



MarshMcLennan
Agency

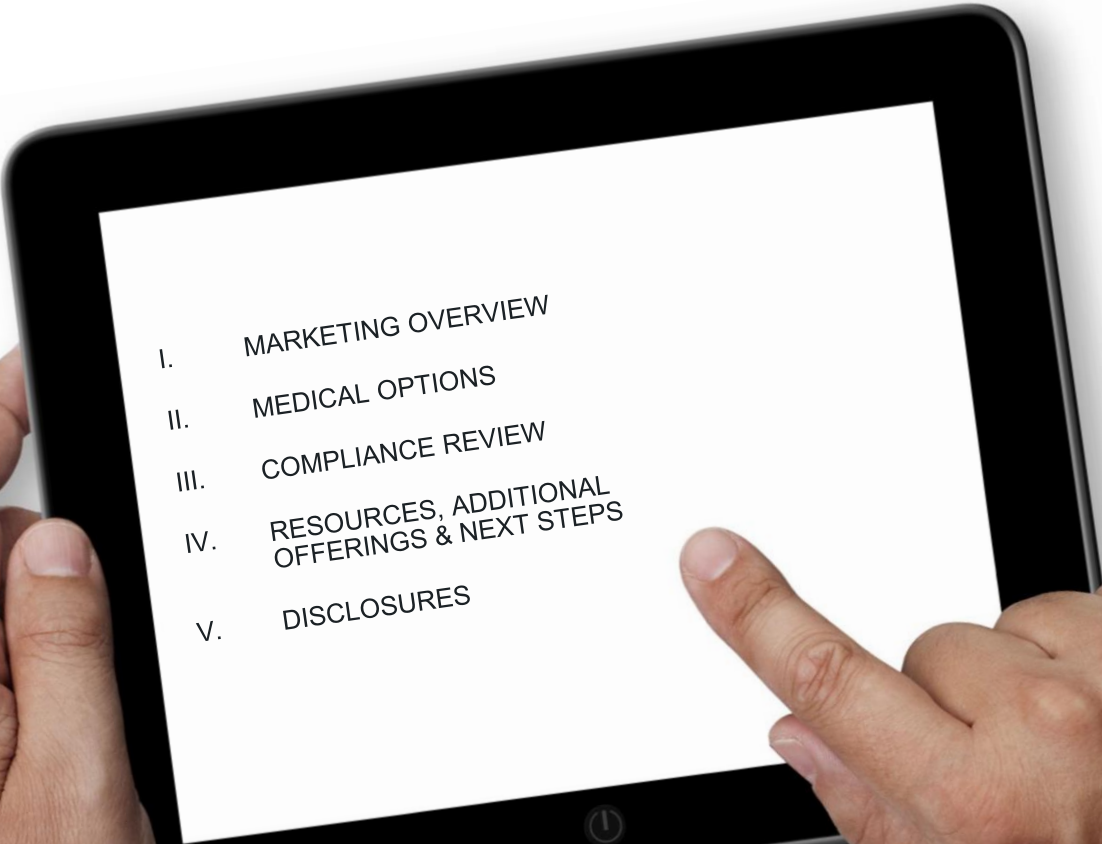
*Group Benefits Proposal
Prepared for
City of Mount Vernon
September 1, 2024*



It's our business to be there for you in the

**MOMENTS
THAT MATTER.**

Renewal Discussion Agenda

- 
- A hand is holding a black tablet computer. The screen of the tablet displays a list of five items, which is the agenda for a renewal discussion. The items are listed in Roman numerals from I to V. A second hand is visible on the right side of the tablet, with the index finger pointing towards the text on the screen.
- I. MARKETING OVERVIEW
 - II. MEDICAL OPTIONS
 - III. COMPLIANCE REVIEW
 - IV. RESOURCES, ADDITIONAL OFFERINGS & NEXT STEPS
 - V. DISCLOSURES

Marketing Overview

Medical Insurance Carrier	Quoted	Funding Type	Underwritten	Rate Adjustment	Explanation
Aetna Funding Advantage (AFA)	Yes	Level Funded	N/A	N/A	Not Competitive
Baylor Scott & White	No	Fully Insured	N/A	N/A	DTQ
Blue Cross Blue Shield of Texas	Yes	Fully Insured	Yes	N/A	Proposed
CIGNA (25+)	No	Level Funded	N/A	N/A	DTQ
UnitedHealthcare Level Funded	Yes	Level Funded	N/A	N/A	Not Competitive

Medical

Group Medical Proposal
Prepared For
City of Mount Vernon
Effective 9/1/2024

		Current	Renewal
In-Network Benefits			Blue Cross Blue Shield of Texas
Plan Name		Consumer HSA-3300 E-DAW1&2	Consumer HSA-3300 E-DAW1&2
Plan Type		HSA	HSA
Network Name		Blue Choice PPO	Blue Choice PPO
Metallic Tier		N/A	N/A
Deductible Type		Embedded	Embedded
Ind. Deductible (In/Out)		\$3,000 (\$1,500) / \$6,000	\$3,300 (\$1,600) / \$6,600
Fam. Deductible (In/Out)		\$6,000 (\$3,000) / \$12,000	\$6,000 (\$3,200) / \$12,000
Coins - Carrier (In)		100%	100%
Ind. OOP Max (In/Out)		\$3,000 / Unlimited	\$3,000 / Unlimited
Fam OOP Max (In/Out)		\$6,000 / Unlimited	\$6,000 / Unlimited
PCP CoPay (In)		\$0 after Ded.	\$0 after Ded.
Specialist CoPay (In)		\$0 after Ded.	\$0 after Ded.
Telehealth (In)		MDLive - \$48 per Visit Until Ded is Met	MDLive - \$48 per Visit Until Ded is Met
Lab and X-ray (In)		L - 0% after Ded. X - 0% after Ded.	L - 0% after Ded. X - 0% after Ded.
Advanced Imaging (In)		\$0 after Ded.	\$0 after Ded.
Rx Deductible (Ind/Fam)		Included in Medical / N/A	Included in Medical / N/A
Rx Drug Card (In)		Tier 1 \$10 Copay / Tier 2 \$45 Copay / \$25 Copay for Insulin / Tier 3 \$90	Tier 1 \$10 Copay / Tier 2 \$45 Copay / \$25 Copay for Insulin / Tier 3 \$90
Specialty Med (In)		\$150 / \$175	\$150 / \$175
Mail Order (In)		3x	3x
Urgent Care (In)		\$0 after Ded.	\$0 after Ded.
ER (In/Out)		\$500 ER Fee Plus \$0 after Ded.	\$500 ER Fee Plus \$0 after Ded.
Inpatient Hosp. (In)		\$0 after Ded.	\$0 after Ded.
Outpatient Surgery (In)		\$0 after Ded.	\$0 after Ded.
Out-of-Network Benefits		N/A	N/A
Monthly Rates		Current	Renewal
Employee Only	23	\$772.28	\$803.18
Employee & Spouse	0	\$1,567.72	\$1,630.44
Employee & Child(ren)	0	\$1,359.24	\$1,413.62
Employee & Family	0	\$2,278.24	\$2,369.35
	23		
Total Monthly Premium		\$17,762.44	\$18,473.14
Total Annual Premium		\$213,149.28	\$221,677.68
Underwriting		Underwritten	Underwritten
Underwriting Requirements		N/A	N/A

Prior credit given for portion of calendar year deductible satisfied on effective dates other than January 1.

Group Medical Proposal
Prepared For
City of Mount Vernon
Effective 9/1/2024

		Renewal	Proposed
In-Network Benefits			Blue Cross Blue Shield of Texas
Plan Name		Consumer HSA-3300 E-DAW1&2	S9L5CHC
Plan Type		HSA	Blue Choice PPO HDHP - HSA
Network Name		Blue Choice PPO	Blue Choice PPO
Metallic Tier		N/A	S
Deductible Type		Embedded	Embedded
Ind. Deductible (In/Out)		\$3,300 (\$1,600) / \$6,600	\$3,500 / \$7,000
Fam. Deductible (In/Out)		\$6,000 (\$3,200) / \$12,000	\$7,000 / \$14,000
Coins - Carrier (In)		100%	80%
Ind. OOP Max (In/Out)		\$3,000 / Unlimited	\$7,000 / Unlimited
Fam OOP Max (In/Out)		\$6,000 / Unlimited	\$14,000 / Unlimited
PCP CoPay (In)		\$0 after Ded.	\$35 after Ded.
Specialist CoPay (In)		\$0 after Ded.	\$70 after Ded.
Telehealth (In)		MDLive - \$48 per Visit Until Ded is Met	MDLive - Ded. & Coins. up to \$48
Lab and X-ray (In)		L - 0% after Ded. X - 0% after Ded.	L - 20% after Ded. X - 20% after Ded.
Advanced Imaging (In)		\$0 after Ded.	20% after Ded.
Rx Deductible (Ind/Fam)		Included in Medical / N/A	Included in Medical / N/A
Rx Drug Card (In)		Tier 1 \$10 Copay / Tier 2 \$45 Copay / \$25 Copay for Insulin / Tier 3 \$90	Ded. then \$15 / \$25 / \$70 / \$120* Non-Preferred Ded. then \$5 / \$15 / \$50 / \$100* Preferred
Specialty Med (In)		\$150 / \$175	Ded. + \$250 / Ded. + \$350
Mail Order (In)		3x	3x
Urgent Care (In)		\$0 after Ded.	20% after Ded.
ER (In/Out)		\$500 ER Fee Plus \$0 after Ded.	20% after Ded.
Inpatient Hosp. (In)		\$0 after Ded.	F - 20% after Ded. P - 20% after Ded.
Outpatient Surgery (In)		\$0 after Ded.	F - 20% after Ded. P - 20% after Ded.
Out-of-Network Benefits		N/A	See SBC
Monthly Rates		Renewal	Proposed
Employee Only	23	\$803.18	\$784.24
Employee & Spouse	0	\$1,630.44	\$1,568.48
Employee & Child(ren)	0	\$1,413.62	\$1,568.48
Employee & Family	0	\$2,369.35	\$2,352.72
	23		
Total Monthly Premium		\$18,473.14	\$18,037.52
Total Annual Premium		\$221,677.68	\$216,450.24
Underwriting		Underwritten	Underwritten
Underwriting Requirements		N/A	N/A

Prior credit given for portion of calendar year deductible satisfied on effective dates other than January 1.

Final rates will be determined by final calendar date, plan design and underwriting.

CONSULT CERTIFICATE OF COVERAGE FOR PLAN DETAILS

Group Medical Proposal
Prepared For
City of Mount Vernon
Effective 9/1/2024

		Renewal	Proposed
In-Network Benefits			Blue Cross Blue Shield of Texas
Plan Name		Consumer HSA-3300 E-DAW1&2	G651CHC
Plan Type		HSA	Blue Choice Gold PPO – HSA
Network Name		Blue Choice PPO	Blue Choice PPO
Metallic Tier		N/A	G
Deductible Type		Embedded	Embedded
Ind. Deductible (In/Out)		\$3,300 (\$1,600) / \$6,600	\$3,200 (\$1,600) / \$6,400
Fam. Deductible (In/Out)		\$6,000 (\$3,200) / \$12,000	\$9,600 (\$3,200) / \$19,200
Coins - Carrier (In)		100%	100%
Ind. OOP Max (In/Out)		\$3,000 / Unlimited	\$3,200 / \$6,400
Fam OOP Max (In/Out)		\$6,000 / Unlimited	\$9,600 / \$19,200
PCP CoPay (In)		\$0 after Ded.	\$0 after Ded.
Specialist CoPay (In)		\$0 after Ded.	\$0 after Ded.
Telehealth (In)		MDLive - \$48 per Visit Until Ded is Met	MDLive - Ded. & Coins. up to \$48
Lab and X-ray (In)		L - 0% after Ded. X - 0% after Ded.	L - 0% after Ded. X - 0% after Ded.
Advanced Imaging (In)		\$0 after Ded.	\$0 after Ded.
Rx Deductible (Ind/Fam)		Included in Medical / N/A	Included in Medical / N/A
Rx Drug Card (In)		Tier 1 \$10 Copay / Tier 2 \$45 Copay / \$25 Copay for Insulin / Tier 3 \$90	0% after Ded.
Specialty Med (In)		\$150 / \$175	0% after Ded.
Mail Order (In)		3x	3x
Urgent Care (In)		\$0 after Ded.	0% after Ded.
ER (In/Out)		\$500 ER Fee Plus \$0 after Ded.	0% after Ded.
Inpatient Hosp. (In)		\$0 after Ded.	F - 0% after Ded. P - 0% after Ded.
Outpatient Surgery (In)		\$0 after Ded.	F - 0% after Ded. P - 0% after Ded.
Out-of-Network Benefits		N/A	See SBC
Monthly Rates		Renewal	Proposed
Employee Only	23	\$803.18	\$884.26
Employee & Spouse	0	\$1,630.44	\$1,768.52
Employee & Child(ren)	0	\$1,413.62	\$1,768.52
Employee & Family	0	\$2,369.35	\$2,652.78
	23		
Total Monthly Premium		\$18,473.14	\$20,337.98
Total Annual Premium		\$221,677.68	\$244,055.76
Underwriting		Underwritten	Underwritten
Underwriting Requirements		N/A	N/A

Prior credit given for portion of calendar year deductible satisfied on effective dates other than January 1.



Compliance Review

Compliance and Regulatory Support

- Legislative Updates
 - ACA and Compliance
- Ulearn Compliance Webinar Series
- Annual Notices
- Summary of Benefits and Coverage (SBC)

Telemedicine Relief for HDHPs/HSAs Extended



COMPLIANCE
CENTER OF EXCELLENCE

December 29, 2022

Telemedicine Relief for HDHPs/HSAs Extended

Law provides relief through 2023 and 2024 HDHP plan years

On December 29, 2022, President Biden signed the [Consolidated Appropriations Act, 2023](#) ("CAA 2023") into law. The CAA 2023 excludes telemedicine as disqualifying other health coverage ("disqualifying coverage") when provided in conjunction with a high deductible health plan (HDHP) for HDHP plan years that begin in 2023 and 2024. This extends the existing telemedicine relief that was set to expire on December 31, 2022.

This Alert summarizes the issue of telemedicine as disqualifying coverage, prior COVID-19 telemedicine relief, and the scope of the new extension.

Telemedicine as disqualifying coverage

An HDHP participant with disqualifying coverage is ineligible to make or receive HSA contributions but can still use existing HSA funds. Generally, telemedicine is disqualifying coverage unless:

- Telemedicine benefits are not available until after an HDHP participant meets the statutory minimum annual HDHP deductible (known as a post-deductible benefit);
- Telemedicine benefits are only preventive and/or are limited to certain COVID-19 services; or
- HDHP participants must pay the fair market value (FMV) cost for the telemedicine visit (≥\$45)¹ prior to meeting the statutory minimum annual HDHP deductible.²

A brief summary of telemedicine relief during the COVID-19 pandemic

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") excluded telemedicine as disqualifying coverage for HDHP plan years that occurred during 2020 as well as plan years that began on or before December 31, 2021. Congress did not manage to pass legislation extending this relief until the Consolidated Appropriations Act, 2022 ("CAA 2022") in March 2022, which was after the CARES Act relief expired.

The CAA 2022 prospectively restored this relief from April 1, 2022 – December 31, 2022, but this left a small compliance gap for HDHP plan years beginning in January, February, or March of 2022. We discussed this extension and gap in a [prior alert](#), and it appears the IRS adopted an approach of passive non-enforcement for the compliance gap for HSA eligibility purposes.

Other COVID-19 telemedicine relief

[IRS Notice 2020-15](#) permits HDHPs to provide coverage for COVID-19 testing and treatment without affecting an

¹ The unofficial proxy for FMV is a correlation to the Medicare reimbursement rates for telemedicine visits of different lengths. We do not recommend setting the FMV lower than this amount.

² Employers do not have to adjust the cost of telemedicine visits once a participant meets the deductible, and many do not.

COMPLIANCE
CENTER OF EXCELLENCE

Compliance Alert | 2

individual's ability to make or receive HSA contributions. [IRS Notice 2020-20](#) expanded the exception to include diagnostic testing for influenza A & B, norovirus and other coronaviruses, and respiratory syncytial virus (RSV). This guidance is effective until revoked by the IRS.

The DOL, HHS, and IRS will not enforce the Affordable Care Act's plan design mandates against a standalone telemedicine program when offered to employees who are not eligible for the employer's major medical coverage (see [Q/A #14](#)). This relief applies to a telemedicine plan year that begins before the end of the COVID-19 national public health emergency (PHE) as determined by HHS. The current PHE is set to expire on January 11, 2023, but most expect HHS to extend it for another 90-day period. HHS indicated it intends to provide a reasonable advance warning before letting the PHE expire, and HHS has not issued any warning that it intends to let the PHE lapse on January 11th.

The relief extension

The CAA 2023 extends telemedicine's exclusion from disqualifying coverage for HDHP plan years that begin before January 1, 2025. This means the relief applies to HDHP plan years that begin in 2023 and 2024, which would include any non-calendar plan year that begins in 2024 (e.g. a July 1, 2024 – June 30, 2025 plan year).³

Temporary versus permanent relief

With many requesting telemedicine's permanent exclusion from disqualifying coverage, you might ask why Congress opted for another temporary solution. The relief has broad support and clearly makes sense in the context of promoting social distancing in reaction to a health crisis, but it is less intuitive as permanent relief because it creates the following logic problem under the statute:

- The relief allows a virtual outpatient visit to bypass the HDHP deductible without affecting the individual's eligibility for HSA contributions, but
- A HDHP participant cannot bypass the HDHP deductible to receive the same services (assume non-preventive) through an in-person outpatient physician visit without jeopardizing their HSA eligibility.

Employer action

Employers do not need to take any action to take advantage of this relief. If an employer previously communicated to employees that it might have to charge for telemedicine if the existing relief expired, it can now communicate that this is not the case.

MMA 2024 Webinars

[Section 125 Nuts & Bolts | February 1, 12pm CT](#) [REGISTER](#)

Section 125 is part of the IRS Code that allows employees to convert a taxable cash benefit (i.e., wage) into non-taxable benefits. This presentation will discuss all things related to Section 125 Cafeteria Plan rules & requirements. We will explore the types of Section 125 plans available to employers, the advantages and disadvantages of pre-taxing contributions, who is eligible to participate and the various group benefit plans that are available for preferential tax treatment.

[HIPAA Privacy and Security Training | Feb 15, 1pm CT](#) [REGISTER](#)

Protecting health care data is more critical than ever. Join us for a HIPAA refresher training for employees who use protected health information as part of their job duties, such as HR professionals or other administrative positions.

[Benefit Plan Non-Discrimination Rules | May 2, 12pm CT](#) [REGISTER](#)

Non-discrimination rules are complex. In this presentation we will offer a detailed overview of the various non-discrimination rules and testing requirements for employer sponsored benefit plans. We will address bona-fide classifications, how those classifications can still affect testing, how mergers and acquisitions affect results, how to correct failures, and when testing is required. We will also discuss the consequences of failure and potential corrections depending upon when the failure is discovered.

[Timely Topic TBD | May 16, 1pm CT](#) [REGISTER](#)

[FMLA Manager/Supervisor Training | August 1, 12pm CT](#) [REGISTER](#)

Managers & Supervisors do not need to be FMLA experts, but they should understand the basics. This presentation will explore critical must-know areas such as managing remote employees, how to recognize potential FMLA events, policies to require reporting, use of FMLA approved forms, etc. We will also discuss the need to work with your HR staff on reporting and managing leaves properly, the use of Paid Time Off and Return to Work scenarios.

[Timely Topic TBD | Aug 15, 1pm CT](#) [REGISTER](#)

[Advanced Employment Law | November 7, 12pm CT](#) [REGISTER](#)

This presentation will address many complex issues facing HR professionals, managers and supervisors on a daily basis. After a summary of the various laws, we will explore in-depth issues relating to those laws and other hot topics.

[Timely Topic TBD | Nov 21, 1pm CT](#) [REGISTER](#)



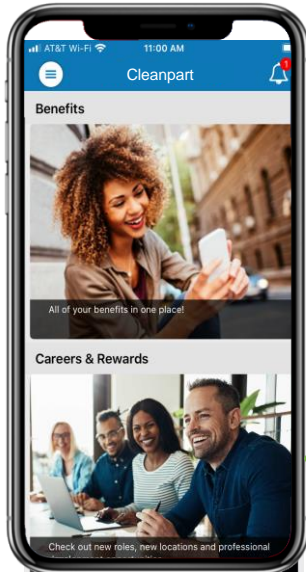
Resources / Additional Offerings & Next Steps

Resource Summary

Marsh McLennan Agency provides our clients with the best combination of our heritage as a boutique consultancy with global resources aligned to optimize the value of our partnership with you.

Employee Benefits Consulting	Legal & Compliance	Other Consulting Services	Additional Services
<ul style="list-style-type: none"> ▪ In-House Expertise ▪ Project Management ▪ Vendor Management ▪ Renewal Management ▪ Innovation & Execution ▪ Plan Design ▪ Alternate Funding Options ▪ Wellness ▪ Communications 	<ul style="list-style-type: none"> ▪ In-House ERISA Attorney ▪ Regulatory Updates ▪ State & Federal Guidelines ▪ ACA Reporting Guidance ▪ Compliance Review ▪ Compliance Webinar Series 	<ul style="list-style-type: none"> ▪ In-House Expertise ▪ HR Consultant ▪ 401K ▪ Executive Compensation & Benefits ▪ Property & Casualty ▪ Personal Lines ▪ Medicare Expertise 	<ul style="list-style-type: none"> ▪ iNGAGED Benefit App ▪ Brainshark ▪ Eligibility Assist ▪ COBRA ▪ HRA ▪ FSA ▪ Section 125 POP Plan ▪ Wrap Document ▪ Health Advocate with CareNet ▪ Consumerism Card

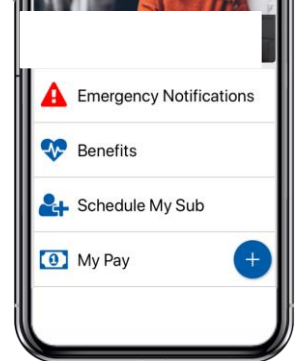
iNGAGED Mobile App



Customize your menu with information you want your employees to easily access

Push Notifications

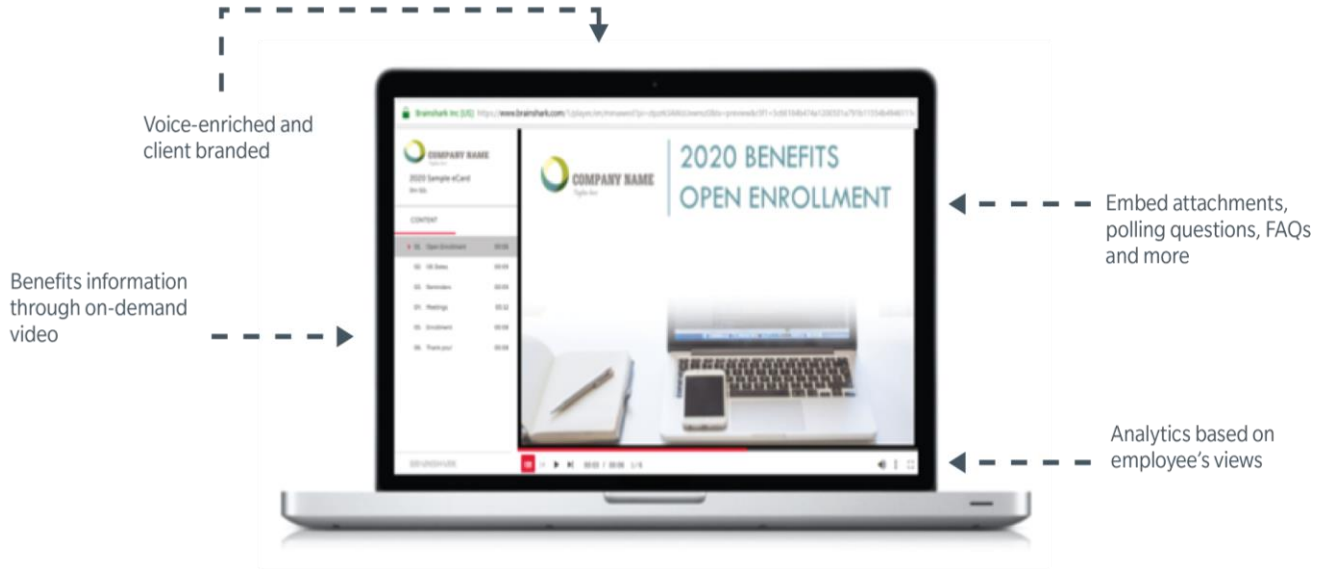
View company benefit plans, resources and documentation, 24/7. ID Cards

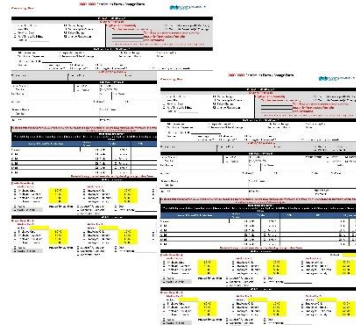


To DEMO - download the app on your phone from the app store or google play.

The login code is
MMADemo

Brainshark: Online Video Presentation Technology





A proven process to assist employers with day-to-day eligibility administration, in addition to processing adds/terms/changes and/or qualifying events. Eligibility Assist works hand-in-hand with iSolved COBRA.

A customized Universal Enrollment Form is provided and it includes all benefits on one form, reducing the amount of paperwork required for a new hire to complete, thus saving them valuable time.

Simply send new enrollments, terminations and changes to your MMA Eligibility Specialist and they take care of notifying the insurance companies.

Pricing is \$2.50 PEPM = Based on number enrolled.

isolved Benefit Services



COBRA

When your compliance program isn't managed properly, you are exposed to possible IRS excise tax issues, ERISA penalties, litigation and becoming self-insured for claims. Our subject matter experts are skilled at turning highly complex rules and regulations into practical and understandable answers.



FSA

There are two options for flexible spending accounts (FSA): health care and dependent care. With a health care FSA, you can offer greater flexibility in your benefit packages and increase your employees' take-home pay. A dependent care FSA allows your employees to set aside pre-tax funds to pay for qualified child or dependent care expenses.



HRA

A health reimbursement arrangement (HRA) is an employer-funded plan that pays for medical expenses for employees and their covered dependents.



HSA

With a health savings account (HSA), employees can set aside funds on a pre-tax basis to pay for qualified medical expenses, including over-the-counter items.



ERISA Wrap

An ERISA wrap document is a tool that helps an employer maintain compliance with ERISA rules related to plan documents and summary plan descriptions (SPDs).



Section 125 Premium Only Plans (POP)

A Premium Only Plan (POP) is an easy and efficient way to reduce employer and employee taxes. A Section 125 POP reduces taxes, reduces costs and increases employees' take-home pay.



Notice and Mailings

By law, employers are required to send out numerous notices (Affordable Care Act Notices, Medicare Part D, COBRA, HIPAA and more). We can help take care of all your required notice needs and provide ERISA-compliant plan document and summary description.

MMA Consumerism Card – Program Options

Base Package:

- Teladoc (\$0 Visit Fee)
- Health Advocate Solutions
- Dental
- Vision
- Pharmacy
- Global Travel Assistance
- Diabetic Supplies
- Hearing Aids
- Vitamins
- Lab Testing & Imaging Services

Retail: \$ 12.00 /month

Voluntary: \$ 13.00 /month

Buy-Up:

All benefits in the Base Package +

- Identity Theft Protection
- Legal Services

Retail: \$ 19.00 /month

Voluntary: \$ 20.00 /month



This plan is NOT insurance.

Next Steps

The Path Forward

Action Plan	Timing
Renewal & Strategic Discussion	Today
Confirmation of carrier and plan design / potential implementation	
Open enrollment / implementation support	
Plan Year Begins	9/1/2024
Post Renewal Check-in	10/1/2024



Disclosures



Broker Transparency Disclosures

6/26/2024

Transparency & Carrier Information Overview (1 of 3)

Marsh & McLennan Agency (MMA) is committed to collaborating with our clients to develop and execute insurance placement and renewal strategies. As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

COMPENSATION

Our compensation for placing or renewing insurance on your behalf may include fees paid directly by you, or retail commissions paid by insurers or others. These retail commissions, may vary among insurers, and vary among plans provided by a single insurer.

Our compensation from insurance placements and renewals may also consist of additional supplemental commissions, which are common in the insurance industry and designed to recognize the value of MMA services to insurers we collaborate with including offering a distribution channel for the insurers' products and services.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. If MMA places business through an affiliated wholesale broker or managing general agent, MMA will advise the client of this at or prior to placement.
- **Client Fees** – Some clients may negotiate a fee for MMA's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA's engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client's placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.

Transparency & Carrier Information Overview (2 of 3)

- **Other Compensation & Sponsorships** – From time to time, MMA may be compensated by insurers for providing administrative services on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and events. MMA may also have arrangements with vendors who compensate MMA for referring clients for vendor services.
- **Medallion Program and Sponsorships** – Pursuant to MMA's Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.

It is important to note that supplemental and contingent commission compensation does not affect the cost of your insurance program.

MMA's summary of quotes received includes details regarding commissions payable from insurers who issue quotes that are competitive based on your selection criteria, as we understand them. Commissions payable to MMA may vary among quoting insurers, or may change following this disclosure. Final base commissions will be reflected in or referenced by our final engagement documentation.

CONSENT

Your payment of premium for, or other instruction to proceed with the policies and/or transactions specified, constitutes your consent to MMA's resulting compensation disclosed (and future increases thereto), and servicing that will include any intermediary or sub-broker disclosed.

State insurance law, including anti-rebating, may restrict or prohibit the ability of MMA to modify compensation services for the coverage you select.

ADDITIONAL INFORMATION

We will be pleased to provide you additional information about our compensation. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at <https://www.marshmma.com/us/compensation-guide.html>

INSURANCE PLACEMENT AND RENEWAL STRATEGY

We will undertake an insurance marketing as confirmed with or by you. In the absence of this confirmation, we understand that you desire only an applicable renewal quote from the incumbent insurer for those lines of coverage where we serve as your authorized broker of record (BOR).

QUOTE SOLICITATION AND DISCLOSURE

MMA represents your interests in providing its consultative and procurement services, and is an appointed agent with the insurers that will be asked to bid on your program. Once we have received responses from the selected insurers, we may, according to our knowledge and experience, contact one or more to negotiate adjustments on your behalf. When responses are finalized, we will analyze them, inform you of all offers received, and use our best judgment in recommending to you the insurers most likely to meet your program needs. Such recommendation will involve our consideration of a number of factors, including the company's coverage terms, service capabilities and price. Following our presentation of findings, and consistent with the process described above, we may seek further adjustments and offer additional recommendations.

NOT RESPONSIBLE FOR OTHER PARTY'S DISCLOSURES

This disclosure document includes the disclosures MMA is required to make in accordance with ERISA Section 408(b)(2) and applicable State laws. Any other plan service provider that is subject to the 408(b)(2) disclosure requirements is required to make its own independent 408(b)(2) disclosure and any such disclosures are not included in this MMA disclosure.

Transparency & Carrier Information Overview (3 of 3)

NOT RESPONSIBLE FOR OTHER PARTY'S DISCLOSURES

This disclosure document includes the disclosures MMA is required to make in accordance with ERISA Section 408(b)(2) and applicable State law s. Any other plan service provider that is subject to the 408(b)(2) disclosure requirements is required to make its own independent 408(b)(2) disclosure and any such disclosures are not included in this MMA disclosure.

LIMIT OF LIABILITY

Except as otherwise agreed in writing, MMA's aggregate liability arising out of or relating to any services on your account shall not exceed shall not exceed the lesser of three (3) times the preceding twelve (12) months compensation/Service Fees, or one million dollars (\$1,000,000) and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

ENTIRE UNDERSTANDING

This disclosure constitutes the entire understanding among the parties and supersedes, in their entirety, any and all understandings, agreements contracts, arrangements, communications, discussions, representations, warranties, whether oral or written, among the parties respecting the engagement.

CONFIDENTIALITY

Any client specific information provided should be treated as confidential in nature and should not be shared with other third parties including but not limited to insurance companies, brokers or consultants.

CLOSING

MMA is pleased to provide this information to you in compliance with the Consolidated Appropriations Act of 2021 (CAA) which requires disclosure of broker compensation associated with all ERISA governed health plans.

MMA may receive additional broker compensation on plans or services that fall out of scope of the CAA.

These plans include but are not limited to group life and disability plans, voluntary benefit plans such as individual life and disability insurance, critical illness, accident and others.

For additional information on compensation associated with non-CAA related insurance plans, please contact your MMA account team.

Indirect Carrier Base Compensation

Carrier	Line of Coverage	Coverage Status	Form of Compensation	Base Compensation
Blue Cross Blue Shield of Texas	Medical	Proposed	Percentage of Premium	4.25%

Indirect Carrier Contingent Compensation

Carrier	Line of Coverage	Coverage Status	Maximum Compensation
BCBS TX	Medical_Under 150 Lives	Proposed	MMA may receive up to \$12 per new and renewed contract in indirect compensation for placing Medical_Under 150 Lives coverage with BCBS TX

Appendix A

Compensation Disclosure

Marsh & McLennan Agency LLC (“MMA”) prides itself on being an industry leader in the area of transparency and compensation disclosure. We believe you should understand how we are paid for the services we are providing to you. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. If MMA places business through an affiliated wholesale broker or managing general agent, MMA will advise the client of this at or prior to placement.
- **Client Fees** – Some clients may negotiate a fee for MMA’s services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA’s engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client’s placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer’s performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.

Appendix A

Compensation Disclosure

- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Medallion Program and Sponsorships** – Pursuant to MMA's Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.
- **Other Compensation & Sponsorships** – From time to time, MMA may be compensated by insurers for providing administrative services on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and events. MMA may also have arrangements with vendors who compensate MMA for referring clients for vendor services.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at <https://www.marshmma.com/us/compensation-guide.html>.

MMA's aggregate liability arising out of or relating to any services on your account shall not exceed the lesser of three (3) times the preceding twelve (12) months Compensation/Service Fees, or one million (\$1,000,000), and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

Rev 3.15.24

Your future is limitless.SM

MarshMMA.com

Ian Powers
EH&B Advisor
Ian.Powers@MarshMMA.com

Don Ramsey
Account Executive
Don.Ramsey@marshmma.com



Marsh McLennan
Agency

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh & McLennan Agency LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affected if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change. d/b/a in California as Marsh & McLennan Insurance Agency LLC; CA Insurance Lic: 0H18131. Copyright © 2021 Marsh & McLennan Agency LLC. All rights reserved. MarshMMA.com

A business of Marsh McLennan