



# City of Killeen

## Agenda

### Employee Benefits Trust

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Tuesday, June 27, 2017

Killeen City Hall  
Council Chambers  
101 N. College Street

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#### IMMEDIATELY FOLLOWING REGULAR CITY COUNCIL MEETING

#### Call To Order

#### Roll Call

##### *Trustees*

___ Jose Segarra, Mayor	___ Debbie Nash-King
___ Jim Kilpatrick	___ Jonathan Okray
___ Shirley Fleming	___ Juan Rivera
___ Gregory Johnson	

##### *City Staff*

___ Ron Olson, City Manager
___ Kathy Davis, City Attorney
___ Eva Bark, Executive Director, Human Resources

#### Approval of Agenda

#### Approval of Minutes

1. [17-001.](#) Consider minutes of July 14, 2016 meeting.

**Attachments:** [Minutes](#)

#### Agenda Items

2. [17-001](#) Consider action to designate the officers of the Trust for 2017 to include the designation of a chairperson, vice chair, and secretary.
3. [17-002](#) Consider action renewing employee medical insurance with Scott and White Health Plan for the FY 2017-2018 plan year, at the same terms and rates as the FY 2016-2017 plan.

**Attachments:** [SWHP 2017 Quote](#)  
[SWHP 2017 PPO Buy-Up Renewal](#)  
[SWHP 2017 Retirees Renewal](#)  
[SWHP 2017 Renewal](#)

4. [17-003](#) Consider action renewing employee dental insurance with Metlife for the FY 2017-2018 plan year, at the same terms and rates as the FY 2016-2017 plan.

Attachments: [Metlife Renewal](#)

## Adjournment

*I certify that the above notice of meeting was posted on the Internet and on the bulletin boards at Killeen City Hall and at the Killeen Police Department on or before 5:00 p.m. on June 23, 2017.*

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*Dianna Barker, City Secretary*

*The public is hereby informed that notices for City of Killeen meetings will no longer distinguish between matters to be discussed in open or closed session of a meeting. This practice is in accordance with rulings by the Texas Attorney General that, under the Texas Open Meetings Act, the City Council may convene a closed session to discuss any matter listed on the agenda, without prior or further notice, if the matter is one that the Open Meetings Act allows to be discussed in a closed session.*

*This meeting is being conducted in accordance with the Texas Open Meetings Law [V.T.C.A., Government Code, § 551.001 et seq.]. This meeting is being conducted in accordance with the Americans with Disabilities Act [42 USC 12101 (1991)]. The facility is wheelchair accessible and handicap parking is available. Requests for sign interpretive services are available upon requests received at least 48 hours prior to the meeting. To make arrangements for those services, please call 254-501-7700, City Manager's Office, or TDD 1-800-734-2989.*



# City of Killeen

## Legislation Details

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**File #:** 17-001.      **Version:** 1      **Name:** Minutes  
**Type:** Minutes EBT      **Status:** Minutes EBT  
**File created:** 6/13/2017      **In control:** Employee Benefits Trust  
**On agenda:** 6/27/2017      **Final action:**  
**Title:** Consider minutes of July 14, 2016 meeting.  
**Sponsors:** Human Resources Department  
**Indexes:**  
**Code sections:**  
**Attachments:** [Minutes](#)

Date	Ver.	Action By	Action	Result
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**City of Killeen**  
Employee Benefits Trust Meeting  
Killeen City Hall  
June 14, 2016 at 7:28 PM

Presiding: Mayor Jose Segarra

Attending: Mayor Pro-Tem Brockley Moore, Councilmembers Shirley Fleming, Gregory Johnson, Jim Kilpatrick, Jonathan Okray, and Juan Rivera.

Also attending were Interim City Manager Ann Farris, City Attorney Kathy Davis, and Executive Director of Human Resources Eva Bark.

**Approval of Agenda**

*Motion was made by Mayor Pro-Tem Moore to approve the agenda as written. Motion was seconded by Councilmember Fleming. Motion carried unanimously.*

**Minutes**

*Motion was made by Councilmember Okray to approve the minutes of the August 11, 2015, Benefits Trust Meeting. Motion was seconded by Councilmember Rivera. Motion carried unanimously.*

**16-001** Consider action to designate the officers of the Trust for 2016 to include the designation of a chairperson, vice chair, and secretary.

*Motion was made by Councilmember Okray to appoint Councilmember Okray as Chair, Councilmember Fleming as Vice Chair, and Councilmember Kilpatrick as Secretary. Motion was seconded by Councilmember Rivera. Motion carried unanimously.*

**16-002** Consider action to establish the renewal rate for employee medical insurance with the Scott and White Health Plan for the FY 2016-2017 plan year.

**Staff comments:** Ann Farris

In the previous regular council meeting, Council approved the renewal of the employee medical insurance with Scott and White Health Plan, with a 9.3% increase.

*Motion was made by Councilmember Okray to approve 16-002. Motion was seconded by Councilmember Kilpatrick. Motion carried unanimously.*

**16-003** Consider action to establish the renewal rate for the employee dental insurance with MetLife for the FY 2016-2017 plan year.

**Staff comments:** Ann Farris

In the previous regular council meeting, Council approved the renewal of the employee dental insurance with MetLife with a 3.0% increase.

*Motion was made by Councilmember Fleming to approve 16-003. Motion was seconded by Councilmember Rivera. Motion carried unanimously.*

### **Adjournment**

With no further business, upon motion being made by Councilmember Kilpatrick, seconded by Councilmember Okray, and unanimously approved, the meeting was adjourned at 7:33 PM.

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Jose Segarra, Mayor

Transcribed by Karen Weiss, Administrative Assistant



# City of Killeen

## Legislation Details

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**File #:** 17-001      **Version:** 1      **Name:** Designate Officers of Trust for 2017  
**Type:** Agenda Items      **Status:** Agenda Item  
**File created:** 6/13/2017      **In control:** Employee Benefits Trust  
**On agenda:** 6/27/2017      **Final action:**  
**Title:** Consider action to designate the officers of the Trust for 2017 to include the designation of a chairperson, vice chair, and secretary.  
**Sponsors:** City Manager Department, Human Resources Department  
**Indexes:**  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
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# City of Killeen

## Legislation Details

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**File #:** 17-002      **Version:** 1      **Name:** Employee Health Plan Renewal  
**Type:** Agenda Items      **Status:** Agenda Item  
**File created:** 6/13/2017      **In control:** Employee Benefits Trust  
**On agenda:** 6/27/2017      **Final action:**  
**Title:** Consider action renewing employee medical insurance with Scott and White Health Plan for the FY 2017-2018 plan year, at the same terms and rates as the FY 2016-2017 plan.  
**Sponsors:** City Manager Department, Human Resources Department  
**Indexes:**  
**Code sections:**  
**Attachments:** [SWHP 2017 Quote](#)  
[SWHP 2017 PPO Buy-Up Renewal](#)  
[SWHP 2017 Retirees Renewal](#)  
[SWHP 2017 Renewal](#)

Date	Ver.	Action By	Action	Result
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<p style="text-align: center;"><b>Underwriting Assumptions For Sole Carrier Quotes</b> <b>City Of Killeen</b></p>
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- Participation of at least 70% of eligible employees is required.
- The employer contribution must be at least 50% of the single premium. Dual option plan offerings must be at least 50% of the single premium on all plans.
- COBRA enrollees cannot exceed 10% of the total population.
- Retirees cannot exceed 15% of actives. If retirees exceed 15% of actives the group must meet the loss ratio per the rate certification or the rates may be adjusted to achieve a satisfactory loss ratio.
- If the group's enrollment and/or eligible population changes by 20% or more, we reserve the right to re-rate the group.
- This quote is intended as a single carrier, total replacement offering. If additional carriers are introduced on a renewing group, we reserve the right to review the other carrier's benefit summaries, review the contribution scheme and re-evaluate our rates. If additional carriers are introduced on a new sale, we reserve the right to review the other carrier's benefit summaries, review the contribution scheme and to withdraw our quote.
- We reserve the right to change any premium rate, including on a retrospective basis, when the terms of the policy are changed or our liability has been altered because of a change in state or federal law or a substantive change in the composition of the group.
- All rates assume NO GAP plan is in place unless otherwise indicated on the Marketing Rate Sheet

4/12/2017





**City Of Killeen**  
**Renewal Effective:**  
**10/1/2017**

**Employee Benefit Trust - Exempt from Premium Tax**

2017 Nation Care - In Area Renewal	Medical					Pharmacy \$10 / \$40 / \$100 \$50 Rx Deductible Unlimited	Plan: Active Employees - Mid Plan Buy Up PPO
	Plan Type PPO70	OV/SP \$30 / \$50	Coins 30%	Ded \$2,500	OOP Max \$6,600		
4-Tier Option	Premium Tax Exempt Rates*					Rates*	Total
Single	\$462.94					Included in Medical	\$462.94
Employee & Spouse	\$1,093.06					Included in Medical	\$1,093.06
Employee & Child(ren)	\$667.46					Included in Medical	\$667.46
Family	\$1,272.50					Included in Medical	\$1,272.50

2017 Nation Care - In Area Renewal	Medical					Pharmacy \$10 / \$30 / \$50 \$50 Rx Deductible Unlimited	Plan: Active Employees - High Plan Buy Up PPO
	Plan Type PPO70 HDHP	OV/SP \$30 / \$50	Coins 20%	Ded \$1,000	OOP Max \$3,600		
4-Tier Option	Premium Tax Exempt Rates*					Rates*	Total
Single	\$638.84					Included in Medical	\$638.84
Employee & Spouse	\$1,536.10					Included in Medical	\$1,536.10
Employee & Child(ren)	\$938.00					Included in Medical	\$938.00
Family	\$1,789.54					Included in Medical	\$1,789.54

2017 Nation Care - In Area Renewal	Medical					Pharmacy Ded + 30% Embedded Rx Deductible Unlimited	Plan: Active Employees - Base Plan Buy Up PPO
	Plan Type PPO70 HDHP	OV/SP Ded + 30%	Coins 30%	Ded \$2,600	OOP Max \$6,600		
4-Tier Option	Embedded Deductible Premium Tax Exempt Rates*					Rates*	Total
Single	\$416.66					Included in Medical	\$416.66
Employee & Spouse	\$983.76					Included in Medical	\$983.76
Employee & Child(ren)	\$600.72					Included in Medical	\$600.72
Family	\$1,145.26					Included in Medical	\$1,145.26

• Broker Commission: 0.00%

• NationCare plans are underwritten by National Health Insurance Company (NHIC).

\* This renewal assumes the Aetna network, named "Aetna Open Choice" will be utilized for our in-area members. See link below:  
[http://www.aetna.com/docfind/jsp/rdrIndex.jsp?site\\_id=mymeritain&langpref=en](http://www.aetna.com/docfind/jsp/rdrIndex.jsp?site_id=mymeritain&langpref=en)

• Above rates include Program fee, Patient Centered Outcomes (PCORI) fee.

• Above rates are only available to employees WITHIN the Scott & White Health Plan (SWHP) service area.

• Medical rates include coverage for durable medical equipment, diabetic supplies, and mandated mental health.

\* We reserve the right to change any premium rate, including on a retrospective basis, when the terms of the Agreement are changed or our liability has been altered because of a change in state or federal law or a substantive change in the composition of the group.

• Please review the Summary of Benefits and Coverage (SBC) for a complete description of benefits.

• Above rates assumes benefits are on a calendar year basis

\_\_\_\_\_ I hereby accept these rates as presented.

\_\_\_\_\_ I hereby accept these rates without the following riders: (use this option if applicable)

Signed:

Name/Title

Date:

Please return this proposal with the signed GERA (Group Eligibility Requirements Attachment) to Scott & White Health Plan / Insurance Company of Scott & White in the envelope provided. If we do not receive a signed consent, your group will be assigned the rates and benefits as shown in this proposal.

\*It is SWHP's / ICSW's understanding that the employer contribution is at least 0. This quote assumes that contribution will continue. If the information is incorrect, please provide us with the current contribution strategy.

Client Manager: 0

4/12/2017

**City Of Killeen**  
**Renewal Effective:**

**10/1/2017**

**Employee Benefit Trust - Exempt from Premium Tax**

2017 Nation Care - Out of Area Renewal	Medical					Pharmacy \$10 / \$40 / \$100 \$50 Rx Deductible Unlimited	Plan: Retired Employees - Mid Plan
	Plan Type PPO70	OV/SP \$30 / \$50	Coins 30%	Ded \$2,500	OOP Max \$6,600		
4-Tier Option	Premium Tax Exempt Rates*					Rates*	Total
Single			\$420.86			Included in Medical	\$420.86
Employee & Spouse			\$993.70			Included in Medical	\$993.70
Employee & Child(ren)			\$606.80			Included in Medical	\$606.80
Family			\$1,156.82			Included in Medical	\$1,156.82

2017 Nation Care - Out of Area Renewal	Medical					Pharmacy \$10 / \$30 / \$50 \$50 Rx Deductible Unlimited	Plan: Retired Employees - High Plan
	Plan Type PPO70 HDHP	OV/SP \$30 / \$50	Coins 20%	Ded \$1,000	OOP Max \$3,600		
4-Tier Option	Premium Tax Exempt Rates*					Rates*	Total
Single			\$580.74			Included in Medical	\$580.74
Employee & Spouse			\$1,396.46			Included in Medical	\$1,396.46
Employee & Child(ren)			\$852.74			Included in Medical	\$852.74
Family			\$1,626.84			Included in Medical	\$1,626.84

2017 Nation Care - Out of Area Renewal	Medical					Pharmacy Ded + 30% Embedded Rx Deductible Unlimited	Plan: Retired Employees - Base Plan
	Plan Type PPO70 HDHP	OV/SP Ded + 30%	Coins 30%	Ded \$2,600	OOP Max \$6,600		
4-Tier Option	Premium Tax Exempt Rates*					Rates*	Total
Single			\$378.78			Included in Medical	\$378.78
Employee & Spouse			\$894.32			Included in Medical	\$894.32
Employee & Child(ren)			\$546.10			Included in Medical	\$546.10
Family			\$1,041.16			Included in Medical	\$1,041.16

Broker Commission: 0.00%

NationCare plans are underwritten by National Health Insurance Company (NHIC).

\* This renewal assumes the Aetna network, named "Aetna Open Choice" will be utilized for our out of area members. See link below:  
[http://www.aetna.com/docfind/jsp/rdIndex.jsp?site\\_id=mymeritain&langpref=en](http://www.aetna.com/docfind/jsp/rdIndex.jsp?site_id=mymeritain&langpref=en)

\*Above rates include ACA Fees (Patient Centered Outcomes (PCORI) fee and Insurer Fee).

Above rates are only available to employees OUTSIDE the Scott & White Health Plan (SWHP) service area.

Medical rates include coverage for durable medical equipment, diabetic supplies, and mandated mental health.

We reserve the right to change any premium rate, including on a retrospective basis, when the terms of the Agreement are changed or our liability has been altered because of a change in state or federal law or a substantive change in the composition of the group.

Please review the Summary of Benefits and Coverage (SBC) for a complete description of benefits.

Above rates assumes benefits are on a calendar year basis

\_\_\_\_\_ I hereby accept these rates as presented.

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Client Manager:

0

4/12/2017



**City Of Killeen  
Renewal Effective:**

**10/1/2017**

**Employee Benefit Trust - Exempt from Premium Tax**

2017 Renewal	Medical Benefits					Pharmacy Benefits \$10 / \$40 / \$100 \$50 Rx Deductible Unlimited	Plan: Active Employees - Mid Plan
	Plan Type POS70	OV/SP \$30 / \$50	Coins 30%	Ded \$2,500	OOP Max \$6,600		
4-Tier Option	Premium Tax Exempt Rates*					Rates*	Total
Single	\$420.86					Included in Medical	\$420.86
Employee & Spouse	\$993.70					Included in Medical	\$993.70
Employee & Child(ren)	\$606.80					Included in Medical	\$606.80
Family	\$1,156.82					Included in Medical	\$1,156.82

2017 Renewal	Medical Benefits					Pharmacy Benefits \$10 / \$30 / \$50 \$50 Rx Deductible Unlimited	Plan: Active Employees - High Plan
	Plan Type POS80	OV/SP \$30 / \$50	Coins 20%	Ded \$1,000	OOP Max \$3,600		
4-Tier Option	Premium Tax Exempt Rates*					Rates*	Total
Single	\$580.74					Included in Medical	\$580.74
Employee & Spouse	\$1,396.46					Included in Medical	\$1,396.46
Employee & Child(ren)	\$852.74					Included in Medical	\$852.74
Family	\$1,626.84					Included in Medical	\$1,626.84

2017 Renewal	Medical Benefits					Pharmacy Benefits Ded + 30% Embedded Rx Deductible Unlimited	Plan: Active Employees - Base Plan
	Plan Type CC POS HDHP	OV/SP Ded + 30%	Coins 30%	Ded \$2,600	OOP Max \$6,600		
4-Tier Option	Premium Tax Exempt Rates*					Rates*	Total
Single	\$378.78					Included in Medical	\$378.78
Employee & Spouse	\$894.32					Included in Medical	\$894.32
Employee & Child(ren)	\$546.10					Included in Medical	\$546.10
Family	\$1,041.16					Included in Medical	\$1,041.16

HMO, CC, and POS plans are underwritten by Scott & White Health Plan (SWHP).  
PPO plans are underwritten by the Insurance Company of Scott & White (ICSW).  
HMO and CC plans utilize the SWHP network and provide no out-of-network benefit.  
PPO members residing within the Scott & White service area will utilize the ICSW Network.  
PPO members residing outside the Scott & White service area will utilize the PHCS Network.

- Broker Commission: 0.00%
- \*Above rates include ACA Fees (Patient Centered Outcomes (PCORI) fee, and Insurer Fee).
- Medical rates include coverage for durable medical equipment, diabetic supplies, and mandated mental health.
- We reserve the right to change any premium rate, including on a retrospective basis, when the terms of the Agreement are changed or our liability has been altered because of a change in state or federal law or a substantive change in the composition of the group.
- Please review the Summary of Benefits and Coverage (SBC) for a complete description of benefits.
- Above rates assumes benefits are on a calendar year basis

\_\_\_\_\_ I hereby accept these rates as presented.  
\_\_\_\_\_ I hereby accept these rates without the following riders: (use this option if applicable)

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Name/Title

Please return this proposal with the signed GERA (Group Eligibility Requirements Attachment) to Scott & White Health Plan / Insurance Company of Scott & White in the envelope provided. If we do not receive a signed consent, your group will be assigned the rates and benefits as shown in this proposal.

\*It is SWHP's / ICSW's understanding that the employer contribution is at least 0. This quote assumes that contribution will continue. If the information is incorrect, please provide us with the current contribution strategy.

Account Manager: 0

4/12/2017



# City of Killeen

## Legislation Details

<b>File #:</b>	17-003	<b>Version:</b>	1	<b>Name:</b>	Employee Dental Plan Renewal
<b>Type:</b>	Agenda Items	<b>Status:</b>		<b>Status:</b>	Agenda Item
<b>File created:</b>	6/13/2017	<b>In control:</b>		<b>In control:</b>	Employee Benefits Trust
<b>On agenda:</b>	6/27/2017	<b>Final action:</b>		<b>Final action:</b>	
<b>Title:</b>	Consider action renewing employee dental insurance with Metlife for the FY 2017-2018 plan year, at the same terms and rates as the FY 2016-2017 plan.				
<b>Sponsors:</b>	City Manager Department, Human Resources Department				
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	<a href="#">Metlife Renewal</a>				

Date	Ver.	Action By	Action	Result
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June 5, 2017

**Re: City of Killeen  
Renewal - October 1, 2017**

Ann Farris  
Deputy City Manager  
City of Killeen  
101 N. College Street  
Killeen, Texas 76541

Dear Ann,

I am pleased to present MetLife's annual renewal package for **City of Killeen**.

The package contains important information about the financial status of the plan. Included is a Technical Overview, containing the renewal rate adjustments, renewal analysis, underwriting assumptions, renewal alternatives and supporting exhibits.

After you have reviewed this information, I would be happy to provide more specifics on any of the material covered in this package.

All of us at MetLife appreciate your business. We place a high value on the mutual success of our relationship.

Thank you for your trust in MetLife. I look forward to working with you in the coming year.

Sincerely,

Katie Burke  
Account Executive

**Request to Notify Alaska Residents of Impending Coverage and/or Premium Changes**

Under Alaska Statute 21.36.225, covered individuals residing in Alaska must be notified of impending coverage and/or premium changes, as applicable. If you have employees residing in Alaska who are covered under MetLife's Disability, Dental, Vision or Accidental Death and Dismemberment policies, we ask that you provide them with written notice at least 45 days in advance of the effective date of the renewal, notifying them that coverage and/or premiums may change. Once renewal details are finalized, a second notice must be provided setting forth the details of the coverage or premium change. If you would like wording for these notices, please contact your MetLife service team.



## **INTERMEDIARY AND PRODUCER COMPENSATION NOTICE**

MetLife enters into arrangements concerning the sale, servicing and/or renewal of MetLife group insurance and certain other group-related products ("Products") with brokers, agents, consultants, thirdparty administrators, general agents, associations, and other parties that may participate in the sale, servicing and/or renewal of such Products (each an "Intermediary"). MetLife may pay your Intermediary compensation, which may include, among other things, base compensation, supplemental compensation and/or a service fee. MetLife may pay compensation for the sale, servicing and/or renewal of Products, or remit compensation to an Intermediary on your behalf. Your Intermediary may also be owned by, controlled by or affiliated with another person or party, which may also be an Intermediary and who may also perform marketing and/or administration services in connection with your Products and be paid compensation by MetLife.

Base compensation, which may vary from case to case and may change if you renew your Products with MetLife, may be payable to your Intermediary as a percentage of premium or a fixed dollar amount. MetLife may also pay your Intermediary compensation that is based upon your Intermediary placing and/or retaining a certain volume of business (number of Products sold or dollar value of premium) with MetLife. In addition, supplemental compensation may be payable to your Intermediary. Under MetLife's current supplemental compensation plan, the amount payable as supplemental compensation may range from 0% to 8% of premium. The supplemental compensation percentage may be based on: (1) the number of Products sold through your Intermediary during a prior one-year period; (2) the amount of premium or fees with respect to Products sold through your Intermediary during a prior one-year period; (3) the persistency percentage of Products inforce through your Intermediary during a prior one-year period; (4) premium growth during a prior one-year period; (5) a fixed percentage of the premium for Products as set by MetLife. The supplemental compensation percentage will be set by MetLife prior to the beginning of each calendar year and it may not be changed until the following calendar year. As such, the supplemental compensation percentage may vary from year to year, but will not exceed 8% under the current supplemental compensation plan.

The cost of supplemental compensation is not directly charged to the price of our Products except as an allocation of overhead expense, which is applied to all eligible group insurance products, whether or not supplemental compensation is paid in relation to a particular sale or renewal. As a result, your rates will not differ by whether or not your Intermediary receives supplemental compensation. If your Intermediary collects the premium from you in relation to your Products, your Intermediary may earn a return on such amounts. Additionally, MetLife may have a variety of other relationships with your Intermediary or its affiliates, or with other parties, that involve the payment of compensation and benefits that may or may not be related to your relationship with MetLife (e.g., insurance and employee benefits exchanges, enrollment firms and platforms, sales contests, consulting agreements, or reinsurance arrangements).

More information about the eligibility criteria, limitations, payment calculations and other terms and conditions under MetLife's base compensation and supplemental compensation plans can be found on MetLife's Web site at [www.metlife.com/brokercompensation](http://www.metlife.com/brokercompensation). Questions regarding Intermediary compensation can be directed to [ask4met@metlifeservice.com](mailto:ask4met@metlifeservice.com), or if you would like to speak to someone about Intermediary compensation, please call (800) ASK 4MET. In addition to the compensation paid to an Intermediary, MetLife may also pay compensation to your representative. Compensation paid to your representative is for participating in the sale, servicing, and/or renewal of Products, and the compensation paid may vary based on a number of factors including the type of Product(s) and volume of business sold. If you are the person or entity to be charged under an insurance policy or annuity contract, you may request additional information about the compensation your representative expects to receive as a result of the sale or concerning compensation for any alternative quotes presented, by contacting your representative or calling (866) 796-1800.

L0716471568[exp0917][All States]

October 1, 2017  
**Renewal Package**

**for**

**City of Killeen**

**provided by**



**MetLife Representative**

**Katie Burke  
3700 W Sam Houston Pkwy S  
Houston TX 77042**

***Phone Number - 713-960-7003***

**This renewal is for plan year, October 1, 2017 to September 30, 2018.**

The information included in this renewal is proprietary to Metropolitan Life Insurance Company. It is intended for use only by City of Killeen and may not be shared with any other party without the written permission of Metropolitan Life Insurance Company.

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# TECHNICAL OVERVIEW

## RENEWAL RATE ADJUSTMENTS

Coverage	Current Rate/Fee	Renewal Rate/Fee	Change in Rate/Fee +/- %
Dental – Active, COBRA, and Retiree			
• Employee only	\$24.24/Ee	\$24.24/Ee	0.0%
• Employee + Spouse	\$48.40/Ee	\$48.40/Ee	0.0%
• Employee + Child(ren)	\$53.02/Ee	\$53.02/Ee	0.0%
• Employee + Family	\$82.44/Ee	\$82.44/Ee	0.0%
Dental - Survivor			
• Spouse Only	\$24.24/Ee	\$24.24/Ee	0.0%
• Child(ren) Only	\$28.80/Ee	\$28.80/Ee	0.0%
• Spouse + Children	\$53.02/Ee	\$53.02/Ee	0.0%

The Patient Protection and Affordable Care Act ("PPACA") includes a health insurance industry fee imposed on all health insurers, including dental and vision insurers. As with the prior year, this fee is included in the dental and/or vision rates above.



## DENTAL BENEFITS (Insured)

### RENEWAL ANALYSIS

MetLife reviews past claims experience to predict future claims activity, which is the basis for setting rates.

Dental premium rates are established to account for claim charges (which include paid claims), margin and retention charges.\* In calculating your renewal rates for the upcoming policy year, we use the following process:

- Claims data is separated into experience blocks.
- The blocks of claims are then adjusted to account for changes in PDP payment schedules, inflation and increased utilization into the upcoming plan year.
- Premium for each block is then adjusted for billing rate changes to bring all premium to the current rate level.
- Claim loss ratios are derived by dividing the claims data by the adjusted premium using setback methodology (because of claim lag, claims are compared to premium from a time period one month earlier).
- The expected claim loss ratios for each of the blocks are averaged into a single claim loss ratio.
- If the group is partially credible, the claim cost will be based partially on a manual rate looking at the demographics of the group.
- The expected claim loss ratio is then compared to the tolerable loss ratio to determine the appropriate renewal rate action.

\* Paid claims may include charges and other amounts as determined by MetLife in connection with certain network arrangements.

### UNDERWRITING ASSUMPTIONS

- The most recent year of experience is weighted 2-1 to prior years.
- Dental renewal rates are guaranteed from **October 1, 2017** to **September 30, 2018**.
- The Preferred Dentist Program access fee is included in the renewal rates.
- The rates may be changed any time the current plan or contribution structure is modified.
- MetLife reserves the right to retroactively adjust rates from the effective date of a plan change.

### SUPPORTING EXHIBITS

Please refer to the Exhibit Section of this renewal for all supporting Exhibits.

DENTAL Exhibit 1	Underwriting Fact Sheet
DENTAL Exhibit 2	Monthly Claims, EOBs, Lives, Premium and Lives
DENTAL Exhibit 3	Dental Setback Analysis
DENTAL Exhibit 4	PDP Savings Report

# DENTAL EXHIBIT 1 – All Dental

## UNDERWRITING FACT SHEET

### City of Killeen

Group Number # 126844

Renewal Date October 1, 2017

	Lives by Tier	
Employee Only	614	
Employee + Spouse	177	
Employee + Child	183	
Employee + Family	213	

In-Network Plan Design:	Deductible (B&C Services)	\$50
	Coinsurance:	
	- Type A	100%
	- Type B	80%
	- Type C	50%
	- Type D	50%
	Annual Max	\$1,000
	Ortho Max	\$1,000

Out-of-Network Plan Design:	Deductible (B&C Services)	\$50
	Coinsurance:	
	- Type A	100%
	- Type B	80%
	- Type C	50%
	- Type D	50%
	Annual Max	\$1,000
	Ortho Max	\$1,000

Funding Arrangement:	Non-retrospectively Experience Rated
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## DENTAL EXHIBIT 2 – All Dental

### DENTAL MONTHLY CLAIMS, EOB'S, PREMIUM, AND LIVES

City of Killeen  
Group Number # 126844  
Renewal Date October 1, 2017

	<u>Paid Claims*</u>	<u>EOB's</u>		<u>Premium</u>	<u>Lives</u>
02/2014	\$40,621	279	01/2014	\$39,802	1133
03/2014	\$37,166	293	02/2014	\$40,013	1138
04/2014	\$39,051	318	03/2014	\$40,025	1140
05/2014	\$33,181	263	04/2014	\$40,133	1141
06/2014	\$29,004	218	05/2014	\$39,832	1141
07/2014	\$33,541	293	06/2014	\$39,909	1145
08/2014	\$33,780	266	07/2014	\$40,013	1143
09/2014	\$32,262	288	08/2014	\$39,658	1136
10/2014	\$35,433	304	09/2014	\$39,586	1134
11/2014	\$32,939	237	10/2014	\$43,904	1135
12/2014	\$33,684	237	11/2014	\$45,073	1170
01/2015	\$32,378	255	12/2014	\$44,973	1168
02/2015	\$37,124	289	01/2015	\$44,956	1170
03/2015	\$42,766	354	02/2015	\$45,540	1188
04/2015	\$41,496	323	03/2015	\$45,540	1190
05/2015	\$33,071	293	04/2015	\$45,694	1197
06/2015	\$34,592	277	05/2015	\$45,399	1194
07/2015	\$34,813	286	06/2015	\$45,501	1194
08/2015	\$33,937	266	07/2015	\$45,781	1207
09/2015	\$32,988	272	08/2015	\$45,039	1191
10/2015	\$38,395	301	09/2015	\$44,565	1179
11/2015	\$34,594	276	10/2015	\$49,061	1196
12/2015	\$33,401	268	11/2015	\$49,006	1197
01/2016	\$35,969	268	12/2015	\$49,044	1201
02/2016	\$43,155	358	01/2016	\$48,772	1192
03/2016	\$42,647	322	02/2016	\$48,852	1189
04/2016	\$39,309	291	03/2016	\$48,849	1189
05/2016	\$37,753	277	04/2016	\$49,098	1193
06/2016	\$41,793	316	05/2016	\$49,154	1197
07/2016	\$32,238	251	06/2016	\$50,185	1228
08/2016	\$43,995	333	07/2016	\$50,594	1235
09/2016	\$42,917	289	08/2016	\$50,120	1221
10/2016	\$35,087	255	09/2016	\$49,876	1213
11/2016	\$35,750	291	10/2016	\$50,566	1177
12/2016	\$31,479	236	11/2016	\$50,566	1177
01/2017	\$34,997	272	12/2016	\$50,566	1177

\* Paid claims may include charges and other amounts as determined by MetLife in connection with certain network arrangements.

## DENTAL EXHIBIT 3 – All Dental

### DENTAL SETBACK ANALYSIS

**City of Killeen**  
Group Number # 126844  
Renewal Date October 1, 2017

	02/01/2014 - 01/31/2015		02/01/2015 - 01/31/2016		02/01/2016 - 01/31/2017	
Gross Paid Claims*		\$413,040		\$433,146		\$461,120
Plan/Demographic		1.000		1.000		1.000
Change Adjustment						
Maturity Adjustment		1.000		1.000		1.000
	<u>In-Net</u>	<u>Out-of-Net</u>	<u>In-Net</u>	<u>Out-of-Net</u>	<u>In-Net</u>	<u>Out-of-Net</u>
Trend Factor	1.1587	null	1.1131	null	1.0693	null
Trended Paid Claims	\$478,589	null	\$482,135	null	\$493,076	null
<i>Effective Annual Trend</i>	4.100%	null	4.100%	null	4.100%	null
Change in IBNR		1.010		1.010		1.010
Total Incurred Claims		\$483,375		\$486,956		\$498,007
Adjusted Premium		\$583,126		\$601,201		\$610,934
Loss Ratio		82.89%		81.00%		81.52%
Weighted Average	2-1 Ratio 81.4%					
Credibility Factor	100%					
Manual Loss Ratio	73.68%					
Blended Loss Ratio	81.40%					
Tolerable Loss Ratio	78.44%					
Calculated Rate Action	3.78%					
Renewal Rate Action	0.0% For Rate Guarantee					

\* Paid claims may include charges and other amounts as determined by MetLife in connection with certain network arrangements.

# DENTAL EXHIBIT 4 – All Dental

## PDP SAVINGS REPORT

**City of Killeen**

Group Number #126844

Renewal Date October 1, 2017

**Renewal Acceptance:**

**Signature:** \_\_\_\_\_ **Date** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_