

# *SAN JOAQUIN VALLEY INSURANCE AUTHORITY (SJVIA)*

2022 Stop Loss Renewal and Marketing Presentation

Presented by:



*SAN JOAQUIN VALLEY INSURANCE AUTHORITY (SJ)*  
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Executive Summary

FINAL RESULTS

Effective Date: January 1, 2022

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

- Stop loss RFP marketed to fourteen (14) stop loss carriers. Six (6) carriers quoted (including the incumbent), the others declined.

**II. PartnerRe. Renewal:**

- **Initial** - Renewal offer is an approximate +14.2% increase, or an additional \$223,517, in annual premium when compared to current
- **Final** - Renewal offer at the current Specific Deductible of \$450,000, is an approximate **+7.0%** increase, or an additional \$110,620, in annual premium and a savings of \$112,898, in annual premium when compared to the initial renewal offer.

**Alternate Renewal Deductible Options:**

- Renewal Option 1: **-5.0%** decrease with a change in Specific Deductible for \$450,000 to **\$475,000**

**Potential Premium Dividend/Refund** - Illustrates a potential reward in the amount of **\$136,252**, based on (SJVIA) year to date loss ratio.

- The dividend projection based paid claims as of 9/30/2021. Claims payments could change by policy end, resulting in a different refund amount.
- Dividend are contingent on renewal with PartnerRe. Groups are not reviewed for a premium refund until 12 months after the contract period.

**Proposal Contingencies:**

- Includes - Mirroring Endorsement
- Includes - No New Lasers with a 50% Renewal Cap
- Includes - Experience Refund - Dividend Eligible Agreement - 25% of eligible premium
- Disclosure required

Claim disclosure information provided to date for this account has been reviewed and no further information is needed. Rates effective 01/01/2021 are firm and final if accepted by **12/10/2021**. If acceptance is not provided by this date, updated disclosure information will be needed to finalize.

**III. Granular Proposed:**

- **Proposed** - offer is an approximate **-5.8% decrease**, or a reduction of \$90,343, in annual premium when compared to current

**Alternate Renewal Deductible Options:**

- Proposed Option 1: **-15.3% decrease** with a change in Specific Deductible for \$450,000 to **\$475,000**

**Proposal Contingencies:**

- Includes - Mirroring Endorsement
- Includes - No New Lasers with a Rate cap first year 35% Renewal (2023); Rate cap 40% upon the second renewal (2024)
- Includes - Experience Refund - Dividend Eligible Agreement - 40% of eligible premium
- Disclosure required

Claim disclosure information provided to date for this account has been reviewed and no further information is needed. Rates effective 01/01/2021 are firm and final if accepted by **12/10/2021**. If acceptance is not provided by this date, updated disclosure information will be needed to finalize.

*SAN JOAQUIN VALLEY INSURANCE AUTHORITY (SJVIA)  
 Stop Loss RFP Analysis  
 Carrier Responses*



| <i>Carrier</i>              | <i>Financial Rating</i> | <i>Status</i> | <i>Note</i>  |
|-----------------------------|-------------------------|---------------|--|
| American National /IOA Re   | A (Excellent)           | Quoted        | Uncompetitive with proposed renewal 6.0% above current |
| Anthem                      | A (Excellent)           | Declined      | Uncompetitive with current rates                       |
| Berkshire Hathaway          | A++(Superior)           | Quoted        | Uncompetitive with proposed renewal 33% above current  |
| Gerber Life/Vista           | A (Excellent)           | Quoted        | Uncompetitive with proposed renewal 36% above current  |
| Granular                    | A (Excellent)           | Quoted        | Finalist   |
| Liberty                     | A (Excellent)           | Quoted        | Uncompetitive with proposed renewal 6.0% above current |
| Optum                       | A (Excellent)           | Declined      | Uncompetitive with current rates                       |
| Pan American/Evolution Risk | A (Excellent)           | Declined      | Uncompetitive with current rates                       |
| PartnerRe (Incumbent)       | A+ (Superior)           | Quoted        | Finalist   |
| QBE                         | A (Excellent)           | Declined      | Uncompetitive with current rates                       |
| Sun Life                    | A+ (Superior)           | Declined      | Uncompetitive with current rates                       |
| Symetra                     | A (Excellent)           | Declined      | Uncompetitive with current rates                       |
| TM HCC                      | A++ (Superior)          | Declined      | Uncompetitive with current rates                       |
| Voya Financial              | A (Excellent)           | Declined      | Uncompetitive with current rates                       |

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY (SJVIA)**  
**Financial Summary**  
**Effective Date: January 1, 2022**



**PartnerRe.**

| SPECIFIC DEDUCTIBLE OPTIONS       | \$450,000              | \$450,000            | \$475,000               |
|-----------------------------------|------------------------|----------------------|-------------------------|
|                                   | <b>Current Premium</b> | <b>Final Renewal</b> | <b>Renewal Option 1</b> |
| Projected Annual Premium          | \$1,571,138            | \$1,681,758          | \$1,492,910             |
| % Increase/Decrease over Current  |                        | 7.0%                 | -5.0%                   |
| \$ Increase/Decrease over Current |                        | \$110,620            | (\$78,229)              |

**Granular/Point6**

| SPECIFIC DEDUCTIBLE OPTIONS       | \$450,000              | \$475,000                |
|-----------------------------------|------------------------|--------------------------|
|                                   | <b>Proposed Option</b> | <b>Proposed Option 1</b> |
| Projected Annual Premium          | \$1,480,796            | \$1,331,314              |
| % Increase/Decrease over Current  | -5.8%                  | -15.3%                   |
| \$ Increase/Decrease over Current | (\$90,343)             | (\$239,825)              |

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY (SJVIA)**  
**Financial Summary**  
**Effective Date: January 1, 2022**



**PartnerRe - Please review Proposal Assumptions and Contingencies:**

- For inclusion of prescription drug (Rx) coverage under the Specific and/or Aggregate coverage(s) when there is a separate PBM, PartnerRe requires written documentation for underwriting purposes that all Rx experience reports have been received. Otherwise, Rx will not be a covered expense under the stop loss policy. PartnerRe is not responsible for aggregating medical and Rx claims data during quotation or policy
- Current copies of the Plan Document, all Amendments and Restatements of the Plan Document are required to be submitted and approved by PartnerRe prior to the effective date of coverage.
- All claim reporting submitted from the selected Administrator should be provided to PartnerRe in sortable Microsoft Excel format throughout the Policy and Proof of Loss Periods. Failure to do so could result in a delay of claim reimbursements.
- Quotation based on Retirees over 65 are Medicare Primary.
- Actively at Work is waived with receipt and acceptance of the PartnerRe Claim Disclosure Statement.
- This Quotation assumes that the Agent/Broker is operating under the appropriate license in which the risk is domiciled. The Agent/Broker license and appointment with PartnerRe will be required prior to binding coverage.
- This Quotation is subject to cancellation or revision prior to the binding of coverage.
- The statements herein may vary from the final Policy wording. The final Policy wording along with the Excess Loss Insurance Application and Claims Disclosure Statement shall govern over any inconsistency with the wording herein.
- If the Excess Loss Insurance Policy is renewed, We guarantee that Your Premium rate(s) (and Aggregated Specific Deductible if applicable) as shown on the [initial] Schedule of Insurance will not be increased more than the indicated percentage, provided that there are no Material Changes that alter the risk under the current Excess Loss Insurance Policy. See Policy Endorsement for complete benefit details.
- **Upon renewal, We guarantee no new lasers for the options shown above in which No New Lasers at Next Renewal is Guaranteed.**
- **The Company will pay the Policyholder 25% of the NET profit for this Policy after both parties have agreed to commute the Policy for the specific policy period. Net profit means 60% of gross premium, minus 100% of the total amount reimbursed by Company and any deficit carry-forward from prior policy year(s). Experience refund is payable only if the gross premium is not less than \$1,000,000, the results of the refund calculation are a positive balance, and the Policyholder renews coverage with the Company for a subsequent Policy Period beginning 1/1/23.**

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY (SJVIA)**  
**Financial Summary**  
**Effective Date: January 1, 2022**



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

- 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 covered under the Granular Insurance Policy. It is the responsibility of the employer to identify to Granular Insurance all retirees to be covered under the Granular Insurance Policy. If a group does not have retirees, their rate will not be impacted.
- 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.

**Experience Refund as described below:**

- We will refund to You a portion of the net profit from the Policy period beginning 01/01/2022 and ending 12/31/2022 if the following conditions are satisfied:
- The gross premium due and paid for the Policy year is not less than \$400,000; and The Policy is renewed for a subsequent Policy year by Us; and 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 40% of the result of the following calculation:
  1. 70% 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.



SAN JOAQUIN VALLEY INSURANCE AUTHORITY (SJVIA)



Effective Date: January 1, 2022

STOP LOSS MARKETING ANALYSIS - \$450,000 or \$475,000 SSL Deductible

| SPECIFIC STOP LOSS                              | Current           | Initial Renewal        | Final Renewal        | Renewal Option 1        | Proposed Option        | Proposed Option 1        |
|---|-------------------|------------------------|----------------------|-------------------------|------------------------|--------------------------|
| Carrier Name                                    | PartnerRe.        |                        |                      |                         | Granular/Point6        |                          |
| <b>Stop Loss Deductible</b>                     | <b>\$ 450,000</b> | <b>\$ 450,000</b>      | <b>\$ 450,000</b>    | <b>\$ 475,000</b>       | <b>\$ 450,000</b>      | <b>\$ 475,000</b>        |
| Annual Max Reimbursement                        | Unlimited         | Unlimited              | Unlimited            | Unlimited               | Unlimited              | Unlimited                |
| Contract Basis                                  | 12/18             | 12/18                  | 12/18                | 12/18                   | 12/18                  | 12/18                    |
| Covered Expense                                 | Medical, Rx       | Medical, Rx            | Medical, Rx          | Medical, Rx             | Medical, Rx            | Medical, Rx              |
| <b>Specific Premium</b>                         |                   |                        |                      |                         |                        |                          |
| Ee  | 4,798 \$ 13.33    | \$ 15.42               | \$ 14.45             | \$ 12.82                | \$ 13.79               | \$ 12.40                 |
| Family  | 2,067 \$ 32.40    | \$ 36.56               | \$ 34.26             | \$ 30.43                | \$ 27.69               | \$ 24.89                 |
| Composite Rate                                  | 6,865 \$ 19.07    | \$ 21.79               | \$ 20.41             | \$ 18.12                | \$ 17.98               | \$ 16.16                 |
| Monthly   | \$ 130,928        | \$ 149,555             | \$ 140,146.52        | \$ 124,409.17           | \$ 123,399.65          | \$ 110,943               |
| Annual Premium                                  | \$ 1,571,138      | \$ 1,794,656           | \$ 1,681,758         | \$ 1,492,910            | \$ 1,480,796           | \$ 1,331,314             |
| % Difference                                    |                   | 14.2%                  | 7.0%                 | -5.0%                   | -5.8%                  | -15.3%                   |
| \$ Difference                                   |                   | \$ 223,517             | \$ 110,620           | \$ (78,229)             | \$ (90,343)            | \$ (239,825)             |
| <b>2021 Estimated Experience Credit Refund*</b> | <b>\$136,252</b>  |                        |                      |                         |                        |                          |
| <b>Overall Cost Summary</b>                     | <b>Current</b>    | <b>Initial Renewal</b> | <b>Final Renewal</b> | <b>Renewal Option 1</b> | <b>Proposed Option</b> | <b>Proposed Option 1</b> |
| Maximum Annual Liability                        | \$ 1,571,138      | \$ 1,794,656           | \$ 1,681,758         | \$ 1,492,910            | \$ 1,480,796           | \$ 1,331,314             |
| Max Annual Liability after Experience Refund    | \$ 1,571,138      | \$ 1,658,404           | \$ 1,545,507         | \$ 1,356,658            | \$ 1,480,796           | \$ 1,331,314             |
| % Increase/Decrease over Current                |                   | 5.6%                   | -1.6%                | -13.7%                  | -5.8%                  | -15.3%                   |
| \$ Increase/Decrease over Current               |                   | \$ 87,267              | \$ (25,631)          | \$ (214,479)            | \$ (90,342)            | \$ (239,824)             |

\* Please note that this is a preliminary calculation, and the final calculation will be completed on the later of twelve (12) months after the end of the Policy Period or when Our (PartnerRe) Liability for the Policy Period is finally determined and both parties have agreed to settle and commute their interests and liabilities under this Policy.

*SAN JOAQUIN VALLEY INSURANCE AUTHORITY (SJVIA)*



*Total Claims Paid*

*Exceeding \$100,000*

Paid Date Range: 1/1/2021 To 9/30/2021

| # of Claimant | County | Med Amount Paid     | RX Amount Paid   | Total Amount Paid   |
|---------------|--------|---------------------|------------------|---------------------|
| 1             | COF    | \$ 598,012          | \$ 4,825         | \$ 602,837          |
| 2             | COF    | \$ 455,572          | \$ -             | \$ 455,572          |
| 3             | COF    | \$ 392,159          | \$ 1,569         | \$ 393,728          |
| 4             | COF    | \$ 302,487          | \$ 28,093        | \$ 330,580          |
| 5             | COF    | \$ 283,188          | \$ 81            | \$ 283,270          |
| <b>Total</b>  |        | <b>\$ 2,031,419</b> | <b>\$ 34,568</b> | <b>\$ 2,065,987</b> |

Loss History

| Effective         | Carrier    | Specific Deductible | Basis | Covg.  | Premium Paid        | Paid Claims       | Stop Loss Recovery |
|-------------------|------------|---------------------|-------|--------|---------------------|-------------------|--------------------|
| 2021-YTD -9/30/21 | PartnerRe. | \$ 450,000          | 12/18 | MED/RX | \$ 1,171,483        | \$ 157,883        | 13.5%              |
|                   |            |                     |       |        | <b>\$ 1,171,483</b> | <b>\$ 157,883</b> | <b>13.5%</b>       |