Health Care Renewal and Review

Prepared for:

City of North Royalton

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City of North Royalton

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Aetna

Medical Renewal - Effective January 1, 2014

Medical/Rx		Aetna PPO Plan Current		Aetna PPO Plan Renewal	
		Network	Non-Network	Network	Non-Network
Deductible					
Single		$200	$200	$200	$200
Family		$400	$400	$400	$400
Coinsurance		100%	70%	100%	70%
Out-of-Pocket Max		(Includes Deductible)		(Includes Deductible)	
Single		$200	$2,000	$200	$2,000
Family		$400	$4,000	$400	$4,000
PCP/Specialist		$15/$15	Ded.-70%	$15/$15	Ded.-70%
Inpatient Hospital		Ded.-100%	Ded.-70%	Ded.-100%	Ded.-70%
Mammogram		100%	Ded.-70%	100%	Ded.-70%
Preventive Office Visits					
Well Baby Care		100%	Ded.-70%	100%	Ded.-70%
Adult Routine Exams		100%	Ded.-70%	100%	Ded.-70%
Emergency Room		$50 Copay		$50 Copay	
Urgent Care		$35 Copay	Ded.-70%	$35 Copay	Ded.-70%
Lifetime Maximum		Unlimted		Unlimted	
RX PLAN		**Retail**	**Mail Order**	**Retail**	**Mail Order**
Tier 1		$10	$20	$10	$20
Tier 2		$15	$30	$15	$30
Tier 3		$15	$30	$15	$30
Tier 4		n/a	n/a	n/a	n/a
Days Supply		31 Days	90 Days	31 Days	90 Days
Notes					
RATES					
EE	21	$552.50		**1 Year Rate Guarantee** $578.47	
Family	139	$1,491.75		$1,561.86	
Monthly		**$218,955.75**		**$229,246.41**	
Annual		**$2,627,469.00**		**$2,750,956.92**	
Rate Adjustment				**4.70%**	

Be advised that the above rates are for illustrative purposes and are subject to final underwriting. The benefits illustrated above are only a summary of the coverages.

Aetna - 2nd Year Rate Cap

All references to premium reflect our Premium which excludes Producer Service Fee.

2nd Year Renewal Guarantee - Prospective Funding Arrangement

As a demonstration of our commitment to City of North Royalton we are pleased to offer a second year renewal guarantee, outlined in the schedule below.

Incurred MBR			Renewal Increase
<77.9%			No Increase
78.0%	to	79.9%	1.1%
80.0%	to	81.9%	3.7%
82.0%	to	83.9%	6.3%
84.0%	to	85.9%	8.9%
86.0%	to	87.9%	11.5%
88.0%	to	89.9%	14.1%
90.0%	to	91.9%	16.6%
92.0%	to	93.9%	19.2%
94.0%	to	95.9%	21.8%
96.0%	to	97.9%	24.4%

The Medical Benefit Ratio will be determined using the following formula: $\frac{A + B + C}{D}$

A = The sum of completed adjusted incurred non-pooled medical claims available at the time of renewal as reflected on our renewal exhibits, weighted for credibility. If non-pooled run-off claims from the prior carrier are available we may consider them in the calculation.

B = Manual claims used in our new business pricing, weighted for credibility or if no manual claims used, use new business projected claims.

C = Medical Pooling Charge used in our new business pricing.

D = Total premium

Your renewal will be completed in the last three months of the policy year.

The determination of your MBR, will be based on the same experience periods, and blend of credibility used in your renewal.

There is no guarantee if the calculated MBR exceeds 97.9%. Aetna reserves the right to modify this guarantee based on changes in federal or state legislation.

This guarantee is subject to the same terms and conditions as stated in the financial and administrative assumptions section of the renewal package.

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Aetna

Dental Renewal - Effective January 1, 2014

Dental		Aetna PPO Plan Current		Aetna PPO Plan Renewal	
		Network	Non-Network	Network	Non-Network
Deductible					
Single		$50		$50	
Family		$150		$150	
Waived for Preventative?		Yes	Yes	Yes	Yes
Waived for Orthodontia?		Yes	Yes	Yes	Yes
Class I		100%	100%	100%	100%
Class II		80%	80%	80%	80%
Class III		50%	50%	50%	50%
Class IV		50%	50%	50%	50%
Adult		Not Covered		Not Covered	
Benefit Waiting Period		No Waiting Periods		No Waiting Periods	
Annual Maximum		$1,500		$1,500	
Lifetime Orthodontia Max		$1,000		$1,000	
Non-Network Percentile		90th Percentile		90th Percentile	
Implants		Class III		Class III	
Endodontics		Class II		Class II	
Periodontics		Class II		Class II	
Maximum Rollover		Not Included		Not Included	
Rates					
		1 Year Rate Guarantee		**1 Year Rate Guarantee**	
Single	21	$26.83		$30.08	
Family	139	$78.85		$88.39	
	Monthly	**$11,523.58**		**$12,917.89**	
	Annual	**$138,282.96**		**$155,014.68**	
Rate Adjustment				**12.1%**	

Class I includes Preventative & Diagnostic; Class II includes Basic Services; Class III includes Major Services; Class IV includes Orthodontia

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One America

Life/AD&D Renewal - Effective January 1, 2014

Life/AD&D	One America Current	One America Renewal
Classes	**Class 1** Full -Time Police & Fire **Class 2** All other Full-Time EE's	**Class 1** Full -Time Police & Fire **Class 2** All other Full-Time EE's
Life Benefit	Claiss 1 = $15,000 Class 2 = $15,000	Claiss 1 = $15,000 Class 2 = $15,000
AD&D Benefit	Claiss 1 = $30,000 Class 2 = $15,000	Claiss 1 = $30,000 Class 2 = $15,000
Age Reduction Schedule	To 65% @ Age 65; To 50% @ Age 70; To 35% @ Age 75	To 65% @ Age 65; To 50% @ Age 70; To 35% @ Age 75
Rates		
Life Volume	$2,419,500	$2,419,500
AD&D Volume	$3,424,000	$3,424,000
Life Rate Per $1,000	$0.195	$0.22
AD&D Rate Per $1,000	$0.035	$0.035
Monthly	**$591.64**	**$652.13**
Annual	**$7,099.71**	**$7,825.56**
Rate Adjustment		**10.22%**
Rate Guarantee		1 Year

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Insurance Carrier Quotes

Disclaimer

All carriers illustrated in this proposal
reserve the right to re-rate if final enrollment varies +/- 10%.

City of North Royalton

Compensation Disclosure

The Fedeli Group's compensation is comprised of consulting fees or commissions. All insurance companies best suited to solving client's problems are contacted. The majority of these companies have set contractual arrangements as to amount and method of payment to The Fedeli Group. Where there is no contractual arrangement, compensation is negotiated with clients to determine the amount of compensation that is appropriate.

The Fedeli Group also has Market Services Agreements (MSA's) with most of its principal insurance markets. Payments under MSA agreements are not client-specific and are based upon such factors as overall volume, growth and service. Payments made to The Fedeli Group under MSA agreements are compensation for services rendered by The Fedeli Group to the insurance markets. Services include national distribution, product development and a wide array of administrative services, as well as the technological investment The Fedeli Group makes to improve efficiency of the placement process for all parties. Amounts paid under MSA agreements to The Fedeli Group, commonly called overrides, would be in addition to any other compensation and do not affect the cost of specific clients.