

## Symetra Stop Loss

RENEWAL PREPARED FOR

# City of San Luis Benefit Trust

July 1, 2021

IN PARTNERSHIP WITH: SUSAN POSADA

# 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.

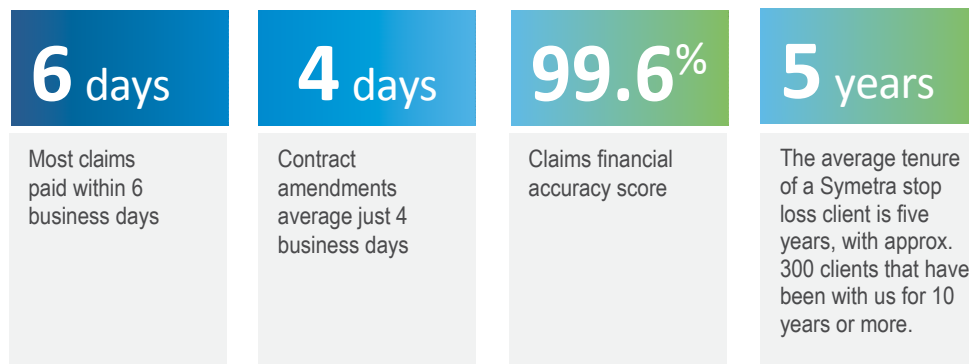
Things like:

- Fast and fair claims practices.
- Most catastrophic claims reviewed and processed within 24 hours through our Preferred ASO Claim Advance program.
- No new lasers or increase on existing lasers at renewal – but you can add lasers if you like.
- Gapless option for renewal run-out contracts means claims paid outside the run-out period are still eligible for reimbursement.
- Cost containment and alternative treatment plans to help control costs without sacrificing quality of care.
- 24/7 online policy administration via Group Online (GO).
- Access to Symetra Compliance Solutions for professional support navigating the health care landscape.

## Put our expertise to work for you

Symetra has been in the stop loss business for over 40 years.<sup>1</sup> In fact, we helped pioneer it. Our experienced team continues to be available as needed to help you understand and protect your self-funded plan.

### 2019 performance highlights:<sup>2</sup>

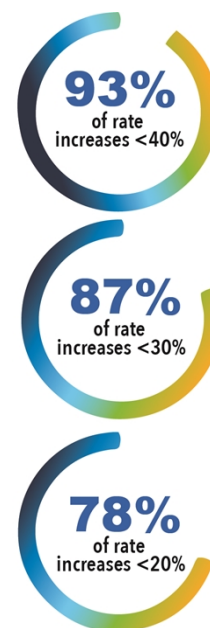


## Understanding stop loss rates

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 August 1, 2015 to July 1, 2020.

## 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.

Renewal Status: Firm if accepted by 05/14/2021

**SPECIFIC STOP LOSS COVERAGE**

Plan Description	Current	Option 1	Option 2	Option 3
Coverages	Medical, Rx Card	Medical, Rx Card	Medical, Rx Card	Medical, Rx Card
Contract Type	Paid	Paid	Paid	Paid
Annual Specific Deductible per Individual	\$50,000	\$50,000	\$75,000	\$100,000
No New Laser Option	Included	Included	Included	Included
Maximum Lifetime Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited
Maximum Policy Period Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited
Reimbursement Percentage	100%	100%	100%	100%
Quoted Rate(s) Per Month	Enrollment			
Single	142	\$97.83	\$108.05	\$78.80
Family	121	\$286.10	\$311.46	\$232.40
Composite	263	\$184.45	\$201.63	\$149.47
Estimated Annual Premium		\$582,120	\$636,357	\$471,720
Quoted Rate(s) include Commission of		0.00%	0.00%	0.00%

Renewal Status: Firm if accepted by 05/14/2021

**AGGREGATE STOP LOSS COVERAGE**

Plan Description		Current	Option 1	Option 2	Option 3
Coverages		Medical, Rx Card	Medical, Rx Card	Medical, Rx Card	Medical, Rx Card
Contract Type		Paid	Paid	Paid	Paid
Aggregate Corridor		125%	125%	125%	125%
Loss Limit per Individual		\$50,000	\$50,000	\$75,000	\$100,000
Maximum Annual Reimbursement		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Reimbursement Percentage		100%	100%	100%	100%
Estimated Annual Aggregate Deductible		\$1,622,576	\$2,061,467	\$2,226,085	\$2,319,210
Minimum Aggregate Deductible		\$1,622,576	\$2,061,467	\$2,226,085	\$2,319,210
Monthly Aggregate Claim Factors	Enrollment				
Medical, Rx Card					
Single	142	\$279.49	\$360.31	\$389.08	\$405.36
Family	121	\$789.48	\$996.90	\$1,076.51	\$1,121.54
Composite	263	\$514.12	\$653.19	\$705.35	\$734.86
Quoted Rate(s) per Month	Enrollment				
Composite	263	\$3.51	\$3.86	\$4.72	\$5.42
Estimated Annual Premium		\$11,076	\$12,186	\$14,908	\$17,121
Quoted Rate(s) include Commission of		0.00%	0.00%	0.00%	0.00%

**OVERALL COST SUMMARY**

Plan Description		Current	Option 1	Option 2	Option 3
Total Annual Fixed Cost		\$593,198	\$648,543	\$486,628	\$395,733
Aggregate Variable		\$1,622,576	\$2,061,467	\$2,226,085	\$2,319,210
Maximum Annual Liability		\$2,215,774	\$2,710,010	\$2,712,713	\$2,714,943

Renewal Status: Firm if accepted by 05/14/2021

## PROPOSAL QUALIFICATIONS AND CONTINGENCIES

The terms of this proposal are tentative and may change based on the receipt and review of the following information by Symetra. Except for 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 (i.e. "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.

- \*Offer is firm.
- The loss limit shown in the aggregate excess loss section of the proposal applies to all coverage listed within that section regardless of what is in the individual excess loss section.
- Only claims up to the individual case level deductible will accumulate toward the aggregate attachment point
- This renewal/proposal reflects the continuation of the current plan of benefits.
- 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.
- Retirees are excluded from coverage under the Stop Loss Policy.
- 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 monthly from the group pursuant to the Premium Taxes and State Assessments provision of the Stop Loss Insurance Policy.
- This proposal is based upon the following network(s): Blues ASO

Renewal Status: Firm if accepted by 05/14/2021

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 XX	\$50,000 / Paid	\$50,000 / Paid
<input type="checkbox"/> 2	\$75,000 / Paid	\$75,000 / Paid
<input type="checkbox"/> 3	\$100,000 / Paid	\$100,000 / Paid
<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 indicated your acceptance on this offer by having an authorized representative or agent of City of San Luis Benefit Trust sign below:

Authorized Signature: _____	Date: _____
Printed Name: _____	Printed Title: _____
Company or Firm Name: _____	City of San Luis

## 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 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 benefit 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 14, 2020.

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 policies are ELC-24000 7/19 or LGC-12000 9/06, filed as Excess Loss. 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 numbers are ELC-24000/NY 7/19 or LGC-12000/NY 9/08, filed as Excess Loss. Coverage may be subject to exclusions, limitations, reductions and termination of benefit provisions. Products are not available in any U.S. territory.

Symetra Compliance Solutions is provided by Enquiron® through Symetra and may not be available in all states. Symetra assumes no responsibility or liability for any resources or content provided by Enquiron®. Enquiron® is not affiliated with Symetra Life Insurance Company or any of its affiliates. ©2020 Enquiron®. All rights reserved.

<sup>1</sup> 44 years for Symetra Life Insurance Company; 16 years for First Symetra National Life Insurance Company of New York as of 2020.

<sup>2</sup> Performance highlights based on financial and quarterly audits for 2019.



[www.symetra.com](http://www.symetra.com)  
[www.symetra.com/ny](http://www.symetra.com/ny)

Symetra® is a registered service mark of Symetra Life Insurance Company.