

**Date:** 8/23/2022  
**Case Name:** Midland County  
**Policy Year:** 10/1/2022-9/30/2023  
**Underwriter:** Steele, Christine



**Firm Quote**

**STOP LOSS QUOTE SPECIFICATIONS**

	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>
Number of Employees Covered Under Stop Loss:	788	788	788
Number of Single Covered Under Stop Loss:	425	425	425
Number of Family Covered Under Stop Loss:	363	363	363
Producer Compensation:	5.0%	5.0%	5.0%
Terminal Liability Option:	No Extension (N/A)	No Extension (N/A)	No Extension (N/A)

**INDIVIDUAL STOP LOSS COVERAGE**

	<u>24/12</u>	<u>24/12</u>	<u>24/12</u>
Reimbursement Basis**:	24/12	24/12	24/12
Individual Coinsurance %:	100%	100%	100%
Individual Stop Loss Amount:	\$220,000	\$240,000	\$275,000
Single Individual Premium Rate:	\$55.41	\$50.40	\$43.24
Family Individual Premium Rate:	\$165.12	\$150.19	\$128.85
Composite Individual Premium Rate (PEPM)**:	\$105.95	\$96.37	\$82.68
Annualized Individual Premium:	\$1,001,863	\$911,275	\$781,822
Individual Specific Stop Loss Limits (Laserling):	Refer to caveats	Refer to caveats	Refer to caveats
Individual Lifetime Stop Loss Payment Amount:	Unlimited	Unlimited	Unlimited
Covered Benefits That Apply to Individual Stop Loss:	Medical, Rx	Medical, Rx	Medical, Rx

**AGGREGATE STOP LOSS COVERAGE**

	<u>24/12</u>	<u>24/12</u>	<u>24/12</u>
Reimbursement Basis:	24/12	24/12	24/12
Aggregate Stop Loss Percentage:	125%	125%	125%
Composite Aggregate Premium Rate**	\$4.33	\$4.39	\$4.47
Annualized Aggregate Premium	\$40,944	\$41,512	\$42,268
Single Aggregate Stop Loss Factor:	\$668.63	\$677.76	\$690.83
Family Aggregate Stop Loss Factor:	\$1,992.41	\$2,019.62	\$2,058.58
Composite Aggregate Stop Loss Factor (PEPM): **	\$1,278.44	\$1,295.90	\$1,320.90
Stop Loss Aggregate Limit*:	\$12,088,929	\$12,254,030	\$12,490,430
Aggregate Advanced Funding:	Excluded	Excluded	Excluded
Maximum Annual Aggregate Payment Amount:	\$1,000,000	\$1,000,000	\$1,000,000
Covered Benefits That Apply to Aggregate Stop Loss:	Medical, Rx	Medical, Rx	Medical, Rx

**FINANCIAL SUMMARY**

	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>
Combined Premium (PEPM) Composite Rate: **	\$110.28	\$100.76	\$87.15
Total Stop Loss Premium:	\$1,042,808	\$952,787	\$824,090
Composite Aggregate Factor (PEPM): **	\$1,278.44	\$1,295.90	\$1,320.90
Stop Loss Aggregate Limit*:	\$12,088,929	\$12,254,030	\$12,490,430

\*Minimum Stop Loss Aggregate Limit will be set using the first month enrollment x Composite Aggregate Factor (PEPM) x # of contract Months.  
 \*\* ISL Premium rates are billed on a single/family basis and Aggregate premium and Aggregate Factors are billed/administered on a composite basis.

*Please refer to the Stop Loss Caveat document for detailed quote contingencies and assumptions.*

OPTION 1 SELECTED

Stacey R. Minton  
 Vice President, Sales & Acct Mgmt  
 August 26, 2022



## STOP LOSS CAVEAT INFORMATION

Policy Period: 12 months - 10/01/2022 - 09/30/2023

We are pleased to provide you with our proposal for Stop Loss insurance. The information contained in this proposal is confidential and should not be shared with anyone other than your broker or benefits plan consultant. This proposal reflects certain assumptions and should be used in conjunction with your rate sheet.

- \* Administrative services will be provided by Boon Chapman, Preferred Provider Network must be Aetna Signature Administrators' PPO. Aetna Life Insurance Company will be the sole Stop Loss carrier.
- \* Eligibility will apply to active U.S. employees and their dependents who meet eligibility requirements in accordance with the plan. Eligibility will also apply to COBRA continuees and those who are entitled to extended benefits under the plan following termination. Employees working less than 20 hours per week on a regularly scheduled basis, Seasonal, Board of Directors, Consultants, and Contracted employees will be excluded from stop loss unless Aetna Underwriting specifically agrees to include these participants.
- \* Retirees - This quotation assumes that all retired employees and their dependents, both under and over age 65 will be included under the Stop Loss. All retirees age 65 and older are assumed to have Medicare Primary (Parts A, B and D).
- \* 24/12 policy - Run-in or claims incurred in the 12 months prior to the effective date and paid during the Stop Loss policy period are included under the Stop Loss coverage. The ASL is subject to the dollar limits identified on the rate page.
- \* SIC Code - Your business and/or Standard Industrial Code is 9111.
- \* Stop Loss Situs Requirements - This quote assumes that the customer will be situated in TX and the group meets Aetna's and TX's requirements for that situs.
- \* Plan Design - The plan design is assumed to be consistent with those illustrated in the inforce plan design(s).
- \* HRA / HSA Plan Design - Employer contributions to any HRA or HSA Plan will not accumulate towards Stop Loss.
- \* Pre-Certification - All plans must include pre-certification of services.
- \* Contribution - Employer contribution is no less than 75 percent of employee's cost or 50 percent of the total plan cost.
- \* Participation - Aetna requires no less than 50% of eligible employees to enroll in the plan.
- \* Financial Condition - Employer is a legitimate business and is financially sound.
- \* Common Ownership - There must be common ownership among all participating divisions for this quote to remain valid.
- \* Transplant Network - We have assumed the Aetna Institutes of Excellence (IOE) Transplant Network will be considered preferred for all Aetna Network participants, (Aetna participating facilities are not always in IOE and should not be considered preferred for transplants, unless they are in IOE). Please consider revising the underlying plan language with the Aetna preferred transplant language to appropriately steer participants to IOE facilities and better ensure all of the benefits of IOE usage are realized. Your Client Manager can provide a sample of the preferred transplant/ IOE language. If a Fully Insured transplant benefit is in place, transplant benefits will be excluded from Stop Loss, please provide a copy of the transplant policy for underwriting review and approval.

- \* Minimum Enrollment - Aetna Stop Loss requires a minimum enrollment of 51 employees in order to issue our policy. If this requirement is not met after the Stop Loss policy is issued, the policy will terminate as of the first day of the first month following the month in which the underwriting requirement was not met.
  - \* This proposal is FIRM. Our offer will be valid until Aug 26th. If written acceptance of the proposal is not received by this date we will reserve the right to request updated claim data and adjust our offer accordingly. Please circle/initial accepted option and send back to us as your confirmation.
  - \* This is an illustrative quote and should not be considered as a final competitive bid pursuant to Texas Ins.Code Ann. § 1550.052. This quote remains open for discussion and is subject to change.
  - \* The rate sheet and caveat documents list the expectations and assumptions of our quote. The following is a list of additional factors that may impact our Stop Loss premiums. We reserve the right to change our rates and factors, at any time during the policy year, effective on the date the change occurred, in the following circumstances:
  - \* We assumed the following for purposes of our proposal:  
 Network enrollment assumptions would be as follows:  
 Aetna Signature Administrators PPO (788 lives)  
 Out of Area (0 Lives)  
 The percentage of retirees under /over age 65 and their dependents who are under age 65 would be no more than 20%. Eligible retirees age 65 years and over will be Medicare primary and the the Insured's plan will be secondary. The percentage of COBRA participants would be no more than 5%. Please refer to the rate page for total enrollment and single/family splits. Your plan design remains unchanged. We have assumed a plan participation split of:
  - \* We reserve the right to change our rates or terms if: If a different network or no network is used, we will have to re-rate this proposal based upon the new network. The actual percentage of enrolled retirees under/over age 65 and their dependents who are under age 65 exceeds the assumed percentage. Eligible retirees age 65 and older are not Medicare Primary. The actual COBRA participants exceeds the assumed percentage. The actual Total or Single/Family split changes from the assumed split by 15%. Any plan design changes from the proposed benefits must be approved by Aetna. Note: there must be at least a 20% coinsurance differential between Participating Provider and Non-Participating Provider benefits. The actual plan participation split changes from the assumed split by 15%.
  - \* Census data for all employees eligible for coverage, including: each employee's date of birth, insurance status, dependent coverage, gender, and home zip code. Census should also identify whether each employee is active, COBRA, part-time, union, early retiree, retiree or waiver and the plan/product in which the employee is currently enrolled. Additional information may be required if union members, retirees or part-time workers are eligible.
  - \* We have reviewed claim data through July 2022. Based on this information we are lasering the following individuals: TP (#3347) - \$340,000 Laser.
  - \* Please note all participants excluded from the stop loss policy will remain excluded from the stop loss policy for all subsequent policy renewal years. Should an excluded participant return to the plan, Aetna will reconsider the individual for inclusion under the stop loss policy at the policy ISL deductible or at a higher ISL deductible (laser) once we receive acceptable disclosure information for that individual. For privacy reasons, we have not included names in this document.
- Individual claims above the selected Individual Stop Loss level (Lasers) will not count toward satisfaction of the Aggregate Attachment Point. The claims of an individual who has been excluded from Individual coverage will not accumulate toward the Aggregate Attachment Point.
- Lasered participants will not be eligible for the 20% specific stop loss step down deductible for use of an IOE transplant facility.
- \* We will require a complete, signed plan document (or multiple documents if multiple plans exist) within 90 days of the effective date in order to issue a policy.

- \* Please note: Aetna has in place procedures for handling "protected health information" that are compliant with HIPAA. Disclosure of the requested information is permitted by HIPAA. If you need additional information or require a confidentiality agreement, please contact your account representative.
- \* We reserve the right to amend or withdraw our proposal to reflect the underwriting impact of any additional information we obtain or in the event you are unable to provide us any of the information we need to fully underwrite the risk.