



A Renewal Proposal for:

City of Deltona

3340416

1/1/2022

Last Modified: 09/08/2021

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City of Deltona

Current Plan Renewal - Insured 50% Dividend Eligible

1/1/2022

Current and Proposed Rates

OAP Core		Current
Tier	Subscribers	Total Rate
Employee	190	\$ 898.86
Employee + Spouse	25	\$ 1,846.28
Employee + Child(ren)	32	\$ 1,720.65
Employee + Family	18	\$ 2,601.68
Annual Total	265	\$ 3,825,977
Change		

OAP Core		Total
Tier		
Employee		\$ 925.79
Employee + Spouse		\$ 1,901.59
Employee + Child(ren)		\$ 1,772.19
Employee + Family		\$ 2,679.62
		\$ 3,940,597
		3.0 %

OAP Buy Up		Current
Tier	Subscribers	Total Rate
Employee	41	\$ 946.06
Employee + Spouse	8	\$ 1,943.36
Employee + Child(ren)	7	\$ 1,811.15
Employee + Family	4	\$ 2,738.55
Annual Total	60	\$ 935,611
Change		

OAP Buy Up		Total
Tier		
Employee		\$ 974.40
Employee + Spouse		\$ 2,001.58
Employee + Child(ren)		\$ 1,865.41
Employee + Family		\$ 2,820.59
		\$ 963,639
		3.0 %

OAP OON		Current
Tier	Subscribers	Total Rate
Employee	3	\$ 980.47
Employee + Spouse	1	\$ 2,014.10
Employee + Child(ren)	-	\$ 1,877.06
Employee + Family	1	\$ 2,838.25
Annual Total	5	\$ 93,525
Change		

OAP OON		Total
Tier		
Employee		\$ 1,009.84
Employee + Spouse		\$ 2,074.44
Employee + Child(ren)		\$ 1,933.29
Employee + Family		\$ 2,923.27
		\$ 96,327
		3.0 %

GRAND TOTAL	\$ 4,855,113
Change	

GRAND TOTAL	\$ 5,000,563
Change	3.0 %



Proposed Renewal Terms and Conditions

A. General Terms of this Renewal Proposal

Cigna HealthCare is pleased to present this Proposal for renewal for an Insured group Medical, Dental, Pharmacy, and Behavioral Health benefit plan (the "Plan") sponsored by City of Deltona. This proposal is valid for 60 days from its original date of release, 09/08/2021. Any revisions or updates made to this proposal will not renew this valid timeframe unless expressly communicated by Cigna Healthcare.

The information contained in this Proposal by Cigna HealthCare is proprietary and highly confidential. It is being provided with the understanding that It will not be used by the employer, its representatives or consultants for any purpose other than the evaluation of The Proposal. Under no circumstances is any of the information contained herein (including excerpts, summaries, extracts, and evaluations thereof) to be used, disseminated, disclosed or otherwise communicated to any person or entity other than The employer, its representatives and consultants, and their respective employees who are directly involved in The evaluation process.

Renewal Caveats

Cigna HealthCare may revise or withdraw this renewal proposal if:

- there is a change to the effective date of the quote
- Plan modifications are requested
- less than 200 employees or less than 70% of total eligible employees enroll in the Plan
- the employer changes its level of contribution toward the cost of the coverage
- enrollment increases or decreases by 10.0% or more, by product, or for the total account, from the enrollment assumptions used in establishing the rates, fees, funds, and/or fee holidays set forth herein.
- Benefit Advisor Fees are requested to be different than Net
- it is requested to interface with a third party vendor
- it is requested to provide optional services beyond those listed here as being included in the quote: \$15,000
- administration of the Plan will require more than the following:
 - o Billing lines : 72
 - o Billing and Claim Branch Benefit Options: 18



- it is not the exclusive provider of Medical, Dental, Pharmacy, or like products for all of City of Deltona employees in all worksites
- the Experience Protection Benefit has a pooling point other than \$125,000
- there is any reimbursement arrangement ("gap" cards, etc.) that subsidizes or reduces the out-of-pocket obligation of covered persons under the policy.

B. Scope and Application of this Proposal

Unless otherwise indicated, this Proposal:

- assumes that the group health plan or health insurance coverage to which this proposal applies will not be a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the "Act") and that it will be subject to all requirements of the Act applicable to a group health plan or health insurance coverage unless otherwise specified in writing.
- includes applicable Patient Protection and Affordable Care Act fees and assessments imposed upon health insurers including the Comparative Effectiveness Research Fee and the Health Insurance Industry Fee.
- supersedes and renders null and void any prior Cigna HealthCare offer or proposal with respect to the Plan
- presents financial terms that must be accepted on a packaged basis
- reflects the claims and administrative savings realized by packaging the following specialty coverages with medical: Dental, Pharmacy, Behavioral Health
- does not apply to retirees 65 or older for managed care Plans or part-time or seasonal employees for any plan
- includes fixed charges for behavioral care services arranged by Cigna Behavioral Health, Inc. However, this may not apply in certain states.
- includes capitated charges for the provision of Hi-Tech Radiology services by eviCore (formerly known as MedSolutions, Inc.). However, this may not apply in certain states.



- Includes charges made by an affiliate, eviCore for care management programs to contain the cost of specific health services/items and/or improve adherence to evidence-based guidelines to promote patient safety and efficient care (i.e., charges for management of diagnostic cardiology, radiation therapy, musculoskeletal procedures, medical oncology, sleep management and home health/DME/HIT) when applicable.
- requires a separate benefit option due to state regulations, if you have purchased any product with Cigna Total Behavioral Health and you have customers residing in CA or VI.
- Notwithstanding the foregoing guarantee, Cigna may revise any charges at any time if Cigna is (i) required to pay any tax or assessment, or (ii) incur additional costs in administering the contract as a result of any state or federal law.
- guarantees the expenses for the settlement accounting at the end of the policy year (as determined by Cigna) are to be 7.54% of the experience rated premium unless the Proposal Caveats are not met or maintained or there is either a bank account or retro call.
- includes the Network Savings Program (NSP) and other Cost Containment programs designed to contain costs with respect to charges for health care services/supplies that are covered by the Plan. For administering these programs, Cigna retains a portion of the savings or recoveries generated.
- excludes charges for converting a qualified customer of a group plan to an individual plan.
- includes a maximum reimbursable charge for out-of-network coverage equal to 110% of a fee schedule developed by Cigna HealthCare based upon a methodology similar to that used by Medicare to determine the allowable fee for similar services in the geographic market or 80th percentile of charges made by providers of such service or supply in the geographic area where the service is received.
- assumes that Cigna HealthCare's standard insurance policy form approved for use in the applicable state by the state insurance regulator will be issued. Because the insurance policy and certificate terms require regulatory approval, there is very little flexibility to change the provisions. The provisions of the insurance policy and certificate will control in the event of a conflict with the terms of the request for proposal and the Proposal.



- the policy year to which this quotation applies, a deficit amount will not be accumulated for recovery by Cigna HealthCare. If Cigna Healthcare determines the policy period experience produced a margin, a dividend credit equal to 50% of the margin amount will be granted, provided the policy is renewed for the subsequent policy year and in force at the time the settlement is reported to you by CHLIC. The determination of the margin amount is made during the year end settlement process. This agreement to share margins does not apply:

- if the experience rated medical policy terminates or is amended to convert to another funding option.

- if the policy period for settlement purposes is other than 12 months.

- the determination of the margin amount shall be made by Cigna HealthCare in accordance with its then current underwriting practices. Cigna HealthCare has the right to revise its associated risk charge if, during the policy year, there is a material change in the factors assumed by Cigna HealthCare as reflected in this proposal, or there is a change in the terms, conditions, or benefits of the polic(ies) included in your account or there is a change in the geographic location of your business or a change in the nature of your business that would in the opinion of Cigna HealthCare change the risk it assumed under the policy(ies).

- a supplementary document titled Insured 50% Div Elig Exp. Rated Provision is included with this proposal. If you do not notify us of any objection to the administration described within 30 days of receipt of this explanation, you will be deemed to have agreed to the administration described once the Insured 50% Dividend Eligible policy is effective

- establishes a Wellness/Health Improvement Fund (the "Fund") in the amount of \$10,000



- The Wellness/Health Improvement Fund will be used to defray the cost of Cigna designated and arranged health and wellness programs for employees (e.g., biometric screenings, flu shots, etc.) and to reward participation in wellness programs.

- Wellness/Health Improvement Fund may be accessed during the period from 01/01/2022 - 12/31/2022. The Fund may not be accessed following notice of termination of the Cigna HealthCare agreement. Unused Funds cannot be rolled over and Cigna HealthCare must pre-approve use of the Fund.

- Assumes a non-Cigna HealthCare Pharmacy Benefit Manager administers oral or other self-administered anti-cancer prescription medication claims at a copayment/coinsurance level that is no less favorable than that for intravenous or injected anti-cancer medication prescribed for the same purpose and covered under employer's Cigna HealthCare plan. This assumption is applicable only if: (a) employer has contracted with a PBM (not Cigna HealthCare); (b) employer's plan is either insured, or, if self-funded, not subject to ERISA (i.e., is a church, government or association plan); and (c) employer's Cigna HealthCare plan is situated in IA, HI, NM, OR, NJ, NE, VA, MA, NV, FL, ME, GA or a state with similar chemotherapy coverage law, or covers one or more individuals residing in CO, OK, VT, WA, TX, LA, MO, OH or in a state with similar extraterritorial chemotherapy coverage mandate.

- does not apply to individuals unless employed by the policyholder or an entity that participates in an association or trust that is the policyholder.

- assumes that any non-voluntary vision benefit that is included in the medical plan and not provided through a separate policy is subject to ACA requirements.

- includes Cigna's One Guide digital and customer guidance solution.

For CIGNA HealthCare of Arizona, Inc. and Cigna Health & Life Insurance Company (CHLIC) insured group plans, groups that have at least 12,000 member months in their claims experience period and a minimum of six consecutive months of

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Important Notice Regarding Benefit Advisor Compensation - The premium for this Shared Returns policy may not include compensation payable to your benefit advisor. Check with your Cigna Sales representative to confirm whether this is the



C. Additional Representations & Disclosures

The plans presented in this proposal have an actuarial value, determined by Cigna HealthCare, of 60% or greater. This determination was made using Cigna HealthCare's manual rating application which may produce an actuarial value slightly different than the official HHS calculator. Although we would expect any deviation to be small, you will have to consult with your actuarial consultant for a more precise determination of the plan's actuarial value. Cigna HealthCare does not provide actuarial certifications.

Cigna Healthcare may pay on your behalf any applicable state tax or assessment imposed upon your plan by drawing upon the bank account.

In order to implement the requested benefit design, different funding arrangements (i.e., insured, self-insured and/or HMO) involving affiliated Cigna companies may be required with respect to plan participants residing in certain states.

Cigna HealthCare may have an agreement with your benefit advisor, under which the benefit advisor may be paid for providing marketplace intelligence or for the performance of administrative services. The qualification for and amount of this payment may be based upon overall business growth and/or retention levels. Any such payment is funded through Cigna HealthCare's general overhead.

The benefit advisor may qualify for incentive payment (monetary or non-monetary) from Cigna HealthCare. For example, the benefit advisor may receive payment based upon new sales, new customer growth or retention. This incentive payment is funded from Cigna HealthCare's general overhead.

Cigna HealthCare sponsors programs to inform benefit advisors about Cigna HealthCare's plan coverage and services (including producer advisory councils). The cost of these events is funded through Cigna HealthCare's general overhead.

Includes Fixed Charges for Embarc Benefit ProtectionSM, a network solution for certain high-cost gene therapy drugs arranged by eviCore.

Gap Fund Acknowledgement

Are your employees reimbursed for their co-payments, co-insurance cost, deductibles or out of pocket expenses?

If so, please let us know the details below. If not, please still confirm and sign below.

We assume NO subsidization or reimbursement for any portion of the employees' cost-sharing responsibilities. And that's how we set the premium rates/charges for all benefit plans insured and/or administered for you by Cigna HealthCare companies ("Cigna HealthCare, we, us").

Subsidization/reimbursement is also known as "Gap Funding". That is because employees receive money to fund the gap between their cost-share responsibility and Cigna HealthCare's payments.

Do you offer any of these plans? (Please circle) YES

NO

- Health Savings Account (HSA)
- Health Reimbursement Account (HRA)
- Other means to reimburse employees for health plan expenses

If YES, please confirm the following:

- How much is the employer funding amount? _____
 - What is the reimbursement order? Does the HSA and/or HRA fund pay first, or something else?

 - Is there an annual rollover provision for the fund? (Please circle) YES NO
 - Any changes in employer funding in the past year or future year? (Please circle) YES NO
- If YES, please provide details: _____

Please notify Cigna HealthCare prior to implementing any "Gap Funding" program. Cigna HealthCare will determine if we need to change the premium rates/charges both now and in the future based on the information you provide.

Please affirm that the above information is true and complete. Thanks!

Name of Employer/Group: City of Deltona

Date: _____

By: _____

Title: _____



Cigna will administer the Insured 50% Dividend Eligible (i.e., experience-rated) policy which is the subject of this proposal as explained below.

Experience-rating is the process by which the Cigna underwriter establishes the premium rate for the upcoming policy period using the claim and expense experience of the previous policy period. Due to the fact that the policyholder participates in the risk through the experience-rating process, experience-rated policies are also referred to as "participating." Cigna contracts covering the same group will be treated as a single experience program for experience-rating purposes. (This may include contracts issued by affiliated Cigna companies such as HMOs)

Following the end of a policy period (typically a 12 month period), the Cigna underwriter completes a settlement for that policy period to determine whether there is a Margin or a Deficit. "Margin" means any excess of premium over claim payments, changes in reserve liability, premium taxes, claim handling and any administrative expenses. "Deficit" means the excess of claim payments, including changes in reserve liability, premium taxes, claim handling and any administrative expense over premium. Administrative expenses will be applied in the settlement calculation using the guaranteed expense percentage reflected in the terms and conditions section of the financial proposal. Access fees and pooled premium and claims are excluded from the settlement calculation.

If the policy period experience produces a Margin, a dividend credit equal to 50% of the Margin amount will be granted to the policyholder, provided the policy is renewed for the subsequent policy year and the policy is in effect at the time the settlement is reported to the policyholder. The credit may be in the form of a return of premium for the prior policy period, a reduction in the premium that would otherwise be charged for the next policy, or both. The margin can also be placed in a "Premium Stabilization Reserve" or "PSR" and used to offset future premium charges.

Margins accumulate interest at an annual rate established by Cigna. Margins credited to a PSR by Cigna are credited with interest until the funds are used for the payment of policy premium and/or the PSR is terminated. Interest charges/credits are incorporated when setting the administrative expense component of the rates.

Summary of the Insured 50% Dividend Eligible experience-rated provision:

- Following the end of the policy period, the Cigna underwriter will complete a settlement to determine whether the policy year ended in a Margin or Deficit.
- Margins result in a credit to the policyholder of 50% of the Margin amount, provided the policy is renewed in the subsequent policy year and the policy is in effect at the time the settlement is reported to the policyholder.
- If a Deficit occurs, the Deficit amount will not be recovered from prior policy year Margins nor will be carried forward to be recovered from future policy year Margins.

If you have any questions regarding the administration of the experience-rating process, please contact your Cigna Sales Representative immediately. If you do not notify us of any objection to the administration described within 30 days of receipt of this explanation, you will be deemed to have agreed to the administration described once the Shared Returns policy is effective.

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City of Deltona

Cigna Health and Life Insurance Company Renewal Premium Rate Guarantee for 01/01/2023 – 12/31/2023 Policy No. 3340416 (the "Policy")

Subject to the exceptions noted below, Cigna Health and Life Insurance Company ("CHLIC") hereby confirms that its premium rates with respect to the Policy for the policy year commencing on 01/01/2023 will not exceed the following rates:

	<u>Subscribers</u>	<u>Members</u>	<u>Age/Sex Factor</u>	<u>Commissions</u>	<u>Rate Guarantee</u>
Open Access Plus	330	517	1.1351	0.00%	9%
Total	330	517	1.1351	0.00%	9%

Exceptions:

- 1) CHLIC may charge different rates for the policy year beginning **01/01/2023** if there is a change in enrollment of +/- 10% subscribers and/or members and/or an increase in the Age/Sex factor of +/- 5% during the policy period of **01/01/2022 – 12/31/2022**
- 2) CHLIC may charge different rates for the policy year beginning **01/01/2023** to the extent required to account for changes to the benefits in effect as of the date of this guarantee.
- 3) CHLIC may charge different rates for the policy year beginning **01/01/2023** to the extent required to account for any changes in any state and/or federal taxes, charges or assessments of whatever kind, from those in effect as of the date of this guarantee.
- 4) CHLIC may charge different rates for the policy year beginning **01/01/2023** to the extent required to account for any changes in any applicable Patient Protection and Affordable Care Act fees and assessments imposed upon health insurers - including the Comparative Effectiveness Research Fee, the Health Insurance Industry Fee and the Transitional Reinsurance Assessment - in excess of the amounts in effect as of the date of this guarantee.
- 5) CHLIC may charge different rates for the policy year beginning **01/01/2023** to the extent required to account for any changes in any commissions payable with respect to the Policy in excess of the commission amounts in effect as of the date of this guarantee.

Authorized Signer for Group: _____

Date: _____

Cigna Healthcare Representative: _____

Date: _____

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