



## Group Medical Captive Renewal Proposal

**Employer:** City of Jackson

**Claims Administrator:** Auxiant

**Advisor:** The Meyer Group, Inc.  
St. Louis MO

**Network/PBM:** Mercy Direct/HealthLink Open Access III /First  
Health/Express Scripts

**Proposal #:** 76972

**Client Manager:** Jennifer Trudel

**Coverage Period:** 1/1/25 -  
12/31/25

**Underwriter:** Calli Gasparro

**Regional Practice Leader:** Robert  
Pace

**Specific Deductible:** \$150,000



## Current Snapshot

Roundstone values transparency — a merit often missing in our modern healthcare system. Our program allows you to see exactly how and where your health insurance dollars are being spent. We believe insight into your health benefits program offers your business greater control, helps improve your employees’ well-being, and allows you to budget and plan accordingly for the years ahead.

### CENSUS

**120** ENROLLED EMPLOYEES

Down 2 employees from prior year.

### EMPLOYEE AGE

**43** YEARS OLD ON AVERAGE

No change from prior year.

### MALE/FEMALE MIX

 = **98** MEN (Down 3 from prior year)

 = **22** WOMEN (Up 1 from prior year)

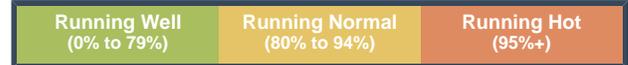
### TIER COUNT

Tier Type	2025	2024
Employee	63	67
Employee + Spouse	8	9
Employee + Child	35	32
Employee + Family	14	14

### TOTAL CLAIMS PAID

**\$605,225**  
THRU 8/31/2024

### YOUR CLAIMS ACCOUNT (thru 8/31/2024)



You are currently "running well" paying out 71% of your annual projected claims.

### MEDICAL vs. Rx SPEND (thru 8/31/2024)

 = **45%** (\$273,029)

 = **55%** (\$332,197) - The ratio of your RX spend is above the national avg.

### PROJECTED SAVINGS\* (since group inception)

**\$2,422,889**

\*Data pulled from 20/20 report.



# January Insight Pool: Current Snapshot

When you implemented your health insurance plan, you became a part of something big. You and your fellow Roundstone captive participants have banded together to take control of your healthcare costs - and it shows! Current captive participants in the Insight pool have **saved over \$32.6M since joining Roundstone**. You're in good company in the Insight pool with other mid-market employers like you — learn more below.

## NUMBER OF EMPLOYERS IN POOL

565

TOTAL EMPLOYER GROUPS

## INDUSTRY SUMMARY

Public • Private • Non-profit

insurance real estate  
wholesale & retail  
services  
manufacturing finance

## NUMBER OF LIVES IN POOL

118,170

TOTAL MEMBERS

## POOL TESTIMONIALS

*“Over the last five years, we’ve come up with some substantial savings by virtue of being self-insured. Our savings? \$329,905.”*

**Chief Executive Officer**  
Manufacturing

*“We decided to switch in an effort to reduce costs while maintaining benefits plan quality for employees. We’ve saved almost \$3M in just 5 years. The way I look at it, every fifth year, I get a free year of insurance.”*

**VP of Human Resources**  
Manufacturing

## PREVIOUS YEAR’S DISTRIBUTIONS

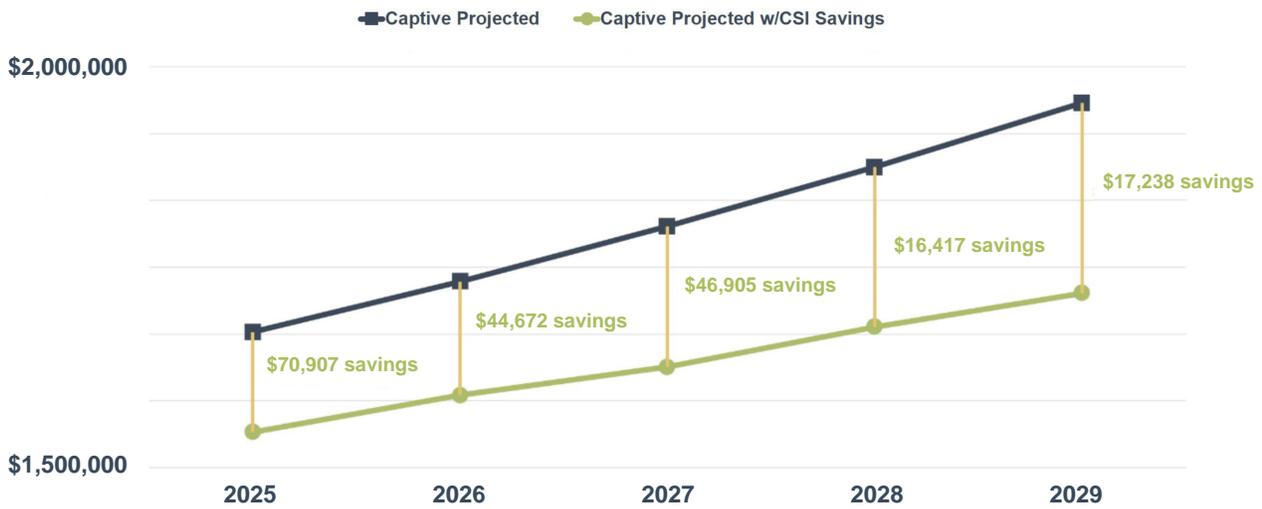
\$10.50M

PREMIUM RETURNED TO POOL PARTICIPANTS



# Long-Term Savings through Cost Containment

You care about achieving long-term savings for your company and your employees, which is why you've made a sound decision by choosing captive insurance funding. To realize even greater savings opportunities and plan control, consider implementing low-cost, high-return cost containment solutions. Below is a projection of your health insurance costs after applying Roundstone's recommended cost containment strategies.



# The CSI Team Delivers Cost Containment Solutions

Roundstone's CSI Team is made up of registered nurses, cost containment specialists, client managers, and the underwriting team - all available to help you translate your data into actionable insights.

### CSI Dashboard Features:

- **Automated Monthly Reporting:** Reports detailed by service type, claim category & condition.
- **Benchmarking:** Compare your claims spending to national benchmarks for performance assessment.
- **HIPAA-Compliant:** Individual employee claims remain anonymous.





## Long-Term Savings with Variable Costs

One strength the group medical captive program delivers is enhanced variable cost funding. This allows for a greater return on savings over the long-term. All unused funds in the employer claims account are retained by the employer. Unused funds in the entire risk-sharing pool are also returned to each participating employer on a pro rata basis. The remaining 11% costs are fixed — a stark contrast from 100% fixed costs with traditional health insurance companies.



*\*In traditional, fully insured health insurance programs, all fees are 100% fixed with zero chance to recoup unused funds.*

## Fixed vs. Variable Costs

Fixed Costs	Projected	Maximum	% of Maximum
Reinsurance	\$129,406	\$129,406	6%
Administrative	\$110,304	\$110,304	5%
<b>TOTAL FIXED</b>	<b>\$239,710</b>	<b>\$239,710</b>	<b>11%</b>

Variable Costs	Projected	Maximum	% of Maximum
Employer Claims	\$1,245,093	\$1,556,366	79%
Pooled Premium	\$189,325	\$209,714	10%
Renewal Collateral	\$0	\$0	0%
<b>TOTAL VARIABLE</b>	<b>\$1,434,418</b>	<b>\$1,766,080</b>	<b>89%</b>
<b>TOTAL COSTS*</b>	<b>\$1,674,128</b>	<b>\$2,005,790</b>	<b>100%</b>

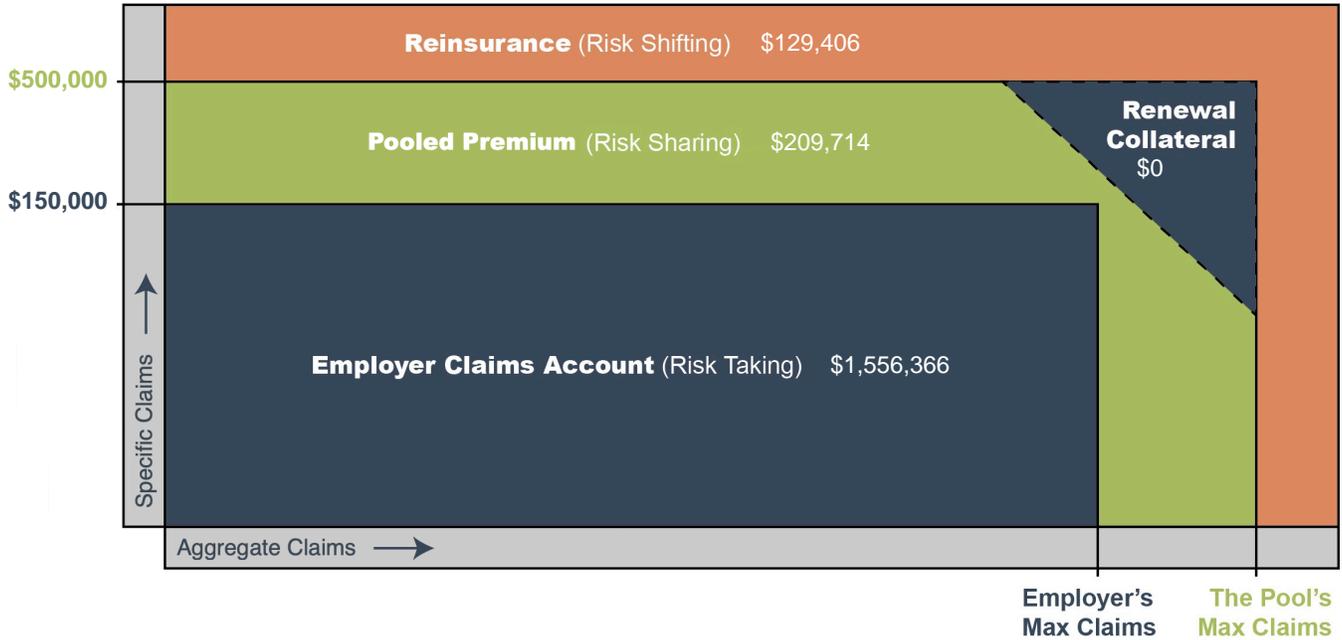
*\*Over the past 10 years, less than 1% of our groups have hit the maximum.*

*\*Max Cost includes all premiums, aggregate attachment point, admin fees, and collateral. An employer's cost may temporarily exceed this maximum cost until all reimbursements have been made.*



## Long-Term Volatility Protection

The risk allocation chart is an illustration of the claim layers. Moderate sized claims are absorbed in the pooled premium layer. This means that you don't have to stand alone when it comes to less frequent but costly claims.



## Cost Projection

It is important to focus on your actual costs when managing your health benefit plan for long-term savings. Still, projected costs are necessary for budgeting — see your renewal cost projection below compared to your current.

Annual Cost				
	Current Rates	Renewal Rates	Change from Current	
<b>Projected Cost</b>	<b>\$1,638,953</b>	<b>\$1,674,128</b>	<b>2.1%</b>	<b>\$35,176</b>
Administrative	\$106,200	\$110,304	3.9%	\$4,104
Specific Premium	\$273,096	\$273,139	0.0%	\$43
Aggregate Premium	\$64,411	\$65,981	2.4%	\$1,570
Max Employer Claims	\$1,519,402	\$1,556,366	2.4%	\$36,965
	<b>Savings</b>		<b>Comparison To Renewal Max</b>	
20/20 Savings Since Inception	\$2,422,889		20.8%*	

\*This percentage is in comparison to the maximum renewal cost.



## Detailed Plan Costs

Specific Deductible		\$150,000	\$150,000	\$150,000
Specific/Individual Coverage	Enrollment	Contract	Annualized	PEPM
Specific Contract Premium	120	\$273,139	\$273,139	\$189.68
Renewal Collateral (Reserves)		\$0	\$0	\$0.00
Aggregate Coverage	Enrollment	Contract	Annualized	PEPM
Aggregate Contract Premium	120	\$65,981	\$65,981	\$45.82
Max Employer Claims	120	\$1,556,366	\$1,556,366	\$1,080.81
Plan Costs	Enrollment	Contract	Annualized	PEPM
Estimated TPA Fees	120	\$63,504	\$63,504	\$44.10
Consultant Fee	120	\$46,800	\$46,800	\$32.50

*Certain non-stop loss related costs are estimated based on the data provided. Employer's TPA or consultant can confirm or update these costs.*

Summary	Contract	Annual
Stop Loss Premium	\$339,120	\$339,120
Employer's Net Max Claims	\$1,556,366	\$1,556,366
Plan Costs	\$110,304	\$110,304
Maximum Cost	\$2,005,790	\$2,005,790
<b>PROJECTED COST</b>	<b>\$1,674,128</b>	<b>\$1,674,128</b>
<b>PROJECTED PEPM</b>	<b>\$1,162.59</b>	<b>\$1,162.59</b>



# Plan Design

## Specific Deductible \$150,000

*These Illustrative Rates are for budgeting purposes only. These Premium Equivalent rates are comprised of estimated claims, administrative cost, and broker compensation and will never appear as bundled rates on an invoice.*

	POS		HSA	
	In Network	Out of Network	In Network	Out of Network
<b>Deductible</b>	\$1,000	\$6,000	\$1,650	\$6,600
<b>Coinsurance</b>	70%	50%	80%	60%
<b>Out-of-Pocket Max</b>	\$4,000	\$15,000	\$4,000	\$15,000
<b>Drug</b>				
Generic	10		SAAO	
Formulary	35		SAAO	
Non-Formulary	60		SAAO	

\*SAAO = Same As Any Other

# Optional Tiered Breakdown

Current Enrollment	POS	HSA
Single	46	17
Employee + Spouse	6	2
Employee + Child	23	12
Employee + Family	4	10
<b>TOTAL ENROLLMENT = 120</b>		
Projected Annual Costs	POS	HSA
Single	\$747.90	\$730.08
Employee + Spouse	\$1,570.59	\$1,533.16
Employee + Child	\$1,421.01	\$1,387.15
Employee + Family	\$2,243.70	\$2,190.23
<b>TOTAL PROJECTED ANNUAL COSTS = \$1,674,128</b>		
Midpoint (between Projected and Maximum)	POS	HSA
Single	\$821.98	\$802.40
Employee + Spouse	\$1,726.17	\$1,685.03
Employee + Child	\$1,561.77	\$1,524.55
Employee + Family	\$2,465.95	\$2,407.18
<b>MIDPOINT = \$1,839,959</b>		
Maximum Annual Costs	POS	HSA
Single	\$896.07	\$874.71
Employee + Spouse	\$1,881.74	\$1,836.89
Employee + Child	\$1,702.53	\$1,661.95
Employee + Family	\$2,688.20	\$2,624.13
<b>TOTAL MAXIMUM ANNUAL COSTS = \$2,005,790</b>		

\*Collateral is not included



## Terminal Liability Options

If indicated below, this offer includes Specific and Aggregate Terminal Liability Options, subject to the terms and conditions set forth in the stop loss contract. These options provide run-out coverage for covered expenses incurred prior to the stop loss contract termination date and paid within 90 days after the termination date. These options are void under early termination or moving to another self-funded arrangement. Option election must occur at least 60 days prior to the end of the contract period.

### Specific Terminal Liability Option:

Provides 90 days of run-out on Specific Stop Loss Coverage. In consideration for the Specific Terminal Liability Option, the group will be required to pay additional specific premium of \$35,355 (\$150,000 specific deductible) upon option election, in accordance with the terms of the Policy.

### Aggregate Terminal Liability Option:

Provides 90 days of run-out on Aggregate Stop Loss Coverage. Aggregate factors for the run-out period will be the quoted aggregate factors multiplied by a completion factor of 1.25 retroactive to the effective date. In consideration for the Aggregate Terminal Liability Option, the group will be required to pay additional aggregate premium of \$5,000.

## Proposal Qualifications, Assumptions & Conditions

The issue date of this proposal is 1/1/25 and will be valid through 12/31/25.

Contract basis for aggregate and specific 24/12.

Lines of coverage for aggregate Medical, RX Card.

This quote uses an aggregate attachment corridor of 125%.

The minimum aggregate attachment point is equal to 100% of the calculated attachment point using the final census.

Lines of coverage for specific Medical, RX Card.

Maximum Annual Reimbursement: Aggregate=\$1,000,000/Specific=Unlimited.

The Stop-Loss Carrier is Standard Life and Accident Insurance Company.

Notwithstanding the specified Specific Retention Amount for this group, the following individual claimants will be subject to the corresponding Specific Retention Amounts set forth below:

RS01 - \$225,000

The specific retention amount will be \$225,000 retroactive to the effective date, if this claimant incurs charges associated with the medication Ibrance or any other medications or treatments used to treat Breast Cancer.

Claim amounts between the \$150,000 group Specific Retention Amount and the individual claimant Specific Retention Amount listed above will not accrue toward the Annual Aggregate Retention Amount.

Typographical errors or omissions in this proposal are not binding and, in such instance, a revised proposal will be issued to correct.

Certain non-stop loss related costs are estimated based on the data provided. Employer's TPA or consultant can confirm or update these costs.

The Plan Costs (TPA/PBM fees and Consultant fees) in this proposal are estimates based on a default set of services. Therefore, your total costs may vary based on your specific TPA and PBM set of services and associated fees and/or credits including but not limited to claims editing and RX Rebates.

Maximum Costs includes Specific and Aggregate Stop Loss Premium, Plan Costs(TPA/PBM and Consultant fee), Maximum Employer Claims (Aggregate paid claims prior to deduction for Rx rebates, provider refunds, subrogation amounts, and extra contractual claims), and Collateral. Note that all are subject to change with change in enrollment.

Any (1) Rx rebates earned (regardless of receipt or rebate credit model) or (2) Provider refunds, subrogation amounts, and extra contractual claims shall be netted against the calculated aggregate loss.

**New York** - This proposal, and the binding of any stop loss contract based upon this proposal, is expressly conditioned upon the group being able to be issued a stop loss contract under New York law as of the proposal effective date.

**Maryland** - This proposal, and the binding of any stop loss contract based upon this proposal, is expressly conditioned upon the group being able to be issued a stop loss contract under Maryland law as of the proposal effective date.

**North Carolina** - This proposal, and the binding of any stop loss contract based upon this proposal, is expressly conditioned upon the group being able to be issued a stop loss contract under North Carolina law as of the proposal effective date.



## Conditions

If the rates are not being locked-in, the following information, as of the renewal date, must be provided to Roundstone no later than 30 days after the renewal date.

Monthly paid medical and prescription drug claims experience and monthly enrollment. We reserve the right to recalculate the specific rates and aggregate factors if the last 2 months of paid claims experience in the current year varies by more than 10% of the monthly average paid claims for the previous 10 months.

Large claims greater than \$10,000 with Diagnosis/Prognosis.

Pended claims and large case management reports.

Final census with plan selection and coverage type. Final rates and factors are subject to revision if final enrollment varies by more than 10% from proposed enrollment.

Signed and approved application for Stop Loss Insurance Coverage.

Plan Document, including all amendments, for the renewal year. Roundstone will not provide a Stop Loss Contract, or adjudicate or pay a reimbursement claim, until all applicable signed Plan Documents with all amendments are submitted and approved. If there are no changes in the Plan Document from the expiring year, a letter indicating so is sufficient.

Retirees are included.

This proposal is based upon the plan benefits identified in this proposal.

Assumes no material changes to the current plan document.

The terms of this offer are tentative and based on the information and data provided to Roundstone. This offer is subject to change upon receipt and review of additional information requested. All required information must be received by us within the time period indicated, otherwise we reserve the right to withdraw terms and return any premiums remitted.

The terms of this offer are subject to revision if there is a change in the coverage period or plan benefits.

Specific coverage includes Advanced Funding courtesy, which assists policy holders with funding of eligible catastrophic specific excess loss claims by expediting the reimbursement process.

State implemented surcharges, pool charges and/or covered lives assessments may not be covered under the stop loss contract.

Commissions are not included in the stop loss premium.

Minimum participation is 50% of eligible employees, excluding valid waivers.

Plan engagement of an approved third-party claims administrator.

Plan must have pre-certification, utilization review and large case management.

The Tiered Breakdown is an estimate based on costs calculated using information provided by the employer and its agents at the time of submission. Actual costs may vary based on final enrollment, plan designs selected, and group specific utilization, which would alter the Tiered Breakdown calculation.

Coverage is contingent upon our receipt of collateral.

Roundstone is the contracted agent of the insurance carrier.

Any cost containment provider used by you, your TPA or your advisor to reduce claims cost may be eligible for stop loss reimbursement on percentage of saving fees charged by such cost containment provider. Such percentage of savings fees charged by the cost containment provider shall be capped for stop loss reimbursement up to 25% of the percentage of savings

Underwriters reserve the right to apply either (1) a laser/individual deductible or (2) an aggregating specific deductible based on their review of requests for claims data as specified in the Additional Request Section.

Laser Cap Option included on renewal.

Rate Cap included on renewal. Upon your renewal, your stop loss premium PEPM (Specific Contract Premium and Aggregate Contract Premium) shall not increase by more than 30% assuming your plan details stay the same.



**Additional Requirements:**

No collateral is due for this renewal.

This proposal assumes the PEPM structure for Mercy Direct/Southeast First Option, not a percentage of savings.

In-network claims will be paid at the provided contracted rate for the hospital, HealthLink, or First Health pricing for all in network.

This proposal assumes the out of network claims are reimbursed at a percentage of Medicare, up to 140% of Medicare.

**Full eligibility census with valid waiver reasons required to bind coverage, must meet minimum participation percentage.**