



SHARED FUNDING PROPOSAL KALKASKA PUBLIC SCHOOLS (ADMIN & SUPPORT)

Effective Date: 12/1/2015

Proposal Date: 9/3/2015

Plan 1: \$1,300 Deductible & 100% coverage thereafter

| Enrollment | Employee Count | Renewal Rates | Service Fee | Insurance Premium | Claims Funding | Total |
|-------------------------------|----------------|---------------------|-------------|-------------------|----------------|---------------------|
| Single | 2 | \$433.77 | \$62.00 | \$377.99 | \$301.47 | \$741.46 |
| Double | 5 | \$907.14 | \$62.00 | \$751.56 | \$602.93 | \$1,416.49 |
| Family | 15 | \$1,183.02 | \$62.00 | \$1,013.05 | \$813.96 | \$1,889.01 |
| Total Monthly | 22 | \$23,148.54 | \$1,364.00 | \$19,709.53 | \$15,826.99 | \$36,900.52 |
| Total Annual | | \$277,782.48 | \$16,368.00 | \$236,514.36 | \$189,923.88 | \$442,806.24 |
| % Change from Current/Renewal | | | | | | 59.4% |

Carrier Information

Carrier: Pan American Life

Contract Type: 12/12

Covered Benefit: Medical/RX

PROPOSAL REQUIREMENTS AND CONTINGENCIES:

- Stop loss quote assumes satisfaction of the carrier's minimum requirements for eligibility, participation, benefits and plan design.
- Stop loss quote above reflects an unlimited annual benefit maximum per covered person per plan year.
- A completed Disclosure Statement must be submitted for review/approval before final insurance premiums/funding factors are issued.
- Employer must pay based on a minimum of 25 employees for each month of the contract.
- Terminal liability coverage is required on a 12/12 contract if the policy is terminated upon renewal. The client will be required to pay an additional two months of the inforce insurance premiums, claims funding factors and service fees based on the average enrollment from the last two months of the policy year. The additional charges will provide for coverage and payment of all eligible claims for up to 12 months beyond the policy termination date.
- Stop loss quotes above are subject to receipt and review of medical applications if they have been completed for any carrier within 6 months of the effective date.

GENERAL SPECIFICATIONS:

• IMPLEMENTATION FEE: \$2,500. FEE INCLUDES DRAFT OF INITIAL SUMMARY PLAN DESCRIPTION. COSTS ASSOCIATED WITH PRINTING OF SPD BOOKLETS ARE THE RESPONSIBILITY OF THE CLIENT.

- Service fee quoted above includes the following costs: Administration fee, PPO network access fees (HAP/Physicians Care and the Multiplan/CIGNA Extended National network), Utilization Review services, and postage/handling for the direct release of checks and EOBs.
- COBRA administration is available for \$1.25 per employee per month + ASR retains the 2% administration fee included in the COBRA rate calculation.
- Directories are available on-line at www.asrhealthbenefits.com.
- The Michigan HICA tax, ACA Reinsurance, and PCORI fees are not included in the above proposal.
- ASR Health Benefits & Pan American Life will not be bound by any typographical errors/omissions in this proposal.
- Do not cancel current coverage until confirmation of final premiums/funding factors have been issued and group is accepted for coverage.
- Agent receives part of the service fee as compensation.



**SHARED FUNDING PROPOSAL
KALKASKA PUBLIC SCHOOLS (ADMIN & SUPPORT)**

Effective Date: 12/1/2015

Proposal Date: 9/3/2015

Plan 2: \$500 Deductible & 100% coverage thereafter

| Enrollment | Employee Count | Renewal Rates | Service Fee | Insurance Premium | Claims Funding | Total |
|-------------------------------|----------------|---------------------|-------------|-------------------|----------------|---------------------|
| Single | 7 | \$526.49 | \$62.00 | \$410.31 | \$327.55 | \$799.86 |
| Double | 4 | \$1,182.72 | \$62.00 | \$816.20 | \$655.10 | \$1,533.30 |
| Family | 5 | \$1,471.46 | \$62.00 | \$1,100.32 | \$884.39 | \$2,046.71 |
| Total Monthly | 16 | \$15,773.61 | \$992.00 | \$11,638.57 | \$9,335.20 | \$21,965.77 |
| Total Annual | | \$189,283.32 | \$11,904.00 | \$139,662.84 | \$112,022.40 | \$263,589.24 |
| % Change from Current/Renewal | | | | | | 39.3% |

Carrier Information

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Contract Type: 12/12

Covered Benefit: Medical/RX

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- Stop loss quote above reflects an unlimited annual benefit maximum per covered person per plan year.
- A completed Disclosure Statement must be submitted for review/approval before final insurance premiums/funding factors are issued.
- Employer must pay based on a minimum of 25 employees for each month of the contract.
- Terminal liability coverage is required on a 12/12 contract if the policy is terminated upon renewal. The client will be required to pay an additional two months of the inforce insurance premiums, claims funding factors and service fees based on the average enrollment from the last two months of the policy year. The additional charges will provide for coverage and payment of all eligible claims for up to 12 months beyond the policy termination date.
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2015 Plan Year ACA Taxes and Fees Guide

| Tax Description | Comments |
|--|---|
| Federal Insurance Premium Tax | Not Applicable to ASR health benefits Shared Funded nor Self-Funded plans. |
| State Insurance Premium Tax | Not Applicable to ASR health benefits Shared Funded nor Self-Funded plans. |
| Michigan Claims Tax (HICA) | Self-Funded: Invoiced to client quarterly (.75% of claims paid*); remitted by ASR. Shared-Funded: Invoiced to client monthly (.75% of claims funding); remitted by ASR. |
| Patient-Centered Outcomes Research Institute (PCORI) | Paid/remitted by Plan Sponsor by July 31st annually. Enrollment counts available on ASR website to assist client in filing. Fee is \$2.08 per member per year for plan years ending on or after October 1, 2014 and before October 1, 2015. |
| Transitional Reinsurance Program | Invoiced to client annually during the 4th quarter; remitted by ASR. Employer may opt-out and remit independently if preferred. Fee is \$44 per member per year for 2015. |

*HICA tax is applicable only to paid claims for Michigan residents obtaining services in Michigan.

*ASR health benefits will not be bound by any errors or omissions associated with this guide.
This information is to be used for illustrative purposes only and is not intended to impart legal advice.*