

## Symetra Stop Loss

RENEWAL PREPARED FOR

# City of Foley

September 1, 2024

IN PARTNERSHIP WITH: CENTERSTONE INSURANCE & FINANCIAL SERVICES LLC

# You have challenges; we have solutions

We know you have options when choosing a stop loss carrier.

We also know that finding the right partner is important. You need to work with professionals who understand the self-funded industry, who realize the importance of building the right stop loss policy at the right price, and who deliver on their promises year after year.

When you renew with us, you'll find a seamless continuation of all the benefits you've come to expect from your Symetra stop loss policy.

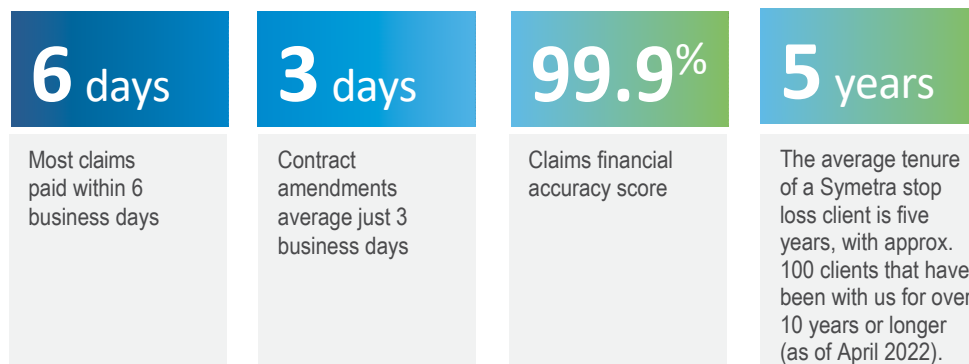
Things like:

- **Fast and fair claims practices.**
- **Most catastrophic claims reviewed and processed within 48 hours through our Preferred ASO Claim Advance program.**
- **Gapless option for renewal run-out contracts means claims paid outside the run-out period are still eligible for reimbursement.**
- **No new lasers or increase on existing lasers at renewal; laser at renewal available by request.**
- **Cost containment and alternative treatment plans to help control costs without sacrificing quality of care.**
- **24/7 online policy administration via Group Online (GO).**

## Put our expertise to work for you

Symetra has been in the stop loss business for over 45 years, in fact, we helped pioneer it.<sup>1</sup> Our experienced team continues to be available as needed to help you understand and protect your self-funded plan.

### 2022 performance highlights:<sup>2</sup>

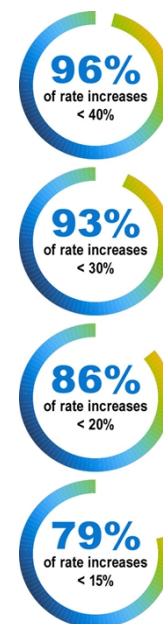


## Understanding stop loss rates

Pricing stop loss is a complex process and there are many factors that impact rates, especially at renewal. Here are some things we consider when determining the best possible price for your plan:

- **Plan design:** what services are covered; how much are employee copays, coinsurance, deductibles and/or premiums; are there wellness or other value-add programs included?
- **Group population:** how many people are covered; where do members live and/or receive care; what are the demographics of the group?
- **Managed care networks:** are provider and hospital networks helping to lower plan risk; what is the network usage rate?
- **Claims experience:** what is the claims experience history; how many claims, to date, are over the Specific deductible; how many are expected before the end of the plan year?
- **Medical trend:** how much are health care costs projected to increase?
- **Share of risk:** what is your deductible threshold and risk tolerance; how will rising medical trend impact your plan and the accompanying stop loss policy?

What does a typical Symetra renewal look like? During the last five years:



Based on Symetra renewal data from June 1, 2022, to May 31, 2023.

## Lowering premium renewal increases through deductible leveraging

Annual renewal is an opportunity to review how your plan performed over the past year, and to evaluate whether your current Specific deductible is still appropriate. This is especially true when rising medical costs are paired with higher than expected claims, as this combination typically means a rate adjustment is needed for the new plan year.

Leveraged trend or, as applied, deductible leveraging, can help mitigate higher renewal rates by sharing the impact of medical trend between the health plan and Symetra stop loss via a higher Specific deductible.

Here's how it works:

| Option 1 – keeping the same deductible at renewal |             |             |          |
|---|-------------|-------------|----------|
|   | Plan year 1 | Plan year 2 | Increase |
| Paid claim amount                                 | \$300,000   | \$330,000   | 10%      |
| Specific deductible                               | \$150,000   | \$150,000   | 0%       |
| Symetra reimbursement                             | \$150,000   | \$180,000   | 20%      |

| Option 2 – raising the deductible at renewal |             |             |          |
|--|-------------|-------------|----------|
|  | Plan year 1 | Plan year 2 | Increase |
| Paid claim amount                            | \$300,000   | \$330,000   | 10%      |
| Specific deductible                          | \$150,000   | \$165,000   | 10%      |
| Symetra reimbursement                        | \$150,000   | \$165,000   | 10%      |

For illustrative purposes only.

With deductible leveraging, you're trading lower premiums for a higher Specific deductible due to medical trend increases. It can be an effective way to help control the impact of rising costs on your plan.

If you're interested in deductible leveraging for your renewal, talk with your Symetra stop loss professional.

### CASE EXPERIENCE

| Policy period         | Specific Deductible | Number of Claims | Paid Claims | Premium     | Paid Loss Ratio |
|-----------------------|---------------------|------------------|-------------|-------------|-----------------|
| 09/01/2023-05/31/2024 | \$100,000           | 0                | \$0         | \$528,050   | 0%              |
| 01/01/2023-08/31/2023 | \$100,000           | 4                | \$258,470   | \$379,913   | 68%             |
| 01/01/2022-12/31/2022 | \$100,000           | 3                | \$305,460   | \$538,040   | 57%             |
| Total                 |                     | 7                | \$563,930   | \$1,446,002 | 39%             |

Additional Notes:

Renewal Status: Final if accepted by 07/12/2024

**SPECIFIC STOP LOSS COVERAGE**

| Plan Description                               | Current     | Option 1    | Option 2    |
|--|-------------|-------------|-------------|
| Coverages                                      | Medical, Rx | Medical, Rx | Medical, Rx |
| Contract Type                                  | 44/12       | 56/12       | 56/12       |
| Annual Specific Deductible per Individual      | \$100,000   | \$100,000   | \$125,000   |
| Except for                                     |             |             |             |
|  | \$ 350,000  | \$ 350,000  | \$ 350,000  |
|  | \$ 250,000  | \$ 475,000  | \$ 475,000  |
| Aggregating Specific Additional Plan Liability | \$50,000    | \$50,000    | \$0         |
| Transplant Exclusion                           | No          | No          | No          |
| No New Laser Option                            | Included    | Included    | Included    |
| Maximum Lifetime Reimbursement                 | Unlimited   | Unlimited   | Unlimited   |
| Maximum Policy Period Reimbursement            | Unlimited   | Unlimited   | Unlimited   |
| Reimbursement Percentage                       | 100%        | 100%        | 100%        |
| Quoted Rate(s) Per Month                       | Enrollment  |             |             |
| Single   | 144         | \$73.12     | \$77.01     |
| Family   | 228         | \$200.34    | \$211.15    |
| Composite                                      | 372         | \$151.09    | \$159.22    |
| Estimated Annual Premium                       |             | \$674,482   | \$710,780   |
| Quoted Rate(s) include Commission of           |             | 10.00%      | 10.00%      |

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**AGGREGATE STOP LOSS COVERAGE**

| Plan Description                      |            | Current     | Option 1    | Option 2    |
|---------------------------------------|------------|-------------|-------------|-------------|
| Coverages                             |            | Medical, Rx | Medical, Rx | Medical, Rx |
| Contract Type                         |            | 44/12       | 44/12       | 44/12       |
| Aggregate Corridor                    |            | 125%        | 125%        | 125%        |
| Loss Limit per Individual             |            | \$100,000   | \$100,000   | \$125,000   |
| Maximum Annual Reimbursement          |            | \$1,000,000 | \$1,000,000 | \$1,000,000 |
| Reimbursement Percentage              |            | 100%        | 100%        | 100%        |
| Estimated Annual Aggregate Deductible |            | \$7,931,691 | \$8,335,531 | \$8,418,977 |
| Minimum Aggregate Deductible          |            | \$7,931,691 | \$8,335,531 | \$8,418,977 |
| Monthly Aggregate Claim Factors       | Enrollment |             |             |             |
| Medical, Rx Card                      |            |             |             |             |
| Single                                | 144        | \$933.66    | \$978.25    | \$988.05    |
| Family                                | 228        | \$2,309.33  | \$2,428.77  | \$2,453.08  |
| Composite                             | 372        | \$1,776.81  | \$1,867.28  | \$1,885.97  |
| Quoted Rate(s) per Month              | Enrollment |             |             |             |
| Total Composite                       | 372        | \$8.89      | \$9.78      | \$9.87      |
| Estimated Annual Premium              |            | \$39,685    | \$43,658    | \$44,060    |
| Quoted Rate(s) include Commission of  |            | 10.00%      | 10.00%      | 10.00%      |

**OVERALL COST SUMMARY**

| Plan Description                   |  | Current     | Option 1    | Option 2    |
|------------------------------------|--|-------------|-------------|-------------|
| Estimated Total Annual Fixed Cost  |  | \$714,167   | \$754,438   | \$689,567   |
| Specific Variable                  |  | \$50,000    | \$50,000    | \$0         |
| Aggregate Variable                 |  | \$7,931,691 | \$8,335,531 | \$8,418,977 |
| Estimated Maximum Annual Liability |  | \$8,695,858 | \$9,139,969 | \$9,108,544 |

**OTHER OPTIONS**

Rate cap option: Renewal rates are capped at a maximum increase of 50% assuming no material changes to the group plan have taken place (i.e. plan changes, changes in specific deductible, commission level or administrator). If there are material changes, first the specific rates will be produced using the rate cap, then material changes will be accounted for in order to arrive at the renewal rate level. The cap applies to both the rates and aggregating specific deductible (if applicable).

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## PROPOSAL QUALIFICATIONS AND CONTINGENCIES

The terms of this proposal are based upon the policyholder having exercised commercially reasonable efforts to obtain and provide to Symetra all information set forth in this offer, together with all information identified in any prior proposal for coverage for the upcoming policy period. Except for the Plan Document or Plan Amendment, all requested information must be received no later than 15 days prior to the proposed effective date of coverage, otherwise we reserve the right to withdraw the proposed terms and return any premiums remitted.

Any secondary documents (e.g. "stop loss agreements", "procurement documents", "service contracts", etc.) must be disclosed to and approved by Symetra prior to the Employer's acceptance of our proposal. Subsequent undisclosed agreements may not be approved.

By delivering this proposal for coverage, the producer represents and warrants to Symetra that it and each of the persons or entities acting with or on behalf of the producer in the sale or solicitation of such coverage maintains such insurance producer licenses and appointments as are required by each state in which the coverage has been or will be solicited, and in all states in which the policy(ies) will be issued. This proposal is authorized for delivery only if the foregoing representation and warranty is true and correct.

This is a firm offer, which may be bound with no additional underwriting requirements provided that:

1. It is accepted in writing by the expiration date as shown above;
2. The policyholder has exercised commercially reasonable efforts to obtain and provide to Symetra all information requested in this proposal and any prior proposal for coverage for the upcoming policy period;
3. The data and information submitted to Symetra is, to the best of the policyholder's knowledge after due inquiry, materially accurate and materially complete as of the date of policyholder's written acceptance of this firm offer. Any material inaccuracies or material omissions in the data or other information submitted may require changes in underwriting, including but not limited to changes in the terms, rates and/or factors; and
4. The policyholder and its authorized agent agree that following acceptance of this firm offer, the policyholder or its authorized agent promptly notify Symetra upon becoming aware of any covered individual who (i) receives prior authorization approval for hospital confinement exceeding 30 days or more and/or (ii) becomes a listed transplant candidate, in each case so that Symetra can initiate appropriate cost containment efforts. For the avoidance of doubt, the provision of such notice pursuant to this item 4. will not change terms of the accepted offer.

If updated information is received by Symetra prior to written acceptance or the expiration date has passed, we retain the right to alter the terms, rates and/or factors. We will not be bound by any typographical errors or omissions contained herein.

- In certain states, discounts to the specific stop loss premiums of up to 2% may be available if the group purchases, or has an inforce, insured Symetra Workforce Benefits product that may include Group Life, Disability, and/or Supplemental Health insurance. This discount will apply during the first Policy Period that is either commensurate with or immediately following the effective date in which the new Group Life, Disability, and/or Supplemental Health policy becomes effective, or if already inforce, the effective date of the Stop Loss Policy.

**No New Lasers at Renewal and 2nd Year Rate Cap (Included in Pricing)** : Specific rates are not to exceed +50% in the renewal period. This applies to both billable rates and the corresponding Aggregating-Specific Claims Funding Liability when applicable. Assumes no change in contract, administrator, network nor broker.

This proposal reflects the continuation of the current plan of benefits.

This proposal is based on the following network(s): Blues & CVS

Any unfunded or pended claims balance must be disclosed, otherwise such claims will not be considered eligible under the excess loss policy.

For inclusion of RX coverage under the specific and/or aggregate when there is a separate PBM, we require written documentation that we are in receipt of all prescription drug experience reports. Otherwise, RX will not be a covered expense under the excess loss policy.

Only claims up to the individual case level deductible will accumulate toward the aggregate attachment point.

Terms are subject to change if final enrollment varies by more than 10% from the proposal assumptions. A current census not older than 60 days prior to the effective date will be needed for final review.

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These rates and factors reflect the assumption that all retirees over the age of 65 are Medicare Primary. It is assumed that all retirees known at the time of quote were listed and identified on the census.

Eligibility is assumed to be all full-time employees working 30 hours or more per week at their normal place of business.

COBRA participation is limited to no more than 10% of the enrolled group.

Network fees are ineligible expenses.

Symetra reserves the right to revise this proposal if the incumbent administrator's claims backlog exceeds two weeks.

The producer must be properly licensed and appointed.

No producer has the authority to bind or modify the terms of this offer without the approval of Symetra.

The administrator must be approved by Symetra.

This quote is subject to Symetra's stop loss policy provisions, limitations and exclusions.

This quote/renewal excludes state assessment fees and is based on the group (through its TPA) collecting any such fee assessed with respect to the group's self-insured benefit plan and remitting such fee to the state on the group's behalf. The group may be required to notify their TPA of any covered residents that would fall under an assessment program. Symetra's quote excludes coverage of such fees. In the event Symetra is required to be involved in the administration or collection of an assessment fee on the group's behalf, the assessment fee will be charged to and collected from the group by administrative agreement separate and apart from the Excess Loss Insurance Policy.

Composite rates are illustrative and for comparative purposes only.

Plan must have utilization review and case management.

There will be no new lasers at renewal, but Symetra does reserve the right to increase the Annual Specific Deductible for existing laser(s) at renewal.

**Aggregating Specific Option:**

This option is designed to allow the employer the opportunity to retain a portion of the specific premium by establishing an additional liability pool (Pot Size). All specific claims would be filed with our company for adjudication and reimbursements would occur upon satisfaction of the individual specific deductible and liability pool. All claims in excess of the specific deductible would accumulate to exhaust the pot size and the company would reimburse all subsequent specific claims at 100%.

Specific Deductible.....See proposal option page

Pot Size (Added Liability).....See proposal option page



## Renewal prepared for: City of Foley

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Check the box next to the selected proposal option; for Specific only coverage, when both Specific and Aggregate coverages are listed, please also check the box to decline Aggregate coverage.

| Option                     | Specific                   | Aggregate         |
|----------------------------|----------------------------|-------------------|
| <input type="checkbox"/> 1 | \$100,000 / 56/12          | \$100,000 / 44/12 |
| <input type="checkbox"/> 2 | \$125,000 / 56/12          | \$125,000 / 44/12 |
| <input type="checkbox"/>   | Decline Aggregate coverage |                   |

This is a firm offer, which may be bound with no additional underwriting requirements provided it is accepted in writing by the expiration date as shown above. The Premium, Aggregate Deductibles and all other terms are based on the data submitted. Any inaccurate or incomplete data submitted may require changes in underwriting. If updated information is received by Symetra prior to written acceptance or the expiration date has passed, we retain the right to alter the terms, rates and/or factors. We will not be bound by any typographical errors or omissions contained herein.

Please indicate your acceptance on this offer by having an authorized representative or agent of City of Foley sign below:

|                             |                      |
|-----------------------------|----------------------|
| Authorized Signature: _____ | Date: _____          |
| Printed Name: _____         | Printed Title: _____ |
| Company or Firm Name: _____ |                      |

# Accelerated reimbursement for catastrophic claims

## Preferred ASO Claim Advance



Symetra's Preferred ASO Claim Advance option can significantly reduce the wait time for Specific claim reimbursement and help relieve some of the financial pressure associated with the possibility of a high-dollar, catastrophic claim.

Symetra has proven partnerships with ASO providers and understands their reporting workflows. We'll work with you, your broker and your ASO provider to ensure you have funds available when you need them.

Initially, Symetra will accept a simplified claim data set on a catastrophic claim in order to accelerate your reimbursement. Once the scheduled reporting is received, we'll complete our usual audit and review process to reimburse any additional monies owed, or adjust any variances.

## Two simple steps to get started

### Step 1 – Gather required information

- ✓ Verification of claimant eligibility
- ✓ Amount of the reimbursement request
- ✓ Statement confirming that policy provisions are met

### Step 2 – Submit a Preferred ASO Claim Advance

- ✓ Via email to [ASOADV@symetra.com](mailto:ASOADV@symetra.com)
- ✓ Via fax to 1-866-348-0055
- ✓ Via phone at 1-800-352-0042

### What happens next

- You will receive the EFT or paper check within two business days.
- Symetra will review and process the claim; if additional monies are due they'll be sent to the policyholder.

## Plan Sponsor's Plan Document

**Submission and Symetra Acceptance Required.** As stated in Symetra's Proposal for Group Stop Loss Insurance, the Plan Sponsor's Plan Document must be submitted to Symetra no later than 90 days after the proposed effective date of Stop Loss Insurance coverage. The Stop Loss Insurance policy ("Policy") requires that only eligible charges payable under the terms of the Plan Document as approved by Symetra will be covered expenses eligible for reimbursement under the Policy.

The policy will be issued after the Plan Document is received and approved by Symetra or a signed Confirmation of Medical Benefit Plan is submitted to Symetra by the prospective policyholder.

**Symetra may withhold reimbursement of covered expenses prior to the receipt and acceptance of the final signed Plan Sponsor's Plan Document or amendment.**

In reviewing the Plan Document for acceptance, Symetra will consider whether the Plan Document:

1. Adequately addresses key plan components, including but not limited to eligibility rules, benefits promised, plan administration, discretionary language for court review of benefit claims, subrogation and coordination of benefits provisions.
2. Addresses the Plan's obligations under federal law, including
  - a. **ERISA (Employee Retirement Income Security Act) required provisions,**
  - b. **ACA (Affordable Care Act) required provisions;** or
  - c. **a statement of grandfathered status, if applicable.**

Symetra will have no liability for reimbursing Plan Sponsor obligations that are not clearly stated in the Plan Document whether or not the Plan remains obligated in the absence of express inclusion. It is recommended that the Plan Document include express reference to other federal mandates and laws to which Plan is subject or a "conformity with law" provision.

3. Contains typical exclusions or limitations, including but not limited to:
  - a. Experimental/investigations treatment (except as required by ACA), and
  - b. non-medically necessary treatment

The absence of or inadequate treatment of these subjects in the Plan Document may result in a superseding provision in the Stop Loss policy.

## Your partner for stop loss success

Symetra is a financially strong, well-capitalized company on the rise, as symbolized by our brand icon—the swift. Swifts are quick, hardworking and nimble—everything we aspire to be when serving our customers.

We've been in business for more than half a century with a commitment to creating employee benefits products that people need and understand. We appreciate your business and look forward to the opportunity to continue serving you with professional, informative and responsive service.



### Our guiding principles of Value, Transparency and Sustainability (VTS) are at the core of all we do.

- **Value:** Products and solutions people need at a competitive price—backed by outstanding customer service.
- **Transparency:** Clear communication so people understand what they are buying.
- **Sustainability:** Products that stand the test of time and fiscal responsibility to ensure we are there for our customers.

Financial Strength Ratings: A.M. Best: A “Excellent” (3rd highest of 16); Moody’s A1 “Good” (5<sup>th</sup> highest of 21); Standard & Poor’s: A “Strong” (6th highest of 21). Ratings are subject to change. Please refer to [www.symetra.com/ratings](http://www.symetra.com/ratings) for current information. Ratings as of April 1, 2023.

Symetra Life Insurance Company (est. 1957) is a direct subsidiary of Symetra Financial Corporation. First Symetra National Life Insurance Company of New York (est. 1990) is a direct subsidiary of Symetra Life Insurance Company and is an indirect subsidiary of Symetra Financial Corporation (collectively, “Symetra”). Neither Symetra Financial Corporation nor Symetra Life Insurance Company solicits business in the state of New York and they are not authorized to do so. Each company is responsible for its own financial obligations.

Stop loss policies are insured by Symetra Life Insurance Company, 777 108th Avenue NE, Suite 1200, Bellevue, WA 98004. Base policy is ELC-24000 7/19. In New York, stop loss policies are insured by First Symetra National Life Insurance Company of New York, New York, NY. Mailing address: P.O. Box 34690, Seattle, WA 98124. Policy form number is ELC-24000/NY 7/19. Coverage may be subject to exclusions, limitations, reductions and termination of benefit provisions. Products are not available in any U.S. territory.

<sup>1</sup> 45 years for Symetra Life Insurance Company; 18 years for First Symetra National Life Insurance Company of New York as of 2021.

<sup>2</sup> Performance highlights based on financial and quarterly audits for 2022.



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