

Suanne Lee

To: Kathryn Flannery
Subject: RE: Question on the 2018 Minimum Aggregate Deductible

From: kvitale@jtworthy.com <kvitale@jtworthy.com>
Sent: Thursday, November 15, 2018 10:50 PM
To: Kathryn Flannery <Kathryn.Flannery@KeysSchools.com>
Subject: Question on the 2018 Minimum Aggregate Deductible

Hi Kathryn,

The Aggregate Excess Risk section below is regarding the total paid claims (medical + pharmacy) over the course of 2019 x the 120% Aggregate Corridor, equals the Maximum Aggregate Deductible. Note - the amount of total paid claims during the course of the 2019 year, which exceed the Maximum Aggregate Deductible, would be refunded/reimbursed to the school district.

In this renewal proposal below, the Minimum Aggregate Deductible in 2018 should not have been necessarily illustrated as \$0, but rather the same **\$13,734,989** as it appears for 2019. I assume that because the 2018 Min. Agg. Ded. is not relevant to 2019, it may have been left off intentionally, as Voya's underwriter was hurrying to complete the renewal prior to your meeting.

The Minimum Aggregate Deductible is determined/calculated using the monthly aggregate factor x the average minimum number of employees per month x 12 months (**\$1,371.25 agg factor x 835 avg monthly ees x 12 months = \$13,734,989**). Note that the actual number of employees per month in 2018 is currently averaging 969, based on the FL Blue utilization reports. So there would need to be quiet are large decrease/terminations in the current employee population in 2019 in order to reach an average of 835 ee's per month.

The Monthly Aggregate Corridor is determined by the number of employees per month (969 - current 2018 avg) x the monthly aggregate factor (\$1,371.25 - fixed rate) = \$1,328,741 monthly aggregate corridor amount. The sum of the 12 months over the course of a year would equal \$15,944,895
Maximum Aggregate Deductible - as an example.

If the number of employees decreases over the course of 2019, so will the monthly aggregate corridor and Maximum Aggregate Deductible. Therefore, the stop-loss carrier sets a minimum, referred to as the **Minimum Aggregate Deductible**. The amount for 2019 is listed as **\$13,734,989** (\$1,371.25 monthly agg. factory x 835 average minimum number of monthly employees x 12 months). **The \$13,734,989 Minimum Aggregate Deductible for 2019** is stated below in the renewal proposal.

I will request Voya to fix the 2018 Minimum Aggregate Deductible in their renewal.

Thanks,

Kevin

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