

Stop Loss Insurance Renewal Offer

Voya Employee Benefits

Prepared for:
City of Mesquite

Effective Date
01/01/2025

Policy Number
732451

Excess Risk Insurance is issued by ReliaStar Life Insurance Company, a member of the Voya® family of companies.

Stop Loss Proposal for City of Mesquite

Individual Excess Risk Insurance

Plan Description	Current	Renewal Option 1	Renewal Option 2	
Plan Effective Date	January 1, 2024	January 1, 2025	January 1, 2025	
Coverages	Medical, Rx	Medical, Rx	Medical, Rx	
Individual Deductible	\$ 400,000	\$ 400,000	\$ 425,000	
Policy Year Maximum	Unlimited	Unlimited	Unlimited	
Lifetime Maximum	Unlimited	Unlimited	Unlimited	
Coverage Period	Paid in 12 Months and incurred Jan 01, 2022 or after	Paid in 12 Months and incurred Jan 01, 2022 or after	Paid in 12 Months and incurred Jan 01, 2022 or after	
Benefit Percentage	100%	100%	100%	
Rates Include Commissions of:	None	None	None	
Endorsements				
Renewal Rate Cap	50.00 %	50.00 %	50.00 %	
Individual Advanced Funding	Included	Included	Included	
Plan Mirroring Coordination	Included	Included	Included	
Coverage Description	Enrollment			
Composite	1,264	\$ 65.31	\$ 64.00	\$ 62.56
Cost				
Estimated Monthly Costs		\$ 82,552	\$ 80,896	\$ 79,076
Estimated Annual Costs		\$ 990,622	\$ 970,752	\$ 948,910
% Change from Current			-2.01%	-4.21%
Select Acceptance Choice		<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Individual Excess Risk Insurance

Plan Description	Renewal Option 3	Renewal Option 4	Renewal Option 5	
Plan Effective Date	January 1, 2025	January 1, 2025	January 1, 2025	
Coverages	Medical, Rx	Medical, Rx	Medical, Rx	
Individual Deductible	\$ 450,000	\$ 350,000	\$ 375,000	
Policy Year Maximum	Unlimited	Unlimited	Unlimited	
Lifetime Maximum	Unlimited	Unlimited	Unlimited	
Coverage Period	Paid in 12 Months and incurred Jan 01, 2022 or after	Paid in 12 Months and incurred Jan 01, 2022 or after	Paid in 12 Months and incurred Jan 01, 2022 or after	
Benefit Percentage	100%	100%	100%	
Rates Include Commissions of:	None	None	None	
Endorsements				
Renewal Rate Cap	50.00 %	50.00 %	50.00 %	
Individual Advanced Funding	Included	Included	Included	
Plan Mirroring Coordination	Included	Included	Included	
Coverage Description	Enrollment			
Composite	1,264	\$ 59.56	\$ 78.22	\$ 71.11
Cost				
Estimated Monthly Costs		\$ 75,284	\$ 98,870	\$ 89,883
Estimated Annual Costs		\$ 903,406	\$ 1,186,441	\$ 1,078,596
% Change from Current		-8.80%	19.77%	8.88%
Select Acceptance Choice		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Stop Loss Proposal for City of Mesquite

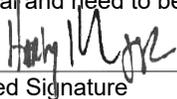
Account Assumptions

Renewal As Of Date	October 4, 2024
Renewal Good Through	October 18, 2024
Situs State	Texas
Claim Administrator	BlueCross BlueShield (TX), Prime Therapeutics LLC - RX
Network	2025-01 BlueCross BlueShield (State)

Additional Contract Specifications:

- No fully insured lives are covered.
- Any FDA approved cell and gene therapies are covered under our Stop Loss policy, provided they are also covered under the group's medical plan and used for the purpose for which they were approved. This includes any new approvals that occur mid-policy year. We also exclude these high-cost claims from the following year's renewal package, helping to lower the impact of this cutting-edge care on self-funded employer costs.
- In addition to base commissions, certain brokers and/or service providers may receive compensation related to factors such as overall sales of Company products, total premium for products sold through the broker/service provider, growth in the number of customers, and retention of existing customers. Compensation and fees may also be paid to brokers and/or service providers for administrative services in connection with Company products. Please contact us if you would like additional detail on compensation and fees payable on your case.
- Plan must have medical case management and utilization review.
- All claims are reported/paid in U.S. dollars.
- Any costs charged by the claim administrator for reports required to substantiate claims will be paid by the employer.
- The proposal is based on the data submitted. Any changes to this data may allow us to modify the proposal.
- We reserve the right to (i) recalculate Monthly Aggregate Factor(s) [if applicable] and Individual Excess Risk Monthly Premium Rates as shown on the Excess Risk Schedule and continue this Policy, or (ii) terminate this Policy in accordance with the Policy Termination provision of this Policy if an increase or decrease in the number of Covered Persons and Covered Dependents that exceeds 15% of the current number covered under the Employee Benefit Plan.
- Premium rates were adjusted via filed and approved underwriting discretion in consideration of the carrier reporting fees assessed by the PBM or TPA, which are directly associated with the claims information we require to administer our Policy.
- Duplication of current plan designs and contribution levels. Any changes may require an adjustment to the individual excess risk rates.
- Coverage is included for eligible retirees up to age 65 only.
- Renewal Rate Cap Endorsement guarantees your subsequent year's renewal will be capped at 50% and no new individual adjusted deductible will apply (laser free renewal).
- Rates are firm through October 18, 2024.

The individual stop loss renewal is based upon the current leveraged trend factors, market conditions, plan designs and current demographic factors. The aggregate renewal is based upon the experience of the group and current trend. Any plan changes may affect this renewal and need to be disclosed prior to the renewal acceptance.



Stealth Partner Group - General Agent

10/17/2024

Authorized Signature

Date

City of Mesquite

01/01/2025

Excess Risk Insurance is underwritten by ReliaStar Life Insurance Company. Policy form RL-SL-POL-2013 (may vary by state).

Exclusions and limitations are described in the policy.

Economic Factors: Manage the Effects of Leveraged Trend (Illustrative)

Medical trend is the anticipated annual increase in the cost of medical claims from year to year. Medical costs generally increase every year through inflation, and there are many additional factors that determine the actual medical trend for a specific health plan.

Components of medical trend include:

Plan Design

Technology

Network

Utilization Patterns

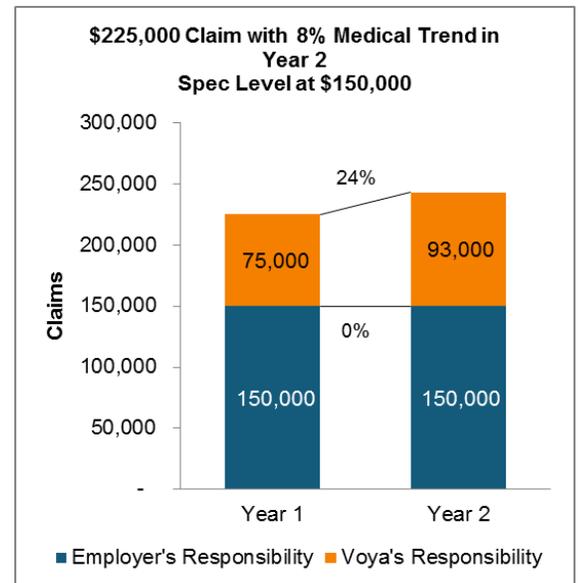
Demographics

Cost Shifting

Medical trend gets leveraged when parties responsible for medical claims do not maintain the same proportional share of the risk from year to year. Put simply, rising medical costs affect stop loss carriers differently than employers. But rather than passing our increasing risk back on to you in the form of large rate increases, we can compensate with small increases in deductibles.

Here's an example. In Year 1, the plan elects a \$150,000 individual stop loss deductible. If there is an individual claim of \$225,000, the first \$150,000 is the employer's responsibility and the remaining \$75,000 is reimbursed by the stop loss carrier.

In Year 2, assuming an 8% increase in medical costs, a claim that would have been \$225,000 in Year 1 now costs \$243,000. If the deductible doesn't change, the first \$150,000 is the employer's responsibility and the remaining \$93,000 reimbursed by the stop loss carrier. So that 8% trend produces a 24% cost increase to the stop loss carrier's claim and 0% increase to the employer.



If the stop loss deductible is left at the same dollar level year after year, the employer's risk actually decreases as a percentage of the overall claim. Conversely, the insurer's risk is increasing -- and, in response, the insurer has to increase rates well beyond medical trend.

In order to eliminate the leveraging effect, the employer should increase its individual deductible by trend each year. This essentially retains the exact same proportion of the risk.

In an effort to mitigate the effects of leveraged trend, your underwriter has included an optional quote during this year's renewal.

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