



Arthur J. Gallagher & Co.  
BUSINESS WITHOUT BARRIERS™

# East China School District Renewal & Marketing

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# Confidentiality Statement

At Gallagher Benefit Services, Inc. we pride ourselves on the skills, experience and integrity of our employees, our intellectual capital, and the results we achieve for our clients and their enrollees. We work diligently to ensure the work we do meets and exceeds your objectives as our client.

As such, all information provided in this report and associated materials is proprietary and confidential. It is intended solely for use by East China School District.

These materials and subsequent information may not be shared with, copied for or released to any individual or organization without the express written permission of East China School District and Gallagher Benefit Services, Inc.

*The intent of this presentation is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It does not necessarily fully address all of your specific issues. It should not be construed as, nor is it intended to provide, legal advice. Questions regarding specific issues should be addressed by your general counsel or an attorney who specializes in this practice area.*



# DENTAL RENEWAL & MARKETING

# Humana Renewal

Contract Size	Contracts	Current (7/1/16 to 6/30/17)		Renewal (7/1/17 to 6/30/18)	
		PEPM	Monthly	PEPM	Monthly
<b>Administrative Fees</b>	224	\$6.64	\$1,487.36	\$7.63	\$1,709.12
<b>Estimated Claims Costs</b>					
Single	34	\$33.37	\$1,134.58	\$34.18	\$1,162.12
Family	190	\$90.47	\$17,189.30	\$92.67	\$17,607.30
<b>Combined Total</b>		<b>\$81.80</b>	<b>\$18,323.88</b>	<b>\$83.79</b>	<b>\$18,769.42</b>
<b>Total Monthly Costs</b>			<b>\$19,811.24</b>		<b>\$20,478.54</b>
<b>Total Annual Costs</b>			<b>\$237,734.88</b>		<b>\$245,742.48</b>
<b>Increase \$</b>					<b>\$8,007.60</b>
<b>Increase %</b>					<b>3.4%</b>

1. Contract counts from April 2017 Census.
2. This analysis does not include any taxes or fees.

# Responses \*

Carrier	Response	Comments
Aetna	Quoted	• 6.4% over current
Cigna	Quoted	• 11.6% over current
Guardian	Quoted	• 31.8% over current
Met Life	Quoted	• 8.7% over current
Standard	Quoted	• 26.4% over current
Unum	Quoted	• 24.9% over current

\* Requested fully insured quotes only. No carriers were competitive.



# VISION MARKETING

# MESSA Renewal & EyeMed

Contract Size	Contracts	Current	Renewal	Percent Change
		Rate + Taxes	Rate + Taxes	
<b>MESSA/VSP 2</b>				
Single	28	\$5.29	\$4.48	
Two Person	35	\$11.37	\$9.63	
Family	181	\$17.10	\$14.48	
<b>Total Monthly</b>	<b>244</b>	<b>\$3,641.17</b>	<b>\$3,083.37</b>	<b>-15.3%</b>
<b>EyeMed</b>				
Single	9	\$7.51	\$7.51	
Two Person	19	\$14.26	\$14.26	
Family	26	\$20.94	\$20.94	
<b>Total Monthly</b>	<b>54</b>	<b>\$882.97</b>	<b>\$882.97</b>	<b>0.0%</b>
<b>Grand Total Annual</b>	<b>244</b>	<b>\$54,289.68</b>	<b>\$47,596.08</b>	<b>-12.3%</b>
<b>\$ Difference</b>		<b>N/A</b>	<b>(\$6,693.60)</b>	<b>N/A</b>

1. Enrollment from April 2017 census.
2. MESSA includes 2016/17 taxes and fees based on MESSA annual blended percent of 3.08% provided with 2016/17 Renewal.
3. MESSA 2017/18 rates renew on 1/1/19. MESSA reserves the right to adjust taxes based on regulations.
4. EyeMed in rate guarantee. Renews 1/1/19.

# Responses \*

Carrier	Response	Comments
Avesis	Quoted	<ul style="list-style-type: none"> <li>1.4% over current</li> </ul>
Guardian	Declined	<ul style="list-style-type: none"> <li>Could not improve on current rates</li> </ul>
Met Life	Quoted	<ul style="list-style-type: none"> <li>25+%% over current</li> </ul>
Standard	Quoted	<ul style="list-style-type: none"> <li>100+% over current VSP network</li> <li>65+% over EyeMed network</li> </ul>
Unum	Quoted	<ul style="list-style-type: none"> <li>4.2% over current</li> </ul>
VSP	Quoted	<ul style="list-style-type: none"> <li>100% over current</li> </ul>

\* MESSA renewed with a decrease. EyeMed is in a rate guarantee. Marketed for PA 106 compliance.  
 Carriers quoted total replacement only.  
 No carrier was competitive; carriers quoted as close to the inforce plans as they could, but plan differences exist.





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# Thank You

*Gallagher Benefit Services appreciates the continued opportunity to support the benefits programs of East China School District!*

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# APPENDIX

# Assumptions and Disclaimers

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## Legal Disclaimer

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## Coverage Disclaimers

**IMPORTANT:** This analysis is an outline of the coverages proposed by the carrier(s), based on information provided by your company. It does not include all of the terms, coverages, exclusions, limitations, and conditions of the actual contract language. The policies and contracts themselves must be read for those details. Policy forms for your reference will be made available upon request.

## Renewal/Financial Disclaimer

This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

# Solvency & Compensation Disclosure

In force Carriers	Coverage	AM Best Rating	Commission/Supplemental	Direct Fees
Humana	Dental	N/A	None/0 to 7%	\$1.50 PEPM
EyeMed	Vision	N/A	10% of premium/None	N/A
Met Life	Life	A+	12% of premium/1.5% of premium	N/A
Met Life	Disability	A+	12% of premium/1.5% of premium	N/A
Next Generation	FSA	N/A	None/None	N/A

While GBS does not guarantee the financial viability of any health insurance carrier or market, it is an area we recommend that clients closely scrutinize when selecting a health insurance carrier or HMO. There are a number of rating agencies that can be referred to including, A.M. Best, Fitch, Moody's, Standard & Poor's, and Weiss Ratings (TheStreet.com). Generally, agencies that provide ratings of U.S. Health Insurers, including traditional insurance companies and other managed care (e.g., HMO) organizations, reflect their opinion based on a comprehensive quantitative and qualitative evaluation of a company's financial strength, operating performance and market profile. However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.

# Solvency Disclosure – Dental Quotes

Carriers	AM Best Rating	Commission/Supplemental	Direct Fees
Aetna	N/A	7% of premium/\$0 to \$3 PMPY New Business, \$0 to \$5 PMPY Retention	N/A
Cigna		7% of premium/0 to 4% of premium New Business, 1 to 2.5% of premium up to \$2.5 million premium cap/ line of coverage Existing	N/A
Guardian	N/A	7% of premium/0 to 7% of premium	N/A
Met Life	N/A	7% of premium/2% of premium New, 1.5% of premium existing, \$400,00 cap per client	N/A
The Standard	N/A	7% of premium/1.5 to 2.25% of premium, dental premium credited at 50%, \$50,000 max per line of coverage	N/A
Unum	N/A	7% of premium/2.5% of premium new, 1.25% of premium existing	N/A

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# Solvency Disclosure – Vision Quotes

Carriers	AM Best Rating	Commission/Supplemental	Direct Fees
Avesis	N/A	10% of premium/None	N/A
Guardian	N/A	Requested 10% of premium/0 to 7% of premium	N/A
Met Life	N/A	10% of premium/2% of premium New, 1.5% of premium existing, \$400,00 cap per client	N/A
The Standard	N/A	10% of premium/1.5 to 2.25% of premium, \$50,000 max per line of coverage	N/A
Unum	N/A	10% of premium/2.5% of premium new, 1.25% of premium existing	N/A
VSP	N/A	10% of Premium/None	N/A

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