

COMPLIANCE

ERISA Advisory Council to study cyber risk and benefit plans

It's hoped that the council's efforts will result in additional guidance for plan sponsors and other stakeholders.



by Tom Shaevsky, General Counsel

The Department of Labor's 2022 ERISA Advisory Council has announced it will examine cybersecurity issues affecting health benefit plans as well as the role that cybersecurity insurance plays in addressing

cyber risks for all types of employee benefit plans.

Each year the ERISA Advisory Council typically studies two or three topics related to the administration of ERISA, the Employee Retirement Income Security Act of 1974. Cybersecurity has been a hot issue for some time: The 2016 council studied cybersecurity considerations related to pension and welfare benefit plans; that work expanded on the 2011 council's findings on privacy and security issues affecting employee benefit plans. It's hoped that the 2022 council's efforts will result in additional guidance for plan sponsors and other stakeholders.

Cyber vulnerabilities in health plans

The 2022 council will identify cybersecurity issues and vulnerabilities affecting health plans and encountered by plan sponsors, fiduciaries and service providers, as well as how those issues/vulnerabilities may differ by plan size. The council plans to examine the overlapping

FROM THE CEO

A note of thanks to all union members



For many of us, summer is bookended by two major U.S. holidays, both of which recognize sacrifice and service. On Memorial Day we remember all those who served in the armed forces and paid the ultimate price protecting America. And on Labor Day we honor the organized labor movement and its role in creating the middle class in America, the 40-hour workweek and so much more. I want to extend my personal thanks to every union member — and especially those involved in organizing — for what you have done and continue to do for all Americans. Thank you!

— Ed Wolyniec, CEO

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Tom Shaevsky is general counsel at BeneSys Inc. He has spent nearly 25 years practicing ERISA/employee benefits law.

regulatory regimes for health plans in the cybersecurity context.

The goal of this work is twofold: to assist the Department of Labor in determining whether there is a need for cybersecurity guidance, education or other initiatives related to health information or health plans, and to inform plan sponsors and fiduciaries about resources available to address vulnerabilities.

The ins and outs of cybersecurity insurance

Additionally, the 2022 council will be looking at cybersecurity insurance for defined contribution plans, defined benefit pension plans, group health plans and other welfare benefit plans. It aims to:

- **Gain** an understanding of cybersecurity insurers and the current market for cybersecurity insurance. This scope will include learning about insurers that are writing such insurance coverage, the underwriting standards used, and any required or recommended controls for insureds as a condition of getting coverage.
- **Investigate** the terms of typical cybersecurity insurance policies, including who the “named insureds” are, which risks and losses are covered, exclusions from coverage, the cost of coverage, limits of liability and deductibles, and circumstances that could result in a loss of coverage.
- **Learn** how multiemployer plan trustees view cybersecurity insurance. This inquiry is expected to include exploring the prevalence of benefit-plan coverage; whether coverage is part of the trustees’ fiduciary liability insurance coverage; due diligence activities that responsible plan fiduciaries undertake when selecting insurers, such as the role of insurance company ratings and the implications of state guarantee association protections; the activities undertaken to compare policies and coverage; and issues surrounding the renewal of insurance.
- **Explore** the interplay between a plan’s existing cyber hygiene practices and the availability and cost of cybersecurity insurance coverage. Cyber hygiene refers to the practices organizations undertake regularly to maintain the health and security of users, devices, networks and data.

Inside the ERISA Advisory Council

The primary role of the ERISA Advisory Council is to advise the Secretary of Labor on matters related to welfare and pension benefit plans. With input from the Department of Labor’s Employee Benefits Security Administration, the council selects two or three issues to study each year. The work entails defining the issues, taking testimony from witnesses, and producing reports with findings and recommendations.

Known formally as the Advisory Council on Employee Welfare and Pension Benefit Plans, the ERISA Advisory Council was established through the Employee Retirement Income Security Act of 1974. It comprises 15 members, including three representing employee organizations and three representing employers.

To view a list of current members, as well as the issues under study, links to past reports, and other information, visit the council’s webpage, which is accessible through the About section of EBSA’s website: www.dol.gov/ebsa.

The council will not focus on insurance coverage that service providers might maintain as part of their business with respect to employee benefit plans. Instead, the focus will be on coverage for the plan itself.

The council will not explore reimbursement policies that plans (or plan service providers) might have or offer to Participants to compensate for losses due to cyber incidents or cybertheft.

Recommendations to come

Ultimately, the 2022 ERISA Advisory Council intends to identify best practices and make recommendations to the Labor Department. We look forward to reading the council’s findings and suggestions. •

This article is provided for informational purposes only and does not constitute legal advice. Readers should consult with their own legal counsel before acting on any of the information presented.

BenefitDriven is ‘unstoppable’

You asked, we listened! BeneSys is making waves in the Taft-Hartley space by offering our benefit administration software solution, BenefitDriven, directly to self-administered funds.

“BenefitDriven is an unstoppable solution for funds that are looking for a highly automated, accurate and efficient software solution,” says SaaS Sales Director Kristin Geesey, who joined BeneSys in June. “The acquisition of Beacon SpyGlass in 2021 has uniquely positioned BenefitDriven to be a first-class, end-to-end platform across the multiemployer benefits ecosystem.”

Serving over 220 Taft-Hartley funds across the nation, the cloud-based BenefitDriven solution drives accuracy, reduces training time and administration costs, and provides a comprehensive, fully integrated platform encompassing everything from contributions to claims. BenefitDriven’s suite of services includes:

BenefitDriven is backed by our experienced team of industry professionals who are committed to providing the highest level of service, along with the best technology available, to make our clients’ work more accurate and efficient.

- Contributions, collection and reciprocity.
- Eligibility (COBRA-HIPAA).
- Claims processing using Beacon SpyGlass.
- Health reimbursement accounts.
- Pension defined benefit.
- Pension defined contribution.
- Supplemental unemployment.
- Vacation fund processing.
- Self-service Participant and employer portals.

For more information about the suite of BenefitDriven technology or to schedule a demo, contact Kristin at 843-329-2295 or kristin.geesey@benesys.com. •



SaaS Sales Director
Kristin Geesey

EVENTS

Come visit us at IFEBP’s conference in Las Vegas

BeneSys will be at the International Foundation of Employee Benefit Plans’ 68th annual Employee Benefits Conference in Las Vegas this fall. Stop by Booth 214 and see us! The conference runs Sunday, October 23 through Wednesday, October 26 at Mandalay Bay Resort and Casino.

BenefitDriven will also be exhibiting at IFEBP alongside Beacon Technologies Group. Visit Booth 109 to see a demo of our software solution and learn how we’re making waves in the Taft-Hartley space.

For complete details on the IFEBP conference, go to www.ifebp.org/usannual. Hope to see you in October!

Cybersecurity progress report

BeneSys is on track to meet the Department of Labor cybersecurity guidance for ERISA plan sponsors and fiduciaries by the end of 2023. The guidance, issued in April 2021, comprises a number of best practices. Here’s how we’re doing on four of them:

- **Have a formal, well-documented cybersecurity program.** The BeneSys team is in the process of rewriting a set of 23 IT security policies. This is a large undertaking involving multiple departments, including legal, to ensure the policies are complete and accurate.
- **Conduct prudent annual risk assessments.** Vendor selection is underway for our annual external security penetration test.
- **Conduct periodic cybersecurity awareness training.** Each quarter all BeneSys employees are receiving cybersecurity awareness training and email phishing tests. Anyone who fails the phishing test is given additional training.
- **Have an effective business resiliency program**



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addressing business continuity, disaster recovery and incident response. With help from security firm Secureworks, we recently finished writing an extensive incident response plan, which is undergoing internal and legal approvals.

BeneSys is committed to securely handling plan and Participant information. If you have any questions about our cybersecurity program, please ask your plan manager. •

Integrated to the core: SpyGlass is built to work with legacy systems



Beacon Technologies Group, a leading provider of health claims management solutions, is part of the BeneSys family of companies.

For trust funds using legacy technology systems, any new tools added to the mix require maximum ease of integration — and that’s exactly what Beacon’s SpyGlass health claims management solution offers.

As a software technology vendor, Beacon (part of the BeneSys family of companies) is continually innovating our product offerings. With SpyGlass, we’ve focused on building best-of-breed components designed around integration frameworks that can plug into most legacy tools and systems in the marketplace. This enables clients to embrace new capabilities while integrating with existing applications, all without making wholesale change to legacy platforms.

Such integration capabilities run throughout SpyGlass thanks to its flexible, component-based architecture. Instead of just

moving data around, the software helps to mesh systems that may not have originally been designed to work together. Beacon’s comprehensive set of web services and application programming interfaces offers real-time access to a vast range of SpyGlass tools, providing functionality to and from virtually any other internal system or secure external application.

Efficiency and security

SpyGlass also helps trust funds improve efficiency. For example, by delivering real-time access to a member’s claim history, coverage history and accumulators with just a few clicks, the software can streamline a customer service representative’s day-to-day tasks, saving valuable time. As for selecting what data needs to be brought in or shared, SpyGlass makes it



easy for business users — not just tech-savvy specialists — to make data files conform to third-party specifications.

Another top concern for organizations is secure information sharing, and SpyGlass is designed to support secure application integration.

Maximizing results

With integration at its core, SpyGlass is helping trust funds maximize their capabilities across legacy systems. •

ABOUT BENESYS

BeneSys has been providing Taft-Hartley trust fund administration and IT services since 1979. Our dedicated specialists understand the nuances of Taft-Hartley benefit plans, and our software system, BenefitDriven, is designed to give our clients and their plan Participants the most efficient tools for self-administering trust fund accounts.

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