Warehouse Employees Union Local 730

2025 Basic Life & Stop Loss Renewal

2025 Stop Loss Renewal
Executive Summary

NFP marketed the stop loss through our Stop Loss Center of Excellence (COE)

- Berkshire, Crum & Forster, Evolution Risk, Swiss Re, Unum, Symetra and Voya declined to quote (DTQs). Tokio Marine HCC provided a proposal
- DTQs were a result of uncompetitive rates.
- Ullico and Tokio Marine did not provide proposals for alternative deductibles due to the low premium of the plan.

NFP was able to negotiate a 3% increase to the Ullico renewal (+$3.1k)

- Current stop loss trend is running between 18-20%
- The proposal includes the 2% premium volume dividend and a 5% Individual Fund Experience Dividend only if the contract is renewed. Additional information can be found on the next slide.
- With the dividends, the group is eligible to receive an estimated $7.4k which would bring this renewal down to almost $4.3k under current.

Recommendation

- Renew “as is” at the $500k ISL and $50k aggregating specific deductible
- While Tokio Marine has a competitive proposal on the table, their proposal last year was 70% over current. The volatility of the market would provide uncertainty for next year’s renewal. The financial savings they provide this year doesn’t warrant a change based upon the uncertainty of the future.

Teamsters Group Medical Stop Loss Program

- **Premium Volume Dividend**
  - Like prior years, for renewing in this program that is administered by Ullico, the plan will automatically receive a dividend equal to 2% of the annual paid premium. Historically, this used to be 5% but was renegotiated effective 1/1/2024.
  - This is estimated to be ~$2.1k

- **Individual Fund Experience Dividend**
  - If the net loss ratio is 60% or lower at the close of the policy period, an additional experience dividend equal to 5% of the premium would be paid.
  - For the 2025 renewal, the dividend is based off the 2024 experience year, which is currently running at a 0% loss ratio and will be payable after the runout period.
  - This is estimated to be ~$5.3K

To be eligible for both dividends, the policy must renew.

2025 Stop Loss Renewal Executive Summary

	Current	Renewal	Updated Renewal	
Carrier	**Ullico**	**Ullico**	**Ullico**	**Tokio Marine**
Total Covered Employees	**312**	**312**	**312**	**312**
Specific Coverage				
Specific Contract Basis	**12/18**	**12/18**	**12/18**	**12/18**
Individual Stop Loss Deductible	**$500,000**	**$500,000**	**$500,000**	**$500,000**
Benefits Covered	Medical, Rx	Medical, Rx	Medical, Rx	Medical, Rx
Commissions %	0%	0%	0%	0%
Renewal Rate Cap	Not included	Not included	Not included	50%
No New Laser as Renewal Provision	Not included	Not included	Not included	Included
Premium Rates (PEPM)				
Composite	$28.38	$29.78	$29.22	$26.82
Individual Stop Loss Annual Premium	**$106,255**	**$111,496**	**$109,400**	**$100,414**
Annual Premium % Change from Current		**4.9%**	**3.0%**	**(5.5%)**
Total Annual Premium	**$106,255**	**$111,496**	**$109,400**	**$100,414**
$ Change from Current		**$5,242**	**$3,145**	**($5,841)**
% Change from Current		**4.9%**	**3.0%**	**(5.5%)**
Total Annual Cost (ISL Premium, Agg. Spec Liability)	**$156,255**	**$161,496**	**$159,400**	**$150,414**
$ Change from Current		**$5,242**	**$3,145**	**($5,841)**
% Change from Current		**3.4%**	**2.0%**	**(3.7%)**

Key Notes:

- Warehouse 730 is not eligible for the no new laser provision or rate cap with Ullico. However, Tokio Marine is offering a no new laser upon renewal and rate cap of 50%.
- If you factor in the dividends the group is eligible for, the total annual premium for Ullico's 2025 renewal would be **$102k (-4% under current).**

Life and Disability

2025 Life and Disability Renewal Executive Summary

NFP marketed the Basic Life

- Guardian, Hartford, Mutual of Omaha, New York Life, Standard, SunLife and Unum declined to quote (DTQs). Reliance and Lincoln provided proposals but Lincoln was uncompetitive (28% over current).
- DTQs were a result of uncompetitive rates.

NFP was able to negotiate the renewal down from 15% to a 9.1% increase ($3.5k increase) with a 2 year rate cap

- For groups of this size, MetLife doesn't release claims information so the marketing results were based upon demographics, industry and location.
- Based on prior historical renewals and marketing results, this is a fair renewal.

Recommendation

- Renew "as is" at the $50k Basic Life & AD&D Benefit. The financial savings doesn't justify a move at this time.

Life and AD&D Marketing - Renewal

	Current/Renewal		Option 1	Option 2
Carrier	MetLife		Reliance	Lincoln
Life/AD&D				
Benefit	Flat $50,000		Flat $50,000	Flat $50,000
Guaranteed Issue (GI)	$50,000		$50,000	$50,000
Age Reduction Schedule	35% at Age 65, 50% at Age 70, 70% at Age 75		35% at Age 65, 50% at Age 70, 70% at Age 75	35% at Age 65, 50% at Age 70, 70% at Age 75
Reduction Applies to	Original Amount		Original Amount	Original Amount
Contribution Type	Non-Contributory		Non-Contributory	Non-Contributory
Rate Guarantee	2 Years		2 Years	3 Years
Life/AD&D Rate (per $1,000)	$0.209	$0.228	$0.216	$0.268
Monthly Volume	$15,352,500	$15,352,500	$15,352,500	$15,352,500
Monthly Premium	$3,209	$3,500	$3,316	$4,114
Annual Premium	$38,504	$42,004	$39,794	$49,374

COST ANALYSIS

	Current	Renewal	Option 1	Option 2
Monthly Premium	$3,209	$3,500	$3,316	$4,114
Annual Premium	$38,504	$42,004	$39,794	$49,374
Annual Change vs Current		**$3,500**	**$1,290**	**$10,870**
Annual % Change vs Current		**9.1%**	**3.3%**	**28.2%**