

 Brown & Brown



City of Ocala

**Medical Plan Renewal / Stop
Loss Market Analysis**

Presented By:
Morgan Johnson / 179 Public Entity - Daytona - Daytona Beach, FL

Presented On:
6/30/2025



Stop Loss Market / Carrier	Status	Additional Information / Comments
HM Insurance - Incumbent	Quoted	Firm
Sun Life Financial	Quoted	Firm
Swiss Re	Quoted	Carrier was requested to firm; cannot be competitive upon firm review. Declined.
Symetra	Quoted	Carrier was not competitive illustratively; carrier was not asked to firm.
TMHCC	Quoted	Carrier was requested to firm; cannot be competitive upon firm review. Declined.
Voya	Quoted	Carrier was not competitive illustratively; carrier was not asked to firm.

Market Response as of 6/30/2025 4:03:56 PM



EMPLOYEE BENEFITS PROPOSAL & STANDARD (NON-CAA) COMPENSATION DISCLOSURES

Proposal Disclaimers

- This analysis is intended as a summary only. Please refer to the policy certificate and formal carrier proposal for a full list of coverage and exclusions.
- The rates and benefits in this proposal are based upon underwriting factors which include, but are not limited to, the census provided, the effective date shown, the status of employees/dependents (i.e. actively at work, COBRA, FMLA), final enrollment, etc. If any of the aforementioned changes prior to the proposed effective date, the final provisions, including rates, for these plans may vary or result in the proposed plan to be withdrawn.
- If you select to change carriers, any existing plans with other carriers should not be cancelled until advised by Brown & Brown.
- This proposal may not be a complete listing of all available benefit options. Different benefit levels may be available.
- This presentation is the proprietary work product of Brown & Brown and is not authorized for further use or distribution.
- All insurance carriers have their own operating procedures. A change in carrier could affect certain benefits and coverage.
- Brown & Brown representatives are available to explain any items presented. It is assumed that the recipients of this proposal will seek an explanation of any items that may be in question.
- Brown & Brown representatives may from time to time provide guidance regarding certain requirements affecting health plans, including the requirements of federal and state health care reform legislation. Such guidance is based on good-faith interpretation of laws and regulations currently in effect, and is not intended to be a substitute for legal advice. Employers should contact their own legal counsel for advice regarding legal requirements.
- The network provider/facility lists obtained via paper directories or carrier websites may contain providers and facilities that are no longer participating in the insurance carriers' networks. We cannot be responsible for any changes to the provider/facility listings that are not reflected. To ensure that a specific provider or facility is still participating in the provider's preferred network, we recommend contacting the provider/facility directly.
- Failure to adhere to provisions of the Affordable Care Act (such as pay-or-play, employer reporting requirements, benefit mandates, etc.) may result in significant fees and penalties to the employer. For a more comprehensive explanation of what fees and penalties may apply to you, you may contact your Brown & Brown representative at any time.

You are required to comply with Health Care Reform's Summary of Benefits & Coverage (SBC) distribution guidelines, which include requirements for SBC distribution at the plan renewal date. If an employee must enroll to continue coverage, the SBC must be provided when open enrollment materials are distributed. If enrollment materials are not distributed, employees must receive an SBC by the first day they are eligible to enroll. For insured plans, if coverage continues automatically for the next year, the SBC must be provided at least 30 days before the beginning of the new plan year. If the policy is not issued by that date, the SBC must be provided within seven business days once the information is available. Please refer to the Department of Health & Human Services' (HHS) official guidance for complete details regarding renewal and other SBC distribution guidelines.

Standard Compensation Disclaimers

- Brown & Brown entities ("we") receive commissions and fees from insurance carriers and other vendors as part of our compensation for placing and servicing your policies and products. Commissions are generally a percentage of the total premium and may be based on a schedule. In some cases, we may also receive direct compensation from the plan or the plan sponsor (service and/or consulting fees).

In addition to commissions and fees paid to Brown & Brown by insurance or reinsurance carriers or third-party vendors as mentioned above, Brown & Brown entities may also receive supplemental and/or bonus compensation from the carrier or vendor based on new sales volume or retention, for example. Such supplemental and/or bonus compensation may consist of guaranteed override income based on our agency's business production and retention with the carrier or vendor, general agency fees, and/or sales or retention bonuses and is partially derived from your premium dollars, after being combined (or "pooled") with the premium dollars of other insureds that have purchased similar types of coverage. Brown & Brown may not know in advance if such a supplemental and/or bonus payment will be made by a particular carrier or vendor, or the amount of any such payments until the underwriting year is closed.

Brown & Brown entities may also receive invitations to programs sponsored and paid for by insurance carriers or other vendors to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may also receive non-monetary compensation (including but not limited to the value of travel, meals and entertainment expenses associated with such meetings, gifts, tickets for sporting and entertainment events and awards). Such compensation allocated to your policy is not normally expected to equal or exceed a sum of \$250.00 in aggregate, when all non-monetary compensation items received are combined.

- Brown & Brown entities may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may collect and remit premiums on behalf of the carrier or vendor and may earn and retain interest on premiums or administrative fees you pay from the date we receive them until the date remitted to the carrier or vendor.

If an intermediary is utilized in the placement of coverage, the intermediary may or may not be owned in whole or part by Brown & Brown, Inc. or its subsidiaries. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the carrier or other vendor, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting, quoting, plan implementation assistance, claims advocacy and eligibility administration services. Compensation paid for those services is either derived from your premium payment, which may on average be up to 15% of the premium you pay for coverage and may include additional fees charged by the intermediary or is paid to the Wholesaler/Managing General Agent via override.

Questions and Information Requests

- Should you have any questions, or require additional information, please contact local office or, if you prefer, submit your question or request on line at: <http://www.bbininsurance.com/customerinquiry/>



NOTICE OF CARRIER FINANCIAL STATUS

Brown & Brown makes every attempt to place coverage with carriers rated A- or better* through AM Best (www.ambest.com), a national credit rating agency with a specific focus on the insurance industry. Because an AM Best rating is not required by the various state departments of insurance, there are many carriers in the Employee Benefits industry that elect not to participate in AM Best's rating process for various reasons. Therefore, Brown & Brown periodically places coverage with carriers rated less than A- or non-rated by AM Best.

- Please be advised that Brown & Brown does monitor carriers rated less than A- or non-rated on an ongoing basis. However, because Brown & Brown cannot certify the financial soundness or stability of any insurance company or alternative risk transfer entity, or otherwise predict whether the financial condition of a company might improve or deteriorate, we encourage you to review the financial information for each carrier at AM Best's website (www.ambest.com), a state department of insurance website, the applicable carrier website and/or with your accountant, legal counsel and other advisors.
- If you need assistance identifying the applicable issuing carriers for your current coverage, renewal coverage, or the coverage options being presented to you, please feel free to contact us at **(386) 239-5779** for assistance. Alternative quotes with an A- or better rated carrier may also be available upon your request.

*AM Best General Rating Guide

Financial Strength Rating	
A++, A+	Superior
A, A-	Excellent
B++, B+	Good
B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Suspended

Financial Size Category (in Thousands)			
Class I	Up to	\$1,000	
Class II	\$1,000	to	\$2,000
Class III	\$2,000	to	\$5,000
Class IV	\$5,000	to	\$10,000
Class V	\$10,000	to	\$25,000
Class VI	\$25,000	to	\$50,000
Class VII	\$50,000	to	\$100,000
Class VIII	\$100,000	to	\$250,000
Class IX	\$250,000	to	\$500,000
Class X	\$500,000	to	\$750,000
Class XI	\$750,000	to	\$1,000,000
Class XII	\$1,000,000	to	\$1,250,000
Class XIII	\$1,250,000	to	\$1,500,000
Class XIV	\$1,500,000	to	\$2,000,000
Class XV	\$2,000,000	or	Greater



FLORIDA FEE IN LIEU OF COMMISSION COMPENSATION DISCLOSURE (NON-CAA)

NOTE:

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- If we are being compensated based upon a fixed dollar amount or fixed percentage fee, meaning that the contract specifies our compensation and states anywhere in the document that additional compensation will not be paid to us or any other party, any additional compensation to us or any other party, including wholesale brokers or third-party intermediaries, is strictly prohibited. Likewise, if our contract sets compensation based upon a fixed dollar amount or fixed percentage fee, and the contract specifies that additional compensation shall be credited to the insured, any additional compensation to any party, including brokers, wholesale brokers or third-party intermediaries, must be promptly returned to you. If our contract is not based upon such fixed fee terms, no owned or affiliated party, including brokers, wholesale brokers or third-party intermediaries, may accept any type of compensation without full disclosure by the undersigned broker to you of the dollar amount or percentage of compensation prior to binding your coverage
- In addition to commissions and fees paid to Brown & Brown by insurance or reinsurance carriers or third-party vendors as mentioned above, Brown & Brown entities may also receive supplemental and/or bonus compensation from the carrier or vendor based on new sales volume or retention, for example. Such supplemental and/or bonus compensation may consist of guaranteed override income based on our agency's business production and retention with the carrier or vendor, general agency fees, and/or sales or retention bonuses and is partially derived from your premium dollars, after being combined (or "pooled") with the premium dollars of other insureds that have purchased similar types of coverage. Brown & Brown may not know in advance if such a supplemental and/or bonus payment will be made by a particular carrier or vendor, or the amount of any such payments until the underwriting year is closed.
- Brown & Brown entities may also receive invitations to programs sponsored and paid for by insurance carriers or other vendors to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may also receive non-monetary compensation (including but not limited to the value of travel, meals and entertainment expenses associated with such meetings, gifts, tickets for sporting and entertainment events and awards). Such compensation allocated to your policy is not normally expected to equal or exceed a sum of \$250.00 in aggregate, when all non-monetary compensation items received are combined.
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STOP LOSS TERMS

Aggregate Accommodation: Supplement to the aggregate contract designed to protect the group and improve its cash flow during months when claims activity is unusually high.

Aggregating Specific: A set dollar amount or PEPM that is used to cover a single claimants or many claimants who exceed the specific deductible, which is retained by policy holder in addition to specific retention.

Ambulatory Care: Outpatient care services received in a facility (i.e., not in physician's office).

Attachment Point: The dollar amount of claims after which the stop loss coverage begins reimbursement.

Billed Premium: The amount that the carrier has billed the employer during the contract year. Billed premium may be less than the contract premium if a retroactive premium arrangement has been negotiated.

Bundled: Stop Loss coverage covered with the administrator.

Carve-Outs: Type of service separately designed and contracted to an exclusive, independent provider by an employer or managed care plan. For example, prescription drugs, organ transplants and mental health care are often carve-out services

Case Management: The coordination of patient care by a health care professional (e.g., nurse, doctor, social worker) to ensure appropriate care and to reduce costs of providing service.

Claims Reserve: The insurers forecast of the claims that have been incurred during the contract period but have not yet been reported. This may include estimates of claims that have been reported but not yet paid. A carrier normally requires reserves of 2 to 3 months of claims. The reserve is determined by the carrier's historical claims run out experience for all its insured and on a case by case basis. Also referred to as Incurred But Not Reported Liability (IBNR).

Disease Management: A comprehensive integrated approach to care designed to influence the progression of disease within select patient populations. In disease management, the emphasis is on prevention, proactive case management, patient education, and population-based interventions. Disease management depends on clients learning to become more accountable for their health and more skillful users of medical care.

Drug Utilization Review: An evaluation of prescription drug use and provider prescribing patterns to determine the appropriateness of drug therapy.

Expected Claims: The dollar amount of claims anticipated to be paid based on a plan's characteristics.

Experience Refund/Dividend Refund/Premium Refund or Rider: Entitles the policyholder to a percentage of the insurer's premiums or profits if the severity of claims of the stop loss policy is less than anticipated.

Graduate Medical Education: Charges for residency, internship program services at a hospital.

Gross Paid Claims: Dollars actually paid out to claimants or providers for services, including claim paid above the specific pooling level.

Incurred Claims: Claims that have been made but not yet reported. Generally, incurred claims are estimated by the carrier.

Laser: A laser is an individual specific deductible placed on a specific plan member. Can be standard, conditional or contract based.

Minimum attachment: A provision which sets a minimum claim attachment liability in the event the client's enrollment shrinks. Calculated based upon a percentage of enrollment at the time of renewal. Allows insurer and client to control costs and risks should the enrollment shrink.

Net Premium: The dollars available to pay claims after deducting administrative fees, commissions and pooling costs.

No New Laser: A carrier provision that protects the client from future lasers on the policy after the first year.

PBM (Pharmaceutical Benefit Manager): A managed care organization for prescription drug benefits, using discounted pharmacy networks and utilization management to control costs.

PEPM (Per Employee Per Month): Refers to the cost to cover one employee (and their family) for one month.

Plan mirroring: When stop loss carrier agrees to accept the administrator/TPA interpretation and processing of claims as outlined by the client's plan document.

Pooled Claims: Claims paid in excess of a specific pre-determined level. Since these claims are pooled, they are removed from the plan experience.

Premium: The amount paid for an insurance policy.

Rate cap: A provision that caps the percentage increase for the next renewal cycle.

Reference Based Pricing: A system in which the client designates a limit on the amount it will pay for certain procedures; typically based on Medicare reimbursement rates.

Retention: The amount that the carrier retains in order to cover expenses for administering the plan benefits often referred to as administration.

Self-Insurance: A health care program in which an employer or entity assumes the risk of coverage by funding benefit plans from their own resources, rather than purchasing insurance from a 3rd party.

Specific Advance: A carrier provision that allows for reimbursement of specific stop loss claims on an expedited basis.

Stop Loss: The dollar level at which claims are "pooled" and thus not charged against a plan's experience. The plan or employer is responsible for the risk up to the stop loss (pooling level).

Stop Loss Carve Out Fee/Third Party Integration Fee: A per employee per month or annual fee charged by the administrator or TPA to provide reporting to the stop loss carrier.

Terminal Liability: Run out protection for 3 or 6 months on a paid stop loss policy.

TPA (Third Party Administrator): An independent organization that administers claims and benefits for a self-insured organization without underwriting the risk.



THANK YOU!



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