



Group Medical Captive Renewal Proposal

Employer: City of Jackson

Advisor: Swinford & Associates, Inc. Jackson MO

Regional Practice Leader: Adam Stanek

Customer Outcome Manager: Dan Santora

Underwriter: Mike Mesi

Proposal #: 91278

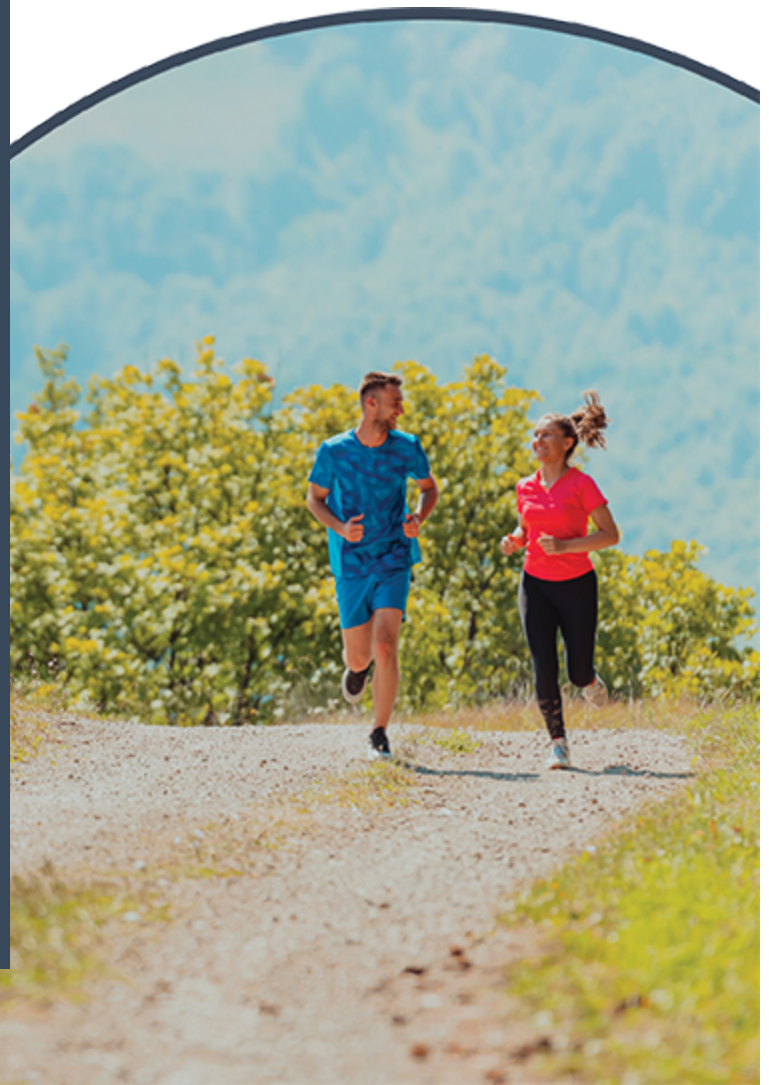
Specific Deductible: \$150,000

Coverage Period: 1/1/26 - 12/31/26

Claims Administrator: Auxiant WI

Network: Mercy Direct/HealthLink Open Access III /First Health

PBM: Express Scripts





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

125 ENROLLED EMPLOYEES

Down 4 employees from prior year.

EMPLOYEE AGE

42 YEARS OLD ON AVERAGE

No change from prior year.

MALE/FEMALE MIX

 = **105** MEN (Down 1 from prior year)

 = **20** WOMEN (Down 3 from prior year)

TIER COUNT

Tier Type	2026	2025
Employee	64	67
Employee + Spouse	9	9
Employee + Child	35	36
Employee + Family	17	17

TOTAL GROSS CLAIMS PAID THRU 8/31/2025

\$1,076,902


YOUR CLAIMS ACCOUNT (thru 8/31/2025)

RUNNING AT

123% OF YOUR ANNUAL
PROJECTED CLAIMS

MEDICAL vs. Rx SPEND (thru 8/31/2025)

 = **69%** (\$742,521)

 = **31%** (\$334,380) - The ratio of your RX spend is above the national avg.

Projected Savings for last 4 Complete Year(s)

\$2,797,814

**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

654

TOTAL EMPLOYER GROUPS IN POOL

AVERAGE GROUP SIZE

86

EMPLOYEES

TOP 5 INDUSTRIES IN CAPTIVE

1. Manufacturing
2. Retail
3. Construction
4. Health Services
5. Business Services

NUMBER OF LIVES IN POOL

117,736

TOTAL MEMBERS

DISTRIBUTION CALENDAR

12/31

CAPTIVE CLOSES

06/30

WHEN TO EXPECT PRELIMINARY DISTRIBUTION CHECKS

HISTORICAL DISTRIBUTION

\$43.20M

PREMIUM RETURNED TO POOL PARTICIPANTS

7.0%

AVERAGE DISTRIBUTION



Our Partner Solutions Team

Full-Circle Cost Containment

Roundstone's Partner Solutions 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.



Our Cost Containment Principles

We help you save without sacrificing the quality of care.



Employer Control
No mandated solutions



Full Transparency
No hidden fees.
Access your own data.



Aligned Incentives
No kickbacks for vendor partners. We work for you.

Our Cost Containment Process

Our Cost Containment Team identifies risks, recommends vetted strategies tailored to your plan, and guides you to solutions, leaving the final decision up to you.



Vetted Partners & Solutions

The data we collect in our scorecards tells us who the strongest partners truly are.

Preferred Bundles

Recommended bundles to make self-funding easy.



TPA



Network



PBM



Ancillary Solutions

High Performance Captive Health Plan

- Independent TPA with Cost Saving Plan Document Language
- Transparent PBM with Carve-out/Overlay options
- Current Plan Design
- Healthcare Concierge and Telehealth
- Biometric Screening and Wellbeing Incentives

THE FOUNDATION

- Data Analytics and Captive Forum Attendance
- Plan Reviewed for Customized Cost and Risk Management Opportunities
- Incentive Based Plan Design
- Centers of Excellence, Direct Primary Care

THE FOUR WALLS

- Data Analytics and Captive Forum Attendance
- Plan Review for Customized Cost and Risk Management Opportunities
- Rx Formulary Review and Revision with PBM
- Network Strategy Review (Regional Networks, RBP)

THE ROOF



Greater Plan Control, Higher Savings:

When you work with Roundstone, we guarantee even greater long-term savings with increased plan control, data transparency, and other cost containment strategies.

You save money in 3 ways...

Employers only pay for the healthcare they use!

- 1 Claims Account:** Employers only pay for the healthcare they use. All savings from the claims account stay with them.
- 2 Distribution:** Unused premium from employers' pooled captive funds are returned annually to employer clients on a pro rata basis.
- 3 Pharmacy Rebates:** Transparent and pass-through PBMs send 100% of rebates and pharmacy savings back to employers.



OUR GUARANTEE TO YOU

We guarantee that you will save money in the first 5 years or we'll make up the difference.

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:

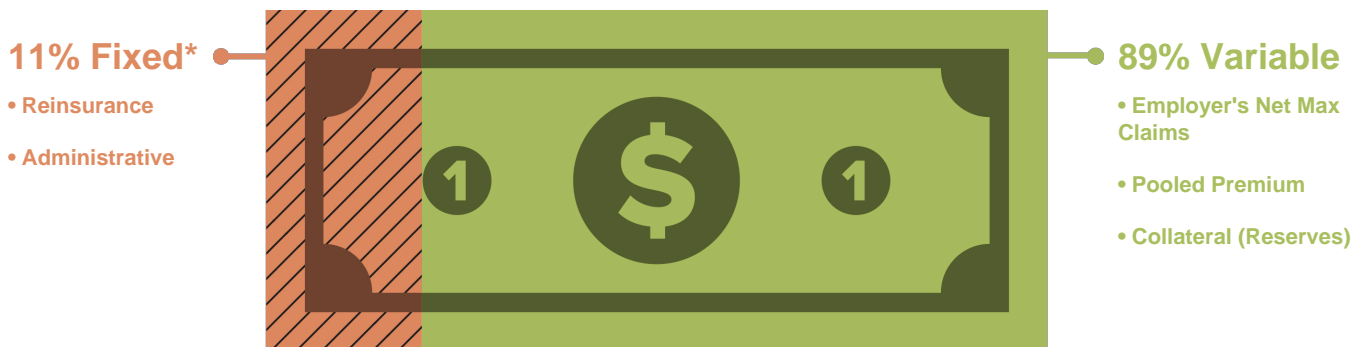
- **Automated Monthly Reporting:** Reports detailed by service type, claim category & condition.
- **Benchmarking:** Compare your claims spending to national benchmarks for performance assessment.
- **HIPAA-Compliant:** Individual employee claims remain anonymous.





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	\$139,015	\$139,015	6%
Administrative	\$117,900	\$117,900	5%
TOTAL FIXED	\$256,915	\$256,915	11%

Variable Costs	Projected	Maximum	% of Maximum
Employer Claims	\$1,380,060	\$1,725,075	79%
Pooled Premium	\$198,227	\$219,575	10%
Renewal Collateral	\$0	\$0	0%
TOTAL VARIABLE	\$1,578,287	\$1,944,650	89%
TOTAL COSTS*	\$1,835,202	\$2,201,565	100%

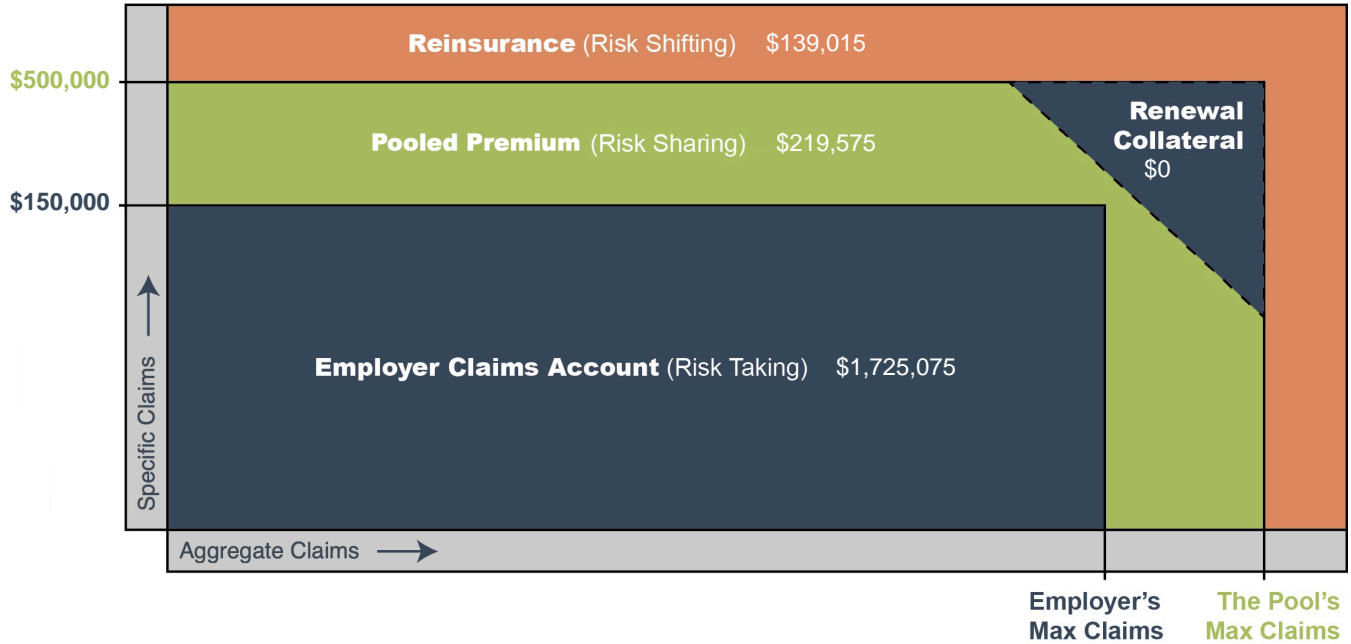
**Over the past 10 years, less than 1% of our groups have hit the maximum.*

**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	
Projected Cost	\$1,747,148	\$1,835,202	5.0%	\$88,054
Administrative	\$117,900	\$117,900	0.0%	\$0
Specific Premium	\$284,520	\$287,595	1.1%	\$3,075
Aggregate Premium	\$68,730	\$70,995	3.3%	\$2,265
Max Employer Claims	\$1,621,215	\$1,725,075	6.4%	\$103,860



Detailed Plan Costs

Specific Deductible		\$150,000	\$150,000	\$150,000
Specific/Individual Coverage	Enrollment	Contract	Annualized	PEPM
Specific Contract Premium	125	\$287,595	\$287,595	\$191.73
Renewal Collateral (Reserves)		\$0	\$0	\$0.00
Aggregate Coverage	Enrollment	Contract	Annualized	PEPM
Aggregate Contract Premium	125	\$70,995	\$70,995	\$47.33
Max Employer Claims	125	\$1,725,075	\$1,725,075	\$1,150.05
Aggregate Accommodation		\$3,000	\$3,000	\$2.00
Plan Costs	Enrollment	Contract	Annualized	PEPM
Estimated TPA Fees	125	\$66,150	\$66,150	\$44.10
Consultant Fee	125	\$48,750	\$48,750	\$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	\$358,590	\$358,590
Employer's Net Max Claims	\$1,725,075	\$1,725,075
Plan Costs	\$117,900	\$117,900
Maximum Cost	\$2,201,565	\$2,201,565
PROJECTED COST	\$1,835,202	\$1,835,202
PROJECTED PEPM	\$1,223.47	\$1,223.47



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
Deductible	\$1,000	\$6,000	1700	\$6,600
Coinsurance	70%	50%	80%	60%
Out-of-Pocket Max	\$4,000	\$15,000	\$4,000	\$15,000
Drug				
Generic	10		SAAO	
Formulary	35		SAAO	
Non-Formulary	60		SAAO	

*SAAO = Same As Any Other

Optional Tiered Breakdown

Current Enrollment	POS	HSA
Single	48	16
Employee + Spouse	6	3
Employee + Child	25	10
Employee + Family	6	11
TOTAL ENROLLMENT = 125		
Projected Annual Costs	POS	HSA
Single	\$769.94	\$751.60
Employee + Spouse	\$1,616.88	\$1,578.35
Employee + Child	\$1,462.89	\$1,428.04
Employee + Family	\$2,309.83	\$2,254.79
TOTAL PROJECTED ANNUAL COSTS = \$1,835,202		
Midpoint (between Projected and Maximum)	POS	HSA
Single	\$846.80	\$826.62
Employee + Spouse	\$1,778.27	\$1,735.89
Employee + Child	\$1,608.91	\$1,570.58
Employee + Family	\$2,540.39	\$2,479.85
MIDPOINT = \$2,018,384		
Maximum Annual Costs	POS	HSA
Single	\$923.65	\$901.64
Employee + Spouse	\$1,939.66	\$1,893.43
Employee + Child	\$1,754.93	\$1,713.12
Employee + Family	\$2,770.94	\$2,704.91
TOTAL MAXIMUM ANNUAL COSTS = \$2,201,565		

*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 \$44,435 (\$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 1/1/26 and will be valid through 12/31/26.

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, unless the member utilizes SHARx, then the Specific Retention Amount will be \$150,000.

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 Laser Cap option, which is 3X the renewal specific deductible, is available at renewal for new high-cost claimants subject to a higher specific deductible. Any existing higher specific deductibles are not eligible for the Laser Cap. The Laser Cap is only eligible for an individual claimant for 12 months and cannot be used in subsequent renewals.

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.

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.

You are eligible to receive Advanced Funding/Specific Reinsurance Immediate Reimbursement in the final month of your policy if: (1) You renew your policy with Roundstone prior to the expiration date of the current policy and (2) You are current on all premium payments and aggregate accommodation balances.



Additional Requirements:

No collateral is due for this renewal.

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