STATEMENT OF A. DONALD MORGAN

VICE PRESIDENT AND ACTUARY

THE SEGAL COMPANY

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

OF THE

COMMITTEE ON EDUCATION AND THE WORKFORCE

UNITED STATES HOUSE OF REPRESENTATIVES

June 16, 1998

Mr. Chairman, members of the Subcommittee, my name is Don Morgan. I am a Vice President and Actuary with The Segal Company ("Segal").

Segal is an employee-owned company that provides actuarial and consulting services for employee pension and welfare benefit plans and the organizations that sponsor them. We advise a diverse group of clients that includes corporations, multiemployer funds, non-profit organizations, state and local governments, law firms and other professional partnerships. Taken together, the employee benefit plans for which we provide actuarial services benefit millions of working and retired men and women nationwide. As a company, we have more than 50 years of experience and are recognized as industry leaders.

Segal is pleased to count among its clients the International Brotherhood of Teamsters ("IBT") and two of the employee pension plans that it sponsors, the Teamster Affiliates Pension Plan and the IBT Retirement and Family Protection Plan. Since the late 1980s, Segal has performed annual valuations of these IBT Plans' benefit liabilities and provided expense determinations for financial reporting purposes. We have made those

valuations and determinations in accordance with the actuarial standards, practices and procedures, and applicable financial reporting standards, governing all private pension plans of this type.

We understand that the Subcommittee may have questions about the measurement of the IBT Plans' liabilities and about how those measurements have been reported on financial statements and other reports. The IBT, as sponsor of the IBT Plans, has authorized us to answer such questions in this forum. I will gladly answer questions that the Subcommittee may have.