



# Stop Loss - Marketing Results

School Board of Brevard County | Effective January 1, 2021

**Prepared by Aon**

Health Solutions  
Presented to School Board of Brevard County









## Marketing Overview

- Executive Summary
- Vendor Participation Summary
- Plan Design Summary
- Financial Summary
- Laser Summary

# Executive Summary – Marketing Overview

 <p><b>Marketing Objective</b></p>	<p>On behalf of School Board of Brevard County, Aon requested Specific Stop loss quotes effective January 1, 2021 for three deductibles (\$425,000, \$450,000 and \$475,000) on a 12/18 contract basis from nine agreed upon Stop Loss vendors. Claims through September 2020 provided with initial release.</p>
 <p><b>Vendor Participation</b></p>	<p>The renewal was requested from Cigna. Additional quotes were requested from Berkshire, HMIG, QBE, Sun Life, Swiss Re, Symetra, Tokio Marine HCC and Voya. Rates were requested with 0% commission.</p>
 <p><b>Strengths and Considerations</b></p>	<p><b>Cigna:</b> Renewal is 34.7% increase over current (\$425K deductible, \$387K aggregating specific, 0% commission). Cigna is also offering a multiple products “integration credit” of \$0.50 PEPM. This “integration credit” of \$0.50 PEPM for having multiple products integrated together with Cigna is worth approximately \$40,000 annually and may be used toward the 2021 stop loss premiums.</p> <p><b>Tokio Marine HCC:</b> Firm quote is not competitive and includes three individual lasers or additional deductible amounts (two at \$1M conditional on (LVAD) and/or heart transplants).</p> <p><b>Voya:</b> Quote is illustrative based on September claims and 50.2% over current costs. Per Voya:</p> <ul style="list-style-type: none"> <li>• The current year loss ratio increased from 75% to 101%, based on claims through October 2020 versus through September 2020.</li> <li>• The updated information identified a claimant whose treatment could run \$1.1M annually and may be ongoing.</li> <li>• Another claimant whose, current claims are approximately \$215K and is at risk for heart, lung, liver, and need for transplant. If they are placed on a brand drug for this condition, the cost for the drug alone will vary between \$675K -\$1M annually.</li> <li>• The firm quote will likely would contain significant lasers (additional deductibles) on the above two claimants.</li> </ul>
 <p><b>Administrative Impact</b></p>	<p>Moderate administrative impact if implementation is needed.</p>

Note:  
A laser is the practice of assigning a higher Individual Specific Level Deductible/ISL for a claimant with a known condition that is likely to exceed the current ISL.

# Vendor Participation Summary

	Cigna	Berkshire	HMIG	QBE	Sun Life	Swiss Re	Symetra	Tokio Marine HCC	Voya
<b>Stop Loss</b>	Renewal Provided	Decline	Decline	Decline	Decline	Decline	Decline	Quoted	Quoted
<b>Illustrative or Firm</b>	<b>Firm</b>	N/A	N/A	N/A	N/A	N/A	N/A	<b>Firm</b>	<b>Illustrative</b>
<b>Firm through date</b>	12/18/2020	N/A	N/A	N/A	N/A	N/A	N/A	12/17/2020	N/A

## Decline to Quote and Failure to Quote Summary

Design	Vendor	Reason for No Quote
Stop Loss	Berkshire	Underwriting risk too great
	HMIG	Pricing target is too competitive
	QBE	Underwriting risk too great
	Sun Life	Pricing target is too competitive
	Swiss Re	Pricing target is too competitive
	Symetra	Pricing target is too competitive

# Plan Design Summary: Stop Loss

	Cigna	Cigna	Tokio Marine HCC	Voya
	Current	Renewal	Proposed	Proposed
<b>Specific</b>				
Specific Deductible	\$425,000	\$425,000 \$450,000 \$475,000	\$425,000 \$450,000 \$475,000	\$425,000 \$450,000 \$475,000
Contract Basis (Incurred/Paid)	Incurred in 12 Paid Anytime	Incurred in 12 Paid Anytime	Incurred in 12 Paid in 18	Incurred in 12 Paid in 18
Aggregating Specific	\$387,000	\$387,000	\$387,000	\$387,000
Advance Funding	Included	Included	Included	Included
Specific Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Annual Benefit Plan Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Coverages Included	Medical & RX	Medical & RX	Medical & RX	Medical & RX
Transplant Carved-Out	Excluded	Excluded	Excluded	Excluded

**Note:**

- Incurred in 12/Paid Anytime contract: Employer plan claims are covered by the Stop Loss policy only if they are incurred during the policy term (January 2021 through December 2021) and paid anytime during or after the end of the policy term.
- Incurred in 12/Paid in 18 contract: Employer plan claims are covered by the Stop Loss policy only if they are incurred during the policy term (January 2021 through December 2021) and paid during the policy year and up to six months of the end of the policy term (January 2021 through June 2022)

# Financial Summary: \$425,000 Specific Deductible (Commission - 0%)

	Lives	Cigna	Cigna	Tokio Marine HCC	Voya
		Current	Renewal	Proposed *	Proposed *
<b>Specific Deductible PEPM</b>					
Composite	6,436	\$16.84	\$24.42	\$29.02	\$24.81
Annual Premium		\$1,300,587	\$1,886,055	\$2,241,273	\$1,916,126
<b>Additional Liability</b>					
Aggregating Specific		\$387,000	\$387,000	\$387,000	\$387,000
Interface Fees		\$0	\$0	\$231,696	\$231,696
Lasers		\$0	\$0	\$1,475,000	TBD
<b>Total Cost</b>					
Total Overall Cost (\$)		\$1,300,587	\$1,886,055	\$2,472,969	\$2,147,822
Total Annual Cost + Liabilities		\$1,687,587	\$2,273,055	\$4,334,969	\$2,534,822
Difference from Current (\$)			\$585,468	\$2,647,382	\$847,235
Difference from Current (%)			34.7%	156.9%	50.2%
Difference from Renewal (\$)				\$2,061,914	\$261,767
Difference from Renewal (%)				90.7%	11.5%
<b>Provisions</b>					
No New Laser Provision (Additional ISL Requirement)		One Year	No	One Year	One Year
Renewal Rate Cap (%)		45%	No Cap	50%	50%

\* Does not include Cigna interface (file fee) fee of \$3.00 PEPM or approximately \$230,00 per year

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## Financial Summary: \$450,000 Specific Deductible (Commission - 0%)

	Lives	Cigna	Cigna	Tokio Marine HCC	Voya
		Current	Proposed	Proposed *	Proposed *
<b>Specific Deductible PEPM</b>					
Composite	6,436	\$16.84	\$21.88	\$25.97	\$22.43
Annual Premium		\$1,300,587	\$1,689,569	\$2,005,715	\$1,732,314
<b>Additional Liability</b>					
Aggregating Specific		\$387,000	\$387,000	\$387,000	\$387,000
Interface Fees		\$0	\$0	\$231,696	\$231,696
Lasers		\$0	\$0	\$1,400,000	TBD
<b>Total Cost</b>					
Total Overall Cost (\$)		\$1,300,587	\$1,689,569	\$2,237,411	\$1,964,010
Total Annual Cost + Liabilities		\$1,687,587	\$2,076,569	\$4,024,411	\$2,351,010
Difference from Current (\$)			\$388,982	\$2,336,824	\$663,423
Difference from Current (%)			23.0%	138.5%	39.3%
Difference from Renewal (\$)				\$1,947,842	\$274,441
Difference from Renewal (%)				93.8%	13.2%
<b>Provisions</b>					
No New Laser Provision (Additional ISL Requirement)		One Year	No	One Year	One Year
Renewal Rate Cap (%)		45%	No Cap	50%	50%

\* Does not include Cigna interface (file feed) fee of \$3.00 PEPM or approximately \$230,00 per year

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# Financial Summary: \$475,000 Specific Deductible (Commission - 0%)

	Lives	Cigna	Cigna	Tokio Marine HCC	Voya
		Current	Proposed	Proposed *	Proposed *
<b>Specific Deductible PEPM</b>					
Composite	6,436	\$16.84	\$20.20	\$23.79	\$20.55
Annual Premium		\$1,300,587	\$1,560,456	\$1,837,349	\$1,587,118
<b>Additional Liability</b>					
Aggregating Specific		\$387,000	\$387,000	\$387,000	\$387,000
Interface Fees		\$0	\$0	\$231,696	\$231,696
Lasers		\$0	\$0	\$1,325,000	TBD
<b>Total Cost</b>					
Total Overall Cost (\$)		\$1,300,587	\$1,560,456	\$2,069,045	\$1,818,814
Total Annual Cost + Liabilities		\$1,687,587	\$1,947,456	\$3,781,045	\$2,205,814
Difference from Current (\$)			\$259,869	\$2,093,458	\$518,227
Difference from Current (%)			15.4%	124.1%	30.7%
Difference from Renewal (\$)				\$1,833,589	\$258,358
Difference from Renewal (%)				94.2%	13.3%
<b>Provisions</b>					
No New Laser Provision (Additional ISL Requirement)		One Year	No	One Year	One Year
Renewal Rate Cap (%)		45%	No Cap	50%	50%

\* Does not include Cigna interface (file fee) fee of \$3.00 PEPM or approximately \$230,00 per year

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# Laser Summary: Tokio Marine HCC

Tokio Marine HCC			
Laser Type	Laser Amount	Diagnosis	Conditional Requirements
Traditional	\$750,000	Cancer	
Conditional	\$1,000,000	Coronary artery disease	Contingent upon LVAD and/or heart transplant
Conditional	\$1,000,000	heart disease	Contingent upon LVAD and/or heart transplant