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LOGICTECH

# RENEWAL & MARKETING MEETING

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JAN. 1, 2018 - DEC. 31, 2018

# Financial Summary

Current vs. Renewal



	<b>Medical</b>	AM BEST RATING	ENROLLMENT	EMPLOYER	EMPLOYEE	TOTAL	\$ CHANGE	% CHANGE
	Current (Cigna)	A	193	\$1,010,431	\$1,010,431	\$2,020,861	—	—
	Initial			\$1,200,549	\$2,401,098	\$2,401,098	<b>\$380,237</b>	<b>18.8.%</b>
	Negotiated			\$1,100,936	\$2,401,098	\$2,201,872	<b>\$181,011</b>	<b>9.0%</b>
	<b>Dental</b>							
	Current (Cigna)	A	218	\$83,952	\$83,952	\$167,904	—	—
	Initial			\$93,713	\$93,713	\$187,425	<b>\$19,521</b>	<b>11.6%</b>
	Negotiated			\$93,713	\$93,713	\$187,425	<b>\$19,521</b>	<b>11.6%</b>
	<b>Vision</b>							
	Current (MESVision)	A-	150	\$9,612	\$9,612	\$19,224	—	—
	Initial			\$9,612	\$9,612	\$19,224	<b>\$0</b>	<b>0.0%</b>
	Negotiated			\$9,612	\$9,612	\$19,224	<b>\$0</b>	<b>0.0%</b>
<b>Basic Life/AD&amp;D</b>								
	Current (Lincoln Financial)	A+	227	\$41,783	\$0	\$41,783	—	—
	Initial	A	193	\$48,469	\$0	\$48,469	\$6,686	16.0%
	Negotiated	A	193	\$48,469	\$0	\$48,469	\$6,686	16.0%
<b>Basic STD</b>								
	Current (Lincoln Financial)	A+	227	\$10,911	\$0	\$10,911	—	—
	Initial			\$10,911	\$0	\$10,911	\$0	0.0%
	Negotiated			\$10,911	\$0	\$10,911	\$0	0.0%
<b>Basic LTD</b>								
	Current (Lincoln Financial)	A+	227	\$22,066	\$0	\$22,066	—	—
	Initial			\$26,322	\$0	\$26,322	\$4,256	19.3%
	Negotiated	A		\$26,322	\$0	\$26,322	\$4,256	19.3%
	<b>Current</b> Total Program Costs - All Plans			\$1,178,755	\$1,103,995	\$2,282,749	—	—
	<b>Initial</b> Total Program Costs - All Plans			\$1,389,576	\$1,303,874	\$2,693,449	<b>\$410,700</b>	<b>18.0%</b>
	<b>Negotiated</b> Total Program Costs - All Plans			\$1,289,963	\$1,204,261	\$2,494,223	<b>\$211,474</b>	<b>9.3%</b>

Notes: 1Assumes HR utilization of 75% (\$357/\$750)



## Medical Renewal Analysis

### Overview


The initial Cigna Medical HMO, OAP and HRA renewal was released at 18.91%. Quickie Brokerage negotiated the renewal to 9.0%, which represents an annual negotiated savings of \$199,814.

*Note: Cigna will continue to provide a Wellness Fund in the amount of \$10,000 to Jack's Shack for the 2017 plan year.*

### Quickie Brokerage Analysis

Our team analyzed the renewal factors from Cigna and noted that based on claims and renewal factors from Cigna, the data justifies a 12% increase in premiums.

Our internal team reviews trend factors, projected claims, pooling chargers, retention and credibility to ensure they are in line with industry standards. Please note, the Cigna renewal is based on experience (50%) and pooled renewal figures (50%).

 Medical	EMPLOYER	EMPLOYEE	TOTAL		% DIFFERENCE
<b>Current</b>	\$1,010,431	\$1,010,431	\$2,020,861		
<b>Initial Renewal</b>	\$1,200,549	\$1,200,549	\$2,401,098		<b>+18.8%</b>
<b>Negotiated Renewal</b>	\$1,100,936	\$1,100,936	\$2,201,872		<b>+9.0%</b>

# Medical Renewal Analysis

Continued



CURRENT MEDICAL PLANS	CIGNA HMO	CIGNA HRA		CIGNA PPO (CA)		CIGNA PPO (OOS)	
	IN-NETWORK ONLY	IN	OUT	IN	OUT	IN	OUT
Deductible - Individual	N/A	\$1,500	\$3,000	\$500	\$1,000	\$500	\$1,000
Deductible - Family	N/A	\$3,000	\$6,000	\$1,000	\$2,000	\$1,000	\$2,000
Coinsurance	N/A	20%	40%	10%	30%	10%	30%
OOPM - Individual	\$1,500	\$4,000	\$6,000	\$2,000	\$4,000	\$2,000	\$4,000
OOPM - Family	\$3,000	\$8,000	\$12,000	\$4,000	\$8,000	\$4,000	\$8,000
PCP	\$30	20%	40%	\$20	30%	\$20	30%
Specialist	\$30	20%	40%	\$40	30%	\$40	30%
Inpatient Hospital	\$500 per Admit	20%	40%	10%	30%	10%	30%
Outpatient Surgery	\$250	20%	40%	10%	30%	10%	30%
Emergency Room	\$100	20%	40%	\$100	\$100	\$100	\$100
Urgent Care	\$35	20%	40%	\$25	\$25	\$25	\$25

## Rx

Individual Deductible	N/A	Medical Deductable Applies		N/A	N/A	N/A	N/A
Family Deductible	N/A	Medical Deductable Applies		N/A	N/A	N/A	N/A
Member Copay Tier 1	\$15	30%	N/A	\$15	N/A	\$15	N/A
Member Copay Tier 2	\$30	40%	N/A	\$35	N/A	\$35	N/A
Member Copay Tier 3	\$50	50%	N/A	\$50	N/A	\$50	N/A
Member Copay Tier 4	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mail Order	2x	2x		2x		2x	

## Enrollment

Employee Only	106	20	14	21
Employee + One	8	1	0	5
Employee + Family	6	0	5	7
<b>Total Enrollment</b>	<b>120</b>	<b>21</b>	<b>19</b>	<b>33</b>

Monthly Rates	CURRENT	INITIAL	NEGOTIATED	CURRENT	INITIAL	NEGOTIATED	CURRENT	INITIAL	NEGOTIATED	CURRENT	INITIAL	NEGOTIATED
Employee Only	\$676.16	\$804.02	\$737.05	\$624.24	\$740.91	\$679.57	\$769.16	\$914.61	\$838.42	\$769.16	\$914.61	\$838.42
Employee + One	\$1,264.72	\$1,527.66	\$1,400.40	\$1,185.34	\$1,409.30	\$1,292.26	\$1,461.42	\$1,737.77	\$1,593.02	\$1,461.42	\$1,737.77	\$1,593.02
Employee + Family	\$1,264.72	\$2,291.50	\$2,100.62	\$1,779.65	\$2,114.81	1,939.02	\$2,192.12	\$2,605.65	\$2,389.51	\$2,192.12	\$2,605.65	\$2,389.51
Monthly Total	\$93,353.26	\$11,196.40	\$101,934.22	\$13,670.14	\$16,227.50	\$14,883.66	\$21,728.84	\$25,832.79	\$23,685.43	\$38,804.30	\$46,135.21	\$42,298.51
Ann. Total	\$1,120,239.12	\$1,334,356.80	\$1,223,210.64	\$164,041.68	\$194,730.00	\$178,603.02	\$260,746.08	\$309,993.48	\$284,225.16	\$465,651.60	\$553,622.52	\$507,581.88
<b>Ann. Change from Current - \$</b>		<b>\$214,117.68</b>	<b>\$101,934.22</b>		<b>\$30,688.32</b>	<b>\$14,562.24</b>		<b>\$49,247.40</b>	<b>\$23,479.08</b>		<b>\$87,970.92</b>	<b>\$41,930.28</b>
<b>Ann. Change from Current - %</b>		<b>19.1%</b>	<b>9.2%</b>		<b>18.7%</b>	<b>8.9%</b>		<b>18.9%</b>	<b>9.0%</b>		<b>18.9%</b>	<b>9.0%</b>

Please Note: HRA admin fee included in premiums. HRA admin fee is reduced from \$4.94 to \$4.50

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## Carrier Marketing Summary

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January 1, 2018

### Jack's Shack

Jack's Shack surveyed the marketplace to evaluate comparable medical plans in terms of pricing, benefits and service delivery. The following is a list of the insurance carriers who were requested to provide medical proposals to Jack's Shack.

COVERAGE	CARRIER	% DIFFERENCE	RESPONSE	AM BEST RATING
<b>Medical</b>	Cigna	<b>10%</b>	Incumbent	A
	Aetna	<b>12%</b>	Illustrated	A
	Anthem Blue Cross	<b>18%</b>	Not Illustrated	A
	Blue Shield of California	<b>22%</b>	Not Illustrated	A-
	UHC	<b>N/A</b>	DTQ	A



## Dental Renewal Analysis

### Overview


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*Note: Cigna will continue to provide a Wellness Fund in the amount of \$10,000 to Jack's Shack for the 2017 plan year.*

### Quickie Brokerage Analysis

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 Dental	EMPLOYER	EMPLOYEE	TOTAL		% DIFFERENCE
Current	\$1,010,431	\$1,010,431	\$2,020,861		
Initial Renewal	\$1,200,549	\$1,200,549	\$2,401,098		+18.8%
Negotiated Renewal	\$1,100,936	\$1,100,936	\$2,201,872		+9.0%



# Vision Renewal Analysis

## Overview


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*Note: Cigna will continue to provide a Wellness Fund in the amount of \$10,000 to Jack's Shack for the 2017 plan year.*

## Quickie Brokerage Analysis

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 Vision	EMPLOYER	EMPLOYEE	TOTAL		% DIFFERENCE
Current	\$1,010,431	\$1,010,431	\$2,020,861		
Initial Renewal	\$1,200,549	\$1,200,549	\$2,401,098		+18.8%
Negotiated Renewal	\$1,100,936	\$1,100,936	\$2,201,872		+9.0%



## Basic Life/AD&D Renewal Analysis

### Overview


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*Note: Cigna will continue to provide a Wellness Fund in the amount of \$10,000 to Jack's Shack for the 2017 plan year.*

### Quickie Brokerage Analysis

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 Basic Life/AD&D	EMPLOYER	EMPLOYEE	TOTAL		% DIFFERENCE
<b>Current</b>	\$1,010,431	\$1,010,431	\$2,020,861		
<b>Initial Renewal</b>	\$1,200,549	\$1,200,549	\$2,401,098		<b>+18.8%</b>
<b>Negotiated Renewal</b>	\$1,100,936	\$1,100,936	\$2,201,872		<b>+9.0%</b>



# Renewal Analysis

Basic Life/AD&D (Class 1)



PLAN PLAN NAME	RELIANCE STANDARD BASIC LIFE/AD&D	RELIANCE STANDARD OPTION 1	
	Current	Renewal	
<b>Benefits</b>	<b>CLASS 1 - MANAGEMENT</b>	<b>CLASS 1 - MANAGEMENT</b>	
Benefit Amount	1x Salary	(e.g., 5x Salary)	
Maximum Benefit	\$150,000	(e.g., \$500,000)	
Guarantee Issue	\$150,000	(e.g., \$15,000, \$100,000)	
Waiver of Premium	Included to age 65	(e.g., \$10,000 Increments)	
Accelerated Death Benefit	50% up to \$75,000	(e.g., \$500,000)	
Conversion	Included	(e.g., \$250,000)	
Portability	Included	Spouse Age	
<b>Age Reduction Schedule</b>			
Age 65	35%	(e.g., 35%)	
Age 70	50%	(e.g., 50%)	
Age 75	75%	(e.g., 75%)	
Age 80	80%	(e.g., 80%)	
<b>Cost</b>	<b>CURRENT</b>	<b>RENEWAL</b>	
Monthly Covered Volume <i>(Monthly Rates Per \$1,000)</i>	\$85,714,286	\$85,714,286	
Life	\$0.05	\$0.04	
AD&D	\$0.02	\$0.02	
Monthly Cost	\$6,000	\$6,300	
<b>Change from Current - \$ Rate Guarantee</b>	<b>- 2 Year</b>	<b>5.0% 2 Year</b>	

Please Note: HRA admin fee included in premiums. HRA admin fee is reduced from \$4.94 to \$4.50

# Renewal Analysis

Voluntary Life/AD&D (Class 1)



PLAN PLAN NAME		RELiance STANDARD VOLUNTARY LIFE/AD&D	RELiance STANDARD VOLUNTARY LIFE/AD&D	
		CURRENT	RENEWAL	
Rate Guarantee		3 Year	3 Year	
<b>Benefits</b>		<b>CLASS 1 - MANAGEMENT</b>	<b>CLASS 1 - MANAGEMENT</b>	
Benefit Amount - Employee		(e.g., 5x Salary)	(e.g., 5x Salary)	
Maximum Benefit - Employee		(e.g., \$500,000)	(e.g., \$500,000)	
Guarantee Issue - Employee		(e.g., \$15,000, \$100,000)	(e.g., \$15,000, \$100,000)	
Benefit Amount - Spouse		(e.g., \$10,000 Increments)	(e.g., \$10,000 Increments)	
Maximum Benefit - Spouse		(e.g., \$500,000)	(e.g., \$500,000)	
Guarantee Issue - Spouse		(e.g., \$250,000)	(e.g., \$250,000)	
Spouse Rate Basis		Spouse Age	Spouse Age	
Benefit Amount - Child		(e.g., \$2,000 Increments)	(e.g., \$2,000 Increments)	
Maximum Benefit - Child		(e.g., \$10,000)	(e.g., \$10,000)	
Guarantee Issue - Child		(e.g., \$10,000)	(e.g., \$10,000)	
Waiver of Premium		(e.g., included to age 65)	(e.g., included to age 65)	
Accelerated Death Benefit		(e.g., 75% up to \$25,000)	(e.g., 75% up to \$25,000)	
Conversion		(e.g., Included)	(e.g., Included)	
Portability		(e.g., Included)	(e.g., Included)	
<b>Age Reduction Schedule</b>				
Age 65		(e.g., 35%)	(e.g., 35%)	
Age 70		(e.g., 50%)	(e.g., 50%)	
Age 75		(e.g., 75%)	(e.g., 75%)	
Age 80		(e.g., 80%)	(e.g., 80%)	

Please Note: HRA admin fee included in premiums. HRA admin fee is reduced from \$4.94 to \$4.50

# Renewal Analysis

Voluntary Life/AD&D (Class 1)



PLAN PLAN NAME		RELIANCE STANDARD VOLUNTARY LIFE/AD&D			RELIANCE STANDARD VOLUNTARY LIFE/AD&D			
		CURRENT			RENEWAL			
Monthly Rates per \$1,000								
Cost		EMPLOYEE		SPOUSE	EMPLOYEE		SPOUSE	
LIFE	VOLUME	NON-SMOKER	SMOKER	-	NON-SMOKER	SMOKER	-	
19-29	\$X,XXX.XX	\$0.09	\$0.12	\$0.09	\$0.09	\$0.12	\$0.07	
30-34	\$X,XXX.XX	\$0.11	\$0.17	\$0.11	\$0.10	\$0.17	\$0.10	
34-39	\$X,XXX.XX	\$0.15	\$0.23	\$0.15	\$0.14	\$0.23	\$0.18	
40-44	\$X,XXX.XX	\$0.20	\$0.37	\$0.20	\$0.20	\$0.34	\$0.21	
45-49	\$X,XXX.XX	\$0.29	\$0.46	\$0.29	\$0.29	\$0.46	\$0.32	
50-54	\$X,XXX.XX	\$0.37	\$0.66	\$0.37	\$0.35	\$0.65	\$0.40	
55-59	\$X,XXX.XX	\$0.59	\$0.89	\$0.59	\$0.59	\$0.89	\$0.61	
60-64	\$X,XXX.XX	\$0.86	\$1.13	\$0.86	\$0.86	\$1.13	\$0.93	
65-69	\$X,XXX.XX	\$1.02	\$1.59	\$1.02	\$1.02	\$1.59	\$1.08	
70-85	\$X,XXX.XX	\$2.59	\$2.90	\$2.59	\$2.59	\$2.90	\$2.64	
Employee AD&D	\$X,XXX.XX	\$0.02			\$0.02			
Spouse AD&D	\$X,XXX.XX	\$0.02			\$0.02			
Child Life	\$X,XXX.XX	\$0.15			\$0.13			
Child AD&D	\$X,XXX.XX	\$0.02			\$0.02			
Monthly Cost		\$X,XXX.XX			\$X,XXX.XX			
% Change from Current		-			X.X%			

Please Note: HRA admin fee included in premiums. HRA admin fee is reduced from \$4.94 to \$4.50