

Stop Loss Coverage Marketing Analysis

Effective Date:
January 1, 2021

City of
Independence

10/16/2020

Initial Results



UNCOMMONLY INDEPENDENT

Executive Summary

Factors Impacting Your Stop Loss Renewal

Market Conditions

Stop loss carriers have tightened underwriting requirements

- Costly elective procedures pushed into 2021 due to COVID-19
- Pipeline of gene therapy treatments can cost over \$2M

Plan Performance

Carriers review historical utilization to better understand high cost claimant trends within an employer group

- Historical cumulative loss ratio is 95%
- Current Loss Ratio is 1%

Ongoing Risk Assessment

Carrier underwriting is more aggressively reviewing known claimant risk through comprehensive data reviews

- The clinical review of the top 5 claimants by spend will be provided with firm results

PEPM Rate Vs. Benchmark

Underwriters expect large claim risk from new claimants to even out over time, so a lower rate compared to benchmark can lead to carrier losses when claims activity normalizes

- Current PEPM Rate is 11% higher than market benchmark

Executive Summary

Recommendation

Renewal Recommendation

- **Best Fixed-Price Option At Current Deductible:** Cigna +13.6%
- **Stop Loss Carrier:** Maintain coverage with Cigna
- **Plan Design Review:** Current specific deductible higher than similarly sized employers

Market Results Summary

Renewal											
Cigna	Symetra	Sun Life	Voya	Anthem	HM	Berkley	ISU	Liberty Mutual	Optum	QBE	TM HCC
14%	17%	18%	25%	42%	58%	DTQ	DTQ	DTQ	DTQ	DTQ	DTQ
						Historical Claim Experience	Uncompetitive	Historical Claim Experience	Historical Claim Experience	Historical Claim Experience	Uncompetitive

Current Contract Terms

- **Contract Type:** Paid Contract; \$275K Deductible; ISL and ASL
- **Multi-Year Protection:** Currently a 45% Rate Cap with No New Laser renewal protection in place

Stop Loss Plan Performance

Historical Plan Performance	2018	2019
Stop Loss Carrier	Cigna	Cigna
Specific Deductible	\$250,000	\$250,000
Contract Basis	Paid	Paid
# of Lives	1,759	1,758
PEPM Specific Rate	\$75.18	\$86.84
PEPM Aggregate Rate	\$5.12	\$5.52
Total Paid Premium	\$1,695,775	\$1,948,611
Total Paid Specific Claims	\$1,639,673	\$1,837,273
Annual Loss Ratio	97%	94%
Cumulative Loss Ratio	95%	

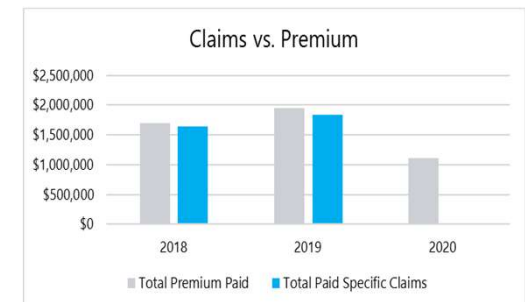
Historical Claimant Activity	2018	2019
Claimant 1	\$1,497,304	\$861,776
Claimant 2	\$476,570	\$622,310
Claimant 3	\$408,868	\$577,902
Claimant 4	\$256,931	\$557,812
Claimant 5	\$254,716	\$546,756
Claimant 6	\$0	\$320,717
Additional Information:		

Current Plan Performance
Cigna
\$275,000
Paid
1,167
\$99.31
\$6.22
\$1,106,588
\$14,990
1%

Current Claimant Activity
\$289,990
\$0
\$0
\$0
\$0
\$0
\$0

Large Claims Thru:
9/30/2020

Carriers evaluate historical plan performance, member demographics, and risk from ongoing claimants to assess an employer's future projected costs



*Enrollment is from the renewal

Status Quo Renewal Summary

Carrier	Current Cigna	Renewal Cigna	Option 1 Symetra	Option 2 Sun Life	Option 3 Voya	Option 4 Anthem	Option 5 HM
Coverage Included	Med, RX	Med, RX	Med, RX	Med, RX	Med, RX	Med, RX	Med, RX
Contract Basis	Paid	Paid/12	24/12	24/12	24/12	24/12	24/12
Enrollment*	1,152	1,152	1,152	1,152	1,152	1,152	1,152
Specific Deductible	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Aggregating Specific Deductible	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aggregate Corridor	125%	125%	125%	125%	125%	125%	125%
Total Fixed Cost*	\$1,458,847	\$1,657,083	\$1,704,084	\$1,719,706	\$1,818,132	\$2,078,438	\$2,311,235
Fixed Cost Change %		14%	17%	18%	25%	42%	58%
Total Laser Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Max Liability	\$24,731,274	\$24,745,928	\$26,011,377	\$23,334,912	\$24,660,495	\$25,931,059	\$25,496,986
Max Liability Change %		0%	5%	-6%	0%	5%	3%
2nd Year Renewal Protection (No New Lasers/Rate Cap)							
Renewal Protection Included		Yes	Yes	Yes	Yes	Yes	Yes
Rate Cap Maximum %		45%	50%	50%	50%	50%	45%

*Enrollment is from the renewal

*Includes both specific and aggregate premiums

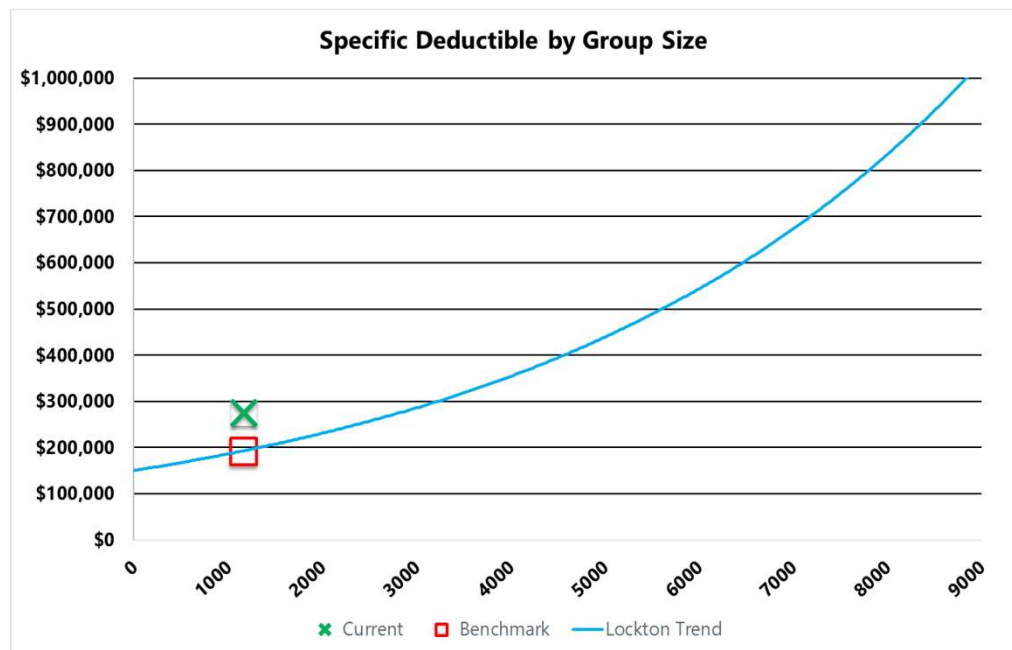
Cigna has the most competitive renewal option at the current plan design

Multi-year rate protection is included with all options

- 2nd year rate cap
- No new laser provision

Stop Loss Deductible Evaluation

- The Monte Carlo simulation is used to evaluate the potential number of claims that would breach the individual specific deductible options and the amount of potential reimbursements.
- Along with the breakeven analysis and our tacit knowledge of the risk profile we can provide advice on financial advantage or disadvantage to increase or decrease the current individual specific deductible.



- Lockton Trend is based on Lockton Complex Claims Specialty Practice Book of Business

Carrier Options	Renewal Cigna	Option 1 Symetra	Option 2 Sun Life	Option 3 Cigna	Option 4 Symetra	Option 5 Sun Life	Option 6 Cigna	Option 7 Symetra	Option 8 Sun Life
Deductible Level	\$275,000	\$275,000	\$275,000	\$300,000	\$300,000	\$300,000	\$325,000	\$325,000	\$325,000
Simulated Average Number of Claims	3.7	3.7	3.7	3.1	3.1	3.1	2.7	2.7	2.7
Annual Specific Cost	\$1,566,812	\$1,578,010	\$1,646,300	\$1,412,813	\$1,459,814	\$1,452,902	\$1,279,273	\$1,358,623	\$1,344,660
Specific Cost Change		\$11,197	\$79,488	(\$153,999)	(\$106,998)	(\$113,910)	(\$287,539)	(\$208,189)	(\$222,152)
Average Additional Claims Liability		\$0	\$0	\$78,040	\$78,040	\$78,040	\$133,730	\$133,730	\$133,730
Net Value To Change Deductible		\$11,197	\$79,488	(\$75,959)	(\$28,958)	(\$35,870)	(\$153,809)	(\$74,459)	(\$88,422)

Breakeven Analysis

Specific Stop Loss	Current Cigna	Renewal Cigna	Option 1 Symetra	Option 2 Sun Life	Option 3 Cigna	Option 4 Symetra	Option 5 Sun Life	Option 6 Cigna	Option 7 Symetra	Option 8 Sun Life
ISL Deductible	\$275,000	\$275,000	\$275,000	\$275,000	\$300,000	\$300,000	\$300,000	\$325,000	\$325,000	\$325,000
ISL Annual Premium		\$1,566,812	\$1,578,010	\$1,646,300	\$1,412,813	\$1,459,814	\$1,452,902	\$1,279,273	\$1,358,623	\$1,344,660
Aggregate Annual Premium		\$90,271	\$84,603	\$31,933	\$91,377	\$90,271	\$31,933	\$92,068	\$95,247	\$31,933
Combined Premium		\$1,657,083	\$1,662,612	\$1,678,234	\$1,504,189	\$1,550,085	\$1,484,836	\$1,371,341	\$1,453,870	\$1,376,594
Net Savings to Increase ISL (Premium minus Additional Risk)	N/A	N/A	(\$5,530)	(\$21,151)	\$61,231	\$15,336	\$80,585	\$119,623	\$37,094	\$114,370

	ISL Deductible Level	Annual ISL Premium Savings	Additional Liability Per Member	Minimum # of high claimants needed to void savings	Historical Avg. Claimants over ISL	Monte Carlo Model Avg.	Blended Average
Renewal	\$275,000	\$0	\$0	0.0	3.9	4	3.83592
Option 1	\$275,000	-\$5,530	\$0	0.0	3.9	4	3.83592
Option 2	\$275,000	-\$21,151	\$0	0.0	3.9	4	3.83592
Option 3	\$300,000	\$152,893	\$25,000	6.1	3.9	3	3.66648
Option 4	\$300,000	\$106,998	\$25,000	4.3	3.9	3	3.66648
Option 5	\$300,000	\$172,247	\$25,000	6.9	3.9	3	3.66648
Option 6	\$325,000	\$285,742	\$50,000	5.7	3.6	3	3.32238
Option 7	\$325,000	\$203,213	\$50,000	4.1	3.6	3	3.32238
Option 8	\$325,000	\$280,489	\$50,000	5.6	3.6	3	3.32238

A breakeven analysis is a calculation of the point at which premiums equal liability. This breakeven analysis is being used to determine the number of ISL claim breaches required to offset the premium and/or liability being assumed by the employer.

Appendix



Proposal Risk Summary

8	Current	Renewal	Option 1	Option 2	Option 3	Option 4	Option 5
Carrier	Cigna	Cigna	Symetra	Sun Life	Voya	Anthem	HM
Quote Status	Current	Quoted - Firm	Quoted - Illustrative	Quoted - Illustrative	Quoted - Illustrative	Quoted - Illustrative	Quoted - Illustrative
Coverage Included	Med, RX	Med, RX	Med, RX	Med, RX	Med, RX	Med, RX	Med, RX
Contract Basis	Paid	Paid/12	24/12	24/12	24/12	24/12	24/12
Enrollment*	1,152	1,152	1,152	1,152	1,152	1,152	1,152
Specific Deductible	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Aggregate Corridor	125%	125%	125%	125%	125%	125%	125%
Annual Interface Fee	\$0	\$0	\$41,472	\$41,472	\$41,472	\$41,472	\$41,472
Financial Assessment							
Total Fixed Cost*	\$1,458,847	\$1,657,083	\$1,704,084	\$1,719,706	\$1,818,132	\$2,078,438	\$2,311,235
Total Laser Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Est. Total Aggregate Deductible	\$23,272,428	\$23,088,845	\$24,307,292	\$21,615,206	\$22,842,363	\$23,852,621	\$23,185,751
Fixed Cost Change %		14%	17%	18%	25%	42%	58%
Fixed Cost Change \$		\$198,236	\$245,238	\$260,859	\$359,286	\$619,592	\$852,388
Max Liability	\$24,731,274	\$24,745,928	\$26,011,377	\$23,334,912	\$24,660,495	\$25,931,059	\$25,496,986
Max Liability Change \$		\$14,653	\$1,280,102	(\$1,396,362)	(\$70,779)	\$1,199,785	\$765,711
Max Liability Change %		0%	5%	-6%	0%	5%	3%
2nd Year Renewal Protection (No New Lasers/Rate Cap)							
Renewal Protection Included		Yes	Yes	Yes	Yes	Yes	Yes
Rate Cap Maximum %		45%	50%	50%	50%	50%	45%
Additional Notes							
Markets Declining:	Berkley, ISU, Liberty Mutual, Optum, QBE, Swiss Re, TM HCC						
Market DTQ Reasons:	Loss History, Uncompetitive						

*Enrollment is from the renewal

*Includes both specific and aggregate premiums

Proposal Detail

Deductible Options - \$275k

Carrier	Current Cigna	Renewal Cigna	Option 1 Symetra	Option 2 Sun Life
Individual Specific Stop Loss Coverage		Firm	Illustrative	Illustrative
Individual Specific Deductible	\$275,000	\$275,000	\$275,000	\$275,000
Contract	Paid	Paid/12	24/12	24/12
Coverage	Med, RX	Med, RX	Med, RX	Med, RX
# of Lives	1,152	1,152	1,152	1,152
Fixed Cost				
Composite Specific Rate	\$99.31	\$113.34	\$114.15	\$119.09
Total Interface Fee	\$0	\$0	\$41,472	\$41,472
Total Specific Cost + Interface Fee	\$1,372,861	\$1,566,812	\$1,619,482	\$1,687,772
Commission	0%	0%	0%	0%
Administrative Fee (No Rate Impact)	0%	0%	0%	0%
Aggregate Stop Loss Coverage				
Maximum Reimbursement	Unlimited	Unlimited	\$2,000,000	\$2,000,000
Margin	125%	125%	125%	125%
Contract	Paid/12	Paid/12	24/12	24/12
Coverage	Med, RX	Med, RX	Med, RX	Med, RX
Composite Aggregate Rate	\$6.22	\$6.53	\$6.12	\$2.31
Total Aggregate Premium	\$85,985	\$90,271	\$84,603	\$31,933
Composite Aggregate Factor	\$1,683.48	\$1,670.20	\$1,758.34	\$1,563.60
Est. Total Aggregate Deductible	\$23,272,428	\$23,088,845	\$24,307,292	\$21,615,206
Laser Liability				
Total Laser Liability	\$0	\$0	\$0	\$0
Total Combined Coverage				
Total Fixed Cost	\$1,458,847	\$1,657,083	\$1,704,084	\$1,719,706
Max Overall Liability	\$24,731,274	\$24,745,928	\$26,011,377	\$23,334,912
Change From Prior Year				
\$ Fixed Cost Change		\$198,236	\$245,238	\$260,859
% Fixed Cost Change		13.6%	16.8%	17.9%
\$ Max Overall Liability Change		\$14,653	\$1,280,102	-\$1,396,362
% Max Overall Liability Change		0.1%	5.2%	-5.6%
No New Laser Rate Cap Coverage				
2022 Rate Cap	45%	45%	50%	50%
Max 2 Year Fixed Cost		\$4,059,853	\$4,239,475	\$4,278,528
Simulated Average Number of Claims		3.7	3.7	3.7
Simulated Average Reimbursements		\$808,987	\$808,987	\$808,987
Value to Change Current Deductible/Carrier (negative is savings)		\$0	\$47,002	\$62,623

*Due to rounding rates can slightly vary from proposal. Please refer to proposal for carrier rates.

Proposal Detail

Deductible Options - \$300k

Carrier	Current Cigna	Option 3 Cigna Firm	Option 4 Symetra Illustrative	Option 5 Sun Life Illustrative
Individual Specific Stop Loss Coverage				
Individual Specific Deductible	\$275,000	\$300,000	\$300,000	\$300,000
Contract	Paid	Paid/12	24/12	24/12
Coverage	Med, RX	Med, RX	Med, RX	Med, RX
# of Lives	1,152	1,152	1,152	1,152
Fixed Cost				
Composite Specific Rate	\$99.31	\$102.20	\$105.60	\$105.10
Total Interface Fee	\$0	\$0	\$41,472	\$41,472
Total Specific Cost + Interface Fee	\$1,372,861	\$1,412,813	\$1,501,286	\$1,494,374
Commission	0%	0%	0%	0%
Administrative Fee (No Rate Impact)	0%	0%	0%	0%
Aggregate Stop Loss Coverage				
Maximum Reimbursement	Unlimited	Unlimited	\$2,000,000	\$2,000,000
Margin	125%	125%	125%	125%
Contract	Paid/12	Paid/12	24/12	24/12
Coverage	Med, RX	Med, RX	Med, RX	Med, RX
Composite Aggregate Rate	\$6.22	\$6.61	\$6.53	\$2.31
Total Aggregate Premium	\$85,985	\$91,377	\$90,271	\$31,933
Composite Aggregate Factor	\$1,683.48	\$1,677.22	\$1,768.03	\$1,584.33
Est. Total Aggregate Deductible	\$23,272,428	\$23,185,889	\$24,441,247	\$21,901,778
Laser Liability				
Total Laser Liability	\$0	\$0	\$0	\$0
Total Combined Coverage				
Total Fixed Cost	\$1,458,847	\$1,504,189	\$1,591,557	\$1,526,308
Max Overall Liability	\$24,731,274	\$24,690,079	\$26,032,804	\$23,428,086
Change From Prior Year				
\$ Fixed Cost Change		\$45,343	\$132,710	\$67,461
% Fixed Cost Change		3.1%	9.1%	4.6%
\$ Max Overall Liability Change		-\$41,196	\$1,301,530	-\$1,303,188
% Max Overall Liability Change		-0.2%	5.3%	-5.3%
No New Laser Rate Cap Coverage				
2022 Rate Cap	45%	45%	50%	50%
Max 2 Year Fixed Cost		\$3,685,264	\$3,958,157	\$3,795,034
Simulated Average Number of Claims		3.1	3.1	3.1
Simulated Average Reimbursements		\$724,019	\$724,019	\$724,019
Value to Change Current Deductible/Carrier (negative is savings)		(\$67,926)	\$19,442	(\$45,807)

*Due to rounding rates can slightly vary from proposal. Please refer to proposal for carrier rates.

Proposal Detail

Deductible Options \$325k

Carrier	Current Cigna	Option 6 Cigna	Option 7 Symetra	Option 8 Sun Life
Individual Specific Stop Loss Coverage		Firm	Illustrative	Illustrative
Individual Specific Deductible	\$275,000	\$325,000	\$325,000	\$325,000
Contract	Paid	Paid/12	24/12	24/12
Coverage	Med, RX	Med, RX	Med, RX	Med, RX
# of Lives	1,152	1,152	1,152	1,152
Fixed Cost				
Composite Specific Rate	\$99.31	\$92.54	\$98.28	\$97.27
Total Interface Fee	\$0	\$0	\$41,472	\$41,472
Total Specific Cost + Interface Fee	\$1,372,861	\$1,279,273	\$1,400,095	\$1,386,132
Commission	0%	0%	0%	0%
Administrative Fee (No Rate Impact)	0%	0%	0%	0%
Aggregate Stop Loss Coverage				
Maximum Reimbursement	Unlimited	Unlimited	\$2,000,000	\$2,000,000
Margin	125%	125%	125%	125%
Contract	Paid/12	Paid/12	24/12	24/12
Coverage	Med, RX	Med, RX	Med, RX	Med, RX
Composite Aggregate Rate	\$6.22	\$6.66	\$6.89	\$2.31
Total Aggregate Premium	\$85,985	\$92,068	\$95,247	\$31,933
Composite Aggregate Factor	\$1,683.48	\$1,669.66	\$1,775.83	\$1,596.02
Est. Total Aggregate Deductible	\$23,272,428	\$23,081,380	\$24,549,074	\$22,063,380
Laser Liability				
Total Laser Liability	\$0	\$0	\$0	\$0
Total Combined Coverage				
Total Fixed Cost	\$1,458,847	\$1,371,341	\$1,495,342	\$1,418,066
Max Overall Liability	\$24,731,274	\$24,452,721	\$26,044,416	\$23,481,446
Change From Prior Year				
\$ Fixed Cost Change		-\$87,506	\$36,495	-\$40,781
% Fixed Cost Change		-6.0%	2.5%	-2.8%
\$ Max Overall Liability Change		-\$278,554	\$1,313,142	-\$1,249,828
% Max Overall Liability Change		-1.1%	5.3%	-5.1%
No New Laser Rate Cap Coverage				
2022 Rate Cap	45%	45%	50%	50%
Max 2 Year Fixed Cost		\$3,359,785	\$3,717,619	\$3,524,429
Simulated Average Number of Claims		2.7	2.7	2.7
Simulated Average Reimbursements		\$651,731	\$651,731	\$651,731
Value to Change Current Deductible/Carrier (negative is savings)		(\$128,486)	(\$4,485)	(\$81,761)

*Due to rounding rates can slightly vary from proposal. Please refer to proposal for carrier rates.

Financial Projection Analysis

Time period of projection: 1/1/2021 - 12/31/2021
 Number of Employees: 1152
 Number of members (estimated): 2419

Number of Claims Exceeding Specific Deductible									
Carrier Options	Renewal Cigna	Option 1 Symetra	Option 2 Sun Life	Option 3 Cigna	Option 4 Symetra	Option 5 Sun Life	Option 6 Cigna	Option 7 Symetra	Option 8 Sun Life
Deductible Level	\$275,000	\$275,000	\$275,000	\$300,000	\$300,000	\$300,000	\$325,000	\$325,000	\$325,000
Average	3.7	3.7	3.7	3.1	3.1	3.1	2.7	2.7	2.7
Minimum Based on Simulations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25th Percentile	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0
75th Percentile	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0
Maximum Based on Simulations	14.0	14.0	14.0	12.0	12.0	12.0	10.0	10.0	10.0

Total Dollar Amount of Claims Exceeding Specific Deductible									
Carrier Options	Cigna	Symetra	Sun Life	Cigna	Symetra	Sun Life	Cigna	Symetra	Sun Life
Deductible Level	\$275,000	\$275,000	\$275,000	\$300,000	\$300,000	\$300,000	\$325,000	\$325,000	\$325,000
Average	\$808,987	\$808,987	\$808,987	\$724,019	\$724,019	\$724,019	\$651,731	\$651,731	\$651,731
Minimum Based on Simulations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25th Percentile	\$278,750	\$278,750	\$278,750	\$216,875	\$216,875	\$216,875	\$166,000	\$166,000	\$166,000
75th Percentile	\$1,081,125	\$1,081,125	\$1,081,125	\$981,500	\$981,500	\$981,500	\$884,750	\$884,750	\$884,750
Maximum Based on Simulations	\$9,732,000	\$9,732,000	\$9,732,000	\$9,582,000	\$9,582,000	\$9,582,000	\$9,432,000	\$9,432,000	\$9,432,000

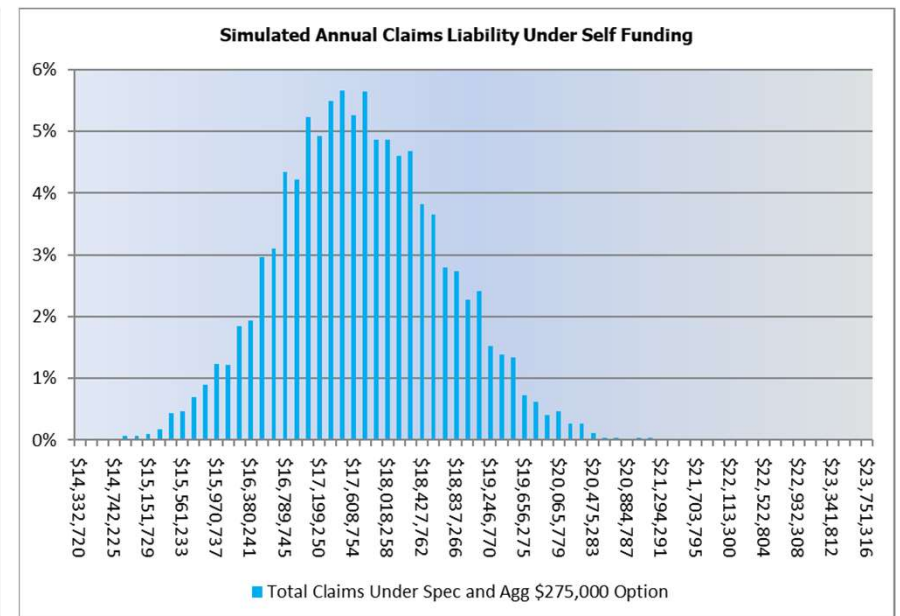
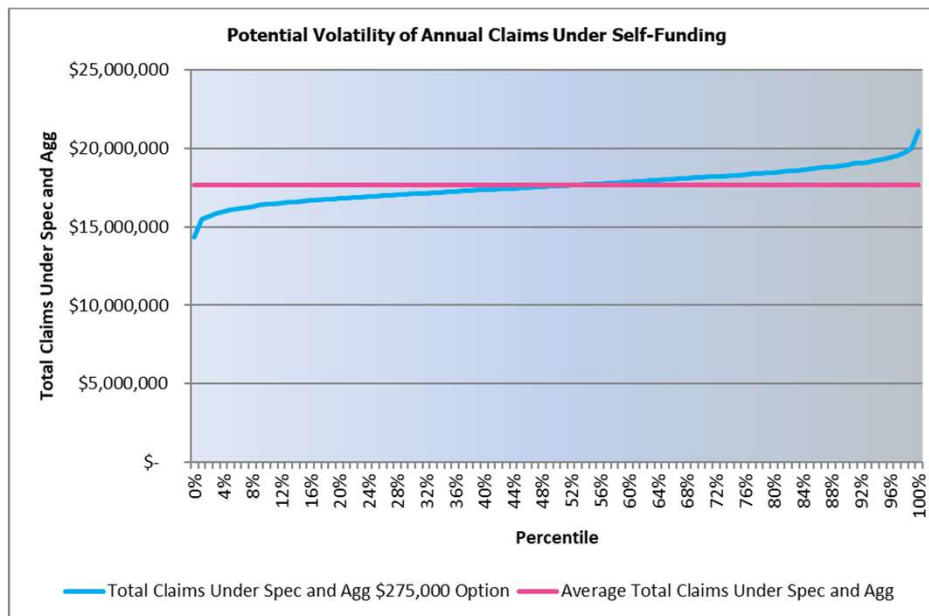
What is the plan's expected cost under the various options?									
Carrier Options	Cigna	Symetra	Sun Life	Cigna	Symetra	Sun Life	Cigna	Symetra	Sun Life
Deductible Level	\$275,000	\$275,000	\$275,000	\$300,000	\$300,000	\$300,000	\$325,000	\$325,000	\$325,000
Average Simulated Expected Claims	\$17,640,229	\$17,640,229	\$17,640,229	\$17,725,197	\$17,725,197	\$17,725,197	\$17,797,485	\$17,797,485	\$17,797,485
Specific Premium	\$1,566,812	\$1,578,010	\$1,646,300	\$1,412,813	\$1,459,814	\$1,452,902	\$1,279,273	\$1,358,623	\$1,344,660
Aggregate Premium	\$90,271	\$84,603	\$31,933	\$91,377	\$90,271	\$31,933	\$92,068	\$95,247	\$31,933
Total Expected Cost (Expected Claims + Stop Loss Premium)	\$19,297,312	\$19,302,842	\$19,318,463	\$19,229,386	\$19,275,282	\$19,210,033	\$19,168,826	\$19,251,355	\$19,174,079
% of simulations this option "wins" when all contract options considered	4.7%	0.0%	0.0%	0.0%	0.0%	11.4%	83.9%	0.0%	0.0%

*Average Simulated Expected Claims (paid by plan after specific and aggregate) is based on a simulation dependent on the probability of total claims over the specific deductible and aggregate factors; the change to either could result in different outcomes

Aggregate Financial Analysis

				CURRENT	ALT1	ALT2	ALT3	ALT4	ALT5	ALT6	ALT7	ALT8
The following represents medical paid claims under the specific deductible and aggregate attachment point:				\$275,000	\$275,000	\$275,000	\$300,000	\$300,000	\$300,000	\$325,000	\$325,000	\$325,000
Distribution of Annual Paid Claims:												
Expected Paid Claims			Annual	\$17,640,229	\$17,640,229	\$17,640,229	\$17,725,197	\$17,725,197	\$17,725,197	\$17,797,485	\$17,797,485	\$17,797,485
Percentiles (x% of the time claims are less than \$Y):												
			Percentile	10.0%	\$16,425,879	\$16,425,879	\$16,425,879	\$16,479,586	\$16,479,586	\$16,479,586	\$16,524,775	\$16,524,775
				25.0%	\$16,954,310	\$16,954,310	\$16,954,310	\$17,024,963	\$17,024,963	\$17,024,963	\$17,079,252	\$17,079,252
				50.0%	\$17,599,079	\$17,599,079	\$17,599,079	\$17,687,095	\$17,687,095	\$17,687,095	\$17,761,578	\$17,761,578
				75.0%	\$18,290,212	\$18,290,212	\$18,290,212	\$18,392,073	\$18,392,073	\$18,392,073	\$18,474,526	\$18,474,526
				90.0%	\$18,954,005	\$18,954,005	\$18,954,005	\$19,060,051	\$19,060,051	\$19,060,051	\$19,158,980	\$19,158,980
				100.0%	\$21,157,790	\$21,157,790	\$21,157,790	\$21,332,790	\$21,332,790	\$21,332,790	\$21,507,790	\$21,507,790
Aggregate Attachment Point			Annual	\$23,389,481	\$24,623,793	\$21,896,654	\$23,487,789	\$24,759,492	\$22,186,957	\$23,381,919	\$24,868,723	\$22,350,664
Aggregate Attachment Point			PEPM	\$1,670	\$1,758	\$1,564	\$1,677	\$1,768	\$1,584	\$1,670	\$1,776	\$1,596
Probability of an aggregate claim				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
				Interpretation: Under the \$275,000 option, 75.0% of simulations were less than or equal to \$18,290,212.								

Aggregate Financial Analysis



Gene Therapy Overview

Treat the underlying genetic defect and have potential to be curative with a one-time administration.

Present



Luxturna:

1,000-3,000 patients
with retinol dystrophy

\$850k/ one-time vs.
\$142k/ per year for life



Zolgensma:

400-500 newborns
per year with Spinal
Muscular Atrophy
SMN 1 mutation

\$2.1M/ one-time vs.
\$375k/per year for life

Coming Soon

PIPELINE- 1-3 YEARS
(RARE CONDITIONS)

Hemophilia A:
1 in 5,000 male births

Beta Thalassemia:
1 in 100,000 people

Future Releases

Duchenne Muscular
Dystrophy (DMD):
1-2 per 10,000 male
births

Lysosomal Storage
Disorders:
1 in 20k births

Scleroderma:
40,000-165,000
people

Hemophilia B:
1 in 30,000 male
births

Future Considerations

PIPELINE-
(COMMON
DISEASE STATES)

Coronary Artery
Disease (CAD)

Chronic degenerative
joint disease or
osteoarthritis

Heart Failure

Bladder Cancer

Metastatic melanoma



Uncommonly Independent



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UNCOMMONLY INDEPENDENT