



APPLIED EXPERTISE

190 U.S. Route One Box 365 Falmouth, ME 04105 Telephone: (207) 523-8408 Facsimile: (207) 846-8834

PROPOSAL FOR EXCESS LOSS REINSURANCE COVERAGE

Issuing Carrier **Fidelity Security Life Insurance Company**
 Requested By **Arizona Benefit Plans, Inc.**
 Underwriter **Katy Beaulieu**
 Group **City of San Luis**

Proposal No **19831**
 Proposal **03/08/2023** Valid Thru **07/11/2023**
 Effective **07/01/2023** Expiration **06/30/2024**
 All previous proposals are void and withdrawn.

SPECIFIC EXCESS LOSS COVERAGE

Simultaneous Reimbursement

Option 1

Coverages			Medical, Rx Card, Platinum Program
Contract Type			24/12
Annual Specific Deductible per Individual			50,000
Maximum Annual Reimbursement			Unlimited
Rate Per Month	<u>Enrollment</u>		
Single	157	\$	103.95
Family	117	\$	332.48
Composite	274	\$	201.54
Estimated Annual Premium		\$	662,643
Rate(s) includes Commissions of			0.00%

FIXED COST ANALYSIS

Specific Premium Composite	201.54
Aggregate Premium	5.22
MATRIX RMS Fees per Emplo	7.50
Monthly Total Per Employee	214.26
Annual Total	704,466

AGGREGATE EXCESS LOSS COVERAGE

		Option 1	
		Medical, Rx Card	
Coverages			
Contract Type			24/12
Loss Limit per Individual			50,000
Maximum Annual Reimbursement		\$	1,000,000
Rate Per Month	<u>Enrollment</u>		
Composite	274	\$	5.22
Estimated Annual Premium		\$	17,163
Rate(s) includes Commissions of			0.00%
Annual Aggregate Deductible		\$	2,839,062
Minimum Aggregate Deductible		\$	2,555,156
Run In / Out Limited To		\$	425,859
Monthly Aggregate Claim Factors	<u>Enrollment</u>		
<u>Medical</u>			
Single	157	\$	301.56
Family	117	\$	1,059.96
Composite	274	\$	625.40
<u>Rx Card</u>			
Single	157	\$	140.80
Family	117	\$	368.57
Composite	274	\$	238.06
<u>Total</u>			
Single	157	\$	442.36
Family	117	\$	1,428.53
Composite	274	\$	863.46

Required fees for services not part of the excess loss rates illustrated above and performed by:

MATRIX RMS Fees per Emplo	\$	7.50
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CONDITIONS

We are pleased to present you with the attached proposal for Excess Loss Reinsurance Coverage provided for City of San Luis . Our proposed excess loss coverage including rates and terms of coverage is subject to modification based upon receipt and review of the following information:

1C Enrollment information up to the proposed Effective Date of coverage.

2C The proposed excess loss coverage requires minimum participation of 60% of the eligible group.

3C Actively at work provisions have been waived subject to Underwriter approval of signed complete Disclosure Statement.

4C Non-disclosure of any individual who should have been identified on the Disclosure Statement, on which the Company relies, or the incomplete or inaccurate disclosure of his/her true medical condition, may result in having this individual's claims being excluded from or limited in the calculation of the Aggregate and Specific Benefit.

5C This insurance does not apply to the extent that trade or economic sanctions or regulations prohibit the issuing carrier from providing insurance, including, but not limited to, the payment of claims.

6C If we have not received the Signed Plan Document and all Amendments within 60 days after the proposed effective date, we reserve the right to refund all premiums received, and the application will be null and void when signed. Therefore, coverage is not effective until receipt and acceptance of the signed plan document and all amendments.

7C If the proposal is accepted by the Plan Sponsor, please refer to the last page of this proposal.

QUALIFICATIONS

--This proposal is offered using our PLATINUM risk model initiated in 2001. This product is not a contractual provision or guarantee. This program strives to provide plan sponsors renewal minimum rate increases with maximum rate caps. Ongoing known cost specific claims will be semi pooled. References are available. Matrix RMS reports and consultative support will work proactively with the Plan Sponsors, and applicable parties. Matrix RMS is a separate fee for service company and required with the PLATINUM program. Matrix offers two other product platforms that differ in initial rating and renewal underwriting approach.

--Rates are not firm until all documentation is received and completed for Disclosure.

--This proposal requires employer due diligence report to identify employees on COBRA, FMLA, extended sick leave or short term disability, worker's compensation, or any other form of leave of absence, or who are known or believed to have an ongoing medical condition or to be pregnant.

--This proposal requires current plan year incurred claim reports that include diagnosis (ICD-10) codes, dates of service, and any Large Case management notes for with claims in excess of \$25,000 in order to determine current and proposed treatment plans/prognosis and if he/she is currently actively at work. A higher Specific Deductible may apply based on the assumed risk.

--This proposal is not final until a proposal option has been selected and the required Disclosure Statement has been received, reviewed and approved. Please refer to the last page of the proposal for the process to purchase Excess Loss Coverage as proposed.

--This proposal assumes a 90 day disclosure, contingent upon updated reporting; 50% high claimant report which includes DX, ICD10/Trigger reporting, precertifications, Pending/Unpaid reporting, Report of all claimants in Case management including CM notes, Paid claims reporting by month and lob including employee counts through 3/31/23.

--Rates and/or factors may be recalculated if the number of Covered Units under the Plan increases or decreases by 15% from the number of Covered Units on the first day of the Contract Period or by 15% in any Contract Month.

--Aggregate Run In is limited to 15% of the Aggregate Attachment Point.

--Aggregate factors may be recalculated if the average claims in the last 5 months of the current plan period vary by more than 10% from the information provided with the initial request for proposal.

--This contract is based on the utilization of the Blue Cross Blue Shield of Arizona and Siamed PPOs, for In-Network and Out-of-Network benefits that apply according to plan.

--This proposal requires MATRIX Risk Management Services, LLC as the LCM Oversight program.

--Marketing, sales, distribution activities and administrative support services are provided by, and at the expense of, U.S. Group & Pension, L.L.C. (USGP) and/or Arizona Benefits on behalf of MATRIX Group Benefits, LLC. USGP and Arizona Benefits may receive compensation for these services from Matrix Group Benefits, LLC. If you have any questions regarding this arrangement, please contact Matrix Group Benefits, LLC.

MATRIX RISK MANAGEMENT SERVICES

Matrix Risk Management Services, LLC (Matrix RMS) program is referenced within the body of the Excess Loss Reinsurance proposal by Matrix Group Benefits, LLC. It is listed within the Proposal because Matrix RMS is a completely separate fee for service company that is a required Qualification of a Matrix Group Benefits' Excess Loss Reinsurance proposal. Matrix RMS services may, be purchased independently from the Excess Loss Reinsurance when such services are desired by Plan Sponsor's.

The Plan Sponsor hereby accepts the services and support offered and provided by Matrix RMS and authorizes and directs its contracted service providers for:

- 1) medical utilization review, pre-admission certification, prior authorization, concurrent review discharge planning, outpatient service review, and medical case management; and
- 2) claims administration; and
- 3) prescription benefit management; and
- 4) disease management and wellness programs

to provide Matrix RMS with information on a regular monthly basis as requested by Matrix RMS and agrees to consider accessing and utilizing specialty service providers identified by Matrix RMS for oversight of a potentially catastrophic medical claims and review of provider bills that represent significant charges that can be expected to accumulate to over \$ 50,000.00, prior to their payment.

Resource assistance provided by Matrix RMS includes accessing a variety of specialty resources firms that provide services such as:

- 1) Neonatal case management and bill review, including accuracy of bill, appropriateness of coding and charges, and negotiation of allowable amounts;
- 2) Hemophilia case management and support services including drug acquisition for blood disorders;
- 3) Review of large hospital bills for accuracy of bill. Appropriateness of coding and charges, negotiation of allowable amounts and negotiation of patient specific discounts. Reviews of this scope require the UB -92 bill summary, the itemized billing statement and information related to the nature and amount of potential contract adjustments related to PPO's ;
- 4) Transplant networks for potential organ transplant cases;
- 5) Complete claim processing and payment audit for plan sponsor's to determine incorrect payments and recover overpayments;
- 6) Oncology case management and support services including chemotherapy drug acquisition for administration in outpatient settings.
- 7) Dialysis management program; and
- 8) Preferred PBM resources with participant education programs based on medical conditions to improve medication management outcomes

Charges for the services provided by these specialty resource companies are paid by the Plan Sponsor as part of the participant's claim and will be reimbursed by the medical stop loss contract if the benefit amount for the claimant exceeds the specific stop loss deductible amount in the contract of the Plan Sponsor. Matrix RMS makes these firms available to the Plan Sponsor and its contracted service providers to assist the Plan Sponsor in the management of its Plan. Matrix RMS is not compensated by these firms.

Matrix RMS will also provide the following services:

- 1) Administration of the Loss Adjustment Program, (a pre-approved Matrix Group Benefits, LLC program) that provides funds to Plan Sponsors to contract for independent specialists /consultants, Independent Review Organization (IRO's) or other resource services deemed necessary and appropriate by the Plan Sponsor to help make final adjudication decisions;
- 2) Administration of ICD-10 or ICD-9 notification information at the medical management level with follow up to identify the services being provided to a plan participant;
- 3) Directions for and assistance with completion of the employer due diligence disclosure process;
- 4) Assistance with out of network / state provider contracting on a patient specific basis;
- 5) Assistance with identification and contracting specialty hospitals / "centers of excellence" on a patient specific basis;
- 6) Administration of a management review process for coordination of medical management and claim adjudication processes for potential and actual large claims;
- 7) Assistance in the coordination of Risk Assessments with medical management processes and the receipt of Consent (when needed)for the use of Protected Health Information (PHI);
- 8) Access to any of the Excess Loss carriers' provider agreements and comparison of agreements for proposed providers of service.

The Risk Management Program does not:

- 1) Provide direct consulting to the Plan Sponsor or its employee benefit plan;
- 2) Provide pre-adjudication decisions or advice to administrators related to the Excess Loss contract;
- 3) Make medical decisions, financial decisions or perform medical review functions;
- 4) Replace other contracted services or adjudication services or consultants.

To continue the process to purchase Excess Loss Coverage as proposed:

Circle the proposal option, shown on the first page, that you select and send the complete proposal to Matrix Group Benefits, LLC at:

Census@matrixgb.com

Or

Fax 207.846.8834

For New Business Clients:

If you would like assistance with Disclosure research and documentation prior to the proposed effective date of coverage, please indicate your request below and we will send you a Business Associate Agreement to sign and return to authorize Matrix Risk Management Services, LLC (Matrix RMS) to provide Disclosure research assistance to you.

YES, we request assistance from Matrix RMS for Disclosure research.

NO, we do not request assistance from Matrix RMS for Disclosure research.

THIS IS NOT A CONTRACT OR BINDER OF INSURANCE

The persons presenting this quotation to the client are agents of the client and not of the insurer, reinsurer, or MGU. This quote is non-occupational and the Excess Loss Policy will be issued when all required information has been submitted.

Applicant, its broker and/or TPA, being Agent of the Applicant, understand and expressly agree that all information material to the risk of insuring the Plan is under their control and is part of the inducement and consideration offered for coverage, and warrant that such information will be accurate in all material respects. MGU And Carrier will rely on the accuracy of information in underwriting and setting rates and factors for the coverage applied for. Accordingly, the application is part of the contract. If we later learn of any material inaccuracy in such information, or failure or refusal to disclose any such information, including all claims or possible claims which you should know about, we may reject a claim to which such information applies, reject the application, change the terms, conditions, or premium, or void coverage.