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# **Stop-Loss Insurance Marketing Report**

**ABC Company**



Strategic  
Benefit  
Resources

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# Stop-Loss Market Response Summary

## Stop-Loss Market Response Summary

Stop-Loss Market	Market Response	
AccuRisk Solutions, LLC	Quoted - Contingent	Can Not Provide 120-Day Lock
<b>Anthem Stop Loss</b>	<b>Quoted - Firm</b>	
Berkley Accident and Health	Declined	Uncompetitive Rates
Evolution Risk	Declined	Adverse Large Claims History
HM Insurance Group	Declined	Adverse Large Claims History
Houston International Insurance Group	Declined	Adverse Large Claims History
Optum	Declined	Adverse Large Claims History
PACE Underwriters, LLC	Declined	Uncompetitive Rates
<b>Sun Life Financial</b>	<b>Quoted - Firm</b>	<b>Renewal</b>
<b>Swiss Re</b>	<b>Quoted - Firm</b>	
Symetra	Declined	Uncompetitive Rates
TMS Re, Inc.	Quoted - Contingent	Uncompetitive Rates
Tokio Marine HCC	Quoted - Contingent	Uncompetitive Rates
TRU Services - A Liberty Mutual Company	Declined	Uncompetitive Rates
Vista Underwriting Partners, LLC	Declined	Uncompetitive Rates
Voya Financial	Declined	Adverse Large Claims History



## Stop-Loss Marketing Detail

Stop-Loss Terms	Current	Renewal	Option 1	Option 2
<b>Stop-Loss Market</b>	<b>Sun Life Financial</b>	<b>Sun Life Financial</b>	<b>Swiss Re</b>	<b>Anthem Stop Loss</b>
Stop-Loss Carrier and Financial Rating	Sun Life Assurance Company of Canada : A+	Sun Life Assurance Company of Canada : A+	Westport Insurance Corporation : A	Anthem Life Insurance Company :
ASO/TPA	Meritain Health	Meritain Health	Meritain Health	Meritain Health
Provider Network	Aetna Choice POS II	Aetna Choice POS II	Aetna Choice POS II	Aetna Choice POS II
<b>Individual Stop-Loss (ISL) Terms</b>				
<b>Deductible</b>	<b>\$120,000</b>	<b>\$120,000</b>	<b>\$120,000</b>	<b>\$120,000</b>
Deductible Accumulation	Per Member/Individual	Per Member/Individual	Per Member/Individual	Per Member/Individual
Separate Individual Deductible (Lasers)				
<i>Claimant 1</i>	\$150,000;	\$150,000;	\$200,000	\$200,000
	conditional laser of \$350,000 for transplant	conditional laser of \$350,000 for transplant		
<i>Claimant 2</i>	\$250,000	\$250,000		
<i>Claimant 3</i>			\$250,000	
Separate Aggregating Specific Deductible Maximum	\$30,000	\$30,000	\$30,000	\$30,000
Coverage Limit	Unlimited	Unlimited	Unlimited	Unlimited
Contract Basis	<b>Paid</b>	<b>Paid</b>	24/12	24/12
Coverages Included	Medical;Rx	Medical;Rx	Medical;Rx	Medical;Rx
Terminal Liability Option Provision	No	No	No	No
<b>No New Laser at Renewal with Rate Cap Provision</b>	<b>Yes; 50%</b>	<b>Yes; 50%</b>	<b>Yes; 30%</b>	<b>Yes; 50%</b>
Plan Mirroring Provision	Yes; Approved	Yes; Plan approval required	Yes; Plan approval required	Yes; Plan approval required
Advance Reimbursement Provision	Yes	Yes	Yes	Yes
Experience Refund Provision	No	No	No	No
Retirees Covered	No	No	No	No
<b>Aggregate Stop-Loss (ASL) Terms</b>				
Deductible Corridor	125%	125%	125%	125%
Contract Basis	<b>Paid</b>	<b>Paid</b>	24/12	24/12
Annual Maximum Benefit	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Coverages Included	Medical;Rx	Medical;Rx	Medical;Rx	Medical;Rx
Minimum Annual Attachment Point	\$4,878,562	\$4,513,843	\$3,967,574	\$5,242,899
Run-In / Run-Out Limit	\$0	\$0	\$0	\$0
Terminal Liability Option Provision	No	No	No	No
Monthly Accommodation Provision	Yes	Yes	Yes	Yes
Retirees Covered	No	No	No	No
<b>Status</b>	Current	<b>Quoted - Firm;</b>	<b>Quoted - Firm;</b>	<b>Quoted - Firm;</b>
<b>Commission</b>	2.00%	<b>Expires 9/30/2019</b>	<b>Expires 9/30/2019</b>	<b>Expires 9/30/2019</b>
		5.00%	5.00%	5.00%
<b>Stop-Loss Premium (Fixed Cost)</b>				
	<b>Lives</b>			
Individual Stop-Loss (ISL)				
Employee Only	204	\$122.05	\$162.48	\$138.54
Employee+Spouse	21	\$274.70	\$454.94	\$385.27
Employee+Child(ren)	10	\$274.70	\$454.94	\$385.27
Family	64	\$405.51	\$454.94	\$385.27
Annual Premium Subtotal	299	\$712,398.48	\$916,382.64	\$778,353.72
Aggregate Stop-Loss (ASL)				
Employee Only	204	\$11.22	\$13.19	\$7.73
Employee+Spouse	21	\$11.22	\$13.19	\$7.73
Employee+Child(ren)	10	\$11.22	\$13.19	\$7.73
Family	64	\$11.22	\$13.19	\$7.73
Annual Premium Subtotal	299	\$40,257.36	\$47,325.72	\$27,735.24
Monthly Accommodation Fee	299	\$1.34	\$1.34	\$1.50
Annual Fee Subtotal		\$4,807.92	\$4,807.92	\$5,382.00
<b>Total Annual Premium/Fees</b>		<b>\$757,463.76</b>	<b>\$968,516.28</b>	<b>\$811,470.96</b>
<i>Change from Current (\$)</i>			\$211,052.52	\$54,007.20
<i>Change from Current (%)</i>			27.86%	7.13%
<b>Stop-Loss Aggregate Claim Liability (Variable Cost)</b>				
	<b>Lives</b>			
Aggregate Factors				
Employee Only	204	\$886.11	\$886.11	\$787.42
Employee+Spouse	21	\$1,860.83	\$2,746.94	\$2,176.15
Employee+Child(ren)	10	\$1,860.83	\$2,746.94	\$2,176.15
Family	64	\$2,746.94	\$2,746.94	\$2,176.15
<b>Maximum Claim Liability (Aggregate Attachment Point)</b>	299	<b>\$4,971,075.96</b>	<b>\$5,300,708.88</b>	<b>\$4,408,415.16</b>
<i>Change from Current (\$)</i>			\$329,632.92	-\$562,660.80
<i>Change from Current (%)</i>			6.63%	-11.32%
<b>Expected Claim Liability</b>		<b>\$3,976,860.77</b>	<b>\$4,240,567.10</b>	<b>\$3,526,732.13</b>
<b>Expected Plan Cost</b>		<b>\$4,734,324.53</b>	<b>\$5,209,083.38</b>	<b>\$4,338,203.09</b>
<b>Maximum Plan Cost (Includes Separate Aggregating Specific Deductible)</b>		<b>\$5,758,539.72</b>	<b>\$6,299,225.16</b>	<b>\$5,249,886.12</b>
<i>Change from Current (\$)</i>			\$540,685.44	-\$508,653.60
<i>Change from Current (%)</i>			9.39%	-8.83%

Stop-Loss Terms	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	
<b>Stop-Loss Market</b>	<b>Sun Life Financial</b>	<b>Swiss Re</b>	<b>Anthem Stop Loss</b>	<b>Sun Life Financial</b>	<b>Swiss Re</b>	<b>Anthem Stop Loss</b>	
Stop-Loss Carrier and Financial Rating	Sun Life Assurance Company of Canada : A+	Westport Insurance Corporation : A	Anthem Life Insurance Company :	Sun Life Assurance Company of Canada : A+	Westport Insurance Corporation : A	Anthem Life Insurance Company :	
ASO/TPA	Meritain Health	Meritain Health	Meritain Health	Meritain Health	Meritain Health	Meritain Health	
Provider Network	Aetna Choice POS II	Aetna Choice POS II	Aetna Choice POS II	Aetna Choice POS II	Aetna Choice POS II	Aetna Choice POS II	
<b>Individual Stop-Loss (ISL) Terms</b>							
<b>Deductible</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	
Deductible Accumulation	Per Member/Individual	Per Member/Individual	Per Member/Individual	Per Member/Individual	Per Member/Individual	Per Member/Individual	
Separate Individual Deductible (Lasers)							
<i>Claimant 1</i>	\$150,000; conditional laser of \$350,000 for transplant	\$200,000	\$200,000	\$150,000; conditional laser of \$350,000 for transplant	\$200,000	\$200,000	
<i>Claimant 2</i>	\$250,000			\$250,000			
<i>Claimant 3</i>		\$250,000			\$250,000		
Separate Aggregating Specific Deductible	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	
Maximum Coverage Limit	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Contract Basis	<b>Paid</b>	24/12	24/12	<b>Paid</b>	24/12	24/12	
Coverages Included	Medical;Rx	Medical;Rx	Medical;Rx	Medical;Rx	Medical;Rx	Medical;Rx	
Terminal Liability Option Provision	No	No	No	No	No	No	
<b>No New Laser at Renewal with Rate Cap Provision</b>	<b>Yes; 30%</b>	<b>Yes; 30%</b>	<b>Yes; 50%</b>	<b>Yes; 50%</b>	<b>Yes; 30%</b>	<b>Yes; 50%</b>	
Plan Mirroring Provision	Yes; Plan approval required	Yes; Plan approval required	Yes; Plan approval required	Yes; Plan approval required	Yes; Plan approval required	Yes; Plan approval required	
Advance Reimbursement Provision	Yes	Yes	Yes	Yes	Yes	Yes	
Experience Refund Provision	No	No	No	No	No	No	
Retirees Covered	No	No	No	No	No	No	
<b>Aggregate Stop-Loss (ASL) Terms</b>							
Deductible Corridor	125%	125%	125%	125%	125%	125%	
Contract Basis	<b>Paid</b>	24/12	24/12	<b>Paid</b>	24/12	24/12	
Annual Maximum Benefit	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	
Coverages Included	Medical;Rx	Medical;Rx	Medical;Rx	Medical;Rx	Medical;Rx	Medical;Rx	
Minimum Annual Attachment Point	\$4,687,969	\$4,079,377	\$5,524,552	\$4,776,377	\$4,136,877	\$5,703,345	
Run-In / Run-Out Limit	\$0	\$0	\$0	\$0	\$0	\$0	
Terminal Liability Option Provision	No	No	No	No	No	No	
Monthly Accommodation Provision	Yes	Yes	Yes	Yes	Yes	Yes	
Retirees Covered	No	No	No	No	No	No	
<b>Status</b>	<b>Quoted - Firm; Expires 9/30/2019</b>	<b>Quoted - Firm; Expires 9/30/2019</b>	<b>Quoted - Firm; Expires 9/30/2019</b>	<b>Quoted - Firm; Expires 9/30/2019</b>	<b>Quoted - Firm; Expires 9/30/2019</b>	<b>Quoted - Firm; Expires 9/30/2019</b>	
<b>Commission</b>	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
<b>Stop-Loss Premium (Fixed Cost)</b>	<b>Lives</b>						
Individual Stop-Loss (ISL)							
Employee Only	204	\$129.52	\$110.47	\$108.26	\$114.26	\$101.71	\$95.24
Employee+Spouse	21	\$362.65	\$316.91	\$333.80	\$319.92	\$295.85	\$286.55
Employee+Child(ren)	10	\$362.65	\$316.91	\$333.80	\$319.92	\$295.85	\$286.55
Family	64	\$362.65	\$316.91	\$333.80	\$319.92	\$295.85	\$286.55
Annual Premium Subtotal	299	\$730,485.96	\$631,707.96	\$645,552.48	\$644,417.28	\$586,255.08	\$559,814.52
Aggregate Stop-Loss (ASL)							
Employee Only	204	\$13.19	\$7.89	\$12.33	\$13.19	\$7.98	\$14.01
Employee+Spouse	21	\$13.19	\$7.89	\$12.33	\$13.19	\$7.98	\$14.01
Employee+Child(ren)	10	\$13.19	\$7.89	\$12.33	\$13.19	\$7.98	\$14.01
Family	64	\$13.19	\$7.89	\$12.33	\$13.19	\$7.98	\$14.01
Annual Premium Subtotal	299	\$47,325.72	\$28,309.32	\$44,240.04	\$47,325.72	\$28,632.24	\$50,267.88
Monthly Accommodation Fee	299	\$1.34	\$1.50	\$2.00	\$1.34	\$1.50	\$2.00
Annual Fee Subtotal		\$4,807.92	\$5,382.00	\$7,176.00	\$4,807.92	\$5,382.00	\$7,176.00
<b>Total Annual Premium/Fees</b>		<b>\$782,619.60</b>	<b>\$665,399.28</b>	<b>\$696,968.52</b>	<b>\$696,550.92</b>	<b>\$620,269.32</b>	<b>\$617,258.40</b>
Change from Current (\$)		\$25,155.84	-\$92,064.48	-\$60,495.24	-\$60,912.84	-\$137,194.44	-\$140,205.36
Change from Current (%)		3.32%	-12.15%	-7.99%	-8.04%	-18.11%	-18.51%
<b>Stop-Loss Aggregate Claim Liability (Variable Cost)</b>	<b>Lives</b>						
Aggregate Factors							
Employee Only	204	\$934.64	\$809.61	\$969.60	\$959.28	\$821.03	\$1,000.99
Employee+Spouse	21	\$2,795.47	\$2,237.47	\$2,764.01	\$2,820.11	\$2,268.99	\$2,853.44
Employee+Child(ren)	10	\$2,795.47	\$2,237.47	\$2,764.01	\$2,820.11	\$2,268.99	\$2,853.44
Family	64	\$2,795.47	\$2,237.47	\$2,764.01	\$2,820.11	\$2,268.99	\$2,853.44
<b>Maximum Claim Liability (Aggregate Attachment Point)</b>	299	<b>\$5,474,834.52</b>	<b>\$4,532,641.08</b>	<b>\$5,524,552.20</b>	<b>\$5,563,242.84</b>	<b>\$4,596,530.04</b>	<b>\$5,703,345.12</b>
Change from Current (\$)		\$503,758.56	-\$438,434.88	\$553,476.24	\$592,166.88	-\$374,545.92	\$732,269.16
Change from Current (%)		10.13%	-8.82%	11.13%	11.91%	-7.53%	14.73%
<b>Expected Claim Liability</b>		<b>\$4,379,867.62</b>	<b>\$3,626,112.86</b>	<b>\$4,419,641.76</b>	<b>\$4,450,594.27</b>	<b>\$3,677,224.03</b>	<b>\$4,562,676.10</b>
<b>Expected Plan Cost</b>		<b>\$5,162,487.22</b>	<b>\$4,291,512.14</b>	<b>\$5,116,610.28</b>	<b>\$5,147,145.19</b>	<b>\$4,297,493.35</b>	<b>\$5,179,934.50</b>
<b>Maximum Plan Cost (Includes Separate Aggregating Specific Deductible)</b>		<b>\$6,287,454.12</b>	<b>\$5,228,040.36</b>	<b>\$6,251,520.72</b>	<b>\$6,289,793.76</b>	<b>\$5,246,799.36</b>	<b>\$6,350,603.52</b>
Change from Current (\$)		\$528,914.40	-\$530,499.36	\$492,981.00	\$531,254.04	-\$511,740.36	\$592,063.80
Change from Current (%)		9.18%	-9.21%	8.56%	9.23%	-8.89%	10.28%



# SBR Underwriting Projection



ABC Company - Stop-Loss Insurance - 2020-01-01

Projection Period Begin Date 1/1/2020  
 Projection Period End Date 12/31/2020

	Medical			Rx		
	Current Year	Prior Year 1	Prior Year 2	Current Year	Prior Year 1	Prior Year 2
Experience From Date	1/1/2019	1/1/2018	1/1/2017	1/1/2019	1/1/2018	1/1/2017
Experience To Date	7/31/2019	12/31/2018	12/31/2017	7/31/2019	12/31/2018	12/31/2017
Average Enrollment - Single	203	235	245	203	235	245
Average Enrollment - Family	94	109	114	94	109	114
Paid Claims	\$1,328,010	\$3,517,296	\$2,581,667	\$485,588	\$877,894	\$1,000,911
Add: Pended Claims	\$0			\$0		
Less: ISL Reimbursements	\$162,377	\$1,246,521	\$650,145			
Less: Large/Resolved Claims	\$0			\$0		
Net Paid Claims	\$1,165,633	\$2,270,775	\$1,931,522	\$485,588	\$877,894	\$1,000,911
Historical Plan Changes Adjustment		1.00	1.00		1.00	1.00
Adjusted Net Paid Claims	\$1,174,704	\$1,975,171	\$1,608,945	\$485,588		
Number of Months in Experience	7	12	12	7	12	12
Average Monthly Claims	\$166,519	\$189,231	\$160,960	\$69,370	\$73,158	\$83,409
Enrollment Growth	1.008	0.870	0.833	1.010	0.870	0.830
Annual Trend	7.70%	7.70%	7.70%	11.50%	11.50%	11.50%
Trend Months	15	24	36	15	24	36
Effective Trend Rate	9.40%	15.99%	24.92%	14.09%	24.32%	38.62%
Average Trended Monthly Claims	\$183,587	\$190,922	\$167,497	\$79,760	\$79,112	\$96,312
Annualized Trended Claims	\$2,203,046	\$2,291,058	\$2,009,964	\$957,119	\$949,341	\$1,155,744
Blending (Weight)	60.0%	30.0%	10.0%	60.0%	30.0%	10.0%

**By Line of Coverage**

Expected Claims (Before Plan Changes)	\$2,210,142	\$974,648
Proposed Plan Changes Adjustment	1.00	1.00
Expected Claims (After Plan Changes)	\$2,210,142	\$974,648
Contract Basis Adjustment	1.00	1.00
Aggregate Corridor	125%	125%
Aggregate Attachment Point	\$2,762,677	\$1,218,310
Current Enrollment - Single	204	204
Current Enrollment - Family	95	95
Expected Claims (PEPY)	\$7,392	\$3,260
Aggregate Attachment Point (PEPY)	\$9,240	\$4,075

**Total**

Expected Claims	\$3,184,789
Expected Claims (PEPY)	\$10,651
Aggregate Attachment Point	\$3,980,987
Aggregate Attachment Point (PEPY)	\$13,314



## Stop-Loss Risk Decision Support Analytics

# SL Advisor 3.0 - Stop-Loss Optimization and Decision Support Tool

## Inputs

Client Name	ABC Company	Employee Count	299	Plan Annual Maximum	None
Contract Start Date	1/1/2020	Member Count	459	Projected Plan PEPM (Mature)	\$12,755
Contract End Date	12/31/2020	# of Simulations	10,000	Aggregate Claim Factor	125%

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Options	Contract Basis ISL	Individual Stop-Loss (ISL)						Aggregate Stop-Loss (ASL)			Known Claims		
		Deductible	Quoted Premium (PEPM) Enter Renewal Premiums Only*	Aggregating Deductible	Maximum Reimbursement	Number of Lasers	Sum of Laser Deductibles	Aggregate Attachment Point (PEPM)*	Quoted Premium (PEPM) Enter Renewal Premiums Only*	Maximum Reimbursement	Number of Known Claims	Claim 1 Size	Claim 2 Size
Renewal - Sun Life	24/12	\$120,000	\$255.40	\$30,000	Unlimited	2	\$400,000	\$1,477.34	\$13.19	\$1,000,000	2	\$250,000	\$150,000
Option 1 - SwissRe	24/12	\$120,000	\$216.93	\$30,000	Unlimited	2	\$450,000	\$1,228.66	\$7.73	\$1,000,000	2	\$250,000	\$150,000
Option 2 - Anthem Inc.	24/12	\$120,000	\$231.84	\$30,000	Unlimited	1	\$200,000	\$1,461.23	\$10.07	\$1,000,000	2	\$250,000	\$150,000
Option 3 - Sun Life	24/12	\$150,000	\$203.59	\$30,000	Unlimited	2	\$400,000	\$1,525.87	\$13.19	\$1,000,000	2	\$250,000	\$150,000
Option 4 - SwissRe	24/12	\$150,000	\$176.06	\$30,000	Unlimited	2	\$450,000	\$1,263.28	\$7.89	\$1,000,000	2	\$250,000	\$150,000
Option 5 - Anthem Inc.	24/12	\$150,000	\$179.92	\$30,000	Unlimited	1	\$400,000	\$1,539.73	\$12.33	\$1,000,000	2	\$250,000	\$150,000
Option 6 - Sun Life	24/12	\$175,000	\$179.60	\$30,000	Unlimited	2	\$400,000	\$1,550.51	\$13.19	\$1,000,000	2	\$250,000	\$150,000
Option 7 - SwissRe	24/12	\$175,000	\$163.39	\$30,000	Unlimited	2	\$450,000	\$1,281.08	\$7.98	\$1,000,000	2	\$250,000	\$150,000
Option 8 - Anthem Inc.	24/12	\$175,000	\$156.02	\$30,000	Unlimited	1	\$200,000	\$1,589.56	\$14.01	\$1,000,000	2	\$250,000	\$150,000

\* Actual rates by tier have been converted to composite rates for purposes of the model inputs.

### Methodology

A Monte Carlo simulation model to project 10000 scenarios of paid claims both in aggregate as well as claims above the specific deductible was used. The average of those 10000 trials and the min/max and percentiles are shown above. This methodology allows a plan sponsor to see the variance around the mean in analyzing the various quote options.

The simulation starts with a claim probability distribution that represents annual claims for over 1 million members.

# SL Advisor 3.0

## Individual Stop-Loss (ISL) Analysis

Client Name	ABC Company	Employee Count	299							
Contract Start Date	1/1/2020	Member Count	459							
Contract End Date	12/31/2020	Projected Plan PEPY (Mature)	\$12,755							
Aggregate Claim Factor	125%	Without Stop-Loss								
		Renewal - Sun Life	Option 1 - SwissRe	Option 2 - Anthem Inc.	Option 3 - Sun Life	Option 4 - SwissRe	Option 5 - Anthem Inc.	Option 6 - Sun Life	Option 7 - SwissRe	Option 8 - Anthem Inc.
		\$120,000	\$120,000	\$120,000	\$150,000	\$150,000	\$150,000	\$175,000	\$175,000	\$175,000
		24/12	24/12	24/12	24/12	24/12	24/12	24/12	24/12	24/12

Expected Costs	Average Expected Claims (< ISL Specific) - Simulated	\$4,161,406	\$3,392,482	\$3,442,482	\$3,192,482	\$3,538,620	\$3,588,620	\$3,538,620	\$3,638,761	\$3,688,761	\$3,438,761
	Median Expected Claims (< ISL Specific) - Simulated	\$4,041,092	\$3,380,523	\$3,430,523	\$3,180,523	\$3,521,211	\$3,571,211	\$3,521,211	\$3,616,995	\$3,666,995	\$3,416,995
	ISL Premium	\$0	\$916,375	\$778,345	\$831,842	\$730,481	\$631,703	\$645,553	\$644,405	\$586,243	\$559,800
	ASL Premium	\$0	\$47,326	\$27,735	\$36,131	\$47,326	\$28,309	\$44,240	\$47,326	\$28,632	\$50,268
	Total Expected Costs (Non-Admin)	\$4,041,092	\$4,344,224	\$4,236,603	\$4,048,496	\$4,299,017	\$4,231,223	\$4,211,004	\$4,308,726	\$4,281,871	\$4,027,063
Optimal Solution	Probability of Win	0.00%	0.00%	37.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	62.33%
	Probability of reimbursements > premium*	29%	38%	34%	30%	37%	36%	28%	32%	34%	
	Premium (Savings)/Increase	\$0	(\$138,030)	(\$84,533)	(\$185,894)	(\$284,672)	(\$270,822)	(\$271,970)	(\$330,132)	(\$356,575)	
	Expected Claims Above Current Deductible Level	\$0	\$50,000	(\$200,000)	\$140,688	\$190,688	\$140,688	\$236,472	\$286,472	\$36,472	
Number of Claims Exceeding Specific Deductible	50th Percentile	5.0	5.0	5.0	4.0	4.0	4.0	3.0	3.0	3.0	
	Minimum	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	25th Percentile	4.0	4.0	4.0	3.0	3.0	3.0	2.0	2.0	2.0	
	75th Percentile	7.0	7.0	7.0	6.0	6.0	6.0	4.0	4.0	4.0	
	Maximum in 10000 trials	15.0	15.0	15.0	14.0	14.0	14.0	12.0	12.0	12.0	
Total Dollar Amount of Claims Exceeding Specific Deductible & Aggregating Specific Deductible	50th Percentile	\$616,342	\$616,342	\$616,342	\$462,986	\$462,986	\$462,986	\$357,579	\$357,579	\$357,579	
	Minimum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	25th Percentile	\$335,061	\$335,061	\$335,061	\$213,459	\$213,459	\$213,459	\$121,395	\$121,395	\$121,395	
	75th Percentile	\$1,008,083	\$1,008,083	\$1,008,083	\$824,878	\$824,878	\$824,878	\$702,082	\$702,082	\$702,082	
	Maximum in 10000 trials	\$4,824,987	\$4,824,987	\$4,824,987	\$4,538,689	\$4,538,689	\$4,538,689	\$4,317,237	\$4,317,237	\$4,317,237	

\* Target range is 35-45%.

# SL Advisor 3.0

## Aggregate Stop-Loss (ASL) Analysis

Client Name	ABC Company	Employee Count	299									
Contract Start Date	1/1/2020	Member Count	459									
Contract End Date	12/31/2020	Projected Plan PEPY (Mature)	\$12,755									
Aggregate Claim Factor	125%			Renewal - Sun Life	Option 1 - SwissRe	Option 2 - Anthem Inc.	Option 3 - Sun Life	Option 4 - SwissRe	Option 5 - Anthem Inc.	Option 6 - Sun Life	Option 7 - SwissRe	Option 8 - Anthem Inc.
				\$120,000	\$120,000	\$120,000	\$150,000	\$150,000	\$150,000	\$175,000	\$175,000	\$175,000
Annual Expected Claims (per Underwriter)		\$4,240,557	\$3,526,746	\$4,194,315	\$4,379,857	\$3,626,119	\$4,419,641	\$4,450,584	\$3,677,212	\$4,562,673		
Annual Maximum Liability		\$5,300,696	\$4,408,432	\$5,242,893	\$5,474,822	\$4,532,649	\$5,524,551	\$5,563,230	\$4,596,515	\$5,703,341		
Annual Expected Claims (simulated)		\$3,392,482	\$3,442,482	\$3,192,482	\$3,538,620	\$3,588,620	\$3,538,620	\$3,638,761	\$3,688,761	\$3,438,761		
Percentiles (x% of the time claims are less than maximum liability)	10%	\$2,888,463	\$2,938,463	\$2,688,463	\$2,977,019	\$3,027,019	\$2,977,019	\$3,033,137	\$3,083,137	\$2,833,137		
	25%	\$3,117,016	\$3,167,016	\$2,917,016	\$3,232,188	\$3,282,188	\$3,232,188	\$3,304,844	\$3,354,844	\$3,104,844		
	50%	\$3,380,523	\$3,430,523	\$3,180,523	\$3,521,211	\$3,571,211	\$3,521,211	\$3,616,995	\$3,666,995	\$3,416,995		
	75%	\$3,648,542	\$3,698,542	\$3,448,542	\$3,822,840	\$3,872,840	\$3,822,840	\$3,945,439	\$3,995,439	\$3,745,439		
	90%	\$3,916,643	\$3,966,643	\$3,716,643	\$4,118,844	\$4,168,844	\$4,118,844	\$4,268,834	\$4,318,834	\$4,068,834		
	100%	\$5,022,941	\$4,408,432	\$4,822,941	\$5,382,941	\$4,532,649	\$5,382,941	\$5,563,230	\$4,725,845	\$5,475,845		
Aggregate Attachment Point (PEPM)		\$1,477.34	\$1,228.66	\$1,461.23	\$1,525.87	\$1,263.28	\$1,539.73	\$1,550.51	\$1,281.08	\$1,589.56		
Probability of an Aggregate Claim		0.00%	1.14%	0.00%	0.00%	2.55%	0.00%	0.03%	3.91%	0.00%		



## Qualifications & Contingencies

## Qualifications & Contingencies

**Sun Life Financial**

The following options and programs are included in your policy:

Stop-Loss Cancer rider - This rider is available to all Sun Life Stop-Loss Specific clients who also have Sun Life Critical Illness and Cancer insurance or a Sun Life Critical Illness Cancer-Only insurance policy in force.

No New Lasers at Renewal option with Renewal Rate Cap of 50% - This option prevents new lasers. The rate cap applies to Specific rates and the Aggregating Specific deductible (if applicable), and it assumes there are no material changes to the underlying plan, the Sun Life Stop-Loss policy, or the covered group.

Mirroring Endorsement - This option is subject to review and approval by Sun Life and may affect the quoted rates. To include this endorsement with your policy, within 90 days of the policy effective date, we need your plan document and an executed Renewal Options signature page.

Advance Funding option

This option enhances the cash flow of your self-funded plan by advancing the stop-loss funds to you or your administrator up front, before you pay the provider.

Rx claims are included and bundled with the administration (no carve-out PBM)

This proposal assumes that your stop-loss insurance will include coverage for prescription drug claims and that the standard large claimant reporting from your medical administrator will include both medical and prescription drug claims. Based on the information provided, your PBM vendor is Rx Benefits.

Programs:

SunElite<sup>SM</sup> medical document review service

SunElite is a medical plan document review service for Sun Life Stop-Loss clients. Your custom SunElite report will analyze the plan's cost-containment, federal law compliance and discretionary authority.

SunExcel<sup>®</sup> transplant program

The SunExcel program includes access to a stop-loss Specific deductible reduction when an approved transplant contract is placed.

SunResources<sup>®</sup> preferred network program

SunResources is our preferred cost-containment vendor program. On a voluntary basis, Sun Life clients gain access to an extensive network of cost-containment vendors that have gone through a rigorous vetting process to ensure quality service and performance. SunResources can help lower costs both before and after a catastrophic claim occurs.

The following are not included in your policy:

Clinical Trials option

Electronic Funds Transfer

Retiree coverage

**With respect to the Covered Person[s] named below, the Specific Benefit Deductible will be the amount shown below rather than the Specific Benefit Deductible shown in Specific policy details and renewal options.**

Producer commissions - Sun Life pays the following commission percent to the Stop-Loss producer: 5.0%.

Specific Stop-Loss renewal acceptance - Acceptance of your Specific Stop-Loss renewal by Sun Life is subject to timely receipt of a signed renewal proposal and contingent upon a review of large claims over \$50,000 with diagnosis/prognosis for the period of January 1, 2019, through September 30, 2019, with accompanying required information. For large claims, the required information includes paid claims, pending claims, and notification of known situations. Upon review of your large claims information, we reserve the right to recalculate quoted rates.

Sun Life will not reimburse for claims expenses incurred outside the Policy Year parameters.

Aggregate Stop-Loss

Features

Monthly Aggregate Accommodation is included.

Terminal Liability option is not included.

Aggregate Stop-Loss renewal acceptance - Renewal acceptance of Aggregate coverage by Sun Life is subject to timely receipt of a signed renewal proposal and contingent upon a review of monthly claims and lives, by line of coverage, for the period of January 1, 2019, through September 30, 2019. Upon review of that information, we reserve the right to recalculate the Aggregate Attachment Point.

The above rates assume that your underlying plan will be brought into compliance with the Mental Health Parity Act and that covered expenses, as defined under the Mental Health Parity Act, will be covered as "any other illness". This renewal proposal also assumes that there are no underlying plan limits that are inconsistent with the guidelines established by the Americans with Disabilities Act.

Affordable Care Act accommodations - This renewal proposal represents Sun Life's efforts to work with you to meet your requirements under the Affordable Care Act (ACA), including, but not limited to, the dependent age provisions of the ACA. According to the rescission provision of the ACA, the self-funded medical plan is responsible for keeping its census data up to date at all times. If the plan inadvertently does not remove a terminated participant, Sun Life may deny any claims from the participant. However, in that situation, the self-funded medical plan is responsible for the claim.

## Qualifications & Contingencies

**Swiss Re** This proposal is subject to the plan document containing a Reasonable and Customary provision, if the plan document does not contain such a provision one will be added to the stop loss policy. This proposal is based on standard policy provisions, limitations and exclusions contained the the issuing carrier's stop loss policy as well as the qualifications and contingencies specified in supplemental correspondence developed by Swiss Re Corporate Solutions

The proposed rates and factors are based upon the data supplied in the request for proposal and does not constitute an offer to bind coverage. Any inaccuracy or misrepresentation in the data or any material change in the plan design or census data supplied can necessitate a recalculation of the rates and factors, or cause a claim to be reevaluated, denied or void coverage retroactive to the effective date of the policy.

Applicant, its agent and/or administrator does not have the authority to bind or modify terms of this stop loss coverage proposal.

Swiss Re Corporate Solutions and Westport Insurance Corporation may pay the selling broker or Third Party Administrator compensation for the promotion and sale of the products and services offered in this proposal. In addition to our standard compensation arrangements, we may make additional cash and/or non-cash payments or reimbursements to selling brokers in recognition of their marketing and distribution activities, persistency levels and volume of business. We encourage brokers and their clients to discuss what commissions may be paid in connection with the purchase of products and services from Westport Insurance Corporation.

Coverage ceases upon termination of the administrator, placement of an insured policy or at the end of the policy period. Specific coverage may be elected by itself. Aggregate must be accompanied by Specific coverage.

This proposal is subject to review and acceptance of the employer's signed plan document (within 60 days of the effective date) confirming that all plan document provisions associated with this proposal have been met. Please review your plan document as reimbursements will be limited to the lesser of the benefit maximum reflected in the plan document or the Maximum Reimbursement amount reflected in this proposal.

This proposal assumes a minimum of 75% participation of all eligible employees as stated in the plan document. Should the 75% minimum participation or the current eligibility differ in any way, verification will be needed and this offer may be re-evaluated.

This proposal assumes that Medicare is primary for retirees age 65 and over. If Medicare is not primary, we reserve the right to reevaluate the terms of this proposal.

Unless otherwise noted within these Qualifications & Contingencies, this proposal is subject to receipt, review and approval of updated claim information to include paid, pending, denied, held and suspended reports. In addition, diagnosis, current and future treatment plan, and prognosis is required for known or expected shock claimants.

This proposal is subject to information on any individual who previously exhausted the employer benefit plan lifetime maximum who will be reinstated because the lifetime maximum cap has been eliminated. Disclosure of information must include any dependent under age 26 being added who was previously deemed not eligible under the employer benefit plan and whose claims could potentially exceed 50% of the specific deductible.

This proposal is subject to information on claims under assessment by an Independent Review Organization (IRO).

Composite rates are illustrative only unless approved by Underwriting

**The renewal Rate Cap is 30.00%. This means that the Specific rates and Aggregating Specific Deductible, if applicable, will not increase by more than 30.00% upon renewal for like terms.**

This proposal is based on the following network(s): Aetna C/P  
Retirees are not covered  
Organ transplant coverage is included

**No New Laser (NNL) feature has been included: No new claimants will be lasered in the second contract year. Claimants with a higher Specific deductible in the first contract year will have the deductible level continued in the second contract year unless there is medical information that allows Swiss Re Corporate Solutions to reduce or eliminate the claimant's deductible. Proposal is based on the current plan design(s) using the above referenced PPO networks.**



## Qualifications & Contingencies

**Anthem Stop** The proposal assumes an Anthem standalone Stop Loss quote. This contract will be issued in Georgia.

**Loss** The TPA is Meritain.

The Medical Network is Aetna .

If this proposal includes an offer of aggregate coverage, the monthly aggregate factor cannot be finalized more than 90 days from the effective date.

If this proposal includes an offer of aggregate coverage, the quote assumes a 125% corridor. Retirees are not covered.

Plan must have medical case management and utilization review. All claims are reported/paid in U.S. dollars.

Proposed rates are payable by the invoice due date.

The proposal is based on the data provided. Any changes to this data may allow us to modify the proposal. This proposal is based on the continuation of the current plan(s) of benefits.

This proposal is based on the continuation of the current enrollment distribution in the current medical plans. No Fully Insured Lives are covered.

This proposal may be adjusted if the number of covered employees or the percentage of family participants change by more than 15%.

We rely on the information provided to determine whether a proposal will be issued. The information provided shall become a part of the application for stop loss coverage. You are obligated to provide accurate information. If material errors or omissions are found after the quote is issued, we reserve the right to revise the quote in any manner or rescind the quote even if you were unaware of the material error or omission. Additionally, we reserve the right to rescind the proposal in its entirety based on our review of all the information submitted during the proposal process.

We will offer access to third-party managed and administered cost containment options that help control the financial risk associated with more intensive health care. These options may include but are not limited to: transplant networks, renal and dialysis management, claim negotiation, high risk pregnancy, premature infants and hemophilia. Cost containment services are managed and administered by independent third-party entities not affiliated with us. We do not warrant, guaranty, or make any representations or warranties whatsoever, express or implied, or assume any liability regarding the use or the results of the use of cost containment services including without limitation any financial results based on the use of the cost containment services or any information or any delay or loss of use of the cost containment services.

Any costs charged by the claim administrator for reports required to substantiate claims will be paid by the employer.

The state health care surcharge paid on claims incurred with certain providers in some states, may be eligible for reimbursement under the excess risk policy subject to terms of the policy provisions to the extent that such surcharges are included in the claims information provided to underwriting. Penalties or fines associated with the health care surcharge or the underlying expenses will not be considered eligible excess risk expenses.

In addition to base commissions, certain writing agents and/or service providers may receive compensation related to factors such as overall sales of our products, the total premium sold through the writing agent/service providers, growth in the number of customers, and the retention of existing customers. Compensation and fees may also be paid to writing agents and/or service providers for administrative services in connection with our products. Please contact us if you would like additional details regarding this compensation and/or fees that may be payable on your account.

The Effective Year Plan Document/SPD needs to be received within 45 days of the proposed effective date.

If this proposal is accepted before 10/20/2019 we will accept the submitted reporting through 8/30/2019. If this proposal is not accepted prior to 10/20/2019 we will require updated reports thru 09/30/2019 and our rates/factors and terms are subject to change.

An Individual Adjusted Deductible is set at \$200,000 for Claimant 2 (DS) ( currently @ \$150,000)

The proposed factors assume the claims experience provided with the RFP includes Medical and Rx.

This proposal assumes Pharmacy is carved out to CVS Health and all pharmacy claims have been received.

Plan Mirroring and Advance Funding may be included once the Plan Document has been received and approved by the Anthem Claim Department.

Renewal Rate Cap Endorsement guarantees your subsequent year's renewal will be capped at 50% and no new individual adjusted deductible will apply.

This proposal is firm thru 10/20/2019 after which time updated claim data through 09/30/2019 will be required and rates/factors and terms are subject to change.