

# San Joaquin Valley Insurance Authority (SJVIA)

2024 Stop Loss Renewal and Marketing Presentation

Presented by:

*Keenan*

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# San Joaquin Valley Insurance Authority (SJVIA)

## Executive Summary

### FINAL RESULTS

Effective Date: January 1, 2024

*Keenan*

#### I. Stop Loss Marketing and Renewal Results:

- Stop loss RFP marketed to twenty-one (21), stop loss carriers and MGU's

#### II. Granular:

- **Final** - Renewal offer at the current \$450,000 Specific Deductible, is an approximate **+40%** increase, or an additional \$735,426, in estimated annual premium (\$367,367 above the 20.0% SJVIA budgeted renewal rate presented at the August 25, 2023 SJVIA Board meeting).

##### Alternate Deductible Options:

- Renewal Option 1: with a \$475k specific deductible, +34.2% increase, or an additional \$629,535, in estimated annual premium (\$261,476 above the 20.0% SJVIA budgeted renewal rate).
- Renewal Option 2: with a \$500k specific deductible, +31.8% increase, or an additional \$584,560, in estimated annual premium (\$216,501 above the 20.0% SJVIA budgeted renewal rate).

##### Alternate Deductible Options (Options do NOT include premium refunding):

- Renewal Option 3: with a \$450k specific deductible, +34.4% increase, or an additional \$632,625, in estimated annual premium (\$264,566 above the 20.0% SJVIA budgeted renewal rate).
- Renewal Option 4: with a \$475k specific deductible, +28.8% increase, or an additional \$530,564, in estimated annual premium (\$162,505 above the 20.0% SJVIA budgeted renewal rate).
- Renewal Option 5: with a \$500k specific deductible, +26.5% increase, or an additional \$487,566, in estimated annual premium (\$119,507 above the 20.0% SJVIA budgeted renewal rate).

##### Proposal Contingencies:

- Includes Mirroring Endorsement
- Contract Advantage Plan - No New Laser with a 40% Renewal Rate Cap
- Includes Experience credit refunding

Stop Loss RFP Analysis

Carrier Responses

Carrier	Financial Rating	Status	Note
Carrier 1	A (Excellent)	Declined	Uncompetitive with current rates
Carrier 2	A (Excellent)	Declined	Uncompetitive with current rates
Carrier 3	A+ (Superior)	Declined	Uncompetitive with current rates
Carrier 4	A++(Superior)	Declined	Uncompetitive with current rates
Carrier 5	A (Excellent)	Declined	Uncompetitive with current rates/Location
Carrier 6	A (Excellent)	Declined	Uncompetitive with current rates/Location
Carrier 7	A+ (Superior)	Declined	Uncompetitive with current rates
Carrier 8 (incumbent)	A- (Excellent)	Current Carrier	Quoted
Carrier 9	A++(Superior)	Declined	Uncompetitive with current rates
Carrier 10	A (Excellent)	Declined	Uncompetitive with current rates
Carrier 11	A (Excellent)	Declined	Uncompetitive with current rates, expecting large lasers
Carrier 12	A (Excellent)	Declined	Uncompetitive with current rates
Carrier 13	A (Excellent)	Declined	Uncompetitive with current rates, expecting large lasers
Carrier 14	A (Excellent)	Declined	Uncompetitive with current rates
Carrier 15	A (Excellent)	Declined	Uncompetitive with current rates
Carrier 16	A+ (Superior)	Pending	Did not respond
Carrier 17	A+ (Superior)	Declined	Uncompetitive with current rates
Carrier 18	A (Excellent)	Declined	Uncompetitive with current rates
Carrier 19	A (Excellent)	Declined	Uncompetitive with current rates
Carrier 20	A (Excellent)	Declined	Uncompetitive with current rates
Carrier 21	A (Excellent)	Declined	Uncompetitive with current rates

Effective Date: January 1, 2024

**Granular**

SPECIFIC DEDUCTIBLE OPTIONS	\$450,000	\$450,000	\$475,000	\$500,000
	Current Premium	Final Renewal	Renewal Option 1	Renewal Option 2
Projected Annual Premium	\$1,840,297	\$2,575,724	\$2,469,834	\$2,424,859
% Increase/Decrease over Current		40.0%	34.2%	31.8%
\$ Increase/Decrease over Current		\$735,426	\$629,535	\$584,560

SPECIFIC DEDUCTIBLE OPTIONS	\$450,000	\$475,000	\$500,000
(Options do NOT include premium refunding)	Renewal Option 3	Renewal Option 4	Renewal Option 5
Projected Annual Premium	\$2,472,923	\$2,370,862	\$2,327,864
% Increase/Decrease over Current	34.4%	28.8%	26.5%
\$ Increase/Decrease over Current	\$632,625	\$530,564	\$487,566

# San Joaquin Valley Insurance Authority (SJVIA) Financial Summary

*Keenan*

Effective Date: January 1, 2024

## **Granular** - Please review Proposal Assumptions and Contingencies:

- Quoted rates include the following:
  - 0% Commission
  - 40% Renewal Rate Cap
  - No New Lasers
  - Plan Mirroring
- We will refund to You a portion of the net profit from the Policy period beginning 01/01/2024 and ending 12/31/2024 if the following conditions are satisfied:
  1. The gross premium due and paid for the Policy year is not less than \$1,545,434; and
  2. The Policy is renewed for a subsequent Policy year by Us; and
  3. The results of the refund calculation are in a positive balance. If the refund calculation results in a negative balance, no refund will be paid.
- The amount of the refund will be 30% of the result of the following calculation:
  1. 69% of gross premium due and paid by You for the Policy year shown above,
  2. Minus 100% of the Losses for the Policy year, minus the amount of the Deficit Carry Forward.
- The calculation of the Experience Refund will be completed on the later of 12 months after the end of the Policy year shown above, or the date when the Losses for that Policy year are finally determined and the Policyholder and the Company have agreed to settle and commute their interests and liabilities under the Policy.
- Rates and Factors subject to attached Qualifications and Contingencies and Plan Document Assumptions.
- All claims are reported/paid in U.S. dollars.
- The proposal is based on the data provided. The proposal may be modified if data changes or under other conditions as specified in this document.
- This proposal is based on the continuation of the current plan(s) of benefits.
- If the number of covered employees or the percentage of family participants change by more than 15% this proposal may be revised.
- If this proposal includes an offer of aggregate coverage, the monthly aggregate factor cannot be finalized more than 90 days from the effective date.
- Advance Funding is included.
- Retirees are not covered.
- This proposal is valid only if presented by a licensed insurance agent or broker who is appointed by Granular Insurance Company.
- The agent/broker does not have the authority to bind or modify the terms of his offer without prior approval of Granular.
- We require notification 30 days prior to the acquisition date of any employer completed merger or acquisition. Underwriting serves the right to modify coverage terms when a new division is added or deleted from coverage or when plan and/or network changes occur.
- Granular agrees to accept for claims reimbursement the employer's plan document.
- If the aggregate is quoted, then the minimum annual aggregate total is 90% of the first month's enrollment times monthly aggregate attachment points.

# San Joaquin Valley Insurance Authority (SJVA)

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Effective Date: January 1, 2024

Stop Loss Marketing Analysis - \$450,000 , \$475,000 and \$500,000 SSL Deductible

SPECIFIC STOP LOSS	Current	Final Renewal	Renewal Option 1	Renewal Option 2
<b>Carrier Name</b>	<b>Granular</b>			
<b>Stop Loss Deductible</b>	\$ 450,000	\$ 450,000	\$ 475,000	\$ 500,000
Annual Max Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited
Contract Basis	12/18	12/18	12/18	12/18
Commissions	0%	0%	0%	\$0
Covered Expense	Medical, Rx	Medical, Rx	Medical, Rx	Medical, Rx
<b>Specific Premium</b>				
Ee	5,155 \$ 16.52	\$ 23.12	\$ 22.17	\$ 21.77
Family	2,056 \$ 33.17	\$ 46.43	\$ 44.52	\$ 43.70
Composite Rate	7,211 \$ 21.27	\$ 29.77	\$ 28.54	\$ 28.02
Monthly	\$ 153,358	\$ 214,644	\$ 205,819	\$ 202,072
<b>Annual Premium</b>	<b>\$ 1,840,297</b>	<b>\$ 2,575,724</b>	<b>\$ 2,469,834</b>	<b>\$ 2,424,859</b>
% Difference		40.0%	34.2%	31.8%
\$ Difference		\$ 735,426	\$ 629,535	\$ 584,560

## SPECIFIC STOP LOSS (Options do NOT include premium refunding)

	Renewal Option 3	Renewal Option 4	Renewal Option 5
<b>Stop Loss Deductible</b>	\$ 450,000	\$ 475,000	\$ 500,000
Annual Max Reimbursement	Unlimited	Unlimited	Unlimited
Contract Basis	12/18	12/18	12/18
Commissions	\$0	\$0	\$0
Covered Expense	Medical, Rx	Medical, Rx	Medical, Rx
<b>Specific Premium</b>			
Ee	\$ 22.20	\$ 21.28	\$ 20.90
Family	\$ 44.57	\$ 42.74	\$ 41.95
Composite Rate	\$ 28.58	\$ 27.40	\$ 26.90
Monthly	\$ 206,077	\$ 197,572	\$ 193,989
<b>Annual Premium</b>	<b>\$ 2,472,923</b>	<b>\$ 2,370,862</b>	<b>\$ 2,327,864</b>
% Difference	34.4%	28.8%	26.5%
\$ Difference	\$ 632,625	\$ 530,564	\$ 487,566

**San Joaquin Valley Insurance Authority (SJVIA)**

*Keenan*

Total Claims Paid

Exceeding \$225,000

Incurred Date Range: 1/1/2023 To 9/30/2023

Paid Date Range: 1/1/2023 To 9/30/2023

# of Claimant	Relation	County	Medical Plan	Med Amount Paid	RX Amount Paid	Total Amount Paid
1	Child/Dependent	COT	PPO	\$ 715,582	\$ 32	\$ 715,613
2	Child/Dependent	COF	EPO	\$ 667,170	\$ 540	\$ 667,710
3	Employee/Self	COF	H S A	\$ 655,640	\$ 1,272	\$ 656,912
4	Spouse/Partner	COF	EPO	\$ 265,291	\$ 26,387	\$ 291,678
5	Employee/Self	COF	H S A	\$ 264,257	\$ 5,632	\$ 269,889
6	Child/Dependent	COF	EPO	\$ 257,797	\$ 6,248	\$ 264,046
<b>Total</b>				<b>\$ 2,825,738</b>	<b>\$ 40,111</b>	<b>\$ 2,865,849</b>



# San Joaquin Valley Insurance Authority (SJVIA)

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Total Claims Paid

Exceeding \$225,000

Incurred Date Range: 1/1/2022 To 12/31/2022

Paid Date Range: 1/1/2022 To 6/30/2023

# of Claimant	Relation	County	Medical Plan	Med Amount Paid	RX Amount Paid	Total Amount Paid
1	Employee/Self	COF	EPO	\$ 1,159,827	\$ 22,967	\$ 1,182,794
2	Child/Dependent	COF	HSA	\$ 545,376	\$ -	\$ 545,376
3	Employee/Self	COF	EPO	\$ 526,524	\$ 438	\$ 526,962
4	Employee/Self	COF	EPO	\$ 524,626	\$ 353	\$ 524,979
5	Employee/Self	COF	EPO	\$ 495,352	\$ 32,064	\$ 527,416
6	Child/Dependent	COT	PPO	\$ 410,411	\$ 165	\$ 410,575
7	Child/Dependent	COF	EPO	\$ 410,172	\$ 85	\$ 410,257
8	Child/Dependent	COF	EPO	\$ 379,425	\$ -	\$ 379,425
9	Child/Dependent	COF	EPO	\$ 368,364	\$ 25,064	\$ 393,428
10	Child/Dependent	COF	EPO	\$ 302,076	\$ 931	\$ 303,008
11	Child/Dependent	COF	EPO	\$ 294,571	\$ -	\$ 294,571
12	Employee/Self	COF	PPO	\$ 292,145	\$ 91	\$ 292,236
13	Employee/Self	COF	EPO	\$ 288,693	\$ 4,082	\$ 292,776
14	Child/Dependent	COF	EPO	\$ 288,041	\$ -	\$ 288,041
15	Employee/Self	COF	EPO	\$ 265,640	\$ 47,822	\$ 313,462
16	Employee/Self	COT	PPO	\$ 260,693	\$ 848	\$ 261,541
17	Employee/Self	COF	EPO	\$ 249,574	\$ -	\$ 249,574
18	Spouse/Partner	COF	EPO	\$ 247,926	\$ 1,409	\$ 249,335
19	Spouse/Partner	COF	EPO	\$ 242,552	\$ 10,666	\$ 253,218
20	Child/Dependent	COT	PPO	\$ 236,490	\$ 646	\$ 237,136
<b>Total</b>				<b>\$ 7,788,479</b>	<b>\$ 147,631</b>	<b>\$ 7,936,110</b>

**San Joaquin Valley Insurance Authority (SJVIA)**

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**Loss History - 2 Year Loss Ratio**

Effective	Carrier	Specific Deductible	Basis	Covg.	Claimants Exceeding	Paid Premium**	Paid Claims	Stop Loss Recovery
YTD 1/1/23 - 9/30/23	Granular	\$ 450,000	12/18	MED/RX	3	\$ 1,353,980	\$ 688,424	50.8%
2022	Granular	\$ 450,000	12/18	MED/RX	5	\$ 1,422,862	\$ 1,435,857	100.9%
						<b>\$ 2,776,842</b>	<b>\$ 2,124,281</b>	<b>76%</b>

\*\* Estimated annual premium from projected renewal for contract 2022 and 2023.