



STAR · LINE
GROUP

PREPARED FOR:

Kalamazoo Public Schools

PASSIONATE ABOUT MANAGING RISK

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Issuing Carrier **Underwriters at Lloyd's of London**
 Underwriter **Arlene Katchmar**
 Group **Kalamazoo Public Schools**
 TPA **NGS American, Inc.**

Proposal **06/09/2011**
 Effective **10/01/2011**

INDIVIDUAL EXCESS LOSS COVERAGE

| | | <u>Option 1</u> | |
|---|-----|-------------------------|------------------|
| | | Medical, Rx Card | |
| Coverages | | | |
| Contract Type | | | 12/12 |
| Annual Specific Deductible per Individual | \$ | | 300,000 |
| Maximum Annual Reimbursement | \$ | | 4,700,000 |
| Maximum Lifetime Reimbursement | | | Unlimited |
| Rate Per Month | | <u>Enrollment</u> | |
| Employee | 319 | \$ | 14.76 |
| Employee plus Dependent | 300 | \$ | 27.50 |
| Family | 631 | \$ | 41.77 |
| Estimated Annual Premium | | \$ | 471,784 |
| Rate(s) includes Commissions of | | | 0.00% |

AGGREGATE EXCESS LOSS COVERAGE

| | | <u>Option 1</u> | |
|---------------------------------|-------|-------------------------|------------|
| | | Medical, Rx Card | |
| Coverages | | | |
| Contract Type | | | 12/12 |
| Loss Limit per Individual | | | 300,000 |
| Maximum Annual Reimbursement | \$ | | 1,000,000 |
| Monthly Aggregate Claim Factors | | <u>Enrollment</u> | |
| | | <u>Medical, Rx Card</u> | |
| Employee | 319 | \$ | 557.44 |
| Employee plus Dependent | 300 | \$ | 1,039.07 |
| Family | 631 | \$ | 1,578.11 |
| Annual Aggregate Deductible | \$ | | 17,823,981 |
| Minimum Aggregate Deductible | \$ | | 17,823,981 |
| Run-in Limited To | \$ | | 0 |
| Rate Per Month | | <u>Enrollment</u> | |
| Composite | 1,250 | \$ | 6.27 |
| Estimated Annual Premium | | \$ | 94,050 |
| Rate(s) includes Commissions of | | | 0.00% |

ADDITIONAL FEES

| | | <u>Option 1</u> | |
|-------------------|--------------|-----------------|---------------|
| Surplus Lines Tax | 2.500% | | |
| Specific | | \$ | 11,795 |
| Aggregate | | \$ | 2,351 |
| | Total | \$ | 14,146 |



Star Line Group's Deductible Advantage program is included and shares 20% of the program's cost savings with the employer in the form of a credit to the claimant's specific deductible.

PROPOSAL QUALIFICATIONS AND CONTINGENCIES

Quoted terms and conditions are subject to possible revision based upon receipt and review of the following items:

Terms are valid until the effective date of coverage.

Quote is only valid if claims are administered by a StarLine Group approved TPA.

Proposal assumes group has a medical management program which includes UR/LCM services.

Fully executed master plan document.

Confirmation of all claims paid and/or pending in excess of \$25,000, or 50% of the lowest Specific deductible quoted (whichever is less); including any potential large claims, with details of diagnosis and prognosis.

Client will be required to provide monthly paid claims reports and access to case management personnel.

Quoted rates and factors are based upon census information provided and are subject to change if the final enrollment differs in excess of 10% from the initial data submitted.

Prior to binding coverage, a fully completed disclosure statement will be required. The employer will be required to make a concerted effort to discover any large or potentially large or ongoing claims, and any injuries, illnesses, diseases, or diagnoses which would be reasonably likely to result in a significant medical expense. This effort shall include corresponding with appropriate claims payors, UR vendors, and case management companies or personnel. This disclosure statement will become part of the contract. Any charges on a claim not so disclosed will be excluded from reinsurance coverage.

The Plan will not be reimbursed for the following:

Medical payments as a result of War, Hostilities, Invasions, or Civil War.

Charges payable under any other plan of insurance, including application of Plan's C.O.B provision.

Charges payable under any Worker's Compensation or Occupational Disease Law.

Monthly paid claims and enrollment up to two months prior to the effective date.

Unless addressed elsewhere in this proposal, claims paid on behalf of any individual disclosed as no longer on the plan are excluded from coverage.

Proposal is based on the current plan of benefits as outlined in the RFP.

Lloyds of London is rated "A" (Excellent) by A.M. Best.

Surplus Lines Tax applies to policy forms issued through Underwriter's at Lloyd's of London. The tax amount (as applicable) is shown separately from the rates and is payable by the Client.

Cofinity Network

Aggregate factors are assuming no large claims exceeding \$300,000 and average monthly enrollment of 1250.

The aggregate corridor for this quote is 120%.