

33632

Stop Loss Proposal

Prepared For:

City of Long Beach

Effective Date:

01/01/2009 thru 12/31/2009

Issued On:

12/10/2008

Underwritten by:



ELITE

UNDERWRITING SERVICES

American Fidelity Assurance Co. A+ Rated, Gerber Life Insurance Company, A Rated

ELITE Underwriting Services, Inc.

191 Sheree Blvd., Suite 201, Exton, PA 19341

P. 888.462.9233 F. 610-280.4298



Elite Underwriting Services, Inc

191 Sheree Blvd, Suite 201 Exton, PA 19341 Phone: (888)462-9233 Fax: (610)280-4298

Group City of Long Beach

Uw: Peggy O Zelinski

Effective: 01/01/2009 thru 12/31/2009

TPA: Great West

Carrier: American Fidelity Assurance Company

Rep: Philip Michael Donegan

This Proposal is valid thru 01/15/2009

INDIVIDUAL EXCESS LOSS COVERAGE

Medical Prescription Drug Card Rx Same As Any Other

Specific Advancement

Option 1

Contract Type

12/15

Annualized Specific Deductible per Individual

\$500,000

Additional Policyholder Claim Liability:

n/a

Maximum Lifetime Reimbursement

\$4,500,000

Rates per Month

Enrollment

(COMPOSITE)

4,384

\$9.36

Estimated Monthly Premium

\$41,025.75

Estimated Annual Premium

\$492,309.00

AGGREGATE EXCESS LOSS COVERAGE

Medical Prescription Drug Card Rx Same as Any Other

Aggregate Advancement

Dental Vision

Weekly Income (STD)

Contract Type

Loss Limit per Individual

Maximum Annual Reimbursement

Rate per Month

Composite

Minimum Annual Premium

Annual Aggregate Deductible

Minimum Aggregate Deductible

Monthly Aggregate Claim Factors Enrollment

Group: **City of Long Beach**
Administrator: **Great West**

Effective: **01/01/2009**
SIC: **9100**

PROPOSAL QUALIFICATIONS

The Premium and maximum Employer Plan liability are based on the data submitted, plus other information furnished relevant to underwriting the risk, including statistics with reference to premiums paid and claims incurred with the present carrier. Any inaccuracy in the data or statistics submitted will necessitate additional calculations. Variations will, of course, affect results. We will not be bound by any typographical errors contained herein. Subject to the qualifications stated above, the proposed terms are valid for an effective date of 01/01/2009 provided application and deposit premium are submitted before 01/15/2009. Note that producing agent must hold a current and valid life, accident and health license. Quote assumes that claims will be administered by a facility which has been approved by the underwriting agency.

Underwriting reserves the right to change the terms and/or conditions of coverage when the participation varies by more than 10% and/or a new division is added and/or whenever plan or network changes occur.

Periodic open enrollments for any purpose other than for multiple plan selection or as defined by HIPAA are not covered under this reinsurance product.

No coverage of expenses resulting from organ transplants if such procedure(s) is considered experimental.

Quote is subject to 75% participation requirement.

Requires Pre-Certification, Utilization Review and Large Case Management.

Quote is based on the current schedule of benefits with utilization of the existing and proposed PPO network. (Great West PPO and the Great West Open Access)

Retirees over Age 65 are Medicare Primary.

A signed plan document must be received and approved by Elite Underwriting Services on or before 90 days after the proposed effective date or the stop loss policy is not valid.

Any employee/dependent who declined coverage at their original enrollment date (Late Entrant) will not be covered by the reinsurance contract at any later date, except if there is a pre-existing condition limitation in the Employer's benefit Plan of at least 12 months (or the 18 months allowable by HIPAA), or is considered to be a "special enrollment" as defined by HIPAA.

The proposed rates are net of commission.

Expenses incurred prior to the effective date for terminated (Non Cobra beneficiary) and/or deceased individuals are excluded under the stop loss policy.

Expenses for taxes, fees and surcharges that may be imposed on the Benefit Plan by Federal, State or local governments are not covered.

**HEALTH BENEFIT PLAN EXCESS LOSS COVERAGE
DISCLOSURE STATEMENT**

COPY

Group: **City of Long Beach**
Administrator: **Great West**

Effective: **01/01/2009**
SIC: **9100**

Participant(s) shall include active employees, COBRA beneficiaries, retirees and their dependents!

1. Please list any Participant who has paid or pending claims in excess of **\$250,000** during the past (12) months or could reasonably be expected to have claims in excess of this amount. **(If none, please state "None")**

<u>Participant</u>	<u>Diagnosis</u>	<u>Amount Paid/ Pended/ Expected</u>	<u>Prognosis / Status</u>
--------------------	------------------	--------------------------------------	---------------------------

Reports previously provided to Elite

2. Other than those listed above, please list any Participant known to have cancer (specify type), leukemia, severe cardiovascular disease, any severe disorder of a major organ system, severe burns or trauma, neonatal disorders, brain or spine injuries, or potential organ (specify type) transplant. **(If none, please state "None")**

<u>Participant</u>	<u>Diagnosis</u>	<u>Amount Paid/ Pended/ Expected</u>	<u>Prognosis / Status</u>
--------------------	------------------	--------------------------------------	---------------------------

Reports previously provided to Elite

3. Other than those already listed, please list any Participants who are confined to a Medical Facility or that have been pre-certified within the last (3) months for in-patient confinements of 5 days or more. **(If none, please state "None")**

<u>Participant</u>	<u>Diagnosis</u>	<u>Amount Paid/ Pended/ Expected</u>	<u>Prognosis / Status</u>
--------------------	------------------	--------------------------------------	---------------------------

Reports previously provided to Elite

I have reviewed this complete form and have performed due diligence by consulting with all appropriate parties, including but not limited to: pre-cert, utilization review & large case management departments, leave of absence and disability records, and the information given is complete and accurate, to the best of my knowledge. I understand that if participants are not disclosed and/or the information given is not complete and accurate, whether intentional or unintentional, the excess loss coverage proposed may be re-rated and participants may be individually underwritten retroactively to the effective date. Receipt and Deposit of premium does not constitute acceptance of coverage.

Plan Sponsor: _____ Payor: _____
 Officer's Signature: *[Signature]* **EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.** Signature: _____
 Name & Title: Patrick H. West, City Manager Name & Title: _____
 Date: 12-24-08 Date: _____
Assistant City Manager **EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.**

Home Office Only: _____ APPROVED AS TO FORM
 Date Rec'd in Home Office: _____ Date Rec'd in UW: December 19, 20 08
 UW Approval: _____ Date: _____ **ROBERT E. SHANNON, City Attorney**
 By: *[Signature]*
CHRISTINA L. CHECEL
DEPUTY CITY ATTORNEY

HEALTH BENEFIT PLAN EXCESS LOSS COVERAGE
SIGNATURE PAGE

- 1) Name of Applicant: **City of Long Beach**
- 2) Carrier: **American Fidelity Assurance Company**
- 3) Plan Administrator: **Great West**
- 4) Proposal Effective Date (subject to acceptance by the Administrative Office): **01/01/2009 thru 12/31/2009**
- 5) Option(s) Selected: **\$500,000 specific deductible; \$4,500,000 maximum lifetime reimbursement; 12/15 contract basis; \$9.36 pepm composite rate**
- 6) Deposit Premium is enclosed to apply to the first premium due:
Please make check payable to: **Elite Underwriting Services**
- 7) A completed and signed proposal (which includes the completion of Page 3, the "Disclosure Statement") must be submitted with the deposit premium.

Signed at: Long Beach, CA

Date: 12.24.08

City of Long Beach
Applicant (correct legal name)

Suzanne City Manager
(Officer's Signature and Title)
Assistant City Manager

BY: EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

Agent of Record or Administrator

APPROVED AS TO FORM

December 19, 20 08

ROBERT E. SHANNON, City Attorney

Not effective until approved in writing by the Carrier

By Christina L. Checel
CHRISTINA L. CHECEL
DEPUTY CITY ATTORNEY

PREMIUM REMITTANCE REPORT

Company: **City of Long Beach**
Carrier: **American Fidelity Assurance Company**

Policy Year: **01/01/2009 thru 12/31/2009**
Month Due: **01/01/2009**

Line of Coverage	Count	Rate	Premium Due

PLEASE INCLUDE A COPY OF THIS FORM WITH YOUR PAYMENT

Your premium checks should be made payable to:

Your check representing full monthly premium along with the appropriate remittance form should be sent

Elite Underwriting Services, Inc

Elite Underwriting Services, Inc
191 Sheree Blvd, Suite 201
Exton, PA 193

Completed by: _____

Phone#: _____