

Marketing Detail – Florida Blue Renewal Options

Option	Current	Renewal			
Carrier	Florida Blue (HM)	Florida Blue (HM)	Florida Blue (HM)	Florida Blue (HM)	Florida Blue (HM)
Individual Specific Stop Loss Coverage					
Individual Specific Deductible	\$300,000	\$300,000	\$350,000	\$400,000	\$425,000
Aggregating Specific Deductible	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Contract	Paid	Paid	Paid	Paid	Paid
Coverage	Med, RX	Med, RX	Med, RX	Med, RX	Med, RX
# of Lives	1,661	1,661	1,661	1,661	1,661
Run-In Limitation	\$0	\$0	\$0	\$0	\$0
Fixed Cost					
Composite Specific Rate	\$30.14	\$38.88	\$31.35	\$25.61	\$22.99
Annual Interface Fee	\$0	\$0	\$0	\$0	\$0
Annual Specific Cost	\$600,750	\$774,956	\$624,868	\$510,459	\$458,237
Terminal Liability Option (TLO) / Months	No	No	No	No	No
Commission	0%	0%	0%	0%	0%
Administrative Fee (No Rate Impact)	5%	5%	5%	5%	5%
Aggregate Stop Loss Coverage					
Maximum Reimbursement	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Margin	125%	125%	125%	125%	125%
Contract	Paid	Paid	Paid	Paid	Paid
Coverage	Med, RX	Med, RX	Med, RX	Med, RX	Med, RX
Composite Aggregate Rate	\$1.63	\$1.82	\$1.87	\$1.92	\$1.94
Annual Aggregate Premium	\$32,489	\$36,276	\$37,273	\$38,269	\$38,668
Composite Aggregate Factor	\$1,165.75	\$1,334.80	\$1,342.81	\$1,348.15	\$1,350.82
Est. Annual Aggregate Deductible	\$23,235,729	\$26,605,234	\$26,764,889	\$26,871,326	\$26,924,544
Run-In Limitation	\$0	\$0	\$0	\$0	\$0
Laser Liability					
Total Laser Liability	\$0	\$0	\$0	\$0	\$0
Annualized Combined Coverage					
Fixed Cost	\$633,240	\$811,232	\$662,141	\$548,728	\$496,905
Maximum Overall Liability	\$23,968,969	\$27,516,466	\$27,527,030	\$27,520,054	\$27,521,449
Change From Prior Year					
\$ Fixed Cost Change		\$177,993	\$28,901	-\$84,512	-\$136,335
% Fixed Cost Change		28.1%	4.6%	-13.3%	-21.5%
\$ Maximum Overall Liability Change		\$3,547,497	\$3,558,061	\$3,551,085	\$3,552,480
% Maximum Overall Liability Change		14.8%	14.8%	14.8%	14.8%
No New Laser Rate Cap Coverage					
2020 Rate Cap	50%	50%	50%	50%	50%
Max 2 Year Fixed Cost		\$2,028,081	\$1,655,353	\$1,371,820	\$1,242,262
Simulated Average Number of Claims					
Simulated Average Number of Claims		4.3	3.2	2.4	2.1
Simulated Average Reimbursements		\$911,719	\$729,897	\$597,090	\$544,981
Value to Change Current Deductible/Carrier (negative is savings)		\$0	\$32,731	\$52,125	\$52,410
*Due to rounding rates can slightly vary from proposal. Please refer to proposal for carrier rates.					
Commentary/Recommendation: Value to Change Deductible = (Renewal Simulated Reimbursements - Alternate Option Simulated Reimbursements) - (Renewal Fixed Cost - Alternate Option Fixed Cost)					

Marketing Detail – Anthem Options

Option	Current				
Carrier	Florida Blue (HM) Anthem Stop Loss Anthem Stop Loss Anthem Stop Loss Anthem Stop Loss				
Individual Specific Stop Loss Coverage					
Individual Specific Deductible	\$300,000	\$300,000	\$350,000	\$400,000	\$425,000
Aggregating Specific Deductible	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Contract	Paid	24/12	24/12	24/12	24/12
Coverage	Med, RX	Med, RX	Med, RX	Med, RX	Med, RX
# of Lives	1,661	1,661	1,661	1,661	1,661
Run-In Limitation	\$0	\$0	\$0	\$0	\$0
Fixed Cost					
Composite Specific Rate	\$30.14	\$40.16	\$31.86	\$25.73	\$23.23
Annual Interface Fee	\$0	\$0	\$0	\$0	\$0
Annual Specific Cost	\$600,750	\$800,469	\$635,034	\$512,850	\$463,020
Terminal Liability Option (TLO) / Months	No	No	No	No	No
Commission	0%	0%	0%	0%	0%
Administrative Fee (No Rate Impact)	5%	5%	5%	5%	5%
Aggregate Stop Loss Coverage					
Maximum Reimbursement	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Margin	125%	125%	125%	125%	125%
Contract	Paid	24/12	24/12	24/12	24/12
Coverage	Med, RX	Med, RX	Med, RX	Med, RX	Med, RX
Composite Aggregate Rate	\$1.63	\$2.27	\$2.49	\$2.69	\$2.77
Annual Aggregate Premium	\$32,489	\$45,246	\$49,631	\$53,617	\$55,212
Composite Aggregate Factor	\$1,165.75	\$1,415.91	\$1,435.53	\$1,447.11	\$1,450.91
Est. Annual Aggregate Deductible	\$23,235,729	\$28,221,918	\$28,612,984	\$28,843,797	\$28,919,538
Run-In Limitation	\$0	\$0	\$0	\$0	\$0
Laser Liability					
Total Laser Liability	\$0	\$0	\$0	\$0	\$0
Annualized Combined Coverage					
Fixed Cost	\$633,240	\$845,715	\$684,664	\$566,467	\$518,232
Maximum Overall Liability		\$29,167,633	\$29,397,648	\$29,510,264	\$29,537,770
Change From Prior Year					
\$ Fixed Cost Change		\$212,475	\$51,425	-\$66,772	-\$115,008
% Fixed Cost Change		33.6%	8.1%	-10.5%	-18.2%
\$ Maximum Overall Liability Change		\$5,198,664	\$5,428,680	\$5,541,295	\$5,568,801
% Maximum Overall Liability Change		21.7%	22.6%	23.1%	23.2%
No New Laser Rate Cap Coverage					
2020 Rate Cap	50%	50%	50%	50%	50%
Max 2 Year Fixed Cost		\$2,114,287	\$1,711,661	\$1,416,169	\$1,295,580
Simulated Average Number of Claims					
Simulated Average Reimbursements		4.3	3.2	2.4	2.1
Value to Change Current Deductible/Carrier (negative is savings)		\$911,719	\$729,897	\$597,090	\$544,981
		\$34,482	\$55,253	\$69,864	\$73,737
*Due to rounding rates can slightly vary from proposal. Please refer to proposal for carrier rates.					
Commentary/Recommendation: Value to Change Deductible = (Renewal Simulated Reimbursements - Alternate Option Simulated Reimbursements) - (Renewal Fixed Cost - Alternate Option Fixed Cost)					

Monte Carlo (Modeler)

Time period of projection: 10/1/2019 - 9/30/2020
 Number of Employees: 1661
 Number of members (estimated): 3488

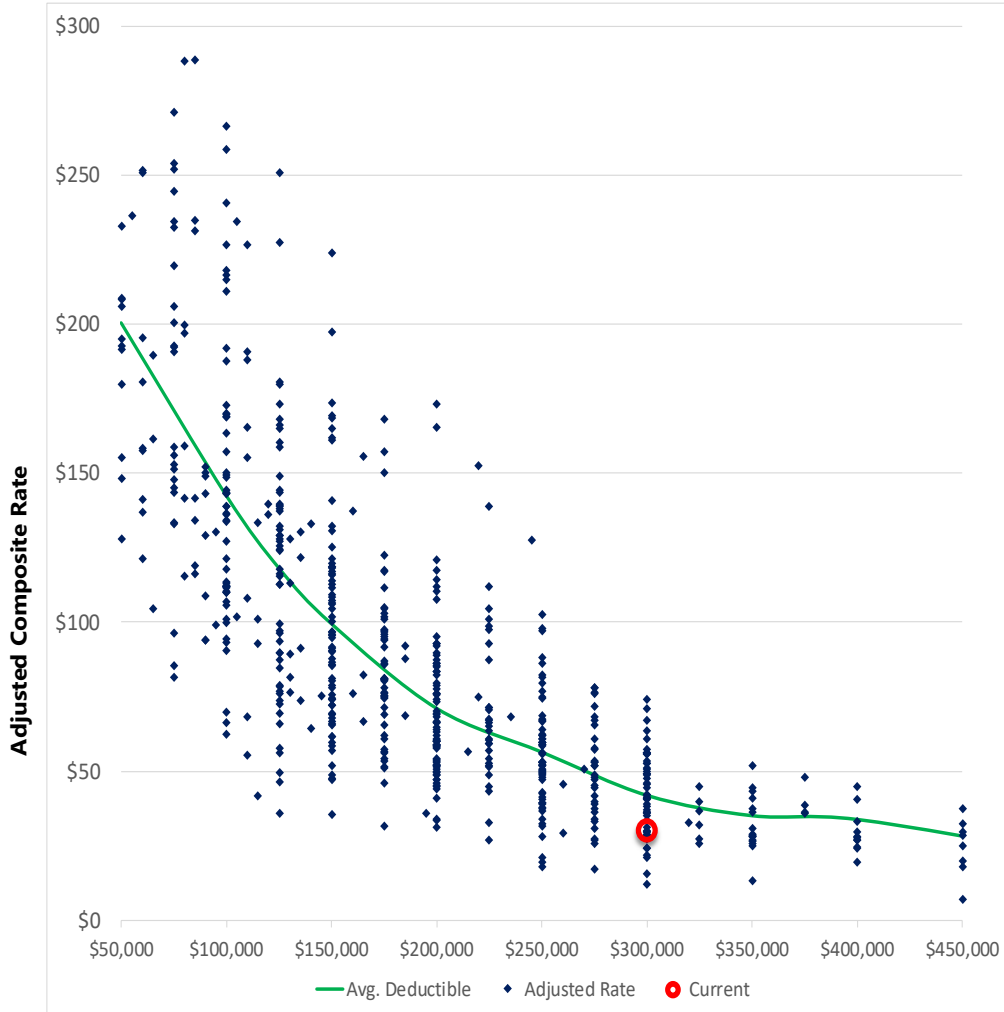
Number of Claims Exceeding Specific Deductible				
Carrier Options	Renewal Florida Blue (HM)	Option 1 Florida Blue (HM)	Option 2 Florida Blue (HM)	Option 3 Florida Blue (HM)
Deductible Level	\$300,000	\$350,000	\$400,000	\$425,000
Average	4.3	3.2	2.4	2.1
Minimum Based on Simulations	0.0	0.0	0.0	0.0
25th Percentile	3.0	2.0	1.0	1.0
75th Percentile	6.0	4.0	3.0	3.0
Maximum Based on Simulations	13.0	11.0	10.0	10.0

Total Dollar Amount of Claims Exceeding Specific Deductible				
Carrier Options	Florida Blue (HM)	Florida Blue (HM)	Florida Blue (HM)	Florida Blue (HM)
Deductible Level	\$300,000	\$350,000	\$400,000	\$425,000
Average	\$911,719	\$729,897	\$597,090	\$544,981
Minimum Based on Simulations	\$0	\$0	\$0	\$0
25th Percentile	\$292,375	\$149,875	\$45,500	\$6,500
75th Percentile	\$1,230,625	\$986,125	\$802,500	\$731,625
Maximum Based on Simulations	\$9,185,500	\$8,859,000	\$8,559,000	\$8,433,500

What is the plan's expected cost under the various options?				
Carrier Options	Florida Blue (HM)	Florida Blue (HM)	Florida Blue (HM)	Florida Blue (HM)
Deductible Level	\$300,000	\$350,000	\$400,000	\$425,000
Total Expected Claims (Paid by Plan after specific and aggregate)	\$21,536,358	\$21,715,190	\$21,847,997	\$21,900,106
Specific Premium	\$774,956	\$624,868	\$510,459	\$458,237
Aggregate Premium	\$36,276	\$37,273	\$38,269	\$38,668
Total Expected Cost (Expected Claims + Stop Loss Premium)	\$22,347,591	\$22,377,331	\$22,396,725	\$22,397,011
% of simulations this option "wins" when all contract options considered	57.2%	0.0%	0.0%	42.8%
% of simulations this option "wins" when compared to the renewal	0.0%	34.2%	39.8%	42.8%

Benchmarking

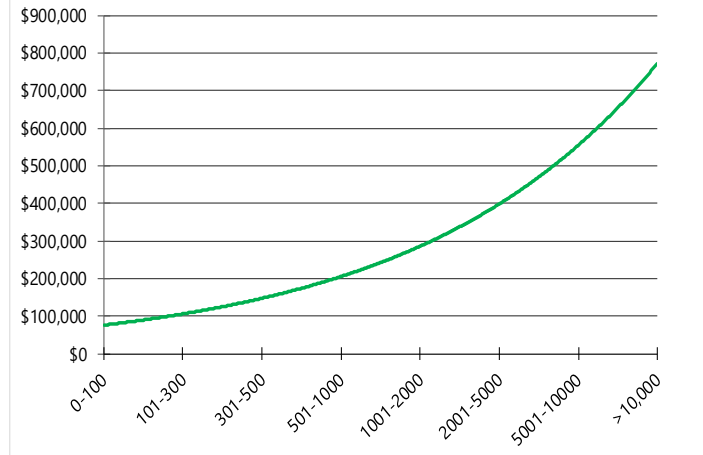
Average Monthly Specific Premium Rate at Popular Deductible Levels



Average Monthly Specific Premium Rate at Popular Deductible Levels	
Individual Deductible	Adjusted Composite Rate*
\$50,000	\$200.47
\$100,000	\$142.53
\$125,000	\$118.25
\$150,000	\$99.56
\$200,000	\$71.20
\$250,000	\$57.47
\$300,000	\$42.04
\$350,000	\$35.24
\$400,000	\$33.97
\$500,000	\$22.33
\$750,000	\$10.08
\$1,000,000	\$6.51

*Composite Rate Adjusted to a "Paid" contract basis for comparative purposes.

Specific Deductible by Group Size



Benchmarking based on Lockton Stop Loss Specialty Practice Book of Business