Stop Loss Insurance Renewal Offer
Voya Employee Benefits

Prepared for:
City of Reno

Effective Date
07/01/2024

Policy Number
737739

Excess Risk Insurance is issued by ReliaStar Life Insurance Company, a member of the Voya® family of companies.

Stop Loss Proposal for City of Reno

Individual Excess Risk Insurance

Plan Description		Current	Renewal Option 1
Plan Effective Date		July 1, 2023	July 1, 2024
Coverages		Medical, Rx	Medical, Rx
Individual Deductible		$ 400,000	$ 400,000
Policy Year Maximum		Unlimited	Unlimited
Lifetime Maximum		Unlimited	Unlimited
Coverage Period		Paid in 12 Months and incurred Jul 01, 2022 or after	Paid in 12 Months and incurred Jul 01, 2022 or after
Benefit Percentage		100%	100%
Rates Include Commissions of:		None	None
Endorsements			
Renewal Rate Cap		50.00 %	50.00 %
Individual Advanced Funding		Included	Included
Plan Mirroring Coordination		Included	Included
Coverage Description	**Enrollment**		
Single	1,167	$ 33.50	$ 30.80
Family	1,336	$ 78.68	$ 78.88
Cost			
Estimated Monthly Costs		$ 144,211	$ 141,327
Estimated Annual Costs		$ 1,730,532	$ 1,695,927
% Change from Current			-2.00%

Issued by ReliaStar Life Insurance Company
A member of the Voya® family of companies

PLAN
INVEST
PROTECT

Stop Loss Proposal for City of Reno

Account Assumptions

Renewal As Of Date	May 20, 2024
Renewal Good Through	Preliminary
Situs State	Nevada
Claim Administrator	UMR, MaxorPlus (Rx)
Network	2024-01 United Healthcare Choice Plus

Additional Contract Specifications:

- No fully insured lives are covered.
- In addition to base commissions, certain brokers and/or service providers may receive compensation related to factors such as overall sales of Company products, total premium for products sold through the broker/service provider, growth in the number of customers, and retention of existing customers. Compensation and fees may also be paid to brokers and/or service providers for administrative services in connection with Company products. Please contact us if you would like additional detail on compensation and fees payable on your case.
- Quote assumes pharmacy benefits are not carved out to a separate Pharmacy Benefit Manager.
- Plan must have medical case management and utilization review.
- All claims are reported/paid in U.S. dollars.
- Any costs charged by the claim administrator for reports required to substantiate claims will be paid by the employer.
- The proposal is based on the data submitted. Any changes to this data may allow us to modify the proposal.
- We reserve the right to (i) recalculate Monthly Aggregate Factor(s) [if applicable] and Individual Excess Risk Monthly Premium Rates as shown on the Excess Risk Schedule and continue this Policy, or (ii) terminate this Policy in accordance with the Policy Termination provision of this Policy if an increase or decrease in the number of Covered Persons and Covered Dependents that exceeds 15% of the current number covered under the Employee Benefit Plan.
- Premium rates were adjusted via filed and approved underwriting discretion in consideration of the carrier reporting fees assessed by the PBM or TPA, which are directly associated with the claims information we require to administer our Policy.
- Duplication of current plan designs and contribution levels. Any changes may require an adjustment to the individual excess risk rates.
- Retirees pre and post age 65 are covered under the Stop Loss contract. We assume Medicare is primary for any retiree age 65 or older.
- Renewal Rate Cap Endorsement guarantees your subsequent year's renewal will be capped at and no new individual adjusted deductible will apply (laser free renewal).
- No fully insured lives are covered.
- Duplication of current plan designs and contribution levels. Any changes may require an adjustment to the individual excess risk rates.
- Rates are firm through 5/17/2024.

The individual stop loss renewal is based upon the current leveraged trend factors, market conditions, plan designs and current demographic factors. The aggregate renewal is based upon the experience of the group and current trend. Any plan changes may affect this renewal and need to be disclosed prior to the renewal acceptance.

______________________________ __________________

Authorized Signature Date

City of Reno

07/01/2024

Excess Risk Insurance is underwritten by ReliaStar Life Insurance Company. Policy form RL-SL-POL-2013 (may vary by state).

Exclusions and limitations are described in the policy.

Issued by ReliaStar Life Insurance Company
A member of the Voya® family of companies

PLAN
INVEST
PROTECT

Economic Factors: Manage the Effects of Leveraged Trend (Illustrative)

Medical trend is the anticipated annual increase in the cost of medical claims from year to year. Medical costs generally increase every year through inflation, and there are many additional factors that determine the actual medical trend for a specific health plan.

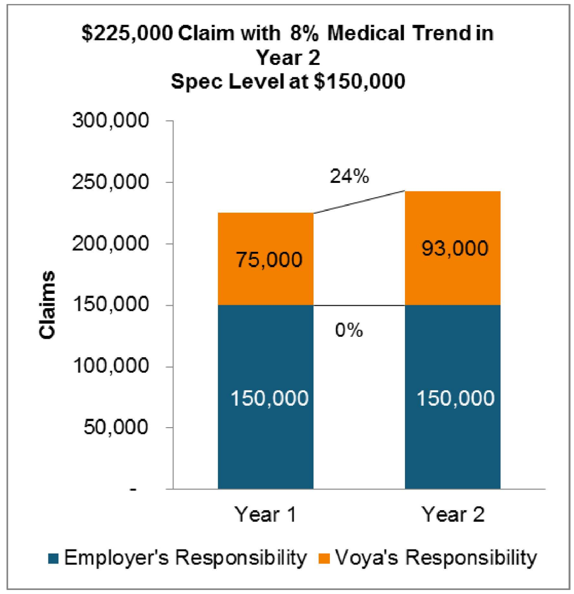
Components of medical trend include:

Plan Design	Technology	Network
Utilization Patterns	Demographics	Cost Shifting

Medical trend gets leveraged when parties responsible for medical claims do not maintain the same proportional share of the risk from year to year. Put simply, rising medical costs affect stop loss carriers differently than employers. But rather than passing our increasing risk back on to you in the form of large rate increases, we can compensate with small increases in deductibles.

Here's an example. In Year 1, the plan elects a $150,000 individual stop loss deductible. If there is an individual claim of $225,000, the first $150,000 is the employer's responsibility and the remaining $75,000 is reimbursed by the stop loss carrier.

In Year 2, assuming an 8% increase in medical costs, a claim that would have been $225,000 in Year 1 now costs $243,000. If the deductible doesn't change, the first $150,000 is the employer's responsibility and the remaining $93,000 reimbursed by the stop loss carrier. So that 8% trend produces a 24% cost increase to the stop loss carrier's claim and 0% increase to the employer.



If the stop loss deductible is left at the same dollar level year after year, the employer's risk actually decreases as a percentage of the overall claim. Conversely, the insurer's risk is increasing -- and, in response, the insurer has to increase rates well beyond medical trend.

In order to eliminate the leveraging effect, the employer should increase its individual deductible by trend each year. This essentially retains the exact same proportion of the risk.

In an effort to mitigate the effects of leveraged trend, your underwriter has included an optional quote during this year's renewal.

Excess Risk Insurance is issued by ReliaStar Life Insurance Company, a member of the Voya® family of companies.