



City of Meridian Employee Benefits Plan Trust

April 28, 2026

Quarterly Report and Financial Status





Quarter 4 Status

As of December 31, 2025

RECONCILIATION OF SURPLUS

	Column 1 Current Year to Date	Column 2 Prior Year End
1. Total surplus, beginning of year.....	\$ 2,159,084	\$ 2,741,147
2. Total Net gain/(loss).....	(1,083,530)	(582,063)
3. Write-ins for changes to surplus (Additional paid in, Surplus Notes, etc.)		
a. Additional employer surplus.....	a. 1,514,173	a. 0
b. _____	b. 0	b. 0
c. _____	c. 0	c. 0
4. Total surplus, end of quarter (lines 1 through 3c)	\$ 2,589,727	\$ 2,159,084



Quarter 4 Status

As of December 31, 2025 – End of 2025 Quarter 4

ADEQUACY OF SURPLUS

	Column 1 Current Year to Date	Column 2 Prior Year End
1. Total surplus, end of quarter (line 4 above)	\$ 2,589,727	\$ 2,159,084
2. Minimum required surplus*1	2,243,701	2,271,459
3. Excess (deficient) reserves (line 1 minus line 2)	\$ 346,026	\$ (112,375)

February 2026 Utilization

Medical and Pharmacy Claims (PEPM, compared to prior year):

- Medical and Pharmacy: Down 15%
 - Medical claims: Down 23%
 - Pharmacy: Up 5.5% PEPM

Large Claim Activity:

- 2 high-cost claimants exceeding \$56,250

*2 months of the current plan year compared to the full prior plan

February 2026 Utilization

Net Loss Ratio:

- The net loss ratio has improved to **89%**

Rolling 12-Month Costs:

- Total costs: Up 1.3%
- Total Claims: Up 4.9%
- The primary cost drivers include:
 - Outpatient services
 - Specialty and injectable pharmacy drugs



City of Meridian

PRIOR PLAN YEAR EXPERIENCE
 Prior Plan Year: Jan 2025 - Dec 2025
 Prior Medical Carrier: BCI

Month	Subs	Mbrs	Med Paid	Rx Paid	Over			Net Claims		Total Cost	Contributions	PMPM		Month Loss Ro.		
					Total Claims	\$225K*	Rx Rebates	Admin ^f	Tot Cost			Contributions	Gross	Net		
					C + D	E	F	G	H	I	J	K	L	M	N	O
													J / B	K / B	(E+I)/K	L / M
Jan 2025	478	1,378	\$ 354,762	\$ 162,501	\$ 517,263	\$ 906	\$ -	\$ 516,359	\$ 94,458	\$ 610,816	\$ 705,661	\$ 443	\$ 512		86.7%	86.6%
Feb 2025	481	1,385	\$ 755,954	\$ 164,423	\$ 920,377	\$ 25,878	\$ -	\$ 894,499	\$ 95,050	\$ 989,550	\$ 711,402	\$ 714	\$ 514		142.7%	139.1%
Mar 2025	480	1,379	\$ 821,116	\$ 113,942	\$ 935,058	\$ 242	\$ -	\$ 934,816	\$ 94,853	\$ 1,029,669	\$ 709,773	\$ 747	\$ 515		145.1%	145.1%
Apr 2025	488	1,388	\$ 503,633	\$ 152,259	\$ 655,891	\$ (1)	\$ -	\$ 655,892	\$ 96,434	\$ 752,326	\$ 717,236	\$ 542	\$ 517		104.9%	104.9%
May 2025	491	1,390	\$ 582,942	\$ 176,917	\$ 759,859	\$ 80	\$ -	\$ 759,779	\$ 97,027	\$ 856,806	\$ 718,850	\$ 616	\$ 517		119.2%	119.2%
Jun 2025	487	1,367	\$ 668,218	\$ 165,712	\$ 833,928	\$ 5,624	\$ -	\$ 828,304	\$ 96,236	\$ 924,540	\$ 708,078	\$ 676	\$ 518		131.4%	130.6%
Jul 2025	482	1,356	\$ 544,961	\$ 144,304	\$ 689,266	\$ 85,229	\$ -	\$ 604,056	\$ 95,248	\$ 699,304	\$ 701,958	\$ 516	\$ 518		111.8%	99.6%
Aug 2025	481	1,354	\$ 687,005	\$ 205,584	\$ 892,589	\$ 216,657	\$ -	\$ 675,933	\$ 95,050	\$ 770,983	\$ 699,768	\$ 569	\$ 517		141.1%	110.2%
Sep 2025	476	1,331	\$ 759,652	\$ 132,641	\$ 892,293	\$ 76,808	\$ -	\$ 815,485	\$ 94,062	\$ 909,547	\$ 689,810	\$ 683	\$ 518		143.0%	131.9%
Oct 2025	477	1,333	\$ 434,257	\$ 256,555	\$ 690,812	\$ 22,035	\$ -	\$ 668,777	\$ 94,260	\$ 763,037	\$ 691,204	\$ 572	\$ 519		113.6%	110.4%
Nov 2025	478	1,343	\$ 644,634	\$ 194,971	\$ 839,605	\$ 104,206	\$ -	\$ 735,399	\$ 94,458	\$ 829,857	\$ 696,878	\$ 618	\$ 519		134.0%	119.1%
Dec 2025	477	1,343	\$ 529,168	\$ 184,601	\$ 713,768	\$ 5,397	\$ -	\$ 708,371	\$ 94,260	\$ 802,631	\$ 694,273	\$ 596	\$ 517		116.4%	115.6%
Total	5,776	16,347	\$ 7,286,319	\$ 2,054,411	\$ 9,340,730	\$ 543,060	\$ -	\$ 8,797,671	\$ 1,141,395	\$ 9,939,066	\$ 8,444,892	\$ 608	\$ 517		124.1%	117.7%
Mthly Avg	481	1,362	\$ 607,193	\$ 171,201	\$ 778,394	\$ 45,255	\$ -	\$ 733,139	\$ 95,116	\$ 828,255	\$ 703,741					
PPY PMPM	481	1,362	\$ 1,261.48	\$ 355.88	\$ 1,617.16	\$ 94.02	\$ -	\$ 1,523.14	\$ 197.61	\$ 1,720.75	\$ 1,462.07					

Percent of Total Cost: Med Paid 73%, Rx Paid 21%, Total Claims 94%, \$225K* 5%, Rx Rebates 0%, Net Claims 89%, Admin^f 11%



* Large claims above the specific stop loss deductible
 f Admin includes administration fees, network access fees, brokerage fees, and stop loss premiums



City of Meridian

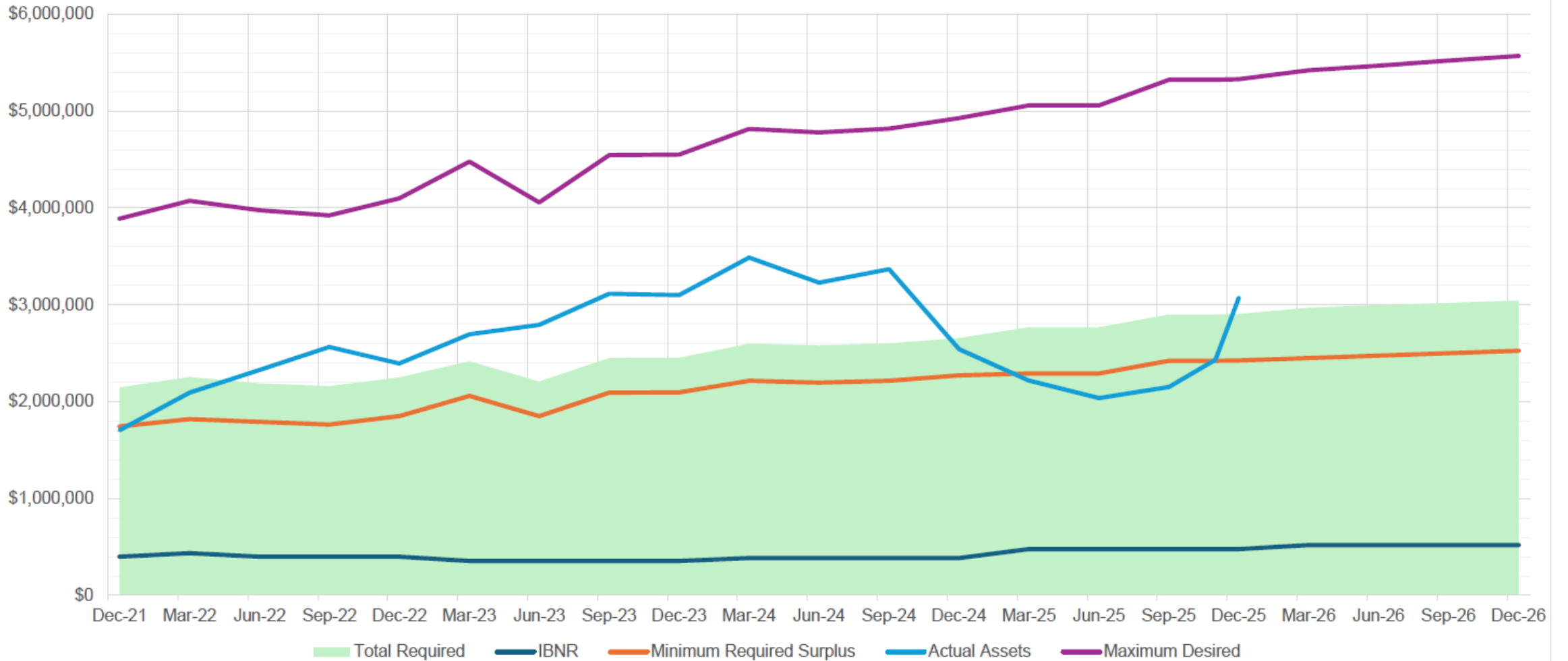
CURRENT PLAN YEAR EXPERIENCE
 Current Plan Year: Jan 2026 - Feb 2026
 Current Medical Carrier: BCI

Month	A	B	C	D	E	F	G	H	I	J	K	L	M	N O	
	Subs	Mbrs	Med Paid	Rx Paid	Total Claims	Over \$225K*	Rx Rebates	Net Claims	Admin [†]	Total Cost	Contributions	PMPM		Month Loss Ro.	
					C + D			E - F - G		H + I		J / B	K / B	(E+I)/K	L / M
Jan 2026	479	1,344	\$ 475,152	\$ 181,311	\$ 656,463	\$ 49,676	\$ -	\$ 606,787	\$ 108,258	\$ 715,043	\$ 814,835	\$ 532	\$ 606	93.8%	87.8%
Feb 2026	478	1,337	\$ 451,572	\$ 177,916	\$ 629,488	\$ 1,307	\$ -	\$ 628,181	\$ 108,030	\$ 736,211	\$ 809,924	\$ 551	\$ 606	91.1%	90.9%
Mar 2026															
Apr 2026															
May 2026															
Jun 2026															
Jul 2026															
Aug 2026															
Sep 2026															
Oct 2026															
Nov 2026															
Dec 2026															
Total	957	2,681	\$ 926,724	\$ 359,227	\$ 1,285,951	\$ 50,983	\$ -	\$ 1,234,968	\$ 216,286	\$ 1,451,255	\$ 1,624,759	\$ 541	\$ 606	92.5%	89.3%
Mthly Avg	479	1,341	\$ 463,362	\$ 179,614	\$ 642,976	\$ 25,491	\$ -	\$ 617,484	\$ 108,143	\$ 725,627	\$ 812,379				
CPY PEPM	479	1,341	\$ 968.36	\$ 375.37	\$ 1,343.73	\$ 53.27	\$ -	\$ 1,290.46	\$ 226.00	\$ 1,516.46	\$ 1,697.76				
PPY PEPM	481	1,362	\$ 1,261.48	\$ 355.68	\$ 1,617.16	\$ 94.02	\$ -	\$ 1,523.14	\$ 197.61	\$ 1,720.75	\$ 1,462.07				
% Change	-0.4%	-1.5%	-23.2%	5.5%	-16.9%	-43.3%	NA	-15.3%	14.4%	-11.9%	16.1%				
Percent of Total Cost			64%	25%	89%	4%	0%	85%	15%						



* Large claims above the specific stop loss deductible
 † Admin includes administration fees, network access fees, brokerage fees, and stop loss premiums

COMEBT Surplus and IBNR Requirements



Idaho State Code

Chapter 40 Title 41

- (1)(c) If future claims payments plus future costs of operation are greater than future contributions plus current reserves, **there shall be a reserve in an amount equal to future claims payments plus future costs of operation, less future contributions, less current reserves**
- (7) The trust fund shall **maintain the minimum surplus requirements at all times throughout the year**

Required to maintain adequate surplus on a monthly basis.

Terms

“Benchmarking” = Are we competitive?

- Conducted annually by Gallagher Benefits Broker

“Actuarial review” = Are our numbers sound?

- Conducted annually by Gallagher Actuaries

“Market check” = Can we do better?

- Done as needed, last conducted in 2019

Market Check

A **market check** gives us the intelligence of an RFP without the disruption, cost, and risk of resetting a high-functioning plan.

What a Market Check Does Well:

- Tests competitiveness of admin fees, stop-loss rates, and network discounts
- Validates assumptions (trend, claims performance, vendor margins)
- Applies pressure on current vendors to sharpen pricing and service
- Targets specific levers (stop-loss, PBM, TPA fees) instead of

Full RFP

Why a Full RFP Is Not the Right Fit:

- Requires a formal procurement/public bid process, which can invite proposals from vendors that are not realistic options
- Limits collaboration with carriers and TPAs during the process, reducing dialogue, questions, and negotiation
- Creates lengthy questionnaires and administrative work on issues our team already understands
- Because the Trust is separate from the City, a procurement-style RFP is not the best fit for this review

Recommendation

Market Check: A scalpel – Focused, efficient, and data-driven

We can demonstrate due diligence through actuarial validation and targeted market testing without exposing the plan to unnecessary disruption

A market check keeps us honest with the market

Questions?