



Date: 09/16/2016
Version: 5

101 Hudson Street Jersey City, NJ 07302 (212) 925-0017 Tel. () - Fax

STOP LOSS INSURANCE PROPOSAL

This Proposal is subject to final approval by our Jersey City based underwriting department

Employer	City of Coppel	Effective Date	10/01/2016	Proposal Valid Until	11/01/2016
SIC Code/Nature of Industry	9199	Carrier(s) on behalf	Gerber	Total Enrollees	341
Specific Covers	Medical, Rx Card	Proposal Issued To	SA Benefit Services, LLC	Retirees	Y
Aggregate Covers	Medical, Rx Card	TPA	UMR-KS	Contract Months	12
Regional Sales Manager	Carmine Franca	Underwriter	Patrick Maguire		

	Option 1	Option 2
SPECIFIC COVERAGE		
Deductible Type	Individual	Individual
Deductible Amount	\$ 125,000	\$ 150,000
Lifetime Maximum	Unlimited	Unlimited
Contract Period Annual Maximum	Unlimited	Unlimited
Contract Basis	24/12	24/12

AGGREGATE COVERAGE		
Loss Limit per Individual	\$ 125,000	\$ 150,000
Maximum Annual Reimbursement	\$ 1,000,000	\$ 1,000,000
Contract Basis	24/12	24/12
Corridor	1.25	1.25

COMMISSION (writing agent or group)		
Specific	0.00%	0.00%
Aggregate	0.00%	0.00%

SPECIFIC RATE(S)		
Quoted Rate Per Month	Enrollment	
Single	178 \$	32.11 \$
Family	163 \$	80.22 \$
Estimated Annual Premium	\$	225,500 \$
		186,862

AGGREGATE RATE		
Rate Per Month	Enrollment	
Composite	341 \$	3.76 \$
Estimated Annual Premium (Monthly)	\$	15,386 \$
Estimated Annual Premium (Annually)	\$	12,309 \$
		15,222

AGGREGATE FACTOR(S)		
Monthly Aggregate Claim Factors	Enrollment	
<u>Medical, Rx Card</u>		
Single	178 \$	687.97 \$
Family	163 \$	1,852.56 \$
Minimum Attachment Point	\$	5,093,111 \$
		5,176,228

SEPARATE INDIVIDUAL RETENTION LEVEL(S)/OTHER CONTINGENCIES

OTHER TERMS		
Aggregating Specific Amount	\$ 50,000	\$ 50,000
Specific Advance Funding	Y	Y
Aggregate Terminal Run-Out	N	N
Run-In Limit - Specific (Per Ee)	Waived	Waived
Run-in Limit - Aggregate	Waived	Waived
Organ Transplant Carve Out	Y	Y

PROPOSAL QUALIFICATIONS AND CONTINGENCIES:

BENEFIT PLAN DESIGN	Class 1: HRA	
		<u>In-Network</u>
Deductible:		\$2,000
Coinsurance Percentage:		80%
Coinsurance maximum:		\$10,000
Maximum Out of Pocket:		\$2,000
Include Deductible:	No	No

PPO Network(s): United Healthcare Choice Plus

* The producer will receive a volume-based bonus equal to seven percent of the groups gross paid medical stop loss premium.

** The above Specific Rate(s) assume a separate Fully Insured Transplant Insurance Policy is in place on the Proposed Effective Date.

*** The above proposal is firm based on reporting through 8/19/2016 with the following contingencies required. If a decision is made by 9/15/2016, no additional reporting will be required:

1. Karla Richardson - \$225,000

I - THE GROUP REPRESENTS THE FOLLOWING:

* A minimum of 80% of all eligible employees are covered under the underlying benefit plan (the "participation requirement"). The group acknowledges and agrees that the participation requirement will not be revised or waived unless such revision or waiver is indicated by us (RMTS, LLC and the issuing carrier will herein be referred to as "we," "our" and "us") in writing on this proposal.

* If Domestic Charges Reimbursement, domestic charges are processed and paid like any other claim and a check or draft will be issued or an electronic fund transfer will be made. If the group cannot make this representation, group must provide a detailed written statement setting forth how domestic charges are handled including when the group considers a domestic charge paid. Domestic Charges Reimbursement percentage limit, as stated on page 1 of this Proposal, will apply to the lesser of (1) billed charges or (2) the amount payable under the terms of the Plan.

* The above rates and factors are based on the plan document and/or plan amendments provided to us during underwriting or in the prior policy years and approved by us, and network(s) indicated above will be used throughout the contract basis. Any plan changes implemented to bring the Plan in compliance with the requirements of Patient Protection and Affordable Care Act ("PPACA") will be considered under the stop loss contract, provided that such changes do not go beyond those required by PPACA. Any changes to deductibles, co-insurance or out-of pocket maximums, even if mandated by PPACA, may result in adjusted aggregate factors.

II - THIS PROPOSAL IS BASED ON THE FOLLOWING CONDITIONS:

* If retiree coverage is requested under the stop loss policy, MEDICARE is PRIMARY for retirees age 65 and over.

* Information submitted prior to or subsequent to the submission of the Disclosure Statement (including but not limited to the submission of claims or notices of potential claims (eg. 50% notices)) does not constitute disclosure, unless, you receive written notice from us to the contrary. The group acknowledges and agrees that the carrier will have no liability for claims submitted with respect to individuals who are not completely and accurately disclosed as set forth in the disclosure statement.

* The specific run in limit has been waived; however, this assumes receipt and review of Pending and precertification claim reports. If these reports are not provided and you do not receive written notice from the company of acceptance, any claims over the Specific Deductible incurred during the run-in period and prior to the effective date of coverage, and submitted for reimbursement under the Contract, will be limited to 20% of the chosen Specific Deductible level per covered person.

* (If Aggregate Coverage) The contractual Minimum Attachment Point will be based on the first month's enrollment unless the first month's enrollment has decreased from the quoted enrollment, in which case the contractual Minimum Attachment Point will be based on the quoted enrollment.

* If the Plan Document provides for alternative benefits upon recommendation of a case manager, that would otherwise be excluded under the Plan, such benefits will be considered eligible under the stop loss policy when all of the following criteria have been satisfied: (i) the group demonstrates to our satisfaction that providing the alternative benefits resulted in cost savings to the benefit plan; (ii) the alternative benefits are medically necessary and appropriate; (iii) the alternative treatment replaced treatment that would be covered under the benefit plan; and (iv) the alternative treatment does not exceed the maximum allowed under the benefit plan for the treatment replaced by the alternative treatment.

* We reserve the right to include a limitation in the stop loss policy in the event the Plan Document provides for continuation coverage during disability, leave of absence (including but not limited to workers' compensation or severance leave) or lay off which exceeds 12 weeks from the time the participant is no longer on the regular payroll of the group and/or performing the duties of his/her job with the employer on a full time basis.

* All participants eligible to participate in the Plan are subject to a minimum hourly working requirement under the Plan. We reserve the right to include a limitation in the stop loss policy for any plan participant who qualifies for coverage under the Plan without being subjected to the minimum hourly working requirement.

* Pre-Certification and case management services are utilized.

* Any correction to the specific or aggregate premium of the covered units for the preceding contract period, must be reported to the company within sixty days after the last contract month of the preceding contract period.

Should we learn at anytime that the information provided to us during the underwriting of this insurance risk was incomplete or inaccurate or any of the above representations are incorrect or if the group does not agree with any of the above conditions or assumptions, we may rescind or reunderwrite this offer or the stop loss policy or deny a claim affected by any of the above representations, conditions or assumptions.

III - THIS PROPOSAL IS SUBJECT TO RECEIPT AND REVIEW OF THE FOLLOWING:

> Completed and Signed Stop Loss Application.

> Completed and Signed Disclosure Statement, executed by the Plan Sponsor and/or TPA representative. Upon receipt of same, we will make a determination within fifteen (15) business days from receipt of the Statement as to whether a Separate Individual Retention Level(s) will apply, or whether additional information is needed. See Disclosure Statement for a complete description of requirements and conditions.

> (If Aggregate Coverage) Updated Aggregate Claims report through last day of expiring contract period. Upon receipt and review of same, we will make a determination within fifteen (15) business days from receipt of the report if the attachment point will need to be revised. If upon receipt of the updated aggregate claims report, it is determined that the average monthly claims for the two-month period immediately preceding the effective date of this proposal changed by 10% or more from the average claims for the first ten months of the prior contract period, we will have the right to change the rates and Aggregate Factors as of the proposed effective date.

> Complete plan document as of the effective date of the proposal (or draft if not yet finalized) with any plan change amendments or change in Network(s).

> Completed TPA Questionnaire, TPA Licenses in state for which contract will be issued, and evidence of e&o coverage and fidelity bond.

> Completed Carrier Producer Forms with W9, copies of Producer's Licenses in state for which contract will be issued. The license should be for the same party who is receiving commission (if proposal offer includes commission).

> Binder Check - First month's specific premium (if applying for the first year of coverage) (based on estimated first month enrollment) and aggregate premium (Lump Sum Amount or PEPM, whichever is chosen by the group). Receipt of premium and/or Binder Check shall not constitute an acceptance of liability. Liability (subject to the terms and conditions of the Stop Loss Contract) will only be accepted after receipt and approval of all above referenced documents.

> Pending Claim Report - A pending claim for the purposes of this report is any claim that is received by the group or its agents and not paid in full. This includes claims received and not yet processed and claims that were denied in whole or in part for receipt of additional information or otherwise, where benefits may be due under the Plan during the proposed stop loss contract benefit period.

If the above required forms and information are not received by the 'Proposal Valid Until' date listed on page 1, this offer may be rescinded, in which case all premium will be refunded.

TPA or Group Representative Signature:

Title:

Date:

Option selected:
