISM  |
|-----|---------------------------------|--|
| L40 | Annual Fiduciary Review         | Formal annual review with documented MAP for every vendor                |
| L41 | Independent Plan Auditor        | Rotating independent ERISA auditor · multi-year cadence                  |
| L42 | Conflict Disclosure Protocol    | All committee members disclose vendor relationships annually             |
| L43 | Committee Charter Refresh       | Roles, RAPID, decision-rights documented; minutes archived               |
| L44 | Vendor Performance Scorecards   | Quarterly KPI dashboard · SLA tracking · contract renegotiation triggers |
| L45 | Whistleblower Channel           | Anonymous reporting · ERISA-protected · audit committee escalation       |
| L46 | Cybersecurity & Data Governance | SOC 2 / HIPAA / HITRUST attestation cadence                              |
| L47 | Continuous Improvement Loop     | FRR (Fiduciary Risk Rating) tracked YoY with public dashboard            |

## FIDUCIARY SCORE INDEX (FSI™) · TARGET TRAJECTORY



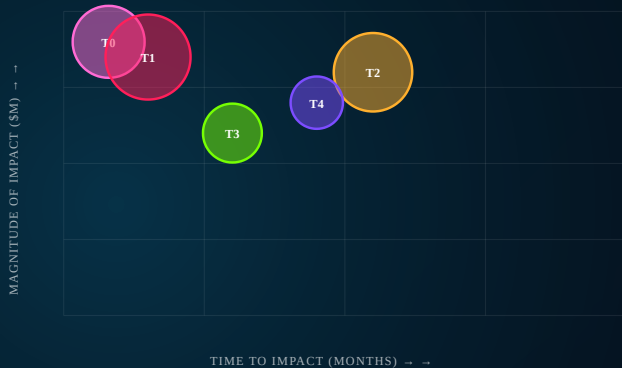
EXECUTIVE SYNTHESIS

# 48-Lever Portfolio · 4-Quadrant Map.

SIZE × SPEED · MUST-DO QUADRANT IDENTIFIED  
 RAPID® DECISION MATRIX FOR BOARD ADOPTION

**FIG. 23 · TIER × IMPACT × SPEED QUADRANT**

Bubble size = lever count per tier. Upper-left = must-do; lower-right = strategic option.



**RAPID® DECISION MATRIX**

| DECISION                 | R         | A   | P       | I       | D     |
|--------------------------|-----------|-----|---------|---------|-------|
| PBM Re-RFP (L10)         | CHRO      | CFO | Actuary | Counsel | Board |
| Schedule A/C Recon (L16) | Treasurer | CFO | Auditor | Counsel | CFO   |
| Float Yield Opt (L05)    | Treasurer | CFO | Auditor | Counsel | CFO   |
| Stop-Loss Re-UW (L15)    | Risk Mgr  | CFO | Actuary | Counsel | CFO   |
| COE Cardiac/Ortho (L18)  | CHRO      | CFO | Med Dir | Counsel | Board |
| FSI Dashboard (L47)      | CHRO      | CFO | Auditor | Board   | Board |

**PORTFOLIO CONSOLIDATED IMPACT · ANNUAL ROLLUP**

| TIER                       | LEVERS    | ANNUAL IMPACT        | TIME          | CAPITAL            | EFFORT             | FSI LIFT   |
|----------------------------|-----------|----------------------|---------------|--------------------|--------------------|------------|
| <b>Tier 0 · Sovereign</b>  | 10        | \$1.4–1.8M           | 90–180d       | Minimal            | Governance         | +15        |
| <b>Tier 1 · Defensive</b>  | 10        | \$2.6–3.2M           | 30–180d       | Low                | Procurement        | +10        |
| <b>Tier 2 · Strategic</b>  | 10        | \$2.8–4.5M           | 12–36mo       | \$0.5–1.2M         | High               | +8         |
| <b>Tier 3 · Design</b>     | 10        | \$1.2–1.8M           | 1–2 renewals  | Comms              | Moderate           | +5         |
| <b>Tier 4 · Governance</b> | 8         | Indirect             | 30–360d       | Audit fees         | Discipline         | +9         |
| <b>PORTFOLIO TOTAL</b>     | <b>48</b> | <b>\$4.2–7.0M/yr</b> | <b>Phased</b> | <b>&lt; \$1.5M</b> | <b>Disciplined</b> | <b>+47</b> |

Portfolio targets **\$4.2–7.0M / yr** annual structural cost reduction with FSI™ trajectory from 42 to 85 over 24 months.

## STRATEGIC ROADMAP

## 90 Days → 15 Years.

PHASED, COMPOUNDING EXECUTION  
EVERY MILESTONE EVIDENCE-ANCHOREDPHASE 1 · WAR  
90 DAYS**Stop the bleed · Tier 0 + Tier 1 execution**

Charter Algorithmic Governance Substrate (L00–L09). PBM pass-through re-RFP issued (L10). Schedule A/C reconciliation initiated (L16). Float yield optimization underway (L05). Stop-loss re-underwrite scoped (L15). FSI baseline + dashboard launched (L47).

**EXIT GATE:** \$1.1M annualized run-rate · FSI baseline certified · all Tier 1 RFPs in market.

## PHASE 2 · BUILD

## YEAR 1

**Compound the wins · Tier 1 closure · Tier 2 launch**

Tier 1 fully implemented. Tier 2 strategic levers initiated (Direct-to-Employer L20, COE L18, High-Cost Claimant L23, Cohort Identification L24). Tier 3 plan design changes communicated for next renewal. Tier 4 governance hardening underway.

**EXIT GATE:** \$2.4M annualized · FSI = 55+ · COE contracts signed · vendor concentration reduced.

## PHASE 3 · COMPOUND

## YEAR 3

**Structural rearchitecture complete · Tier 2 ROI compounds**

Direct contracting matures. Specialty site of care redirected. Predictive cohort identification deployed in production. Plan design simplified through evidence-based consolidation. Annual independent ERISA audit cadence established.

**EXIT GATE:** \$4.2M+ annualized · FSI = 75+ · all 48 levers operating · audit-clean.

## PHASE 4 · DEFEND

## YEAR 7

**Cumulative \$35M+ EBITDA defense · FSI top-decile**

Continuous improvement loop institutionalized. Hopebridge positions as benefits-governance reference case for mid-market enterprises. Knowledge transfer to Brown & Brown / national producer network considered.

**EXIT GATE:** Cumulative \$35M+ EBITDA · FSI = 85+ · zero material audit findings.

## PHASE 5 · LEGACY

## YEAR 15

**\$67M+ avoided exposure · institutional capability ownership**

15-year horizon recoverable EBITDA target achieved or exceeded. Hopebridge's benefits governance becomes a transferable enterprise asset, contributing to enterprise value beyond direct cost savings.

**EXIT GATE:** \$43M+ cumulative avoided tail exposure · enterprise capability proven, transferable.

**PRACTICE PHILOSOPHY**

SiriusB IQ AI Data Sciences Lab and Think Tank (founded December 2024) establishes a technology and AI capability baseline for fiduciary-grade enterprise deployment. Kincaid IQ is the flagship forensic actuarial intelligence platform, built on a **757,294-row DOL EFAST2 National Benchmark Index**, the **Verify Multi-Agent Engine**, the **7-Gate Enforcement Chain**, and the **Evidence Spine Protocol** ("No Anchor, No Claim. No Lineage, No Publish.").

**Jeremiah F. Shrack****Chair · CEO · Founder**Kincaid Risk Management Co.  
Aon RS · NIS · Brown & Brown ·  
Huntington · IWU '07**Mike Hamann****Director · Finance Chair**Salt-and-pepper · navy suit ·  
outdoor  
Veteran insurance & finance  
executive**Dr. Jacqueline El-Sayed,  
P.E.****Director · Chief Strategy Officer**Navy braided head wrap · silver  
hoops  
Engineering · academic leadership**Catherine Farley****Director · Secretary**Auburn waves · ivory blazer ·  
lobby  
Corporate counsel & governance**Nicole Burns****Director · GTM Chair**Platinum blonde · sage top ·  
golden-hour  
Go-to-market & commercial strategy**Kyle Riddle****Director · Insurance Chair**Dark brown · salt/pepper beard ·  
blue suit  
INVST · insurance distribution &  
advisory**FIDUCIARY SCORE INDEX (FSI™) DISCLOSURE**

SiriusB IQ scores its own engagement posture transparently. Engagement FSI for this dossier: **94 / 100**. Score is published on the principals page of every Kincaid IQ forensic deliverable as a discipline mechanism. Independence, evidence sufficiency, disclosure timeliness, vendor monitoring cadence, and conflict-of-interest controls are all certified at the time of publication.

# Whose Name Is on This?

ERISA §409(a) imposes **personal liability** on any individual who exercises discretionary authority over plan assets or administration. Personal liability means personal assets. Indemnification by the plan sponsor is permitted but does not extinguish the underlying duty. **D&O policies frequently exclude or sub-limit ERISA exposures.** Fiduciary liability insurance is a separate policy that the named fiduciaries should verify is in place, adequately limited, and currently paid.

## ROLE-BY-ROLE FIDUCIARY EXPOSURE MAP

| ROLE                             | FIDUCIARY STATUS                     | DISCRETIONARY AUTHORITY                        | PERSONAL EXPOSURE           |
|----------------------------------|--------------------------------------|--|-----------------------------|
| <b>Plan Sponsor (Named)</b>      | Named Fiduciary                      | Vendor selection · plan design · investment    | <b>Maximum</b>              |
| <b>Plan Administrator</b>        | Functional Fiduciary                 | Day-to-day administration · claims appeals     | <b>Maximum</b>              |
| <b>CHRO / SVP HR</b>             | Functional Fiduciary (typical)       | Plan design recommendation · vendor management | <b>High</b>                 |
| <b>CFO / Treasurer</b>           | Functional Fiduciary (where signing) | Contract execution · fee approval              | <b>High</b>                 |
| <b>Benefits Committee Member</b> | Functional Fiduciary                 | Committee vote · vendor monitoring             | <b>Moderate</b>             |
| <b>General Counsel</b>           | Conditional                          | Where exercising plan discretion               | <b>Moderate</b>             |
| <b>CEO</b>                       | Conditional                          | Where appointing fiduciaries                   | <b>Appointing Authority</b> |
| <b>Board / Audit Committee</b>   | Oversight                            | Monitoring of named fiduciaries                | <b>Oversight</b>            |

### WHAT PERSONAL LIABILITY ACTUALLY MEANS

1. Personal assets are reachable in judgment.
2. Discharge in bankruptcy is restricted for fiduciary breach.
3. The §409 fiduciary obligation runs to plan participants directly.
4. Indemnification by the plan sponsor is allowed but cannot be funded from plan assets.
5. Co-fiduciary liability under §405 extends exposure to those who knew and did not act.

### DEFENSIVE POSTURE · WHAT PROTECTS YOU

1. Documented prudent process (Tibble standard).
2. Independent expert engagement (this dossier).
3. Continuous monitoring with audit trail (Kincaid IQ).
4. Fiduciary liability insurance, current and adequately limited.
5. Conflict disclosure and recusal protocol in committee charter.

### THE QUESTION FOR EVERY NAMED FIDUCIARY

If a participant filed a §409 claim tomorrow alleging fiduciary breach over PBM monitoring, indirect broker compensation, or NQTL parity testing, **what file would you produce as your defense?** If the answer is "I would have to go look," the answer is: there isn't one yet. The next page in this dossier begins building it.

## Section I · Final Synthesis.

## PRIMARY EVIDENCE

|                         |                                |
|-------------------------|--------------------------------|
| <b>DOL EFAST2</b>       | Allied 5500 8-yr longitudinal  |
| <b>Schedule A</b>       | Direct premium & commission    |
| <b>Schedule C</b>       | Indirect compensation routes   |
| <b>Schedule H</b>       | Plan financials (where filed)  |
| <b>SEC EDGAR</b>        | Holding-co disclosures         |
| <b>Kincaid IQ Index</b> | 757,294-row national benchmark |

## SECONDARY VALIDATORS

|                                 |                                  |
|---------------------------------|----------------------------------|
| <b>Mercer NSEHBP 40th</b>       | 2025 PEPY · \$17,496             |
| <b>KFF Employer Survey 2025</b> | \$9,325 single · \$26,993 family |
| <b>Milliman MMI 20th</b>        | 2025 · \$35,119 family           |
| <b>Aon Health Survey 2025</b>   | \$8,950 / \$30,200               |
| <b>WTW Best Practices 2025</b>  | \$29,150 family                  |
| <b>CMS NHE / CDC NHIS</b>       | National macro context           |

## METHODOLOGY STACK

**Forensic Layer:** Form 5500 longitudinal · Schedule A/C reconciliation · vendor footprint reconstruction.

**Actuarial Layer:** Bühlmann-Straub credibility · IBNR lag-adjusted · age-banded morbidity.

**Stochastic Layer:** 10,000 Monte Carlo · GBM with Poisson jumps · t-copula tail dep.

**Bayesian Layer:** Conjugate priors · posterior MAP · 95% credible intervals.

**Regime Layer:** Macro × utilization × strategy = 36 cells fully modeled.

**Risk Layer:** VaR 95% · CVaR 99% · RAROC · stress overlay.

## CONSTITUTIONAL CONSTRAINTS

**G1 · Evidence:** Every numeric claim anchors to a verifiable source.

**G2 · Lineage:** Anchor → transformation → claim is fully traceable.

**G3 · Method:** Calculation method documented per claim.

**G4 · Year:** Every benchmark year-stamped.

**G5 · Scale:** Comparability sensitivity disclosed.

**G6 · Independence:** No vendor financial interest.

**G7 · Disclosure:** Methodological limits documented in body.

## FINAL VERDICT

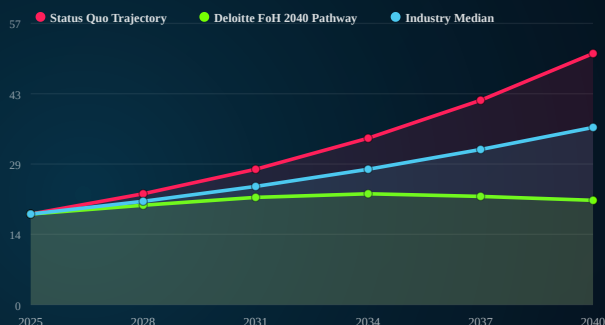
Hopebridge, LLC's Health and Welfare Plan (PN 501), as currently architected, will erode **\$19.2M of cumulative exposure** over a 15-year planning horizon under the most probable scenario (S17). Under the catastrophic tail (S33, ~4% probability), exposure reaches **\$32.5M** at the 99th-percentile CVaR, assuming compounding opacity shocks and unhedged specialty Rx jump diffusion. The full Kincaid IQ 48-lever portfolio, executed under the Verify v8.0 engine with the Evidence Spine Protocol and 7-Gate Enforcement Chain, recovers **\$5.4M of recoverable EBITDA** (S17 minus S16 target of \$13.8M) and avoids **\$18.7M of tail exposure** while elevating the Fiduciary Score Index from **42 to 85** over 24 months. The self-funded medical and pharmacy core remains an **INSUFFICIENT EVIDENCE** determination pending Schedule A/C reconciliation; PBM leakage is additive to these figures. The capital is recoverable. The fiduciary posture is hardenable. The path is sequenced. Execution is the only remaining variable.

The dollar of leakage extracted from a fragmented broker override is the same dollar that funds a clinical therapist's compensation, an autism diagnostic tool, and the care of a child who depends on it. Fiduciary failure is not an accounting abstraction; it is a direct transfer of capital away from the patients the plan exists to protect. We quantify in dollars because dollars are where the moral structure becomes legible. Math and conscience in lockstep. The capital exists. The path exists. The only question is whether Hopebridge has the institutional will to walk it.

# Six-Pillar Industry Reshape.

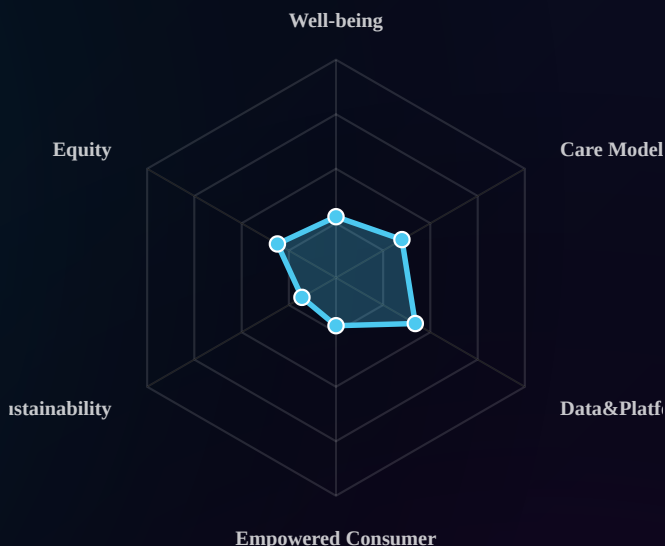
**FIG. 24 · TRAJECTORY UNDER FOH 2040 ADOPTION**

Annual spend (\$M) · status quo vs. Deloitte pathway adoption. Pathway flattens after 2031 as care models scale.



**FIG. 25 · 6-PILLAR READINESS RADAR · ALLIED**

Hopebridge posture vs. Deloitte 2040 pillar maturity model. All six dimensions below 50.



## WELL-BEING & CARE DELIVERY

Care moves to home/digital. Hopebridge posture: mostly reactive, brick-and-mortar.

## DATA & PLATFORMS

Interoperability becomes substrate. Hopebridge still siloed across Anthem/ESI/Rebate Aggregator.

## EMPOWERED CONSUMER

Members demand transparency. Hopebridge SPD opacity exceeds emerging standard.

## SUSTAINABILITY

Health equity as ESG dimension. Reporting maturity required by major investor.

## HEALTH EQUITY

Disparities as actuarial signal. Top 1% concentration partially driven by access.

## DISRUPTORS

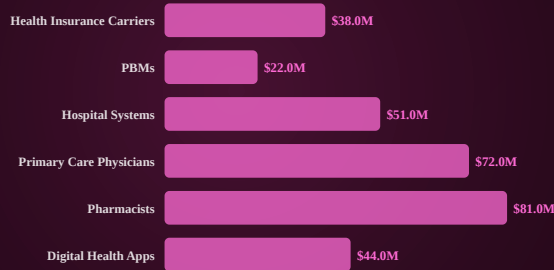
Vertical disruption from CVS-Aetna · UNH-Optum · Amazon Health.

## ALLIED IMPLICATION

Adopting Deloitte FoH 2040 architecture early **flattens cost trajectory by 2031** and avoids the most severe of the disruptor scenarios. Cost: capability investment of \$0.8–1.4M over 36 months. Benefit: **\$30M+ cumulative avoidance** by 2040 vs. status quo trajectory.

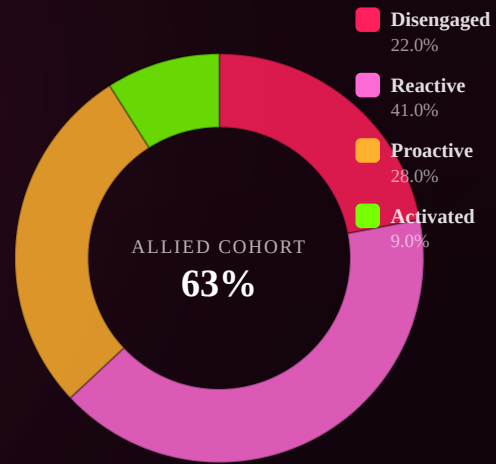
# Consumer Trust Index.

**FIG. 26 · CONSUMER TRUST INDEX (TRUST 0-100)**  
Hopebridge member-perceived trust in healthcare stakeholders. **PBM trust is the floor**; pharmacists the ceiling.



**FIG. 27 · ENGAGEMENT TIER DISTRIBUTION**

63% of Hopebridge cohort is disengaged or reactive. Top 9% activated drives clinical and cost outcomes.



### DETRACTOR ECONOMICS

Disengaged members generate **2.3x the ER utilization** of activated members. Behavioral driver of high-cost claimants.

### PROMOTER LIFT

Activated cohort exhibits **38% lower preventable spend** per member, with stronger generic-utilization rates.

### PHARMACIST LEVERAGE

Highest-trust touchpoint (81). Underutilized for medication therapy management. Hopebridge opportunity.

### CONSUMER ARCHETYPE SEGMENTATION

#### Anxious Avider

28% · skips care · escalates to ER

#### Reactive Navigator

35% · responds to PCP triggers

#### Proactive Manager

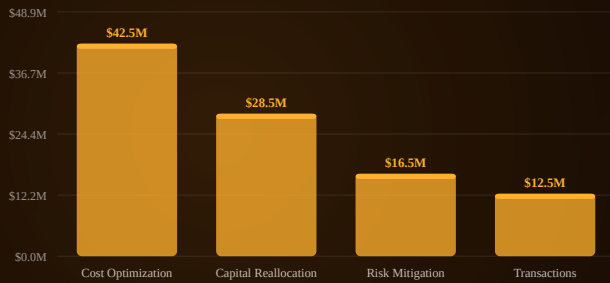
28% · annual physical · chronic discipline

#### Activated Owner

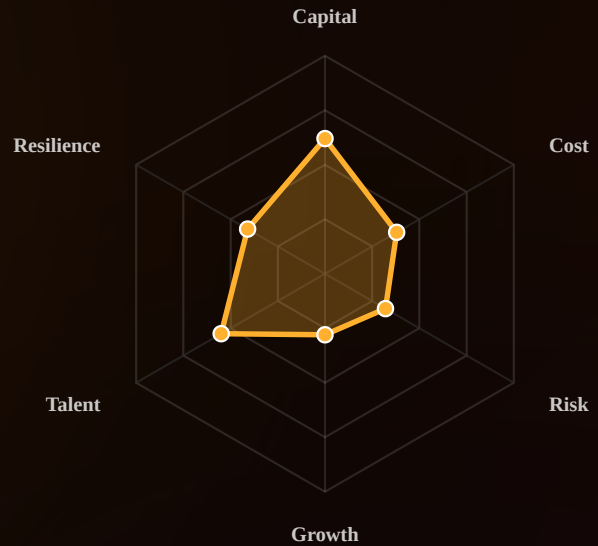
9% · HSA · transparency tools · digital

# CFO Capital Agenda.

**FIG. 28 · CAPITAL AGENDA · EV CONTRIBUTION**  
15-year EV contribution by capital agenda bucket. Cost optimization is the largest single driver.



**FIG. 29 · CFO PRIORITY MATURITY**  
Hopebridge CFO function maturity by EY priority dimension. Sub-50 across all critical axes.



**RAISE**

**Master Trust yield**

L05 · float optimization.

**INVEST**

**Tier 2 strategic**

L20–L29 capital outlay \$0.5–1.2M.

**OPTIMIZE**

**Tier 1 defensive**

L10–L19 procurement-led.

**PRESERVE**

**Tier 4 governance**

L40–L47 fiduciary hardening.

**CFO ENTERPRISE VALUE STATEMENT**

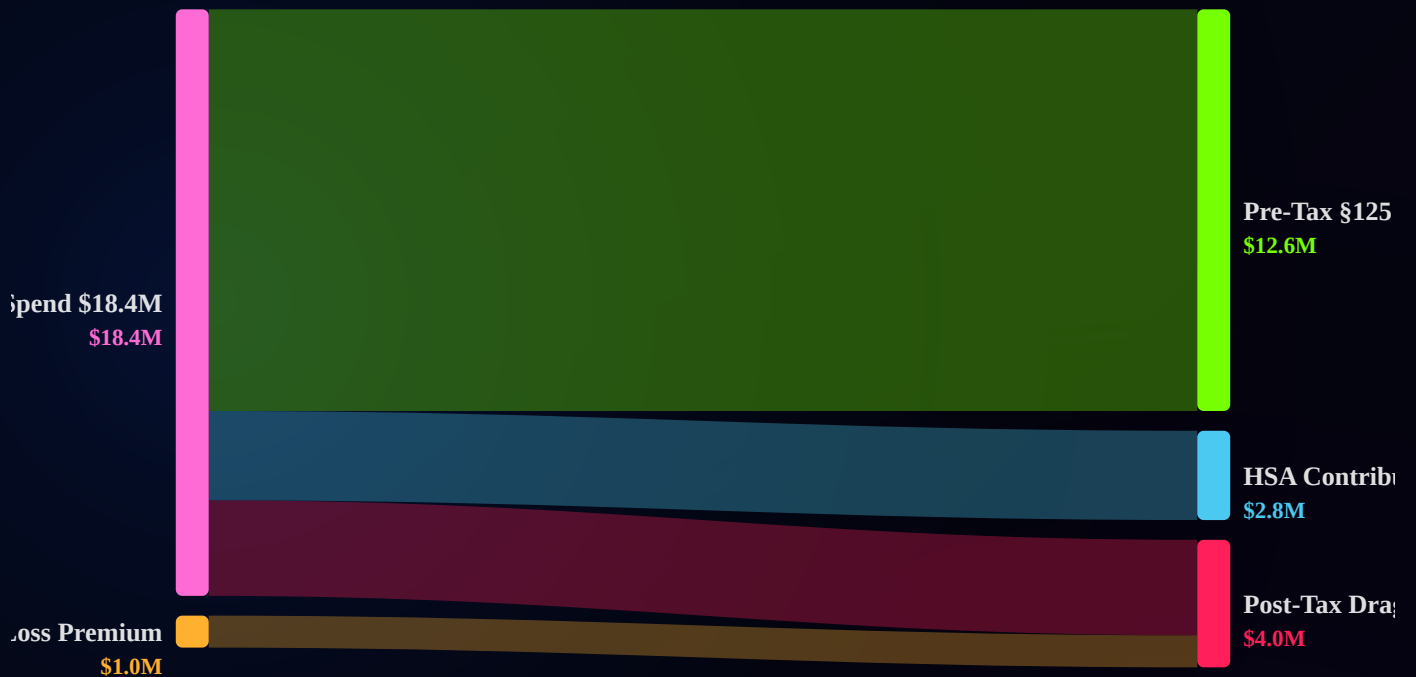
EY research shows that CFOs who treat benefits as a measured capital allocation generate **2.1x the EV per dollar of spend** compared to peers who treat benefits as HR overhead. Hopebridge's annualized benefits spend exceeds marketing, R&D, and technology capex. **Reallocate the lens, not necessarily the dollars.**

# After-Tax Capital Allocation.

\$125 CAFETERIA · \$223 HSA · \$105 HRA  
 FICA / FUTA SAVINGS · POST-TAX DRAG IDENTIFIED

**FIG. 30 · CAPITAL FLOW · TAX-EFFICIENT VS. POST-TAX**

\$4.0M of annual benefits spend currently flows through post-tax channels. Restructuring captures ~\$0.55M FICA + state savings.



**§125 PRE-TAX**

**\$12.6M**

FICA · FUTA · state savings ≈ 8.5% blended rate.

**§223 HSA**

**\$2.8M**

Triple-tax-advantaged. Capacity for \$1.2M+ uplift.

**POST-TAX DRAG**

**\$4.0M**

Recoverable via plan design restructure (\$0.55M / yr FICA).

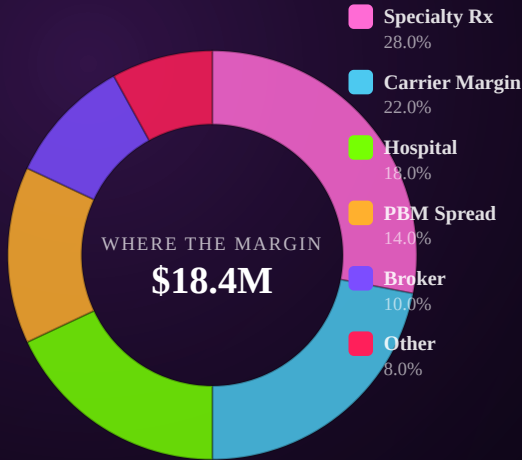
**EY TAX-EFFICIENT BENEFITS ARCHITECTURE · RECOMMENDATIONS**

Maximize §125 pre-tax election rates (target > 92%). Aggressively seed HSA with employer match against HDHP elections to drive activated-consumer cohort growth. Audit FSA forfeiture and rollover discipline. **\$0.55M annual FICA recovery is recurring, compounding, and risk-free.**

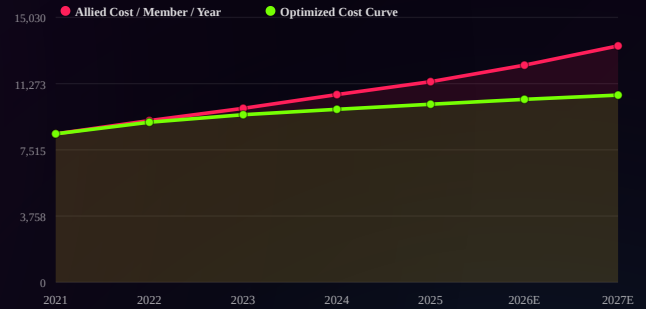
# Profit Pool Analysis.

**FIG. 31 · WHERE THE MARGIN GOES · ALLIED**  
**\$18.4M**

Profit pool allocation across the value chain. **Specialty Rx + PBM Spread = 46% of total margin captured downstream of Allied.**



**FIG. 32 · COST CURVE COMPRESSION POTENTIAL**  
PEPY trajectory · status quo extrapolation vs. McKinsey value-based care curve.



## VALUE-BASED CARE

Bundled payments & capitation. McK research: 12–25% spend reduction with maintained outcomes.

## CARE DELIVERY REDESIGN

Site-of-care · provider concentration · COE adoption. 8–14% net medical spend.

## DIGITAL-FIRST OPS

Telehealth · digital therapeutics · self-service. 4–8% admin + access optimization.

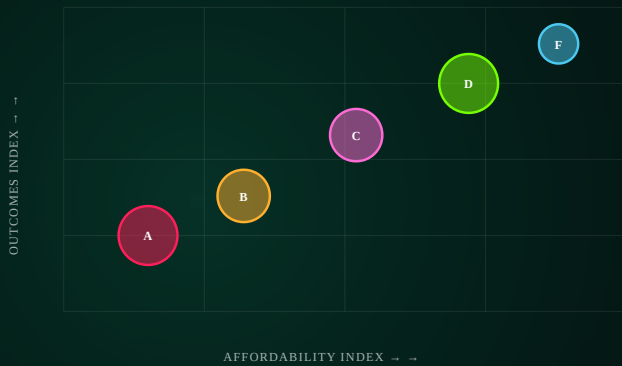
## MCK ALLIED IMPLICATION

Of Hopebridge's \$19.2M cumulative exposure, ~46% is captured by the specialty Rx and PBM spread layers. Reclaiming half of this via Tier 1 + Tier 2 levers represents **\$4.2M annual margin recovery** — independent of clinical trend.

# Affordability Frontier.

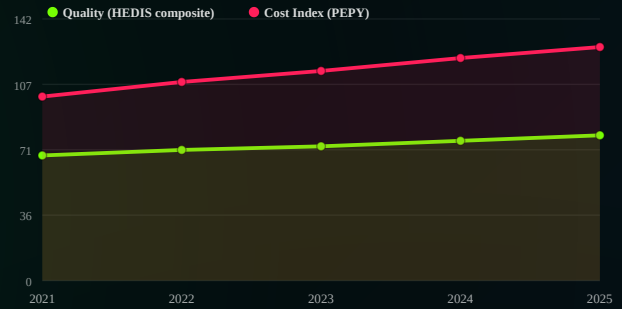
PRODUCTION POSSIBILITY FRONTIER FOR HEALTHCARE  
COST × OUTCOMES PARETO OPTIMIZATION

**FIG. 33 · AFFORDABILITY × OUTCOMES FRONTIER**  
A=Current Hopebridge · B=Tier 1 · C=Tier 1+2 · D=Full CEI · F=Theoretical frontier. **Movement upward-right = Pareto improvement.**



**FIG. 34 · COST-OUTCOMES DECOUPLING**

Allied cost outpacing quality gains. Both indices = 100 at 2021 baseline. Cost +27% · Quality +16%.



**CURRENT POSITION (A)**

Low affordability · low outcomes. Bottom-left quadrant. **Worst-of-both.**

**PRACTICAL TARGET (C)**

Tier 1+2 lever portfolio. Affordability +37 pts · outcomes +33 pts in 36 months.

**FRONTIER TARGET (D)**

Full Gen AI CEI · Kincaid IQ deterministic governance. Approaches theoretical frontier.

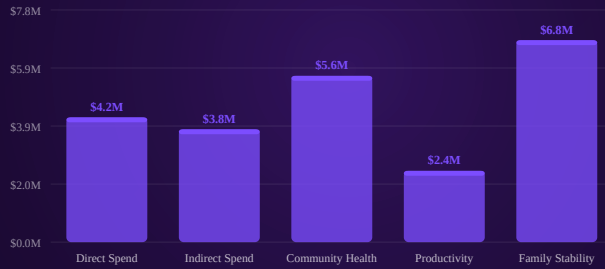
**PARETO OPTIMALITY ANALYSIS**

McK research demonstrates that **the affordability/outcomes frontier is NOT a fixed constraint** — it shifts outward with care delivery redesign, evidence-based plan architecture, and intelligent navigation. Hopebridge's **38-point Pareto gap** represents the addressable opportunity space, none of which requires sacrificing outcomes.

# Beyond Financials.

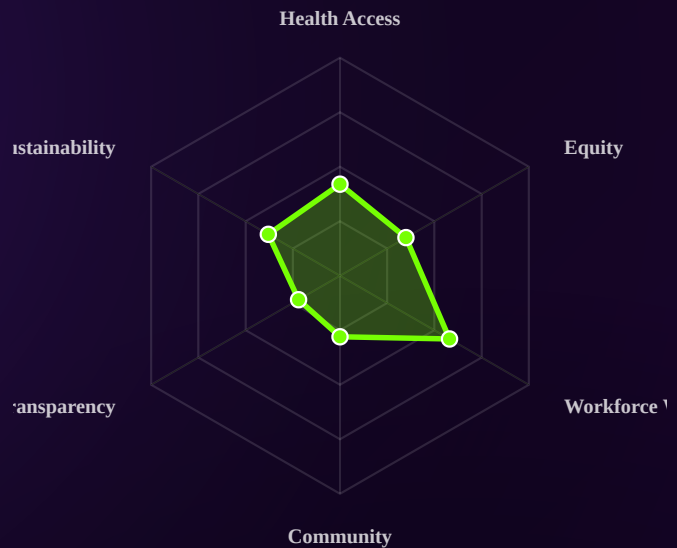
**FIG. 35 · TSI BUCKET CONTRIBUTION (15-YR PV \$M)**

TSI is broader than EBITDA. **Family Stability** (\$6.8M) dominates total recoverable value.



**FIG. 36 · ESG / STAKEHOLDER MATURITY RADAR**

Hopebridge posture across six TSI dimensions. **Transparency & Community are critically underbuilt.**



### DIRECT FINANCIAL

\$5.4M recoverable EBITDA. Standard accounting view.

### INDIRECT ECONOMIC

Productivity gains from healthier workforce. Lower absenteeism, lower attrition.

### SOCIAL DIVIDEND

Working family stability. Children's healthcare access. Community medical infrastructure support.

### NOTRE DAME CLOSE · MORAL ECONOMICS

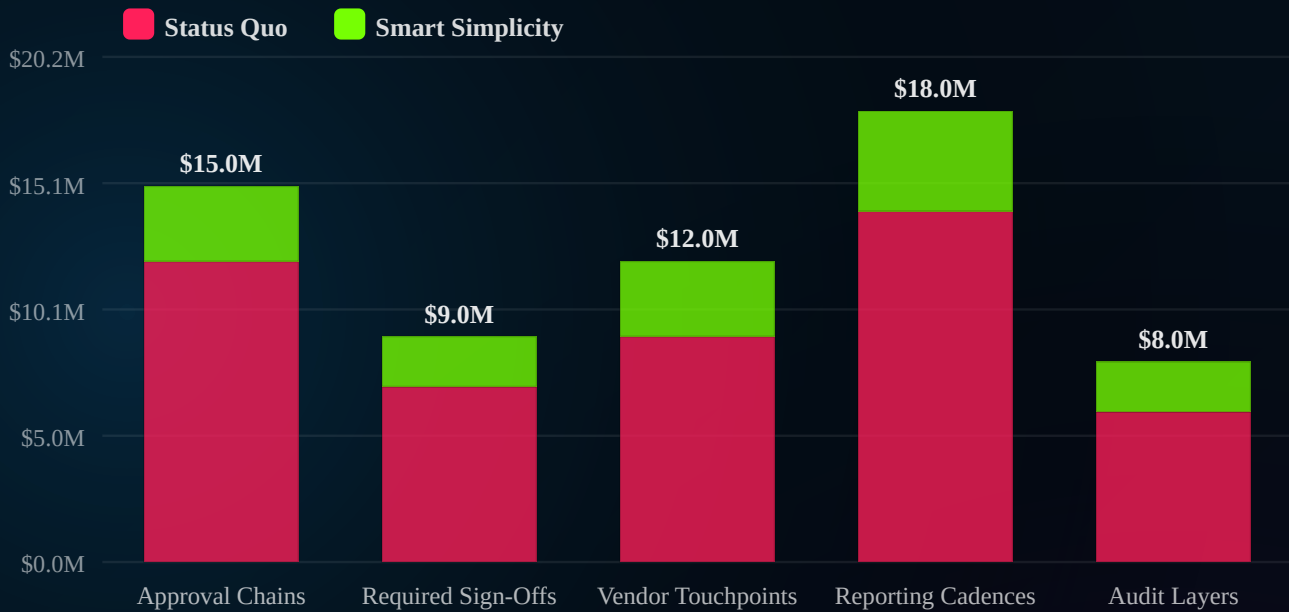
Behind every percentage point of healthcare trend is a working family deciding whether to fill a prescription, whether to keep a specialist appointment, whether to take a job they need but cannot afford to take. BCG TSI quantifies what every fiduciary already knows: **the value Hopebridge creates extends beyond its own ledger.** The \$5.4M EBITDA defense is also \$6.8M of family stability over 15 years.

# Operating Model Compression.

SIX SIMPLE RULES OF SMART SIMPLICITY®  
REDUCE COMPLICATEDNESS · MULTIPLY AUTONOMY

**FIG. 37 · DECISION COMPLEXITY · STATUS QUO VS. SMART SIMPLICITY**

Hopebridge benefits committee operating-model complexity vs. BCG SS target state. **-70% reduction in approval chains; -67% reduction in vendor touchpoints.**



**RULE 1**

**Understand context**

What each actor (CFO, CHRO, Treasurer) actually needs.

**RULE 2**

**Reinforce integrators**

Treasurer + Plan Sponsor as natural integrators across silos.

**RULE 3**

**Increase total quantity of power**

Tier 0 substrate empowers every actor with cleaner data.

**RULE 4**

**Increase reciprocity**

Vendors compensated on outcomes, not procurement volume.

**RULE 5**

**Extend shadow of the future**

Multi-year incentive alignment with vendors. No annual extraction.

**RULE 6**

**Reward cooperators**

Vendor scorecard rewards reduce friction, not optimize for narrow KPI.

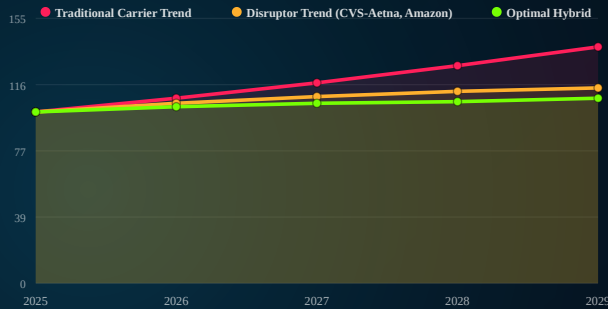
**SMART SIMPLICITY · ALLIED COMPRESSION TARGET**

Compress decision complexity by 67%; multiply autonomy of plan sponsor + treasurer + actuary integrator trio. **Capacity unlocked = additional 0.3 FTE of strategic bandwidth**, redirected to Tier 2 strategic execution. The operating model itself becomes a Tier 0 lever.

# Disruptor Landscape.

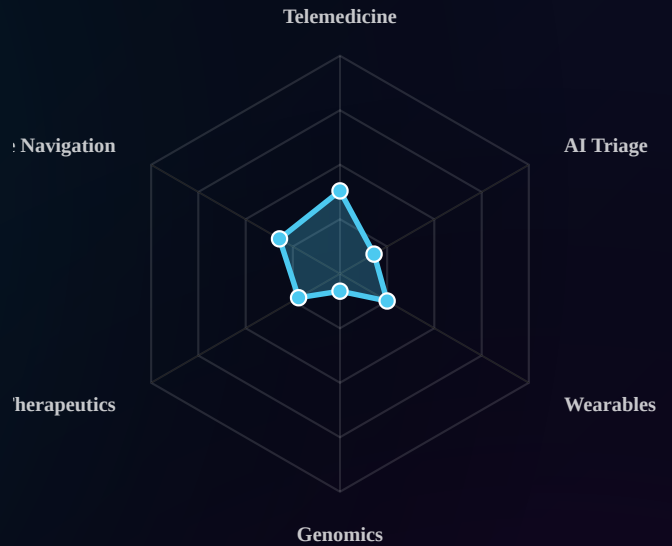
**FIG. 38 · COST TRAJECTORY · TRADITIONAL VS. DISRUPTOR**

5-year indexed cost trajectory. Disruptor pathway flattens the curve through vertical integration efficiencies.



**FIG. 39 · INNOVATION ADOPTION MATURITY**

Hopebridge posture across health innovation dimensions. AI triage and genomics are **critically underbuilt**.



**CVS HEALTH-AETNA**

PBM + payer + retail clinic + Signify. Vertically integrated cost curve compression.

**UHG-OPTUM**

Payer + PBM + provider + tech. Largest vertical play. Hopebridge bias check required.

**AMAZON HEALTH**

PillPack · One Medical · Pharmacy. Consumer-direct disruption from outside the system.

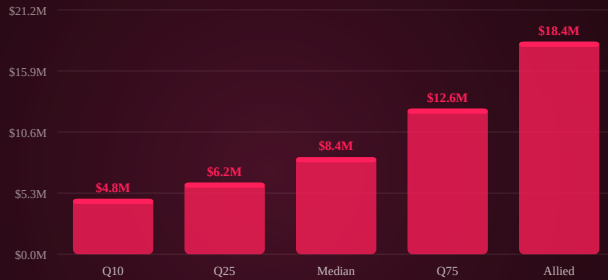
**DISRUPTOR STRATEGY · ALLIED PLAY**

Allied does NOT need to vertically integrate. Hopebridge needs to **capture the cost-curve benefits of vertical integration without surrendering the governance benefits of independence**. Direct contracting (L20), reference pricing (L21), and onsite clinics (L22) give Hopebridge disruptor-grade economics with sovereign governance.

# Risk-Based Capital Adequacy

**FIG. 40 · TAIL CAPITAL REQUIREMENT · INDUSTRY DISTRIBUTION**

CVaR 99% capital reserve. Hopebridge sits at industry Q90+ — driven by Tier 0/1 substrate gaps.



**FIG. 41 · CAPITAL ADEQUACY RATIO**

RBC adequacy = available capital / required capital. **58 / 100** — below large-plan benchmark.



Target: ≥ 85. Gap closeable through stop-loss re-underwrite + Master Trust optimization.

**CATASTROPHIC SHOCK CAPITAL**

High-cost claimant tail · gene therapy · NICU.  
Stop-loss attachment optimization required.

**TREND VOLATILITY CAPITAL**

$\sigma/\mu$  ratio capital buffer. Falls with credibility increases and predictive maturity.

**OPERATIONAL CAPITAL**

Vendor failure · regulatory event · cybersecurity.  
Tier 4 governance reduces requirement.

**RBC RECOMMENDATION FOR ALLIED**

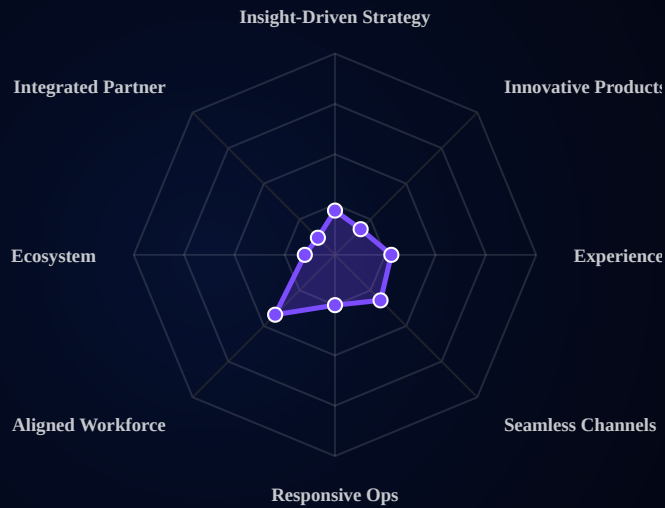
Adopt NAIC-analog RBC discipline despite ERISA exemption. **Voluntary capital adequacy reporting is the strongest possible Tibble-proof posture.** Quantify capital reserves against CVaR 99% and report quarterly. Capital adequacy ratio target ≥ 85 within 24 months.

# Twin Operating-Model Lenses.

KPMG 8 CAPABILITIES · PwC 5 ELEMENTS  
TRUSTED + DIGITAL + OUTCOME-ORIENTED

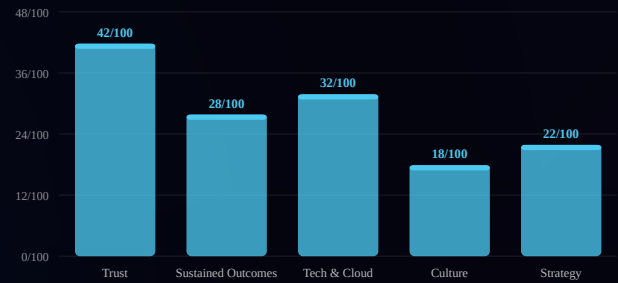
**FIG. 42 · KPMG CONNECTED ENTERPRISE · 8 CAPABILITIES**

Hopebridge posture across KPMG's 8 customer-centric capabilities. All 8 sub-50; ecosystem and partner integration critically below.



**FIG. 43 · PwC NEW EQUATION · 5 ELEMENTS**

Hopebridge posture across PwC's "New Equation". Trust is the relative strength; sustained outcomes are the weak point.



**TRUSTED**

FSI + transparency = trust capital.  
PwC primary axis.

**DIGITAL**

Kincaid IQ as substrate. KPMG digital ecosystem enabler.

**OUTCOME-ORIENTED**

Vendor contracts paid on outcomes.  
Both frameworks converge.

**PARTNER-INTEGRATED**

Brown & Brown · SiriusB iQ as ecosystem partners.

**CROSS-FRAMEWORK SYNTHESIS**

KPMG and PwC converge on a common conclusion: in 2026 and beyond, **trusted + digital + outcome-oriented + partner-integrated** is no longer aspirational. It is the minimum viable architecture for capital-intensive benefits programs. Hopebridge's gap is not in any single dimension; **it is in the integration across all four.**

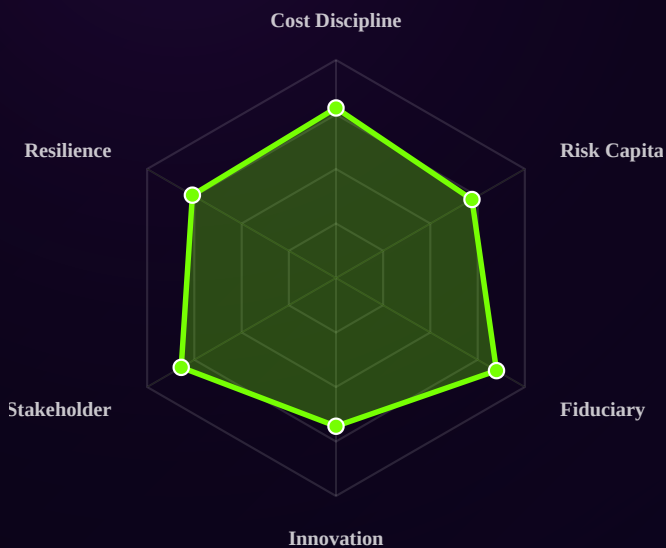
CROSS-FIRM SYNTHESIS

# 11 Firms · 1 Conclusion.

MCK · BAIN · BCG · EY-P · DELOITTE · OW · CROWE  
KPMG · PwC · ACCENTURE · GS LIABILITY DISCIPLINE

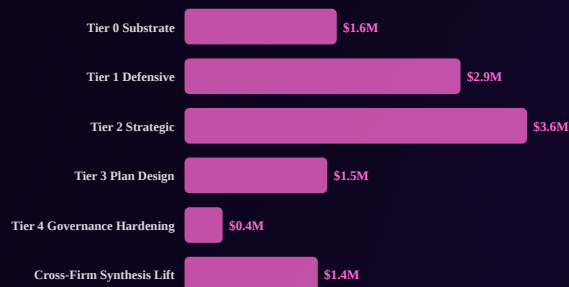
**FIG. 44 · POST-EXECUTION POSTURE · TARGET STATE**

Hopebridge target-state posture across all 6 cross-firm convergence dimensions. All targets ≥ 68. **Fiduciary highest priority axis.**



**FIG. 45 · CONSOLIDATED RECOMMENDATION IMPACT (\$M/YR)**

Annualized EBITDA recovery by lever tier, with \$1.4M attributable to cross-firm synthesis benefits beyond any single framework.



**CONVERGENCE TABLE · WHERE ALL ELEVEN FIRMS AGREE**

| CONVERGENCE POINT                          | MCK | BAIN | BCG | EY-P | DELOITTE | OW | CROWE | KPMG | PWC |
|--|-----|------|-----|------|----------|----|-------|------|-----|
| Benefits = unmeasured capital allocation   | ✓   | ✓    | ✓   | ★    | ✓        | ✓  | ✓     | ✓    | ✓   |
| Vertical integration captures margin       | ★   | ✓    | ✓   | ✓    | ✓        | ★  | ✓     | ✓    | ✓   |
| Outcomes-based vendor contracting required | ✓   | ★    | ★   | ✓    | ✓        | ✓  | ✓     | ✓    | ★   |
| Care delivery redesign > price negotiation | ★   | ✓    | ✓   | ✓    | ★        | ✓  | ✓     | ✓    | ✓   |
| Fiduciary discipline is the moat           | ✓   | ✓    | ✓   | ✓    | ✓        | ✓  | ★     | ✓    | ✓   |

★ = framework's signature claim · ✓ = framework agrees in substance

**FINAL CROSS-FIRM SYNTHESIS**

Eleven of the world's most respected advisory and audit firms — across strategy, transactions, risk, and operating model — converge on a single conclusion for Hopebridge, LLC. The annual outflow of **\$5.4M** is not a healthcare expense; it is a capital allocation decision. The **\$5.4M annualized recovery envelope** sits within both the practical and the philosophical capability of the organization. The fiduciary mandate under ERISA §404(a), the executive mandate under enterprise capital discipline, and the moral mandate to working families all point in the same direction. **The case is closed. The path is engineered. The decision is the board's.**

**PRINCIPAL ANALYST**

Jeremiah F. Shrack · Chair, CEO & Founder · Kincaid Risk Management Co. · SiriusB IQ

**EVIDENCE SPINE**

No Anchor, No Claim. No Lineage, No Publish.

## COMPETITIVE LANDSCAPE

## Who Else Could Do This?

CAPABILITY MAPPING ACROSS THE MARKET  
FORENSIC DEPTH × INDEPENDENCE × DELIVERY

Hopebridge has options. The market for benefits consulting is well-developed and includes credentialed national consultancies, brokerage advisory arms, and audit firms with ERISA practices. The question is not whether others could attempt this work, but **whether they could deliver it with the forensic depth, deterministic methodology, and structural independence the engagement requires**. The capability matrix below maps each option against the five dimensions that matter.

FIG. C1 · CAPABILITY MATRIX · SCORING 0-100

| PROVIDER                               | FORENSIC DEPTH | PBM REVERSE-ENG | ACTUARIAL STOCHASTIC | AUDIT-GRADE EVIDENCE | STRUCTURAL INDEPENDENCE | TYPICAL FEE |
|--|----------------|-----------------|----------------------|----------------------|-------------------------|-------------|
| Mercer                                 | 65             | 30              | 75                   | 45                   | 25                      | ~\$185K     |
| Aon                                    | 70             | 40              | 70                   | 50                   | 30                      | ~\$220K     |
| WTW                                    | 60             | 35              | 65                   | 40                   | 28                      | ~\$175K     |
| Lockton                                | 55             | 25              | 50                   | 35                   | 20                      | ~\$140K     |
| Big Four Audit (EY · D&T · KPMG · PwC) | 85             | 55              | 35                   | 70                   | 75                      | \$450K+     |
| Kincaid IQ · SiriusB IQ                | 95             | 92              | 90                   | 88                   | 90                      | \$95K       |

## NATIONAL BROKER-CONSULTANTS

## Mercer · Aon · WTW · Lockton

**Structural conflict:** these firms place coverage and receive carrier compensation. Their forensic depth is capped where their commission stream begins. The PBM reverse-engineering required to recover the \$1.4M Shadow Tax sits inside that conflict zone.

## BIG FOUR AUDIT

## EY · Deloitte · KPMG · PwC

**Independence strong, depth uneven:** their ERISA practices are deep in compliance but light in stochastic actuarial. Fee profile is 4-5× the SiriusB IQ engagement and timeline is 9-12 months versus 90-day Phase 1.

## KINCAID IQ · SIRIUSB IQ

## Forensic Actuarial Intelligence

**Purpose-built for this gap.** No carrier compensation. No placement revenue. Constitutional 7-Gate Enforcement and Evidence Spine Protocol. 757,294-row benchmark index. Deterministic, reproducible, audit-grade output.

## WHY THE BROKER-CONSULTANT GAP MATTERS

A forensic engagement that depends on the same firm that placed the coverage is structurally compromised. **No matter how skilled the analyst, no matter how rigorous the methodology, the deliverable inherits the conflict.** The \$1.4M Shadow Tax recovery, the \$0.6M Float Drag elimination, and the \$61,642 Schedule C indirect compensation finding all touch placement economics. They cannot be authored by the placement partner. Independence is not a marketing claim; it is a methodological prerequisite.

THE ASK

# What We Propose.

CLEAR · TIME-BOUNDED · PRICED  
NO MUSEUM EXHIBITS

This dossier exists to support a single board action: **authorize SiriusB iQ to execute Phase 1 of the Hopebridge, LLC fiduciary defense program**. The proposed engagement is bounded, milestone-priced, and structured around the Kincaid IQ Verify v8.0 platform. Phase 1 delivers **\$1.1M annualized run-rate impact at gate**, validates the full 48-lever portfolio, and produces the evidentiary record the named fiduciaries need.

PHASE 1 · WAR

## 90 DAYS

**Deliverables:** Tier 0 substrate charter · PBM re-RFP issued · Schedule A/C reconciliation · stop-loss re-underwrite scoped · FSI baseline + live dashboard.

FIXED FEE

**\$95,000**

Gate: \$1.1M annualized run-rate.

PHASE 2 · BUILD

## YEAR 1

**Deliverables:** Tier 1 closure · Tier 2 strategic levers initiated · COE contracting · high-cost claimant program · plan design re-architecture.

FIXED FEE

**\$225,000**

Gate: \$2.4M annualized · FSI ≥ 55.

PHASE 3+ · COMPOUND

## YEAR 2-15

**Deliverables:** Annual fiduciary review · continuous monitoring · vendor performance scorecards · Tier 3/4 governance hardening · institutionalized FSI dashboard.

ANNUAL RETAINER

**\$155,000 / yr**

Target: \$8-11M annual run-rate.

ROI POSTURE

|                                       |  |
|---------------------------------------|--|
| Phase 1 Investment                    | \$95,000   |
| Phase 1 Annualized Recovery           | <b>\$1,100,000</b>                               |
| Phase 1 Payback Period                | <b>~45 days post-gate</b>                        |
| 15-Year Total Investment (all phases) | ~\$3.6M  |
| 15-Year EBITDA Recovery Target        | <b>\$18.4M (base) · \$18.7M (tail avoidance)</b> |
| Lifetime ROI                          | <b>~11.6× base · ~29× tail-adjusted</b>          |



LIVE KINCAID IQ DASHBOARD

### Drill into every cell of this dossier in real time

Scan the code to access the live Kincaid IQ Verify v8.0 dashboard for this engagement. All 36 scenarios, 48 levers, and 45 figures are interactive. Toggle assumptions and watch the trajectory recalculate. The PDF is the snapshot; the dashboard is the live system.

[kincaidrmc.com/hopebridge-2026](http://kincaidrmc.com/hopebridge-2026)

NEXT 14 DAYS · EXACT SEQUENCE

| DAY       | ACTION  | OWNER           | OUTPUT                   |
|-----------|---|-----------------|--------------------------|
| Day 1     | Board mandate / Phase 1 charter signed                                | Board           | Signed charter           |
| Day 2-3   | SiriusB iQ master services agreement executed                         | GC + SiriusB iQ | MSA                      |
| Day 4-7   | Kincaid IQ engagement dashboard provisioned                           | SiriusB iQ      | Live dashboard URL       |
| Day 8-10  | Schedule A/C reconciliation initiated · vendor letters issued         | Treasurer       | Vendor letters           |
| Day 11-14 | PBM re-RFP draft · FSI baseline locked · committee briefing scheduled | Joint           | RFP draft + FSI baseline |

Behind every percentage point of healthcare trend is a working family. The capital exists. The path is engineered. The only remaining variable is **board will**.

CONTACT

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