

City of Fort Lauderdale
Reinsurance for Self-Funded Group Health Plan
BEST & FINAL - Specific & Aggregate Reinsurance Premium Analysis

	Current	Proposed	Proposed	Proposed	Proposed
Reinsurance Company	Vista/Combined	Cigna	Cigna	Vista/Companion	Vista/Companion
AM Best Rating	A	A	A	A	A
Specific Reinsurance Policy					
Specific Stop Loss Level	\$225,000	\$225,000	\$250,000	\$225,000	\$250,000
Maximum Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Including Rx?	yes	yes	yes	yes	yes
Contract Type	Claims incurred in 12 and Paid in 15	Claims incurred in 12 and Paid in 36	Claims incurred in 12 and Paid in 36	Claims incurred in 12 and Paid in 15	Claims incurred in 12 and Paid in 15
Specific Reinsurance Premium					
Per Subscriber	\$39.07	\$44.21	\$37.50	\$42.98	\$38.90
Total Monthly Premium	\$62,512	\$70,736	\$60,000	\$68,768	\$62,240
Estimated Annual Specific Premium	\$750,144	\$848,832	\$720,000	\$825,216	\$746,880
Annual Difference Over Current		\$98,688	(\$30,144)	\$75,072	(\$3,264)
Percentage Difference Over Current		13.16%	-4.02%	10.01%	-0.44%
Aggregate Reinsurance Policy					
	Current	Cigna	Cigna	Vista/Companion	Vista/Companion
Contract Type	No Aggregate Policy in Place	Claims incurred and paid in 12 months with 3 months terminal liability upon termination	Claims incurred and paid in 12 months with 3 months terminal liability upon termination	Claims incurred in 12 and Paid in 15	Claims incurred in 12 and Paid in 15
Aggregate Maximum Reimbursement		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Including Rx?		yes	yes	yes	yes
Aggregate Premium Rate Per Subscriber		\$4.49	\$4.58	\$1.82	\$1.98
Estimated Annual Aggregate Premium		\$86,208	\$87,936	\$34,944	\$38,016
Aggregate Corridor		125%	125%	125%	125%
Aggregate Factors					
OAPIN 1		\$1,043.22	\$1,049.17	\$1,148.57	\$1,172.53
OAPIN 2		\$892.34	\$897.43	\$1,148.57	\$1,172.53
CDHP		\$788.06	\$792.55	\$1,148.57	\$1,172.53
Annual Attachment Point	\$17,767,992	\$17,869,296	\$22,052,544	\$22,512,576	
Expected Paid Claims		\$14,214,394	\$14,295,437	\$17,642,035	\$18,010,061
Estimated Subscriber Enrollment	CIGNA Estimated Enrollment	Selection of Cigna would reduce the current administration fee paid to Cigna by .69 PEPM. This has been reflected in the specific premiums listed above. Vista Companion premiums include an MGU underwriting fee of .60 PEPM			
HMO - OAPIN 1	800				
HMO - OAPIN 2	150				
CDHP	650				
Subscribers**	1600				

Prepared by The Rhodes Insurance Group

12/3/2012

City of Fort Lauderdale
Reinsurance for Self-Funded Group Health Plan
Final Recommendation - Specific & Aggregate Reinsurance Premium Analysis

	Current	Proposed Enrollment 1	Proposed Enrollment 2
Reinsurance Company	Vista/Combined	Cigna	Cigna
AM Best Rating	A	A	A
Specific Reinsurance Policy			
Specific Stop Loss Level	\$225,000	\$250,000	\$250,000
Maximum Reimbursement	Unlimited	Unlimited	Unlimited
Including Rx?	yes	yes	yes
Contract Type	Claims incurred in 12 and Paid in 15	Claims incurred in 12 and Paid in 36	Claims incurred in 12 and Paid in 36
Specific Reinsurance Premium			
Per Subscriber	\$39.07	\$37.50	\$37.50
Total Monthly Premium	\$62,512	\$60,000	\$64,688
Estimated Annual Specific Premium	\$750,144	\$720,000	\$776,250
Annual Difference Over Current		(\$30,144)	
Percentage Difference Over Current		-4.02%	

Plan	CIGNA Estimated Enrollment One	CIGNA Estimated Enrollment Two	
HMO - OAPIN 1	800	850	Selection of Cigna would reduce the current administration fee paid to Cigna by .69 PEPM. This has been reflected in the specific premiums listed above. Vista Companion premiums include an MGU underwriting fee of .60 PEPM
HMO - OAPIN 2	150	175	
CDHP	650	700	
Subscribers**	1600	1725	

Prepared by The Rhodes Insurance Group

12/4/2012

City of Fort Lauderdale
 Reinsurance for Self-Funded Group Health Plan
 BEST & FINAL - Specific Reinsurance Premium Analysis
 DRAFT - 11/30/12

Reinsurance Company	Cigna	Cigna	Vista/Companion	Vista/Companion
AM Best Rating	A	A	A	A
Specific Reinsurance Policy				
Specific Stop Loss Level	\$225,000	\$250,000	\$225,000	\$250,000
Maximum Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited
Including Rx?	yes	yes	yes	yes
Contract Type	Claims incurred in 12 and Paid in 36	Claims incurred in 12 and Paid in 36	Claims incurred in 12 and Paid in 15	Claims incurred in 12 and Paid in 15
Specific Reinsurance Premium				
Per Subscriber	\$44.21	\$37.50	\$42.98	\$38.90
Total Monthly Premium	\$70,736	\$60,000	\$68,768	\$62,240
Estimated Annual Specific Premium	\$848,832	\$720,000	\$825,216	\$746,880
Premium Savings Over \$225,000 SL Level		\$128,832		\$78,336
Premium Savings to Claim Ratio		5.15		3.13

Prepared by The Rhodes Insurance Group

12/4/2012

RFP #735-11079
ATTACHMENT B

**City of Fort Lauderdale
Specific Reinsurance Rate & Experience History**

Policy Year	2005	2006	2007	2008
Stop Loss Level	\$165,000	\$165,000	\$165,000	\$165,000
Employee	\$13.35	\$13.62	\$12.95	\$14.50
Employee & Spouse	\$26.70	\$27.23	\$25.85	\$32.31
Employee & Child(ren)	\$37.10	\$37.84	\$35.95	\$40.26
Employee & Family	\$50.40	\$51.41	\$48.85	\$54.71
Experience				
Paid Premium	\$465,164	\$506,405	\$505,932	\$647,084
Paid Claims	\$52,822	\$587,121	\$316,993	\$405,754
Loss Ratio	11%	116%	63%	63%
# of Claims in Excess of Stop Loss Level	1	4	2	4
Average # of Members Covered	1,389	1,479	1,526	1,693

Policy Year	2009	2010	2011	2012 though August
Reinsurance Company	Vista US Fire	Vista Companion	Vista Companion	Vista Companion
Stop Loss Level	\$165,000	\$200,000	\$225,000	\$225,000
Employee	\$18.02	\$18.11	\$19.10	\$39.07 PEPM
Employee & Spouse	\$31.59	\$36.07	\$38.05	
Employee & Child(ren)	\$37.64	\$31.93	\$35.95	
Employee & Child	n/a	n/a	\$29.95	
Employee & Family	\$53.92	\$54.18	\$57.15	
Reinsurance Experience	2009	2010	2011	8 Months
Stop Loss Level	\$165,000	\$200,000	\$225,000	\$225,000
Paid Premium	\$799,725	\$802,033	\$815,607	\$580,307
Paid Reinsurance Claims	\$1,486,905	\$262,285	\$111,278	\$231,176
Loss Ratio	186%	33%	14%	40%
# of Claims in Excess of Stop Loss Level	8	5	2	3
Average # of Members Covered	1,968	1,943	1,905	1,866

Reinsurance policies were based on claims incurred in 12 months and paid in 15
Firefighters were added as of September 2008 with 381 members
9/23/2012