

## City Of Riviera Beach

### Rate Change Development

Effective Date: October 01, 2018

- The components of your renewal rate change are detailed below.
- The current Net Adjusted Incurred Claims Per Member Per Month (PMPM) are trended forward to the Renewal Rate Period.
- Based on customer size by experience rating group, claims over a certain threshold are removed to normalize the claims experience in order to minimize large yearly fluctuations.
- A large claim adjustment is added to the Incurred Claims PMPM, and blended with Manual Claims PMPM, if applicable, to develop a blended expected claim PMPM. An adjustment for renewal benefit change is added if applicable.
- State taxes, commissions, and other adjustments are then added resulting in the final required premium PMPM.
- This exhibit may include information from other carriers.

		Current Year Experience	
Experience Grouping:	Experience Group 1	Incurred	
Current Subscribers:	484	01/01/2017	- 12/31/2017
Current Members:	949	02/28/2018	
		6,056	
		12,317	
		1,026	

	Current Year Experience			Total
	Medical	Rx	HRA Fund	
	PMPM	PMPM	PMPM	PMPM
1 Incurred Claims	\$321.92	\$87.44	\$0.00	\$409.36
2 Deductible Supression	1.0000			
3 Incurred Claims x Deductible Suppression Factor	\$322.15	\$87.44	\$0.00	\$409.59
4 Pooled Claims	\$2.35			\$2.35
5 Pooling Charge				
a. Pooling Point	\$175,000			\$175,000
b. Pooling Factor (medical claims only)	10.00%			
c. Pooling Charge	\$31.87			\$31.87
6 Incurred Claims w/ Pooling (3 - 4 + 5c)	\$351.67	\$87.44	\$0.00	\$439.11
7 Adjustment for Change in Network	1.0000	1.0000	1.0000	
8 Adjustment for Change in Plan	1.0000	0.9999	1.0000	
9 Adjustment for Change in Demographics	1.0195	1.0216	1.0000	
10 Underwriting Adjustment	0.9815	1.0000	1.0000	
11 Adjusted Incurred Claims (6 x 7 x 8 x 9 x 10)	\$351.91	\$89.32	\$0.00	\$441.22
12 Trend				
a. Annual Trend Factor	9.91%	13.31%	100.00%	
b. # of Months of Trend	21.0	21.0	21.0	
c. Projection Factor	1.1798	1.2444	1.0000	
13 Exp. Based Projected Claims (11 x 12c)	\$415.18	\$111.15	\$0.00	\$526.33
14 Experience Credibility	100.0%	100.0%	100.0%	100.0%
15 Manual (CRC) Projected Claims	\$532.48	\$128.26	\$0.00	\$660.75
16 Blended Projected Claims	\$415.18	\$111.15	\$0.00	\$526.33
17 Large Claim Adjustment				\$0.00
18 Retention Charges		<b>Total</b>		<b>Total</b>
a. Administrative Component		14.11%		\$88.13
b. Broker Commission Component		0.00%		\$0.00
c. Premium Tax Component		0.96%		\$6.02
d. Health Insurance Providers Fee		0.65%		\$4.06
e. Total Retention Charges (a + b + c + d)		15.73%		\$98.21
19 Projected Premium				\$624.54
20 Underwriting Concession				(\$78.18)
21 Proposed Premium				\$546.36
22 Producer Services Fee Component		3.5%		\$19.82
23 Total Amount Due				\$566.18
24 Estimated Current Total Amount Due				\$514.71
25 Required Rate Change (excludes 20 & 21)				25.7%

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It is subject to all of the other provisions of the full proposal.