

**City of Fort Lauderdale**  
**Specific Reinsurance Premium Analysis**  
**Effective 1/1/2017**

<b>Reinsurance Company</b>	<b>Cigna</b>			
<b>Specific Reinsurance Policy</b>	<b>Current</b>	<b>Renewal</b>	<b>Option 1</b>	<b>Option 2</b>
Specific Stop Loss Level	\$275,000	\$275,000	\$300,000	\$325,000
Maximum Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited
Including Rx	yes	yes	yes	yes
Contract Type	12/36	12/36	12/36	12/36
<b>Specific Reinsurance Premium</b>	<b>Current</b>	<b>Renewal</b>	<b>Option 1</b>	<b>Option 2</b>
Per Subscriber	\$40.63	\$44.69	\$42.66	\$38.47
Total Monthly Premium	\$66,268	\$72,894	\$69,578	\$62,745
Estimated Annual Specific Premium	\$795,210	\$874,731	\$834,942	\$752,935
Annual Premium Impact Over Current		\$79,521	\$39,731	(\$42,276)
Percentage Change		10%	5%	-5%
<b>Claims to Savings Comparison</b>				
Annual Savings Over Renewal			\$39,790	\$121,797
# of Claims to Exhaust Premium Savings			1.59	2.44

  

<b>Estimated Credit for Renewing with Cigna - 2 months of ASO Fees</b>		\$119,658	\$119,658	\$119,658
<b>Net 2017 Reinsurance Premium</b>		\$755,073	\$715,284	\$633,277
<b>Net Impact of 2017 Reinsurance Premium</b>		(\$40,137)	(\$159,448)	(\$201,665)
<b>Net Percentage Impact</b>		-5%	-18%	-24%

Monthly and annual premium is based on an estimate of 1,631 enrolled subscribers that includes active, retirees and COBRA. These numbers are subject to change as enrollment changes.

If the City renews the reinsurance agreement with Cigna they will provide a 2 month credit of ASO fees in January & February 2017 estimated to be \$119,658

Note - 2018 Reinsurance Premium will be based on the 2017 Annual Premium not including the ASO fee credit.

Prepared by The Rhodes Insurance Group  
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