



The Metropolitan District
water supply · environmental services · geographic information

**PERSONNEL, PENSION & INSURANCE COMMITTEE
SPECIAL MEETING
MONDAY, SEPTEMBER 20, 2021
4:00 PM**

Location

Board Room
District Headquarters
555 Main Street, Hartford

Dial in #: (415)-655-0001;
Access Code: 43808661#

[Meeting Video Link](#)

Commissioners

Avedisian	Marotta
Currey	Pane
DiBella (Ex-Officio)	Patel
Kambli	Salemi
Lester	Sweezy (VC)
Magnan	Taylor (C)

Quorum: 6

1. CALL TO ORDER
2. PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS
3. APPROVAL OF MEETING MINUTES OF AUGUST 30, 2021
4. CONSIDERATION AND POTENTIAL ACTION RE: APPROVAL OF PENSION INVESTMENT POLICY
5. CONSIDERATION AND POTENTIAL ACTION RE: INSURANCE COVERAGE LEVELS
6. REPORT RE: WELLNESS INITIATIVES UTILIZATION STUDY
7. DISCUSSION RE: NEW EMPLOYEE BENEFITS CONSULTANT
8. OPPORTUNITY FOR GENERAL PUBLIC COMMENTS
9. COMMISSIONER COMMENTS & QUESTIONS
10. ADJOURNMENT

**PERSONNEL, PENSION AND INSURANCE COMMITTEE
APPROVAL OF PENSION INVESTMENT POLICY & GUIDELINES**

To: Personnel, Pension and Insurance Committee for consideration on September 20, 2021

Dahab Associates Inc. is the pension investment advisor for the District and drafted the enclosed Investment Policy & Guidelines for the District's pension plan and recommends its adoption. The plan details the plan's objectives along with the roles and responsibilities of all parties serving the plan. The policy cites the statutory authority for the investment program, Conn. Gen. Stat. § 7-450 which requires that the investment and management of the assets of the pension trust be in compliance with the prudent investor rule.

It is therefore **RECOMMENDED** that it be

VOTED: That the Personnel, Pension & Insurance Committee recommends to the District Board passage of the following resolution:

RESOLVED: That the District Board hereby approves the attached Investment Policies & Guidelines for the Retirement Plan for the Employees of The Metropolitan District and authorizes staff to implement and administer said policy.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Scott W. Jellison', is written over a light gray circular stamp.

Scott W. Jellison
Chief Executive Officer

DRAFT

RETIREMENT PLAN FOR EMPLOYEES OF THE METROPOLITAN DISTRICT

STATEMENT OF INVESTMENT POLICY AND GUIDELINES

OCTOBER 2021

I. Statement of Purpose

The investment management of the Retirement Plan for Employees of The Metropolitan District (the “Plan” or “Pension Trust”) shall follow this Statement of Investment Policy and Guidelines as adopted October 4, 2021.

Statutory authority for the investment program of this Plan is provided by the provisions of section 7-450 of the Connecticut General Statutes. This Statement of Investment Policy and Guidelines applies only to the Pension Trust. This Statement of Investment Policy and Guidelines shall be reviewed annually, but may be amended at any time.

A. Objectives

The objective of the Plan’s Investment Policy is to preserve the actuarial soundness of the Pension Trust. The Trust shall be for the purpose of funding current and future pension benefits for eligible participants in accordance with the Pension Trust.

The performance of the Plan will be measured each quarter for various rolling periods, but at a minimum three and five years. These periods are usually considered sufficient to accommodate the different market cycles commonly experienced with investments.

B. Fiduciary Standards

In striving to attain these objectives, the Plan will be managed in a manner consistent with fiduciary standards, namely:

1. All transactions shall be in the sole interest of the participants and their beneficiaries, and
2. All investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in an expert like capacity and familiar with such matters would use in conduct of an enterprise of like character and with the same aims, and
3. All entities dealing with the Plan are required to disclose conflicts of interest as soon as they become apparent, in writing to the Pension Board or as part of a public meeting when the problem becomes apparent.

The Pension Board, as described below, or the Trust Administrator acting on the Board’s behalf, shall make its decisions solely for the benefit of plan members. All entities dealing with the Plan must conduct themselves in a manner worthy of the public trust, keeping in mind that the Plan is subject to public review and evaluation.

In general, the investment and management of the assets of the Plan shall be in compliance with the prudent investor rule as set forth in Connecticut General Statutes Sections 45a-541 to 45a-541i, inclusive.

II. Roles and Responsibilities

All parties serving the Plan at the date of the original adoption of this Statement of Investment Policy and Guidelines have 60 days to be in compliance with its provisions, or to notify the Pension Board in writing as to why they cannot be in compliance.

A. Pension Board

The District Board (the “Pension Board” or “Board”), or the Trust Administrator acting on the Board’s behalf, has the responsibility of establishing and maintaining policies for all aspects of the Plan including:

- Setting of investment policy;

- Performing asset allocation for the Plan;
- Selecting, evaluating, and replacing investment professionals.

The Board, or the Trust Administrator acting on the Board's behalf, may select other professionals to assist in its duties.

B. Trust Administrator

The Metropolitan District has delegated the responsibility to its Personnel, Pension & Insurance Committee to plan, organize, and administer the operations of the Trust under broad policy guidance from the Board. These operations include but are not limited to accounting; administration of investments, attorneys, accountants, actuaries, consultants and select investment oversight.

C. Actuary

The Board or the Trust Administrator acting on the Board's behalf, will select an actuary to perform a valuation of the Plan as often as needed.

D. Investment Consultant

The Board, or the Trust Administrator acting on the Board's behalf, may engage an investment consultant. The investment consultant will give an independent perspective on the Plan, help select custodians and investment managers, review asset allocation, provide investment performance measurement, and assist in constructing a portfolio that will have the potential of earning the actuarial rate of return with a high probability of success while muting as much volatility as possible.

The investment consultant is expected to attend meetings of the Board as needed and to perform asset allocation studies as needed.

The investment consultant will acknowledge in writing that he is a fiduciary of the plan relative to the provided services.

E. Custodian

The Custodian will hold all cash and securities or evidence thereof. The Custodian will be responsible for maintaining records, providing fund accounting and other services as defined in its contract.

The Custodian may not engage in financial transactions related to the Trust that are based on written or oral instructions from any person other than the Board, or the Trust Administrator acting on the Board's behalf.

F. Investment Managers

In managing assets for the Plan, the Board, or the Trust Administrator acting on the Board's behalf, may engage the services of investment managers. Investment managers buy and sell securities or other investments according to guidelines established for their particular asset class.

Investment managers are to acknowledge in writing that they are fiduciaries of the plan relative to provided services.

III. Pension Trust

The Pension Board, or the Trust Administrator acting on the Board's behalf, has three tasks to accomplish in managing the Trust: first, to adopt a realistic actuarial rate of return for the Trust; second, to recommend the level of contributions needed to keep the Trust financially sound; and third, to construct a portfolio that will have the potential of earning the actuarial rate of return with a high probability of success while muting as much volatility as possible.

The Board, or the Trust Administrator acting on the Board's behalf, shall exercise an appropriate level of due

diligence with respect to all aspects of the investments in the Trust, development of the asset allocation structure, selection of external investment managers and the monitoring of investment performance.

The Board or the Trust Administrator acting on the Board's behalf, is aware that mutual funds and other commingled vehicles have separate guidelines and/or prospectuses. When employing such vehicles, the Board or the Trust Administrator acting on the Board's behalf, acknowledges that those separate guidelines and/or prospectuses shall supersede the guidelines that follow.

A. Manager Responsibility

Managers of funds administered under the Trust must acknowledge fiduciary responsibility relative to their work with the plan. Managers shall be held to the prudent expert standard articulated in Section I.B.2. above.

B. Trust Characteristics

In constructing portfolios for the Trust, the Board or the Trust Administrator acting on the Board's behalf, should consider the following characteristics.

1. Liquidity

The Plan should have liquidity to meet its cash flow needs. Individual investments may have limited liquidity so long as they do not interfere with the operation of the Plan as a whole. The Board acknowledges the most liquid investments come at a cost of lower expected return. Some investments may be selected with limited liquidity if expected returns exceed those of the more liquid investments and/or if the investments provide greater risk mitigation.

2. Diversification

Assets should be diversified among asset categories, sectors, and geographic areas to minimize volatility.

3. Time Horizon

The time horizon of the Plan is perpetual. In projecting returns for the Plan, the Board may consider information from recent history (20 years), long-term history (about 70 years) or some combination of the two. The Board, or the Trust Administrator acting on the Board's behalf, must judge what data gives the best estimate for future returns by applying evidence from the past to current circumstances.

4. Risk Tolerance

The primary investment emphasis of the Trust is to preserve capital and achieve consistency of results. However, a secondary goal is to meet the actuarial rate of return. The Board, or the Trust Administrator acting on the Board's behalf, should strive to attain these goals while still meeting the actuarial rate of return.

The Board, or the Trust Administrator acting on the Board's behalf, recognizes that risk is present in all investments. The assumption of risk is needed to achieve satisfactory long-term results. It is the responsibility of the Board, or the Trust Administrator acting on the Board's behalf, to manage the tradeoff between risk and return given the projected needs of the Trust, always attempting to minimize risk of the overall portfolio for any given level of return.

5. Asset Allocation

An asset allocation study should be periodically performed. The study requires a projection of cash flows, which are dependent on contributions made into the Plan and disbursements made from the Plan in the form of benefits and expenses. The purpose of the asset allocation study is to understand the trade off between risk and return, and to aid in the construction of a portfolio that has a high probability of earning the actuarial rate of return but achieves this goal with a minimum of volatility.

6. Rebalancing

Once policy targets for the asset allocation are set in the asset allocation study, the Board, or the Trust Administrator acting on the Board's behalf, in conjunction with the investment consultant, should monitor and rebalance the Plan in an effort to keep the asset allocation in line with the policy target while at the same time minimizing transaction costs.

C. Investment Alternatives

Investment alternatives are divided into four broad categories: fixed income, domestic equity, international equity and alternative investments.

Fixed income investments shall be used primarily to provide stability of principle. Domestic equity and international equity may be added to enhance return. Alternative investments may be added to enhance return, and to provide diversification that will reduce volatility.

The Plan also participates in an Immediate Participation Guarantee used to fund benefits that have been guaranteed to past and present Plan participants; the Board has limited control over these assets. They offset guaranteed benefits and fluctuate as the relation between the actuarial value of the liabilities and underlying assets change. This investment has been reviewed in the past and is periodically evaluated. At present, because of contractual obligations and the costs associated with reallocation, this allocation has remained.

D. Performance Standards

Each manager hired will be assigned a benchmark. Active managers are expected to exceed their benchmark net of fees, and to perform in the upper half of a universe of managers in a similar style over a market cycle. Passive managers are expected to track their respective benchmarks with minimal tracking error. Guidelines for each of the asset classes are outlined in the next section.

IV. Manager Guidelines

A. Fixed Income Managers

1. Investment objective. Active bond managers are expected to beat a benchmark appropriate to their style, and to perform in the top half of a universe of similar portfolios. The benchmark used for comparison should be assigned to the manager as part of the selection process.
2. Permissible securities. Fixed income managers may invest in U.S. Government and agency bonds, U.S. domestic corporate bonds, asset-backed and mortgage-backed securities, and convertible bonds.
3. Non-permissible securities. Fixed income managers are prohibited from investing in equity securities (except for term trusts) and municipal bonds. Fixed income managers are also prohibited from investing in commodities, unregistered letter stock, foreign securities (other than those evidenced by American Depositary Receipts which are listed on the New York Stock Exchange (NYSE)), warrants, loans of portfolio securities, venture capital issues and private placements.
4. Non-permissible transactions. Fixed income managers are prohibited from purchasing securities on margin or selling short.
5. Cash balances. Managers are expected to remain fully invested. However, the decision to maintain cash balances is left to the manager's discretion, keeping in mind that the benchmark will be applied to the manager's total portfolio and not just to the non-cash portion. Managers should inform the Board within 10 business days if cash balances exceed 10%. Cash and equivalents may be invested in commercial paper rated A1 or P1, repurchase agreements, U.S. Treasury Bills and money market fund.

6. Marketability. Fixed income securities should be readily marketable.
7. Diversification. Fixed income obligations of any one issuer, other than securities subject to the guarantee of the United States government or any of its agencies, should represent no more than 5% of the aggregate fair market value of a manager's portfolio.

B. Domestic Equity Managers

1. Investment Objective. Active equity managers are expected to outperform a benchmark appropriate to their style (value, core or growth) and market capitalization (large, mid and small). In addition, active equity managers should be ranked in the upper half of a universe of similar portfolios. Passive equity managers are expected to track their appropriate benchmark.
2. Permissible securities. Equity managers may invest in common stocks, convertible securities, and American Depositary Receipts (ADRs) and for listed securities of foreign corporations. Listed securities are those traded on the NYSE, American Stock Exchange (AMEX) and National Association of Securities Dealers Automated Quotation System (NASDAQ) exchanges. Any investment in convertible debentures must carry an investment grade rating of "A" or better. Securities purchased should come from the universe of their benchmark – or closely resemble them. For example, a large cap value manager should largely purchase large cap value securities. However, it is acceptable to purchase a modest amount of mid cap value or large cap growth as long as the characteristics and the performance of the fund generally resemble those of a large cap value fund.
3. Non-permissible securities. Equity managers may not invest in foreign securities other than those defined above, fixed income securities, commodities, unregistered letter stock, warrants, real estate mortgages, all options and futures, real or personal property, oil and gas property, loans of portfolio securities, venture capital issues, private placements, securities of a contributing employer, and derivatives. Derivatives include collateralized mortgage obligations, interest-only and principal-only strips, and currency swaps or other specialized investment activities.
4. Non-permissible transactions. Except with the written consent of the Board, or the Trust Administrator acting on the Board's behalf, equity managers may not purchase securities on margin or sell short.
5. Cash balances. Managers are expected to remain fully invested. However, the decision to maintain cash balances is left to the manager's discretion, keeping in mind that the benchmark will be applied to the manager's total portfolio and not just to the non-cash portion. Managers should inform the Board and the Trust Administrator within 10 business days if cash balances exceed 10%. Cash and equivalents may be invested in commercial paper rated A1 or P1, repurchase agreements, U.S. Treasury Bills and money market fund.
6. Marketability. Securities should be marketable. It is understood that small- and mid-capitalization stocks offer less liquidity than more widely held securities.
7. Diversification. Equity investments by a manager in any single corporation shall be limited to no more than 5% of the manager's total portfolio based on the fair market value of the portfolio at the time of purchase, and no more than 10% of the manager's total portfolio at any quarterly valuation. The portfolio should also be appropriately diversified by industry sector. The manager should inform the Board and the Trust Administrator in writing of any violation within 10 business days of its occurrence.
8. Income. There are no minimum yield or dividend requirements.

C. International Equity Managers

1. Investment objective. Active international equity managers are expected to outperform a benchmark appropriate to their style. In addition, active international equity managers should be ranked in the upper half of a universe of similar portfolios.

2. Permissible securities. International equity managers must invest in securities of companies not domiciled in the United States, including common stocks traded on any major stock exchange or ADRs traded in the United States, global depository receipts (GDRs) and preferred stocks traded on any major stock exchange. International equities include equities of both developed countries and emerging markets.
3. Non-permissible securities. Foreign equity managers may not invest in equities of U.S.-domiciled companies, fixed income securities, commodities, unregistered letter stock, warrants, real estate mortgages, all options and futures, real or personal property, oil and gas property, loans of portfolio securities, venture capital issues, private placements, securities of a contributing employer, and derivatives. Derivatives include collateralized mortgage obligations, interest-only and principal-only strips, and currency swaps or other specialized investment activities.
4. Non-permissible transactions. Except with the written consent of the Board, or the Trust Administrator acting on the Board's behalf, managers may not purchase securities on margin or sell short.
5. Cash Balances. Managers are expected to remain fully invested. However, the decision to maintain cash balances is left to the manager's discretion, keeping in mind that the benchmark will be applied to the manager's total portfolio and not just to the non-cash portion. Managers should inform the Board and Trust Administrator within 10 business days if cash balances exceed 10%. Cash and equivalents may be invested in commercial paper rated A1 or P1, repurchase agreements, U.S. Treasury Bills and money market fund.
6. Marketability. Securities should be marketable. It is understood that international equity securities, especially in emerging markets, offer less liquidity than more widely held securities.
7. Diversification. Equity investments by a manager in any single corporation shall be limited to no more than 5% of the manager's total portfolio based on the fair market value of the portfolio at the time of purchase, and no more than 10% at any quarterly valuation. The portfolio should also be appropriately diversified by industry sector. The manager should inform the Board and Trust Administrator in writing of any violation within 10 business days.
8. Income. There are no minimum yield or dividend requirements.

D. Alternative Investments

Alternative investments should be considered with the goal of increasing the return of the portfolio without increasing risk, or lowering risk of the overall portfolio without lowering return.

If the Board, or the Trust Administrator acting on the Board's behalf, allocates part of the portfolio to an alternative asset class, separate investment guidelines specific to that asset class shall be adopted.

V. Manager Guidelines

Investment managers may not act upon written or oral instructions from any person other than the Board, or the Trust Administrator acting on behalf of the Board or the Administrator.

A. Discretionary Authority

Managers are given full discretion to act in accordance with the Statement of Investment Policy and Guidelines. In placing portfolio transaction orders on behalf of the Trust, each manager shall obtain execution of orders through responsible broker/dealers at the most favorable prices and at competitive commission rates, taking into consideration the efficiency of execution of the transaction.

B. Reporting

1. Within 14 calendar days a manager must inform the Board and Trust Administrator of changes in organizational structure, ownership, or key personnel. Also a manager must inform the Board and Trust Administrator of material litigation brought by a client or former client relating to investment advisory services, or any enforcement proceeding by a regulatory agency that would have a material effect on the manager, within 14 calendar days after the manager has been notified of the litigation or the enforcement proceeding.
2. On a monthly basis each manager is to submit a portfolio statement to the Board and Trust Administrator. The monthly statement should include market and book values for all security holdings and performance results compared with the designated benchmark.
3. On a quarterly basis each manager is to submit a brief letter or report to the Board and Trust Administrator on the status of and outlook for his or her portfolio. The report should address the following:
 - Economic investment and outlook;
 - Investment strategy (short- and intermediate-term)
 - Explanation of any high concentrations in any one sector or security;
 - A list of portfolio holdings or a summary of the largest holdings;
 - Commissions on trades upon request;
 - Market and book values for all security holding;
 - Performance results compared with designated benchmarks;
 - Brokerage commission reports (if any);
 - Turnover ratio;
 - Derivative use;
 - Quality ratings with average quality (for fixed income portfolios).
4. On an annual basis each manager may be required to submit an annual proxy voting report and the filing of Form ADV with the Securities and Exchange Commission.

C. Proxy Voting

The Board requires that managers exercise authority with regard to proxy voting, acting solely in the interest of and for the exclusive purpose of providing benefits to participants and beneficiaries, and always acting in the best interests of participants and beneficiaries. With regard to corporate governance, proxy votes should be against proposals to limit or eliminate liability for violation of duty of care and to indemnify directors in instances of gross negligence.

Managers shall be able to provide, upon request, an annual proxy voting report that shall include the following:

- Summation of all votes cast;
- Affirmation that all stock holdings with votes due were voted;
- Description of proposed changes in proxy voting policies;
- Confirmation that all votes cast were consistent with policy;
- Explanation of any violation of the previous requirements.

D. Cost Management

1. Turnover. The Board acknowledges that in the course of a year, investment conditions and opportunities will require managers to buy and sell securities on the Board's behalf. While the Board does not wish to inhibit the normal transactions executed by the managers, it does wish to be made aware of the need for any high levels of turnover to avoid churning the portfolio. The following reporting requirements are therefore for control purposes and are not necessarily intended to limit portfolio turnover to the stated limits.
 - Turnover is defined as the lesser of total purchases or sales divided by opening balance. Convertible bonds are considered equity surrogates and are subject to the discussions for

common stocks. Preferred stocks are considered perpetual bondsurrogates and are subject to the discussions for corporate bonds.

- Equity turnover. Within five business days of the time in any calendar quarter in which the cumulative equity turnover during the quarter exceeds 30%, or within any calendar year in which the cumulative equity turnover exceeds 100%, the manager must submit a report to the Board and Trust Administrator stating the reason for the turnover as well as a list of any brokerage firms whose fees during the quarter or year exceeded \$ 10,000.
 - Fixed income turnover. Within five business days of the time in any calendar quarter in which the cumulative fixed income turnover during the quarter exceeds 100% or within any calendar year in which the cumulative fixed income turnover exceeds 200%, the manager must submit a report to the Board and Trust Administrator stating the reason for the turnover as well as a list of any brokerage firms handling more than 20% of the subject trades. U.S. government securities, used as collateral as part of the repurchase agreements, are exempt from this requirement.
 - Turnover may be considered as one factor in the money manager selection and retention process.
2. Broker Relations. The manager is free to execute trades whenever it is in the best interests of the Trust, and will have the discretion to execute transactions with brokerage firms of his or her choosing.
- The selection of a broker should be based on the quality of executions. Factors affecting the quality of executions include the financial health of the brokerage firm, the business integrity of the brokerage firm, commission costs and overall efficiency.
 - Commission dollars are a Trust asset and should not be used for purposes other than those that directly benefit Trust participants. The manager is required to provide reports and descriptions of all soft dollar arrangements involving the use of commission dollars to acquire resources of any type.

VI. Execution of Investment Policy

IN WITNESS WHEREOF, this document has been approved and executed by the undersigned on this

_____ day of xxxxx__, 2021

Retirement Plan for Employees of The Metropolitan District

Date: _____

By: _____
Trust Administrator

By: _____
Board Chairman

ADDENDUM

ASSET ALLOCATION

The Board has currently adopted the following asset allocation at market value:

	<u>Allocation</u>	<u>Range</u>
Large Cap Equity	30%	+/- 10%
Mid Cap Equity	10%	+/- 5%
Small Cap Equity	10%	+/- 5%
International Equity	12.5%	+/- 6%
Real Estate	10%	+/- 5%
Timber	5%	+/- 5%
Fixed Income	22.5%	+/- 7.5%

INSURANCE COVERAGE APPROVAL

To: Personnel, Pension and Insurance Committee

September 20, 2021

Pursuant to section B3h of the By-Laws of the District Board, the Personnel, Pension and Insurance Committee ("PPI") has full charge of all insurance and shall determine insurance coverage on all business and property of the District. PPI is authorized, within the limits of the budget as approved by the District Board, to determine the form and amount of insurance coverage.

Assured Partners (formerly Peoples United Insurance) is the appointed insurance advisor/ broker of record for the District and provided recommendations for certain coverages and limits to PPI acceptance and placement by the District as described more specifically in a summary document attached hereto.

It is therefore **RECOMMENDED** that it be:

VOTED: That the Personnel Pension and Insurance Committee approve the insurance coverages and limits as outlined in the attached document to this Resolution.

RESOLVED: The Personnel, Pension & Insurance Committee hereby approves and authorizes the placement of the insurance coverages and limits described in the document attached hereto and hereby incorporated;

FURTHER

RESOLVED: The Personnel, Pension & Insurance Committee hereby and authorizes and directs the Chief Executive Officer to sign and/or otherwise execute such documents or instruments as may be necessary to bind and place said coverages.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer



THE METROPOLITAN DISTRICT COMMISSION
COMMERCIAL INSURANCE SUMMARY
2021-2022

Coverage	Coverage Details	2020-2021	2021-2022	\$ Change	% Change	Ave % Change
Workers Compensation	Coverage Details	Safety National	Liberty Mutual			
Limit Per Occurrence \$1,000,000		\$ 119,498.00	\$ 119,931.00	\$ 433.00	0.4%	0-5%
	Average Rate	\$ 0.2670	\$ 0.2649			
	Total Payroll	\$ 44,755,712.00	\$ 45,274,235.00			
	SIR Each Occurrence	\$ 1,000,000.00	\$ 1,000,000.00			
*Safety National increased the minimum premium on their Excess Workers' Compensation program to \$150,000 in 2021						
Property	Coverage Details	Travelers	Travelers			
		\$ 464,971.00	\$ 519,876.00	\$ 54,905.00	11.8%	10-15%
	Property Rate	\$ 0.0625	\$ 0.0673		7.7%	
	Blanket Building & BPP	\$ 732,518,295.00	\$ 761,819,046.00		4.0%	
	BI & Extra Expense	\$ 10,954,950.00	\$ 10,954,950.00		0.0%	
	Deductible Per Claim	\$ 100,000.00	\$ 100,000.00			
Excess General Liability	Coverage Details	Travelers	Travelers			
Limit Per Occurrence \$1,000,000		\$ 227,278.00	\$ 237,060.00	\$ 9,782.00	4.3%	10-12%
Aggregate \$3,000,000	SIR Each Occurrence	\$ 250,000.00	\$ 250,000.00			
Law Enforcement		\$ 5,571.00	\$ 6,042.00	\$ 471.00	8.5%	25-50%
Limit Per Wrongful Act \$5,000,000	Police Officer Count	5	5		0.0%	
Aggregate \$5,000,000	Deductible Per Wrongful Act	\$ 10,000.00	\$ 10,000.00			
Standard Self Insured Claims Administration		N/A	Included	\$ -		
Excess Auto Liability	Coverage Details	Travelers	Travelers			
Combined Single Limit \$1,000,000		\$ 107,999.00	\$ 117,361.00	\$ 9,362.00	8.7%	5-10%
	# of Power Units	324	324		0.0%	
	# of trailers	58	58		0.0%	
	Cost Per Unit	\$ 333.33	\$ 362.23		8.7%	
	SIR Per Claim	\$ 250,000.00	\$ 250,000.00			
Standard Self Insured Claims Administration		N/A	Included	\$ -		
Crime (Fidelity)	Coverage Details	Travelers	Travelers			
Employee Theft, ERISA, Funds Transfer	\$1,000,000 per Claim	\$ 3,865.00	\$ 4,767.00	\$ 902.00	23.3%	15-25%
	\$25,000 Retention per Claim	*Pro-Rated Premium \$2,891				
Fiduciary Liability/Retirement	Coverage Details	Travelers	Travelers			
Claims Made	\$3,000,000	\$ 16,175.00	\$ 18,069.00	\$ 1,894.00	11.7%	10-25%
	\$10,000 Retention per Claim	*Pro-Rated Premium \$12,098				
	Total Plan Assets	\$ 290,000,000.00	\$ 345,000,000.00			
Public Entity Liability/EPL	Coverage Details	ACE/Chubb	ACE/Chubb			
Directors & Officers, Employment Practices	\$5,000,000 per Claim	\$ 117,451.00	\$ 132,814.00	\$ 15,363.00	13.1%	10-30%
Claims Made Basis	\$500,000 Retention per Claim	*Pro-Rated Premium \$87,853				
Cyber Liability	Coverage Details	Tokyo Marine	Tokyo Marine			
Claims Made	\$1,000,000	\$ 17,009.00	\$ 28,295.00	\$ 11,286.00	66.4%	30-100%
	Deductible	\$ 25,000.00	\$ 50,000.00			
Excess Police Professional	Coverage Details	American Alternative	American Alternative			
\$5,000,000 Excess of \$5,000,000	\$0 Retention per Claim	\$ 8,250.00	\$ 10,000.00	\$ 1,750.00	21.2%	25-50%
As of 09/17/2021	TOTAL PREMIUM	\$ 1,088,067.00	\$ 1,194,215.00	\$ 106,148.00	9.8%	

PENDING RENEWAL QUOTES AS OF 9-17-21

1st Umbr/Excess Layer		Berkshire Hathaway	Berkshire Hathaway & TBD			
\$25,000,000 Excess of Primary	2020: \$25,000,000 2021: \$10,000,000 2021: \$15,000,000	\$ 451,406.00	\$ 383,029.00			
			TBD			
			\$ 383,029.00	\$ (68,377.00)		50-75%
Umbr/Excess Layer		Great American	Great American			
2020-21: \$25M X \$25M	Excess of \$25,000,000	\$ 112,500.00	TBD			50-75%
2021-22: \$25M X \$25M						

ANNUAL FLOOD PROGRAM ~ VARIOUS EFFECTIVE DATES

NFIP Flood		The Hartford	The Hartford			
36 Individual Policies	Limits Vary by Building: Building Limit \$71,700 - \$500,000 Contents Limit \$0 - \$50,000	\$ 140,185.00	\$ 152,897.00	\$ 12,712.00	9.1%	15%

POLICIES NOT RENEWING IN 2021

Pollution Liability		Zurich 10/1/2020 - 10/1/2023
Claims Made	Per Pollution Event Limit \$5,000,000 Aggregate Policy Limit \$10,000,000 Deductible Per Event \$50,000	\$ 171,912.00
Travel Accident		The Hartford 2/1/2019 - 2/1/2023
	AD&D Limit Per Person/Incident \$100,000 Policy Aggregate Limit Per Incident \$500,000	\$ 2,589.00



MDC



POWER

through Partnership

Insurance Proposal For:

The Metropolitan District Commission

Date: 9/17/2021

Presented By:

Alfred J. Tanguay, VP

Senior Vice President

(860) 426-6170

Fred.Tanguay@AssuredPartners.com


AssuredPartners New England, Inc.

One Financial Plaza

Hartford, CT 06103

Table of Contents

- I. Commercial Insurance Summary
- II. Workers Comp Marketing Summary
- III. Executive Summary
- IV. Agency Profile
- V. Agency Contact Information
- VI. Online Client Portal

		THE METROPOLITAN DISTRICT COMMISSION COMMERCIAL INSURANCE SUMMARY 2021-2022				
Coverage	Coverage Details	2020-2021	2021-2022	\$ Change	% Change	Ave % Change
Workers Compensation	Coverage Details	Safety National	Liberty Mutual			
Limit Per Occurrence \$1,000,000		\$ 119,498.00	\$ 119,931.00	\$ 433.00	0.4%	0-5%
	Average Rate	\$ 0.2670	\$ 0.2649			
	Total Payroll	\$ 44,755,712.00	\$ 45,274,235.00			
	SIR Each Occurrence	\$ 1,000,000.00	\$ 1,000,000.00			
*Safety National increased the minimum premium on their Excess Workers' Compensation program to \$150,000 in 2021						
Property	Coverage Details	Travelers	Travelers			
		\$ 464,971.00	\$ 519,876.00	\$ 54,905.00	11.8%	10-15%
	Property Rate	\$ 0.0625	\$ 0.0673		7.7%	
	Blanket Building & BPP	\$ 732,518,295.00	\$ 761,819,048.00		4.0%	
	BI & Extra Expense	\$ 10,954,950.00	\$ 10,954,950.00		0.0%	
	Deductible Per Claim	\$ 100,000.00	\$ 100,000.00			
Excess General Liability	Coverage Details	Travelers	Travelers			
Limit Per Occurrence \$1,000,000		\$ 227,278.00	\$ 237,060.00	\$ 9,782.00	4.3%	10-12%
Aggregate \$3,000,000	SIR Each Occurrence	\$ 250,000.00	\$ 250,000.00			
Law Enforcement		\$ 5,571.00	\$ 6,042.00	\$ 471.00	8.5%	25-50%
Limit Per Wrongful Act \$5,000,000	Police Officer Count	5	5		0.0%	
Aggregate \$5,000,000	Deductible Per Wrongful Act	\$ 10,000.00	\$ 10,000.00			
Standard Self Insured Claims Administration		N/A	Included	\$ -		
Excess Auto Liability	Coverage Details	Travelers	Travelers			
Combined Single Limit \$1,000,000		\$ 107,999.00	\$ 117,361.00	\$ 9,362.00	8.7%	5-10%
	# of Power Units	324	324		0.0%	
	# of trailers	58	58		0.0%	
	Cost Per Unit	\$ 333.33	\$ 362.23		8.7%	
	SIR Per Claim	\$ 250,000.00	\$ 250,000.00			
Standard Self Insured Claims Administration		N/A	Included	\$ -		
Crime (Fidelity)	Coverage Details	Travelers	Travelers			
Employee Theft, ERISA, Funds Transfer	\$1,000,000 per Claim	\$ 3,865.00	\$ 4,767.00	\$ 902.00	23.3%	15-25%
	\$25,000 Retention per Claim					
		*Pro-Rated Premium \$2,891				
Fiduciary Liability/Retirement	Coverage Details	Travelers	Travelers			
Claims Made	\$3,000,000	\$ 16,175.00	\$ 18,069.00	\$ 1,894.00	11.7%	10-25%
	\$10,000 Retention per Claim					
	Total Plan Assets	\$ 290,000,000.00	\$ 345,000,000.00			
		*Pro-Rated Premium \$12,098				
Public Entity Liability/EPL	Coverage Details	ACE/Chubb	ACE/Chubb			
Directors & Officers, Employment Practices	\$5,000,000 per Claim	\$ 117,451.00	\$ 132,814.00	\$ 15,363.00	13.1%	10-30%
Claims Made Basis	\$500,000 Retention per Claim					
		*Pro-Rated Premium \$87,853				
Cyber Liability	Coverage Details	Tokyo Marine	Tokyo Marine			
Claims Made	\$1,000,000	\$ 17,009.00	\$ 28,295.00	\$ 11,286.00	66.4%	30-100%
	Deductible	\$ 25,000.00	\$ 50,000.00			
Excess Police Professional	Coverage Details	American Alternative	American Alternative			
\$5,000,000 Excess of \$5,000,000	\$0 Retention per Claim	\$ 8,250.00	\$ 10,000.00	\$ 1,750.00	21.2%	25-50%
As of 9/17/2021		TOTAL PREMIUM	\$ 1,088,067.00	\$ 1,194,215.00	\$ 106,148.00	9.8%

PENDING RENEWAL QUOTES AS OF 9-17-21

1st Umbrella/Excess Layer		Berkshire Hathaway	Berkshire Hathaway & TBD		
\$25,000,000 Excess of Primary	2020: \$25,000,000 2021: \$10,000,000 2021: \$15,000,000	\$ 451,406.00	\$ 383,029.00 TBD	\$ (68,377.00)	50-75%
Umbrella/Excess Layer		Great American	Great American		
2020-21: \$25M X \$25M 2021-22: \$25M X \$25M	Excess of \$25,000,000	\$ 112,500.00	TBD		50-75%

ANNUAL FLOOD PROGRAM ~ VARIOUS EFFECTIVE DATES

NFIP Flood		The Hartford	The Hartford		
36 Individual Policies	Limits Vary by Building: Building Limit \$7,170 - \$500,000 Contents Limit \$0 - \$50,000	\$ 140,185.00	\$ 152,897.00	\$ 12,712.00	9.1% 15%


POLICIES NOT RENEWING IN 2021

Pollution Liability		Zurich 10/1/2020 - 10/1/2023
Claims Made	Per Pollution Event Limit \$5,000,000 Aggregate Policy Limit \$10,000,000 Deductible Per Event \$50,000	\$ 171,912.00
Travel Accident		The Hartford 2/1/2019 - 2/1/2023
	AD&D Limit Per Person/Incident \$100,000 Policy Aggregate Limit Per Incident \$500,000	\$ 2,589.00

IMPORTANT NOTICE

Proposals are a summary of coverage and do not detail all applicable terms, conditions, exclusions, and warranties. In the event of a discrepancy between the proposal and the policy, the policy will prevail.

Workers Comp Marketing Summary

 <div> The Metropolitan District Commission Summary and Comparison October 1, 2021-2022 </div>				
Column 1	Column 2	Column 3	Column 4	Column 5
Insurance Company	2020-2021	2021 Renewal Options		
	Safety National Expiring	Safety National Renewal	Liberty Mutual	Midwest Employers Casualty
Policy Term	Expiring 2020 - 2021	20-21 Option 1	20-21 Option 2	20-21 Option 3
Program Details				
Program Type	\$1,000,000 Self-Insured Retention	\$1,000,000 Self-Insured Retention	\$1,000,000 Self-Insured Retention	\$1,000,000 Self-Insured Retention
Estimated Payroll	\$44,755,712	\$45,274,235	\$45,274,235	\$45,274,235
Per Occurrence Limit	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Aggregate Limit	\$1,000,000	\$1,000,000	N/A	\$1,000,000
Program Costs				
Minimum Premium	\$119,498	\$143,225	N/A	\$110,826
Premium Rate	\$0.267	\$0.333	\$0.264	\$0.2760
Estimated Premium - Based on Total Estimated Payroll	\$119,498	\$150,763	\$119,931	\$125,140

2021-2022 Workers Compensation Marketing Responses	
Company	Comments
CHUBB	Indication of \$200,000 due to minimum premium requirement.
AIG	Not a market for Excess WC
MEMIC	Not a market for Excess WC
RLI	Not a market for Excess WC



Executive Summary

EXCESS WORKERS' COMPENSATION	EXPIRING	NEW
	SAFETY NATIONAL \$119,498	LIBERTY MUTUAL \$119,931

Workers Compensation insurance is one of the few lines of insurance that has seen a somewhat stable marketplace and not double-digit premium increases. Pricing is extremely dependent on loss experience and payrolls. Payrolls for MDC have increased from \$44,755,712 in 2020 to \$45,274,234 in 2021. The longtime Excess Workers Compensation carrier for MDC, Safety National, made a business decision this year on their complete book of business to increase their minimum premium to \$150,000 and as such have put themselves at a disadvantage compared to their competitors. We are presenting alternative quotes through Liberty Mutual and Midwest Casualty as well. Based on our analysis, Liberty Mutual is currently presenting the most comparable and competitive proposal. See the Workers Comp Marketing Summary for further detail.

PROPERTY INCLUDING IM	EXPIRING	RENEWAL
	TRAVELERS \$464,971	TRAVELERS \$519,876
	Rate 0.0625/100	Rate 0.0673/100
	TIV \$732,518,295	TIV \$761,819,046

For the past year, we have been seeing most property renewals come in between 10-30% higher in premium than expiring, while also limiting sub-limit coverages, such as flood or earthquake. Lower investment yields, adverse catastrophic loss development and concerns with climate change have resulted in rate increases across the board. Rates are still increasing in Q2, but the pace of increase has slowed. According to national surveys, the average property rate increases in Q2 were 10-15%. Travelers is offering renewal terms with a 7.7% property rate increase.

EXCESS GENERAL LIABILITY INCLUDING POLICE PROFESSIONAL	EXPIRING	RENEWAL
	TRAVELERS \$232,849	TRAVELERS \$243,102

Rate increases, capacity/limit restrictions and much tighter underwriting standards are commonplace in the General Liability marketplace. In particular, the impact of "social inflation," which includes extremely high jury/court awards, has put significant pressure on premium rates.

EXCESS AUTOMOBILE	EXPIRING	RENEWAL
	TRAVELERS \$107,999	TRAVELERS \$117,361

Just as we saw last year nationwide, Commercial Automobile coverage continues to have loss ratios in excess of 100%, thus pushing renewal rates up by double digits. The economic slowdown resulted in fewer accidents, but catastrophic losses largely offset this reduction. Distracted driving continues to be problematic.

Executive Summary (CONT.)

<u>Standard Self Insured Claims Administration</u>	EXPIRING N/A (MDC Internal)	RENEWAL TRAVELERS Included
---	--	---

To date, MDC has employed an internal claims handler for any/all third-party General Liability or Automobile Liability claims under the SIR (self-insured retention) of \$250,000. Going forward, Travelers has agreed to work with MDC to provide a similar level of claims handling for all previously mentioned claims. Travelers will come to an agreement with MDC regarding all services they can offer. These services will be reflected in the General Liability and Automobile annual premiums.

CRIME	EXPIRING TRAVELERS \$2,891 (10 months) \$3,865 (annualized)	RENEWAL TRAVELERS \$4,767 (12 months)
--------------	--	--

This coverage line continues to harden due to social engineering fraud and vendor fraud losses across the industry. Underwriters are requiring more pandemic-related underwriting information from companies and focusing on any staff reductions in treasury, internal or finance departments, and any changes with regard to financial controls or security of physical inventory.

FIDUCIARY LIABILITY	EXPIRING TRAVELERS \$12,098 (10 months) \$16,175 (annualized)	RENEWAL TRAVELERS \$18,069 (12 months)
----------------------------	--	---

An unprecedented level of claim filings and losses in 2020 has resulted in a significant level of disruption in this coverage line unlike we've ever seen before. Carriers are increasing premiums, decreasing limits, increasing retentions and /or restricting coverage available for fee and expense claims. National average is expected between 10-25% premium increases, in addition to changes to terms and conditions. Travelers is committed to their partnership with The MDC, therefore, they are offering renewal terms with no changes to their terms or conditions for a premium increase of 11%, solely reflecting an increase in total plan assets from last year (\$345M vs \$290M).

Executive Summary (CONT.)

DIRECTORS & OFFICERS, EMPLOYMENT PRACTICES LIABILITY	EXPIRING CHUBB \$117,451	RENEWAL CHUBB \$132,814
---	-------------------------------------	------------------------------------

Premiums are up for Directors and Officers (D&O) insurance, driven by continued uncertainty around COVID-19 and increased litigation frequency and severity of settlement payments. After many years of competitive pricing, a surge of D&O claims since 2018 has resulted in continuous rate increases. Underwriters are offering lower limits and increasing retention. Employment Practices Liability underwriters are seeking increased premiums as they see an increase in litigation based on disability, age, race, sex and other protected classes.

CYBER	EXPIRING TOKIO MARINE \$17,009	RENEWAL TOKIO MARINE \$28,295
--------------	---	--

Cyber Liability was newly written in 2020 for MDC. The Cyber market started to harden in the fall of 2020 and the marketplace in 2021 is extremely challenging. Policyholders lacking certain controls, policies and procedures are being non-renewed and no other insurance companies are offering coverage. Ransomware, business interruption, social engineering and a lack of MFA has resulted in a significant increase in the frequency and severity of claims. Some Cyber insurance carriers are now implementing sublimits for ransomware.

EXCESS POLICE PROFESSIONAL	EXPIRING AMERICAN ALTERNATIVE \$8,250	RENEWAL AMERICAN ALTERNATIVE \$10,000
-----------------------------------	--	--

Police Professional Liability insurance is an extremely challenging marketplace. Many insurance companies have stopped writing this coverage or are significantly reducing limits and increasing retentions/deductibles. Social unrest and other factors have led to increased litigation, punitive damages being sought and the likelihood of higher court awards.

EXCESS LIABILITY	EXPIRING	RENEWAL
1ST LAYER	BERKSHIRE HATHAWAY \$451,406	BERKSHIRE HATHAWAY \$383,029
2ND LAYER	GREAT AMERICAN \$112,500	TBD \$
3RD LAYER	N/A	GREAT AMERICAN \$

Umbrella & Excess liability (along with Cyber) is the most challenging line of insurance to place. Verdict inflation has risen since 2015. The median cost of a large jury award in 2015 was slightly over \$20 million and in 2020 was \$27 million. Low interest rate environment to offset losses from claim is forcing carriers to focus more on traditional underwriting income. The Council of Insurance Agents and Brokers reported that umbrella pricing increased, on average, 22.9% in 2020 and these increases have continually gone up in Q1 and Q2 of 2021.

Executive Summary (CONT.)

BUSINESS TRAVEL ACCIDENT **CURRENT : 3 YEAR TERM EXPIRING 02/01/2022**
THE HARTFORD \$2,589

This coverage applies to MDC's citizen member Commissioners and Chief Executive Officer. The hazards covered are injuries resulting from an accident during a covered business trip, including during a hijacking or during a sojourn or personal deviation from the business trip. Benefits include \$100,000 in the event of a death, \$50,000 for Accidental Medical Expense, and \$10,000 for Rehabilitation and Therapeutic Counseling.

SITE POLLUTION **CURRENT : 3 YEAR TERM EXPIRING 10/01/2023**
IRONSHORE SPECIALTY \$165,300

Coverage for pollution conditions or events on, at or under MDC property. Coverage extends to third party bodily injury, property damage, clean up costs and defense costs. \$5 million each event limit, subject to a \$10 million aggregate policy limit. \$50,000 deductible per event.



Agency Profile

About Us

AssuredPartners New England is an insurance and employee benefits firm that offers creative risk solutions to commercial and private customers. From business and personal insurance services to group benefits, we utilize our industry knowledge, experience, and strong carrier relationships to create custom programs for each individual client.

With our main regional hub located in Hartford, CT (formerly known as People's United Insurance Agency, Inc.), our region includes locations in New York, Connecticut, Massachusetts, Vermont, and New Hampshire. Our group is comprised of some of the most reputable independent agencies and brokerage firms throughout this territory that have joined the AP family, including:

- People's United Insurance Agency
- RC Knox & Company
- Chittenden Insurance Group
- Beardsley, Brown & Bassett
- Bank of Smithtown Insurance Agents and Brokers, Inc.
- Kesten-Brown Insurance, LLC
- Eagle Insurance

Power Through Partnership

At AssuredPartners, we're not just in the insurance business. We're in the business of developing strong, lasting relationships. Relationships built on trust that we earn day in and day out by collaborating with you as partners – where we view each other as equals, show mutual respect and work openly and honestly together to achieve common goals.

As true partners, our national team of dedicated, experienced insurance professionals always have your best interests in mind and are passionate about protecting your assets and helping you grow. Through listening, problem solving and collaboration, together we find the best new innovative solutions to fulfill your specific needs and promote your success – now and for the future. It's what we call power through partnership.

Agency Profile (CONT.)



Platform for Growth

- AssuredPartners New England is a division of AssuredPartners (AP), the 11th largest broker of U.S. business (as ranked by Business Insurance in the July 2020 edition, featuring the “100 Largest Brokers of U.S. Business”). As a division of AssuredPartners, we have the commitment, stability, and financial resources to serve clients.
- We are positioned for future growth and are committed to investing in client services that support our long-term vision and commitment to clients and colleagues.
- We dedicate significant resources to keeping our staff highly trained so that we are always up to the task. In addition, we strive to utilize the latest technologies that allow us to respond quickly and efficiently to our clients' needs

Client Value

- We help clients make informed risk and insurance choices to protect profitability, impact productivity, and enhance shareholder value. We do this by acting as a trusted advisor and outsourced risk management partner.
- By leveraging the collective resources of our team, we combine an ability to know the markets for our clients' unique needs with a consultative risk management approach to deliver customized risk management solutions.
- Our success is the result of a focused approach to meeting customer needs. AssuredPartners New England is the “right size” for our clients.

Contact Information

AssuredPartners New England, Inc.

One Financial Plaza, Hartford, CT 06103

800-742-2765 | assuredpartners.com

Account Service Team

SENIOR VICE PRESIDENT	Responsible for all sales, service, and risk management for Commercial Property & Casualty accounts	Alfred J. Tanguay, VP (860) 426-6170 Fred.Tanguay@AssuredPartners.com
SENIOR ACCOUNT EXECUTIVE	Dedicated Account Executive responsible for the on-going service of the account along with providing clients with reliable resources for all business needs	Ally Gable 413-327-7518 Alison.Gable@assuredpartners.com
ACCOUNT EXECUTIVE	Instrumental resource for clients; assists with the day-to-day servicing and managing of accounts.	Caitlin Melley (860) 426-6182 Caitlin.Melley@AssuredPartners.com
VICE PRESIDENT RISK CONTROL	Responsible for coordinating and monitoring loss control efforts of insurers and/or third party providers. Will help to quantify loss experience in order to direct loss control efforts to the most critical areas.	Richard Poirier (860) 426-6164 Rick.Poirier@AssuredPartners.com
CLAIMS CONSULTANT	Provides claim consulting and claim oversight for the benefit of our clients. Interacts on a regular basis with clients, manages insurance claim handlers and helps drive the claim process	Tracey Miller-Lamontagne, AIC, CLCS (860) 426-6183 Tracey.Miller@AssuredPartners.com
CLAIMS REPORTING	Reports all other claims except for Workers' Compensation and follows up to confirm acknowledgement and assignment of insurance company adjuster contact information.	Melissa Clark 802-786-5596 APEG.Claims@assuredpartners.com

Online Client Portal

Technology at Work for You

Your online client portal will provide you with secure access to your commercial insurance information 24/7. Enjoy the convenience of your insurance information at your fingertips, no matter where you are.

As one of AssuredPartners New England's valued clients, this program provides you with a variety of additional services, including:

- **Print and/or email an Automobile ID Card**

With online access, you have the ability to print your automobile ID Cards 24/7 from anywhere you have internet access. Your ID Cards can be printed, emailed or faxed directly from your online client portal. This is extremely valuable in situations when an Auto ID Card has been lost or misplaced.

- **View Critical Policy Information**

You can view a summary of your coverages or complete copy of your policy. You can also view a list of drivers and vehicles. This feature enables both you and People's United Insurance Agency to view the same database of information to assure that nothing is omitted from a policy which could possibly jeopardize coverage.

- **Customize User Access**

You can designate one or more individuals within your office to have access to your insurance information, as each online access user is assigned a unique sign-on and password. Based upon your needs, your online access may be tailored to provide limited or a broad array of information to your users.

- **Issue your own Certificates of Insurance***

You can enjoy the convenience of issuing your own certificates of insurance, whenever you need them, 24/7. Our service teams are here to help you during office hours, but if you need certificates before 8:30am or after 5pm, and on the weekends, this self-service feature of our portal may be just what you need.

***Contact your account manager or agent today for more information or email us at
APEG.Services@assuredpartners.com***

**The self-service Certificates of Insurance feature is not automatically available to all portal users. Please contact APEG.Services@assuredpartners.com to have the Certificate of Insurance feature added to your existing portal access*

Knowing your trends to create a better future

June 17, 2021



Annual Review for Metropolitan District

Elizabeth Gilbert, Account Manager
Erika Schermer, Health Information Consultant Senior
Carrie Carbonneau, Pharmacy Account Director
Sonia Gates, Pharmacist Program Manager

Anthem Blue Cross Blue Shield

Executive Summary

Reporting Period: May 2020 – Apr 2021

Membership: 1,506 (-4.4% trend)

Your total medical
spend was

\$9.3M

↓ 16.1% from PP

Your top medical
spend condition
categories were

Musculoskeletal: 12.1%*

↓ 11.3% PMPM trend

Health Status: 11.9%

↑ 17.1% PMPM trend

Injury & Poisoning: 9.3%

↑ 141.9% PMPM trend

Per Member Per Month,
your medical trend was

↓ 12.3%

\$513.16 PMPM

HCC PMPM: ↓ 23.2%
Adjusted PMPM ↓ 1.4%

Compared to the benchmark,
your PMPM spend was

45.4%

above the benchmark

High Cost Claimants (HCC)
accounted for

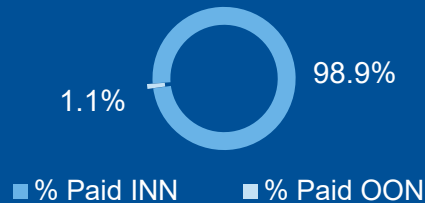
45.4%

of your total spend

PP: 45.8%

In-Network Discount

51.7%



* % of total spend

Generational Insights



GENERATION Z

<19 years old
2000+

MILLENNIALS

20-39 years old
1981-2000



GEN X

40-55 years old
1965-1980

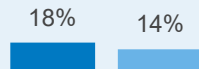
BABY BOOMERS

56-74 years old
1946-1964

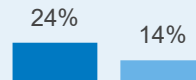
Cost & Enrollment

-  % of Total Membership
-  % of Total Spend

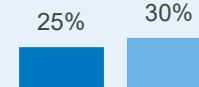
269 Members
\$412.47 Med PMPM



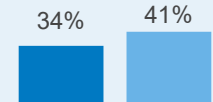
332 Members
\$314.39 Med PMPM



364 Members
\$619.58 Med PMPM

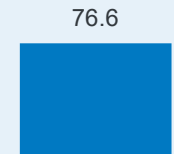
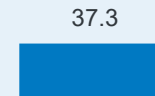
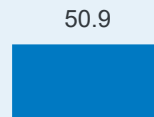
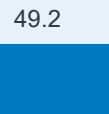


506 Members
\$627.89 Med PMPM





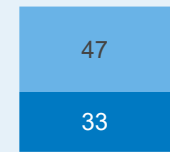
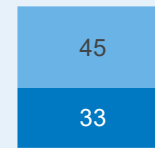
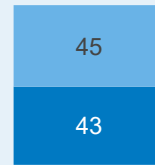
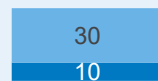
Admissions

-  Admits/1,000





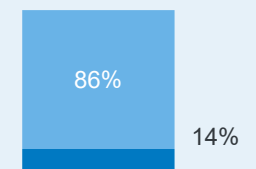
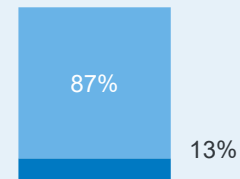
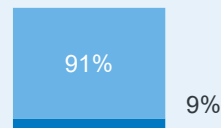
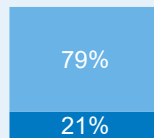
ED Visits/1,000

-  Avoidable
-  Non-Avoidable



Professional Visits/1,000

-  PCP
-  Specialist

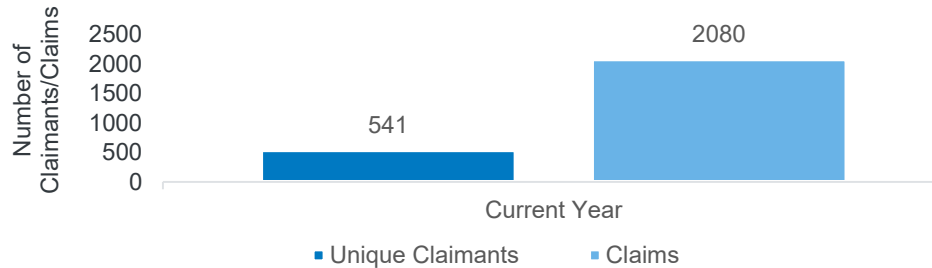


Telehealth & LiveHealth Online Summary

2020-2021 Telehealth

Paid Per Visit: \$102.43
Total Paid: \$213K

Total Telehealth Utilization



2020-2021 LHO Registration and Utilization

8 New Registrations 05/2020 – 04/2021
0.12 Utilization (visits/member/year)

Visit Types

Medical Visits **100%**
Behavioral Health **0%**
Other **0%**

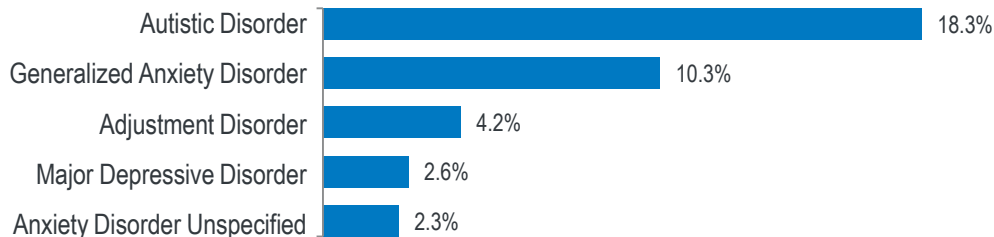
Where Would They Have Gone?

Urgent Care **67%**
PCP **0%**
RHC **0%**
Nowhere **33%**

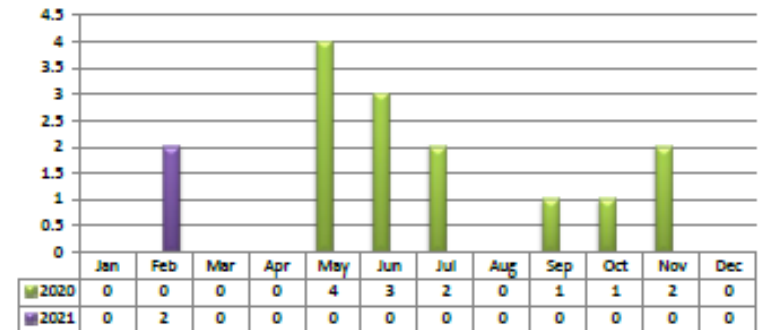
Prescription Visit Results

67% results in a prescription, **20%** received multiple prescriptions

Top Ten Telehealth Diagnoses



Total Visits



Summary*:

- **49 members** (3.3% of membership) drove **45.4% of costs**. In the prior period, 50 members (3.2% of membership) drove 45.8% of costs.
 - The Benchmark was 1.6% of members driving 45.7% of costs.
- **100%** of members with claims paid \geq \$50K are in an Active status in the plan
- **3 HCCs** are engaged in the clinical program.
 - The primary reason HCCs are not engaged is “In Process”.

Engagement Breakout for HCCs	Members	Percentage
In Process	25	51.0%
Could Not Reach Member	7	14.3%
Low Risk	6	12.2%
Invalid Phone Number	5	10.2%
Member Declined	3	6.1%
Engaged	3	6.1%
Lost Coverage/Ineligible	0	0.0%
Other	0	0.0%

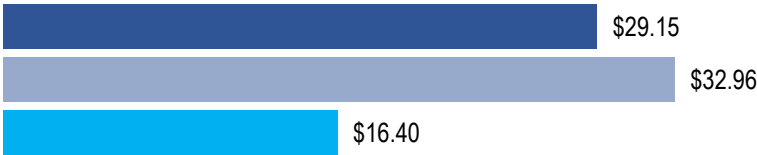
Top Ten High Cost Claimants (\$50,000+)

Diagnosis	Paid Amount	Medical	Pharmacy	Relationship	Active Plan Status	Engagement
Burns – Head, Face, Neck	\$495,145	\$495,145	\$0	Child	Yes	Yes
Chemotherapy – Multiple Myeloma	\$417,798	\$294,508	\$123,290	Employee	Yes	No
Chemotherapy – Multiple Myeloma	\$270,384	\$181,685	\$88,699	Employee	Yes	Yes
Sepsis	\$257,305	\$255,602	\$1,703	Employee	Yes	Yes
Acute Kidney Failure & Sepsis	\$247,600	\$245,433	\$2,167	Employee	Yes	No
Chemotherapy – Leukemia	\$236,953	\$120,185	\$116,768	Employee	Yes	No
ESRD & Multiple Myeloma	\$231,547	-\$198	\$231,745	Employee	Yes	No
Cancer – Lung	\$201,984	\$895	\$201,089	Employee	Yes	No
Multiple Sclerosis	\$197,390	\$194,942	\$2,448	Employee	Yes	No
Pervasive Developmental Disorder	\$184,222	\$184,222	\$0	Child	Yes	No

Summary:

- PMPM for MH/SA increased from \$29.15 to \$32.96 between periods, a **13.0% trend**. Current period PMPM is 101.0% above Benchmark.
- LiveHealthOnline Psychology & Psychiatry are available for stress/anxiety/depression, while Aware Recovery Care can assist with alcohol and other substance abuse disorders

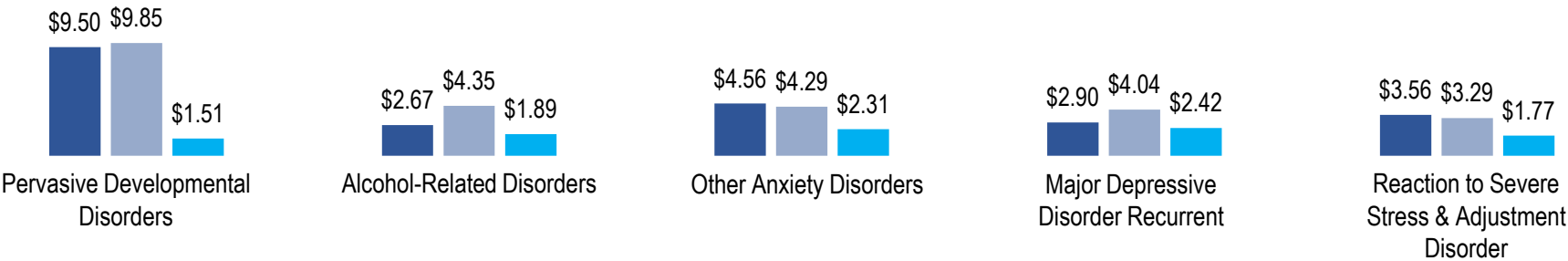
Behavioral Health PMPM
■ May 19 - Apr 20 ■ May 20 - Apr 21 ■ Benchmark



Mental Condition	Unique Claimants	Total Amount	Percent of Total Amount	Inpatient	Outpatient	Professional
Pervasive Developmental Disorders	*	\$178,037	29.9%	\$0	\$0	\$178,037
Alcohol-Related Disorders	12	\$78,597	13.2%	\$5,500	\$21,978	\$51,120
Other Anxiety Disorders	113	\$77,543	13.0%	\$0	\$13,968	\$63,575
Major Depressive Disorder Recurrent	49	\$73,075	12.3%	\$17,974	\$30,731	\$24,370
Reaction to Severe Stress & Adjustment Disorder	76	\$59,504	10.0%	\$0	\$8,926	\$50,578

Top Five Behavioral Health Diagnoses by PMPM

■ May 19 - Apr 20 ■ May 20 - Apr 21 ■ Benchmark

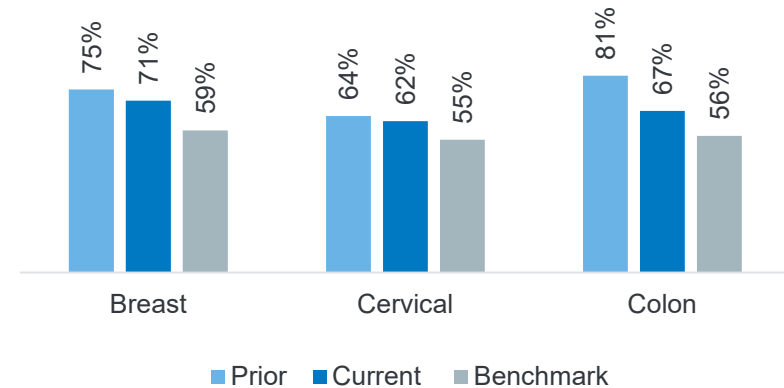


Preventive Care

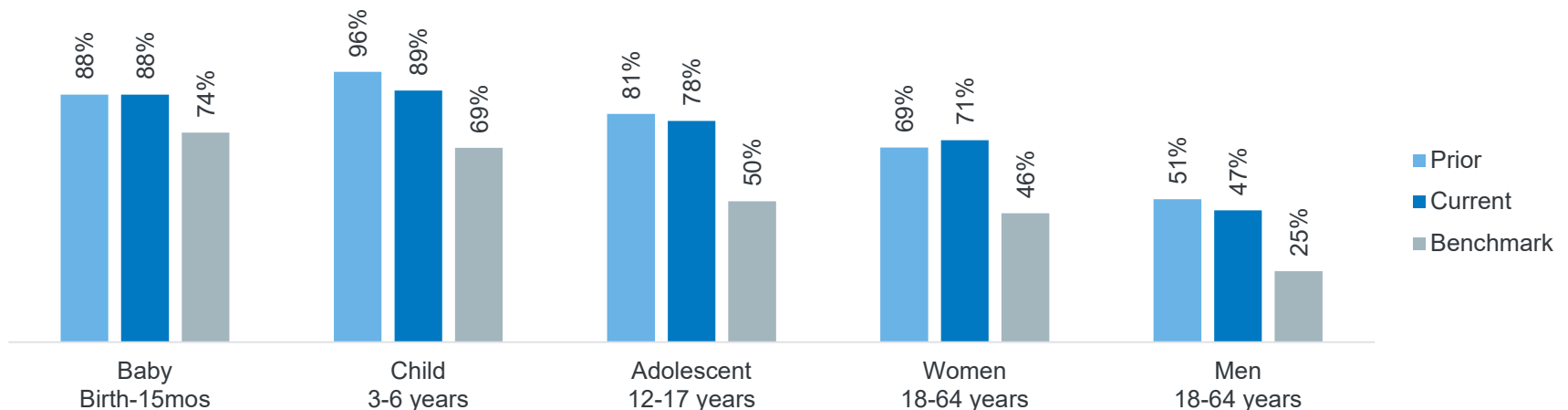
Summary*:

- Preventive care PMPM, which includes preventive services, cancer screenings, and routine health management of chronic conditions, was **\$18.90**, up from \$18.40 prior period.
 - The benchmark PMPM is **\$11.53**.
- Screening compliance** rates improved for only 1 of the 8 Preventive Care Screenings.

Adult Cancer Screening Rates



Well Visits



Paid Summary:

- **Diabetic population totals 160 individuals**
- Total paid claims (includes non-diabetic claims) amount for entire diabetic population (**10.6% of total population**) = **\$2,092,003.68**; this is 22.5% of paid claims
- Diabetic population accounted for **46 ER** visits during this reporting period

Total Paid by Setting of Care

- Inpatient Setting \$627,432.24
- Outpatient Setting \$674,833.64
- Professional Setting \$789,737.80

Total Diabetic Population by State

Relationship	Individuals	Paid Amount – Primary Diabetes	Non-Diabetes Diagnosis Paid	Total Paid
Child	7	\$19,230.80	\$14,031.13	\$34,317.19
Employee	202	\$62,787.70	\$1,187,280.07	\$1,573,544.04
Spouse	67	\$23,087.95	\$363,093.35	\$484,142.45

State	Unique Members	Total Paid
CT	251	\$501,342.48
FL	24	\$17,972.03
MA	5	\$5,791.30
GA	2	\$557.47
TN	1	\$1,992.33

Primary Diabetes Category	Count Individuals	Paid Amount
Other Primary Diagnosis with Secondary/Tertiary/etc. Diagnosis of Diabetes	157	\$423,587.08
Type II Diabetes	105	\$53,991.00
Type I Diabetes	9	\$49,397.18
Pre-Diabetes	5	\$623.87
Total	160	\$527,599.13



LiveHealth Online Prevent Diabetes Program

Combining virtual health coaching with biometric data to drive behavior change

Prevent Diabetes combines the latest in telehealth technology, behavioral science and smart connected devices to provide your employees with a personalized behavior change experience to help them lose weight. Employees will work with a health coach who can create a personalized plan that follows the CDC Diabetes Prevention Program Guidelines to help them make lasting changes to prevent diabetes.

What makes Prevent Diabetes different than other wellness programs?

- **Integrated with LiveHealth Online.** Prevent Diabetes is integrated into the LiveHealth Online application so your employees don't have to utilize multiple applications to access care.
- **Continuity of care.** Employees are able to receive unmatched continuity of care where a consumer can move from a health coach to a doctor to a therapist without leaving the comfort of their home or work.
- **Individualized Diabetes Prevention Program:** Employees will receive personalized coaching that follows the CDC Diabetes Prevention guidelines as well as a smart scale they can use to check their weight every day.

What comes with the program?

- Co-branded program landing page with customizable content.
- A wellness ambassador toolkit that includes a variety of collateral to help promote the program company-wide.
- Insightful and actionable program reporting.
- **Optional:** Worksite solution with a Health Hub tablet and a smart scale.



LiveHealth[®]
O N L I N E

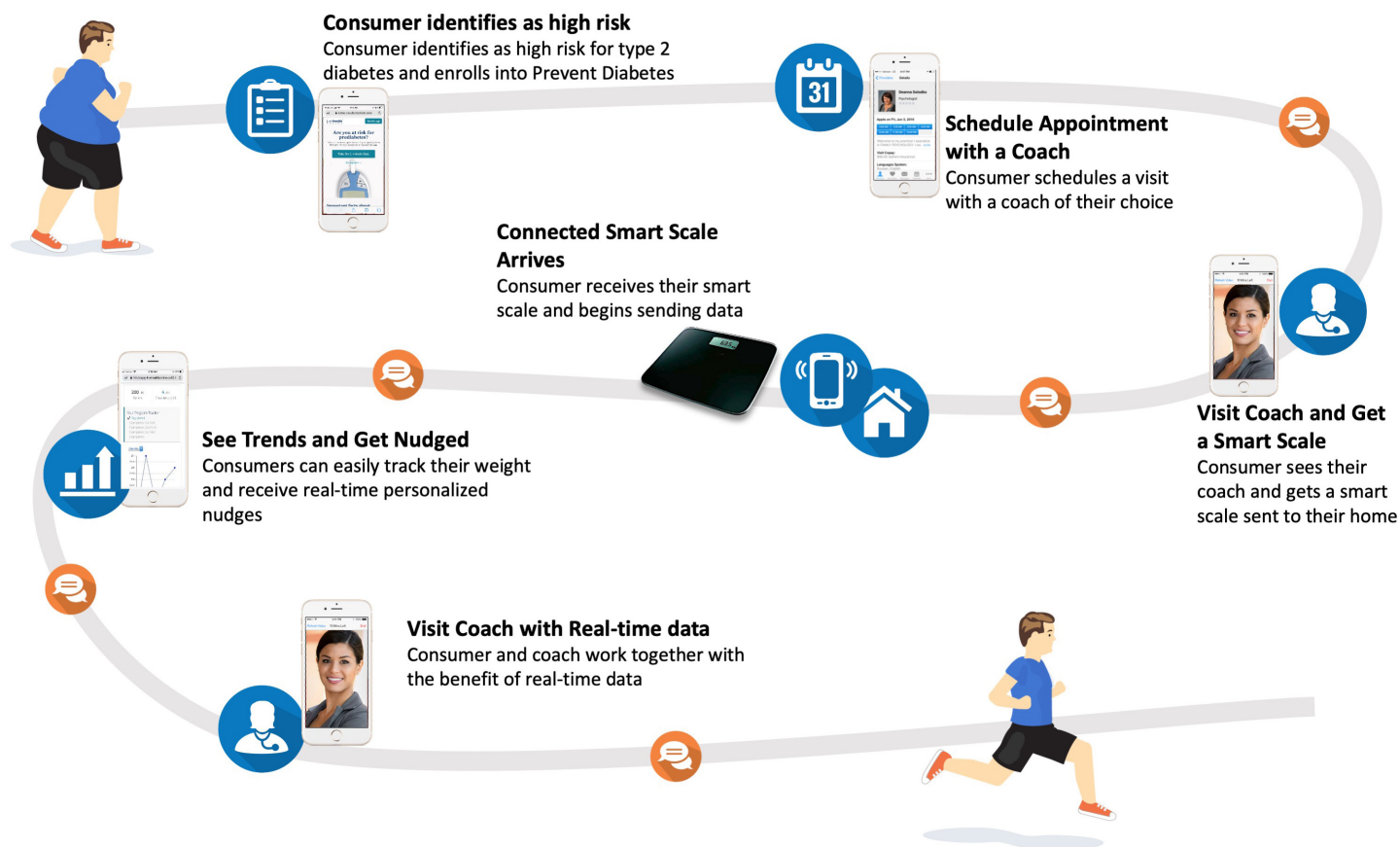
This program follows guidelines from the CDC Diabetes Prevention Program that can help employees build healthy habits that last a lifetime.



Prevent Diabetes provides consumers with an easy and convenient way to get healthy.

LiveHealth Online Prevent Diabetes makes it easy for consumers to get healthy, loose weight and prevent diabetes virtually from the comfort and privacy of home.

To begin a consumer will meet with a health coach through the LiveHealth Online Prevent Diabetes practice where coaches use the CDC approved T2 curriculum to help drive healthier behaviors. During the first visit coaches will also send a connected weight scale to the members home. Once the consumer gets the scale they can start recording their weight and will receive personalized messages each day to help guide them on their journey towards better health. The member will continue to visit with their coach throughout the duration of the program to achieve each program milestone, lower their weight and reduce their risk of getting diabetes.



COVID-19 Results as of June 15, 2021



Unique Claimants **855**



Labs Processed **2,266**



Covid-19 Positive **155**



Inpatient Admissions **13**



Average Length Of Stay **6.4 days**



Covid-19 Total Cost **\$782K**



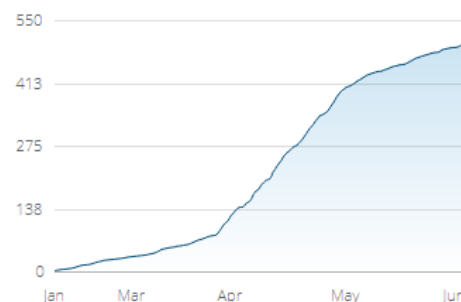
Covid-19 PMPM **\$34.42**

Vaccinations

Members Fully Vaccinated

496

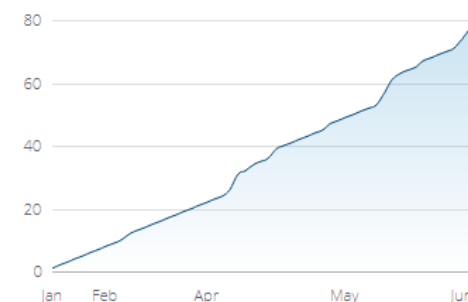
▲ 5 vs. Prior Day



Members Partially Vaccinated

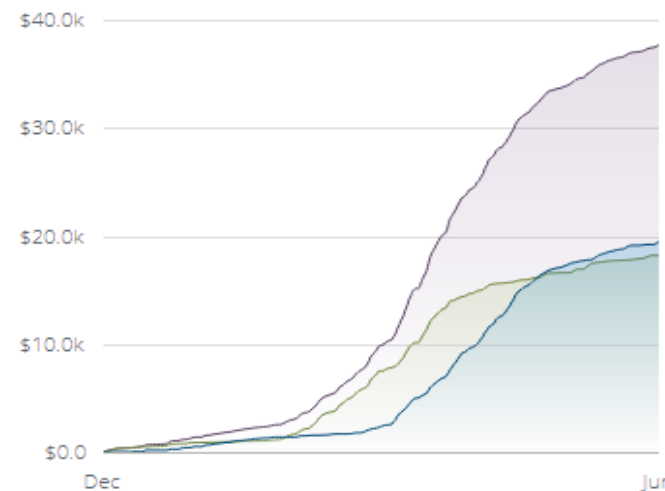
77

▲ 3 vs. Prior Day



Total Vaccination Costs (Paid Amount)

Vaccine Costs **\$37.7k** 1st Dose Cost **\$18.2k** 2nd Dose Cost **\$19.5k**





Your Pharmacy Results

Carrie Carbonneau, Pharmacy Account Director
Sonia Gates, Pharmacist Program Manager

Pharmacy Trends at A Glance

28.1%

Overall Rx Trend

\$252.48 Plan Paid PMPM

\$55.43 increase over prior period

Drug Mix was the most significant Trend driver, increasing Plan Paid PMPM by 11.8%

0.0%

Non Specialty Rx Trend

\$115.56 Plan Paid PMPM

-\$0.04 decrease over prior period

The decrease to Non Specialty was most impacted by Discount

68.1%

Specialty Rx Trend

\$136.92 Plan Paid PMPM

\$55.46 increase over prior period

The increase to Specialty was most impacted by Utilization

83.5%

Generic Fill Rate (GFR)

0.1 increase over prior period

20.1% Specialty GFR

3.1%

Member Cost Share

-1.3 decrease over prior period

0.3% Specialty Member Cost Share

\$172.17

Average Plan Cost Per Rx

22.0% increase over prior period

\$7,544 Specialty Plan Cost Per Rx

Inflammatory Conditions

#1 Indication by Highest Plan Cost

\$49.74 Plan Paid PMPM

31.7% increase over prior period

23 patients in current period

Skyrizi (2 Syringes) Kit

#1 Drug by Highest Plan Cost

\$15,988 Plan Paid Per Rx

0.1% increase over prior period

3 patients in current period

Hypertension/Heart Disease

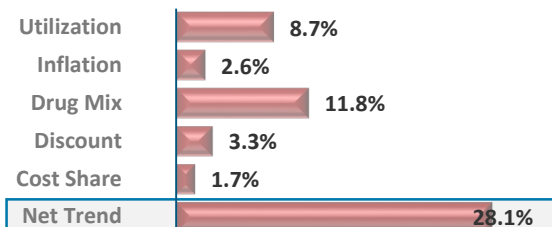
Top Indication by Total Days

427.0 Days of Therapy per Patient

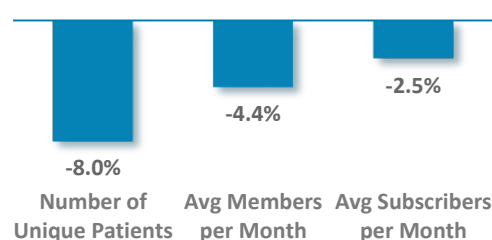
1.7% increase over prior period

423 patients in current period

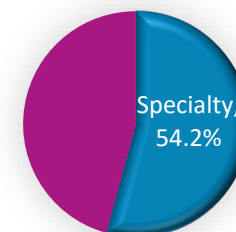
Rx Trend Components
Impact to Plan Paid PMPM



Population Change%



Specialty Percent of Plan Cost



Top Line Performance Metrics

- Total Pharmacy Plan Cost was \$4.6mil in current period, up 22.5% from \$3.7mil in May 2019-April 2020
- Variance to benchmark is driven primarily by an older population with higher utilization
 - Utilization has increased slightly and is well above our Anthem BOB benchmark
- Generic fill rate is below our benchmark but due to drug mix, there is not significant room to improve here currently
- Home delivery utilization is excellent at 15%

Description	Current	Prior	Change%	Benchmark	Benchmark Change%
Avg Subscribers per Month	656	673	-2.5%		
Avg Members per Month	1,506	1,575	-4.4%		
Number of Unique Patients	1,200	1,304	-8.0%		
Pct Members Utilizing Benefit	79.7%	82.8%	-3.1		
Total Plan Cost	\$4,562,737	\$3,724,639	22.5%		
Total Rx's	26,501	26,388	0.4%		
Average Member Age	41.4	40.6	2.1%	35.5	0.0%
Plan Cost PMPM	\$252.48	\$197.05	28.1%	\$106.44	6.2%
Plan Cost per Rx	\$172.17	\$141.15	22.0%	\$143.25	9.1%
Nbr Rx's PMPM	1.47	1.40	5.0%	0.74	-2.6%
Generic Fill Rate	83.5%	83.4%	0.1	84.4%	-1.9
Home Delivery Utilization	15.3%	14.7%	0.6	10.0%	-1.7
Member Cost %	3.1%	4.3%	-1.3	10.6%	-0.5 %
Formulary Compliance Rate	99.0%	98.7%	0.3	98.5%	1.5

COVID vaccination claims are **excluded** from data.

Specialty Key Statistics Detail

- Total Specialty Pharmacy Plan Cost increased 60.7% from the prior period to \$2.4mil (54.2% of total spend up from 41.3%)
- Increased utilization of specialty medication (24.8%), however only three additional members (44 in current period)
- Specialty per script cost has increased 34.7% to \$7,544

	Non Specialty			Specialty			Benchmark Specialty
Description	Current	Prior	Change%	Current	Prior	Change%	
Number of Unique Patients	1,199	1,303	-8.0%	44	41	7.3%	
Pct Members Utilizing Benefit	79.6%	82.7%	-3.1	2.9%	2.6%	0.3	
Total Plan Cost	\$2,088,377	\$2,185,024	-4.4%	\$2,474,360	\$1,539,615	60.7%	
Percent of Total Plan Cost	45.8%	58.7%	-12.9	54.2%	41.3%	12.9	
Total Days	806,410	778,106	3.6%	12,801	10,064	27.2%	
Total Rxs	26,173	26,113	0.2%	328	275	19.3%	
Percent of Total Rxs	98.76%	98.96%	-0.20	1.24%	1.04%	0.20	
Plan Cost PMPM	\$115.56	\$115.60	0.0%	\$136.92	\$81.45	68.1%	\$55.23
Plan Cost per Rx	\$79.79	\$83.68	-4.6%	\$7,543.78	\$5,598.60	34.7%	\$5,222.96
Nbr Rxs PMPM	1.45	1.38	4.8%	0.018	0.015	24.8%	0.010
Member Cost %	6.1%	6.8%	-0.7	0.3%	0.6%	-0.3	3.8%

Top 10 Indications

- Inflammatory Conditions remains your #1 Indication with Total Plan Costs of \$898K. Skyrizi is contributing most to the trend in this class
- Cancer had the largest increase in Plan PMPM at 251%, with 4 cancer meds on the Top 10 Drugs
- #5 Multiple Sclerosis had Plan costs of \$237K and experienced a 127.5% increase in Plan PMPM. Increase use of the oral product Gilenya is driving the trend
- #5 Anemia experienced a PMPM increase of 231.5% due to the drug Oxbryta a new product for sickle cell disease

Rank	Bmrk Rank	Indication	Rxs	Patients	Plan Cost	Plan Cost PMPM	GFR	Bmrk GFR	Prior Rank	Prior Rxs	Prior Patients	Prior Plan Cost PMPM	Prior GFR	% Change Plan PMPM
1	1	INFLAMMATORY CONDITIONS	147	23	\$898,873	\$49.74	31.3%	26.8%	1	114	19	\$37.77	20.2%	31.7%
2	3	CANCER	154	21	\$724,853	\$40.11	70.1%	85.0%	3	117	16	\$11.43	88.9%	251.0%
3	2	DIABETES	1,827	119	\$626,093	\$34.64	40.0%	44.4%	2	1,796	114	\$31.97	41.7%	8.4%
4	5	MULTIPLE SCLEROSIS	9	2	\$237,426	\$13.14	0.0%	17.6%	9	11	2	\$5.77	54.5%	127.5%
5	75	ANEMIA	211	34	\$158,232	\$8.76	73.5%	94.9%	19	155	28	\$2.64	72.9%	231.5%
6	9	ANTICOAGULATION	281	42	\$132,980	\$7.36	26.3%	26.9%	8	230	34	\$5.86	32.6%	25.6%
7	7	DERMATOLOGIC CONDITIONS	395	171	\$130,054	\$7.20	86.6%	89.4%	10	328	161	\$4.62	89.6%	55.6%
8	27	PULMONARY HYPERTENSION	36	2	\$125,228	\$6.93	66.7%	56.0%	7	35	2	\$6.49	65.7%	6.8%
9	6	ASTHMA	1,038	205	\$125,135	\$6.92	71.4%	76.2%	4	1,145	271	\$7.83	62.5%	-11.5%
10	16	HYPERTENSION/HEART DISEASE	5,080	423	\$110,780	\$6.13	97.1%	98.6%	5	5,011	421	\$7.27	97.3%	-15.7%
TOTAL			9,178	1,042	\$3,269,654	\$180.92				8,942	1,068	\$121.65		48.7%

Top 10 Drugs

- Skyrizi is the #1 Drug up from #19 last year with Plan Costs of \$239K
- Four Cancer medications including #4 Revlimid for multiple myeloma, #5 Tagrisso for lung cancer, #6 Pomalyst for advanced multiple myeloma and #10 Venclexta for leukemia
- #8 Oxbryta used to treat sickle cell disease is the largest outlier compared to the benchmark rank of 686

Rank	Bmrk Rank	Brand Name	Specialty	Indication	Rxs	Patients	Plan Cost	Plan Cost PMPM	Prior Rank	Prior Rxs	Prior Patients	Prior Plan Cost PMPM	% Change Plan PMPM
1	24	SKYRIZI (2 SYRINGES) KIT	Y	INFLAMMATORY CONDITIONS	15	3	\$239,824	\$13.27	19	3	3	\$2.53	423.7%
2	25	GILENYA	Y	MULTIPLE SCLEROSIS	9	2	\$237,426	\$13.14	6	5	2	\$4.94	166.0%
3	7	HUMIRA PEN	Y	INFLAMMATORY CONDITIONS	20	2	\$227,926	\$12.61	1	19	3	\$16.92	-25.5%
4	15	REVLIMID	Y	CANCER	12	2	\$201,029	\$11.12	5	6	2	\$5.44	104.6%
5	55	TAGRISSO	Y	CANCER	13	1	\$200,289	\$11.08	4	7	1	\$5.73	93.4%
6	81	POMALYST	Y	CANCER	11	1	\$195,762	\$10.83	NA				NA
7	2	STELARA	Y	INFLAMMATORY CONDITIONS	11	3	\$127,976	\$7.08	2	11	3	\$6.47	9.5%
8	686	OXBRYTA	Y	ANEMIA	12	1	\$127,642	\$7.06	38	2	1	\$1.11	533.4%
9	123	OPSUMIT	Y	PULMONARY HYPERTENSION	12	1	\$124,968	\$6.92	3	12	1	\$6.43	7.6%
10	160	VENCLEXTA	Y	CANCER	9	1	\$114,047	\$6.31	NA				NA
TOTAL					124	17	\$1,796,889	\$99.43		65	16	\$49.57	100.6%

Medication Adherence

Proportion of days covered (PDC) overall is **85.5%** for the 5/1/2020-4/30/2021 report period, over-performing compared to the 80% target.

Therapeutic Category/Drug Class	Member Count	Female Count	Male Count	Average Age	Target PDC	Client PDC	Peer PDC
Anticoagulation (Atrial Fibrillation Only)	10	1	9	60	80.0%	83.0%	88.2%
Anxiety Disorders	101	69	32	50	80.0%	86.4%	82.9%
Asthma	50	25	25	50	75.0%	64.6%	72.1%
Attention Deficit Hyperactivity Disorder (ADHD)	23	12	11	31	80.0%	74.3%	75.8%
Behavioral Health	13	7	6	45	80.0%	90.6%	82.8%
Cholesterol	230	83	147	59	80.0%	86.5%	87.7%
Chronic Obstructive Pulmonary Disease (COPD)	1	1		57	80.0%	18.1%	76.6%
Cystic Fibrosis					80.0%		85.4%
Depression	102	62	40	48	80.0%	82.5%	84.5%
Diabetes	59	21	38	60	80.0%	89.2%	88.3%
Diabetic Test Strips	37	11	26	60	80.0%	76.3%	63.6%
Growth Hormones					80.0%		70.3%
Heart Disease	9	1	8	60	80.0%	93.3%	89.3%
HIV					90.0%		90.2%
Hypertension	287	111	176	57	80.0%	90.0%	89.4%
Multiple Sclerosis (Non-Infused Only)	2	1	1	54	80.0%	99.1%	84.8%
Oral Oncology Agents (Non-Specialty)	6	6		59	80.0%	84.0%	83.8%
Oral Oncology Agents (Specialty)	1	1		70	80.0%	97.9%	85.9%
PCSK9 Inhibitors	6	3	3	60	80.0%	92.9%	85.4%
Pulmonary Arterial Hypertension	2		2	62	80.0%	97.9%	77.4%
Rheumatoid Arthritis (Non-Infused Only)	7	6	1	54	80.0%	76.8%	82.8%
Solid Organ Transplant	1		1	56	90.0%	100.0%	93.8%

Proportion of Days Covered (PDC) is measured by taking the number of days in the reporting period that the patient has access to the medication and dividing by the total number of days in the reporting period.

Example: (Total Covered Days of 200 / Total Report Days of 365) * 100 = 54.8 %

Benefit Suggestions

Overview of Benefit Design

Program		Program Description	
Formulary and Clinical Management	Essential Drug List	Based on closed drug list; narrowed to remove drugs with over the counter and/or lower-cost formulary alternatives available	Opportunity
	Step Therapy	Encourages use of specific drugs to try when a customer begins therapy (Plan Savings: \$22,351.79)	In place
	Prior Authorization	Ensures drugs are used appropriately as recommended by the FDA (Plan Savings: \$54,257.70)	In place
	Quantity Limits	Establishes a maximum covered amount a customer may receive within a time period (Plan Savings: \$43,836.08 – combined with Dose Optimization)	In place
	Dose Optimization	Members save by changing from twice-daily dosing to a once-daily dosing, once daily dosing also promotes better compliance	In place
	Rx Care Nexus	High-touch, multi channel engagement supporting members across both medical and pharmacy programs, includes online and video chat with pharmacy care specialists. Buy up: \$0.50PMPM	Opportunity for 2022
Specialty Drug Management	Exclusive Specialty	Members must fill their specialty medications through IngenioRx Specialty Pharmacy, which offers access to enhanced clinical programs	Opportunity
	Specialty Accumulator Rules	Prevent non-needs-based copay assistance program funds (specialty drug manufacturer subsidies) from counting toward member deductibles and out-of-pocket maximums. Requires Exclusive Specialty to be in place.	Opportunity for 2022
	Specialty Rx Benefit Maximizer	Helps reduce specialty drug spend by maximizing copay assistance program value. Requires Exclusive Specialty & Accumulator Rules. Not available for high deductible plans.	Opportunity for 2022
	Specialty Cost Optimization	Combines the strength of our medical specialty programs (Right Drug Right Channel, Medication Review, Site of Care) into a single, comprehensive solution with medical rebate sharing.	In place
Networks	Rx Choice Tiered	Offers greater savings by driving members to preferred pharmacies with lower cost-shares.	Opportunity for 2022
	Advantage	Greater savings with a network of approximately 59,000 retail pharmacies nationwide.	
	Zip Drug	Concierge service network of pharmacies that assist members with chronic conditions through service enhancements. Buy up: \$0.55PMPM	

Addressing the impacts of manufacturer copay assistance programs



Exclusive Specialty Pharmacy

enables tighter cost controls through IngenioRx Specialty Pharmacy

(Required for Accumulator Rules and Benefit Maximizer)



Specialty Drug Accumulator Rules

preserves the integrity of plan design by excluding copay assistance from plan accumulators



Specialty Rx Benefit Maximizer

helps reduce specialty drug spend by maximizing copay assistance program value

How it works

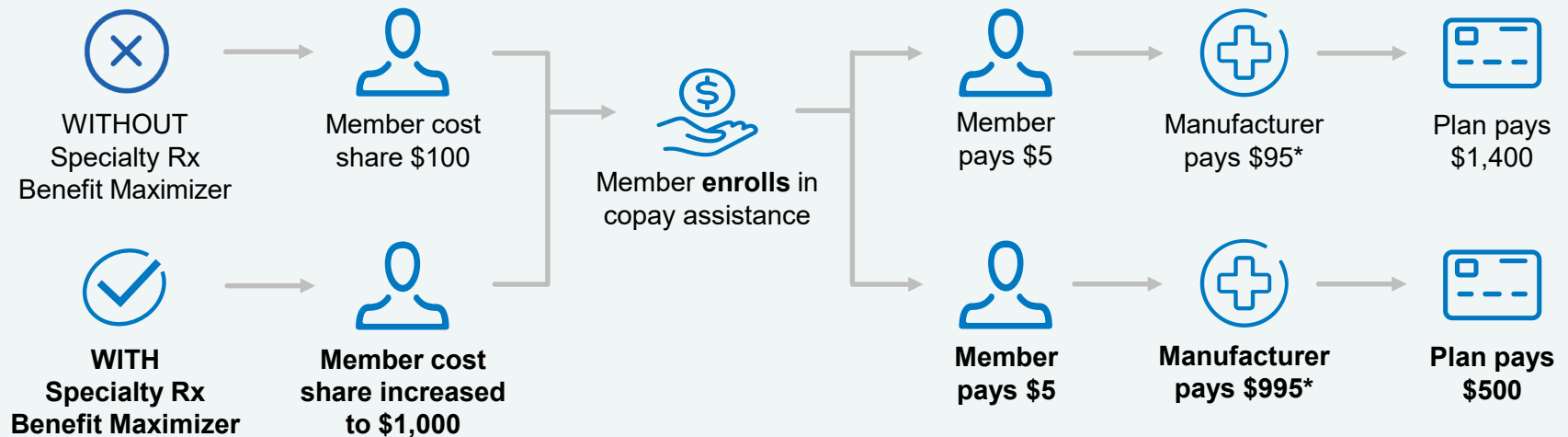
Jo has a prescription for a specialty drug with a cost share of \$1,500, subject to her plan's deductible. She takes advantage of the manufacturer's subsidy program.

	Without accumulator rules	With accumulator rules
Jo's cost share amount	\$1,500	\$1,500
Copay assistance funds	\$1,250	\$1,250
Jo's out-of-pocket cost	\$250	\$250
Amount applied to Jo's deductible and out-of-pocket maximum	\$1,500	\$250

The above examples are for illustrative purposes only.

How it works

A member is taking a targeted specialty drug that costs \$1,500 per fill. The drug manufacturer offers a copay assistance program valued at \$12K per year and requires enrollees pay only \$5 per fill.



*Manufacturer copay assistance is excluded from the members out-of-pocket accumulators

NOTE: The above example is for illustrative purposes only.



Rx Care Nexus:

With integrated real-time, whole-health member data, we can provide the right support, resulting in savings



How it works

Real-time data feeds an artificial intelligence model that powers the value of true integration across medical and pharmacy benefits

What this does

Precision data insights trigger member engagement tools that provide digital alerts for member and provider outreach

Why this matters

Timely action helps members stay on track with the right medication and maximized savings opportunities

Nearly 75%
of adults report being non-adherent¹

1 <https://www.sharecare.com/health/prescription-drug-medication-adherence/adults-take-medicines-prescribed>

ZipDrug delivers



Enhanced member experience

- › Concierge service
- › Digital and telephonic engagement
- › Personalized fulfillment:
 - Multi-dose packaging
 - Coordinated refills
- › Scheduled doorstep delivery



Enhanced access

- › Brings the pharmacy to the member
- › Connects members taking maintenance medications to a local ZipDrug participating pharmacy



Enhanced virtual service model

- › CareControl™ enables Anthem to connect with members at the point of care, closing gaps in care such as:
 - Lab reminders
 - Vaccination reminders
- › Access to an Anthem Pharmacy Care Specialist



Enhanced outcomes

- › **7% increase in medication adherence***
- › **ZipDrug Net Promoter Score (NPS) of 80**, compared to an average NPS of 20 for top pharmacy retail stores*

Higher level of member satisfaction

APPENDIX

Summary:

- The total paid amount for current period is \$1,837,426. Total claims **decreased \$1,355,448 (42.4%)** from previous period.
- Acute admissions and days per 1,000 decreased alongside paid amount per admission, with a slight overall increase in average length of stay.

Inpatient Metrics	May 19 – Apr 20	May 20 – Apr 21	Trend	National Benchmark	Percent Variance
Paid Amount	\$3,192,874	\$1,837,426	-	-	-
Paid Amount PMPM	\$168.92	\$101.68	-39.8%	\$107.25	-5.2%
Acute Admissions per 1,000	70.5	47.1	-33.1%	50.8	-7.3%
Annual Acute Days per 1,000	424.1	287.5	-32.2%	250.5	14.8%
Acute Average Length of Stay	6.02	6.10	1.3%	4.94	23.5%
Paid Amount per Acute Admission	\$28,448	\$24,815	-12.8%	\$25,162	-1.4%

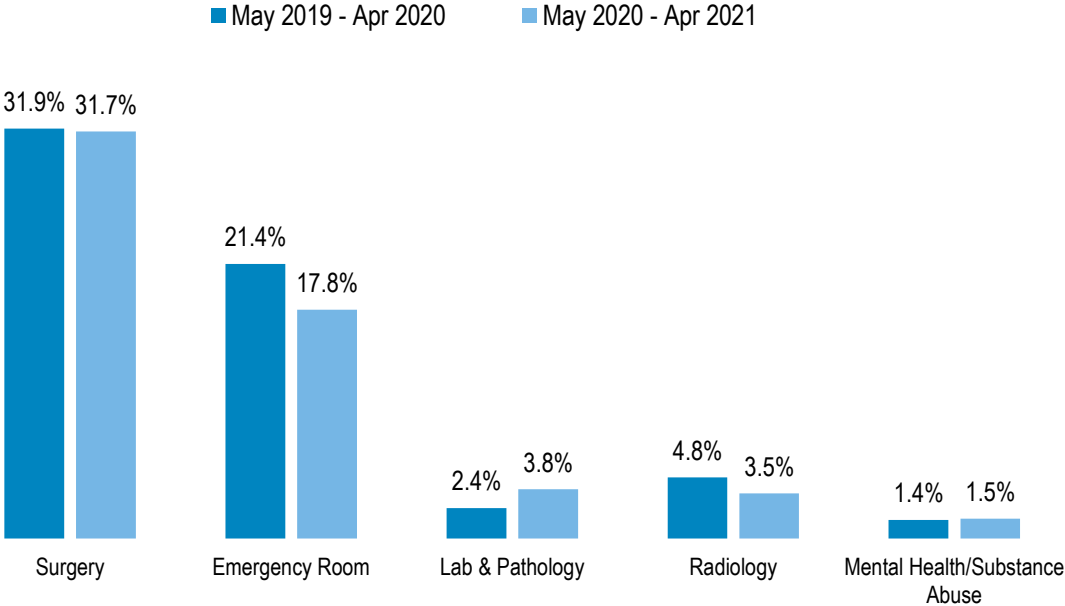
Inpatient Service	Average LOS	Admits/1,000	Days/1,000	Paid Amount	PMPM 5/19-4/20	PMPM 5/20-4/21	Trend	National Benchmark	Percent Variance
Surgical	5.64	9.3	52.5	\$959,898	\$102.60	\$53.12	-48.2%	\$52.94	0.3%
Medical	7.14	28.6	203.9	\$868,702	\$50.91	\$48.07	-5.6%	\$43.77	9.8%
Maternity	3.33	4.0	13.3	\$86,524	\$9.24	\$4.79	-48.2%	\$10.10	-52.6%
Skilled Nursing	19.85	8.6	171.3	\$75,546	\$1.86	\$4.18	125.1%	\$0.70	500.5%
Mental Health/Substance Abuse	3.83	4.0	15.3	\$35,805	\$2.70	\$1.98	-26.7%	\$4.08	-51.4%
Well New Born	*	1.3	2.7	\$3,070	\$1.60	\$0.17	-89.4%	\$0.84	-79.7%
Total	*	55.8	458.9	\$1,837,426	\$168.92	\$101.68	-39.8%	\$107.25	-5.2%

* This value is not shown due to small numbers

Summary:

- The total paid amount for the current period is **\$3,623,686, a decrease of 2.7%.**
- Outpatient PMPM claims increased in Lab & Pathology, Mental Health/Substance Abuse, and Surgery, but decreased in ER and Radiology.

Top Five Outpatient Facility Percent of Spend by Service Category



Top 5 Outpatient Services	Visits/1,000	PMPM 5/19 – 4/20	PMPM 5/20 – 4/21	Trend	Benchmark Paid PMPM	Percent Variance
Surgery	152.7	\$62.93	\$63.62	1.1%	\$44.54	42.8%
Emergency Room	189.9	\$42.15	\$35.72	-15.3%	\$23.63	51.2%
Lab & Pathology	630.2	\$4.66	\$7.69	64.8%	\$5.23	47.0%
Radiology	191.3	\$9.39	\$7.04	-25.0%	\$9.31	-24.3%
Mental Health/Substance Abuse	155.4	\$2.85	\$3.07	7.5%	\$2.26	35.8%
All Outpatient	2,413.9	\$197.06	\$200.54	1.8%	\$128.73	55.8%

Summary:

- The total paid amount for the current period is **\$3,811,674, a decrease of 7.9%**.
- PCP & Specialty Professional was 41.1% of total medical spend.
- Recommend advertising and utilizing LiveHealth Online or 24/7 NurseLine



Professional Service	Total Paid	Visits per 1,000	PMPM 5/19-4/20	PMPM 5/20-4/21	Trend	Nt'l Benchmark	Variance to Benchmark
Office/Home Visits	4,027.0	\$624,701	\$32.02	\$34.57	8.0%	\$19.58	76.6%
Outpatient Surgery	622.2	\$550,220	\$32.87	\$30.45	-7.4%	\$15.97	90.7%
Professional Other	2,530.2	\$412,614	\$26.78	\$22.83	-14.7%	\$9.83	132.4%
Preventive Services	1,275.7	\$341,501	\$18.40	\$18.90	2.7%	\$11.53	63.9%
Lab & Pathology	2,182.2	\$310,131	\$12.56	\$17.16	36.7%	\$9.66	77.6%
Radiology	842.1	\$294,610	\$17.72	\$16.30	-8.0%	\$7.76	110.2%
Medical	618.3	\$200,885	\$12.74	\$11.12	-12.7%	\$8.26	34.5%
Mental Health/Substance Abuse	1,141.6	\$186,202	\$9.92	\$10.30	3.9%	\$5.31	94.1%
Therapeutic Injections	53.1	\$177,088	\$9.51	\$9.80	3.1%	\$8.02	22.2%
Inpatient Surgery	39.8	\$103,594	\$8.62	\$5.73	-33.5%	\$4.74	20.9%
Inpatient Visits	486.1	\$100,804	\$7.01	\$5.58	-20.4%	\$3.70	50.7%
Maternity	15.9	\$34,834	\$3.73	\$1.93	-48.3%	\$2.94	-34.5%
Other	896.5	\$474,489	\$27.17	\$26.26	-3.4%	\$9.71	170.3%
Total	14,730.7	\$3,811,674	\$219.03	\$210.94	-3.7%	\$117.01	80.3%

Top Ten In-Network Inpatient & Outpatient Facility Providers

Inpatient

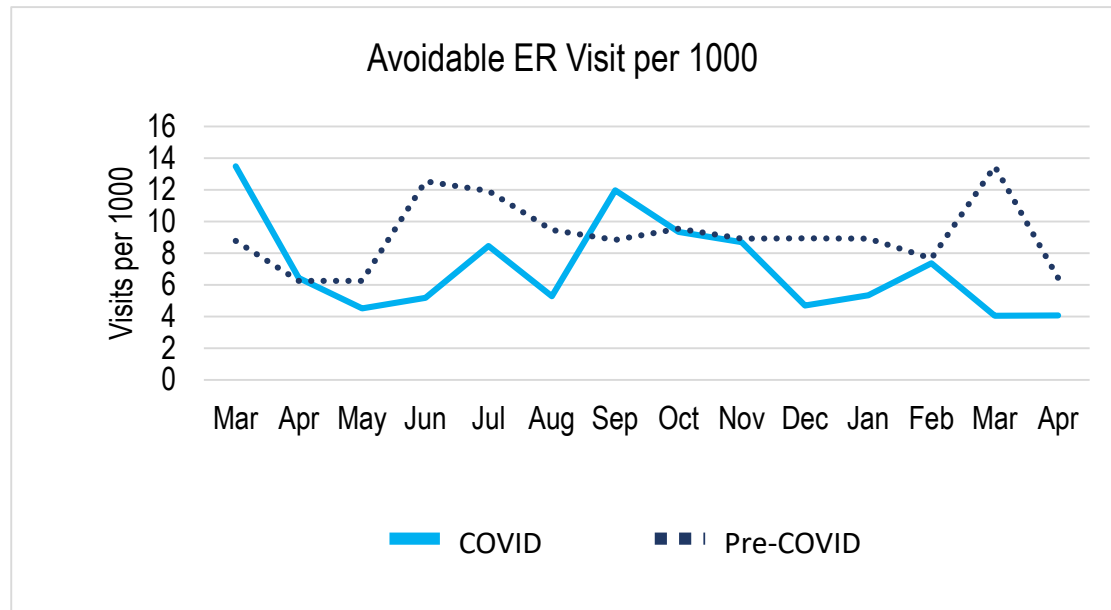
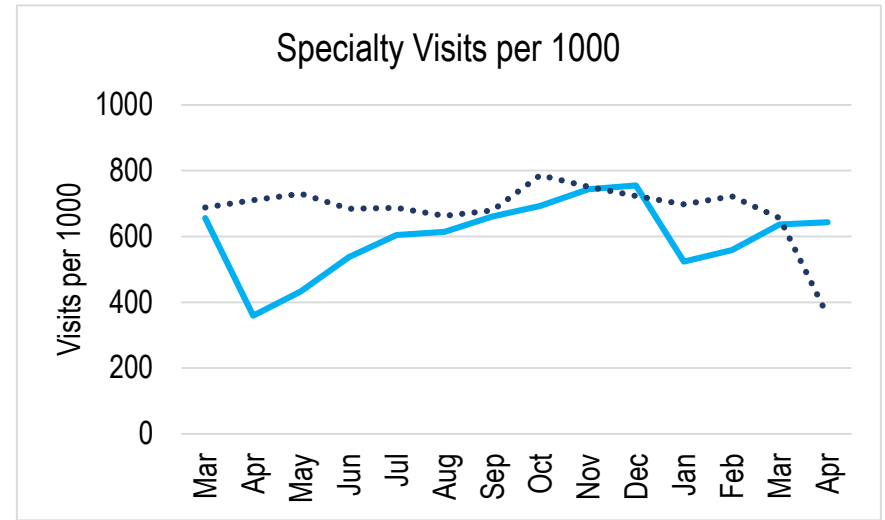
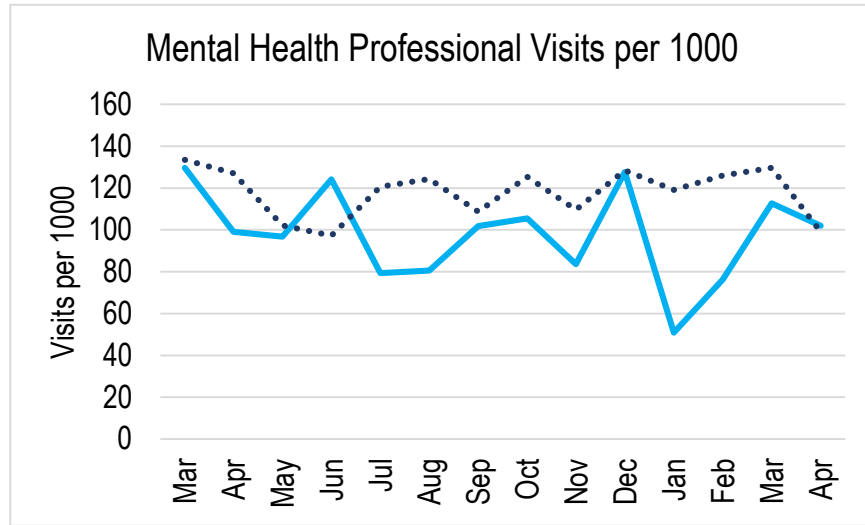
Facility Name & Location	Unique Claimants	Paid In-Network	Paid Per Claimant	Percent Total In-Network
Hartford Hospital - Hartford, CT	22	\$662,582	\$30,117	36.2%
The Shriners Hospitals For Children - Philadelphia, PA	*	\$205,050	*	11.2%
The General Hospital Corporation - Boston, MA	*	\$172,361	*	9.4%
HealthSouth Of Windsor - Windsor, CT	*	\$130,030	*	7.1%
Yale-New Haven Hospital - New Haven, CT	*	\$102,215	*	5.6%
Hartford Hospital - Windham, CT	*	\$72,719	*	4.0%
AdventHealth Fish Memorial - Orange City, FL	*	\$56,063	*	3.1%
Brigham And Women's Hospital - Boston, MA	*	\$44,256	*	2.4%
Hospital Of Central Connecticut - New Britain, CT	*	\$44,046	*	2.4%
Connecticut Children's Medical Center - Hartford, CT	*	\$41,965	*	2.3%
Total Inpatient Facility In-Network	53	1,828,734	\$34,504	100.0%

Outpatient

Facility Name & Location	Unique Claimants	Paid In-Network	Paid Per Claimant	Percent Total In-Network
Hartford Hospital - Hartford, CT	204	\$556,695	\$2,729	15.4%
Yale New Haven Hospital - New Haven, CT	11	\$489,828	\$44,530	13.5%
St Francis Hospital & Medical Center - Hartford, CT	80	\$383,338	\$4,792	10.6%
Hartford Hospital - Windham, CT	131	\$243,310	\$1,857	6.7%
Hospital Of Central Connecticut - New Britain, CT	29	\$158,977	\$5,482	4.4%
St Francis Hospital & Medical Center - Hartford, CT	60	\$133,653	\$2,228	3.7%
Manchester Memorial Hospital - Manchester, CT	56	\$131,042	\$2,340	3.6%
Yale New Haven Hospital - New Haven, CT	11	\$118,120	\$10,738	3.3%
Connecticut Children's Medical Center - Hartford, CT	28	\$110,741	\$3,955	3.1%
John Dempsey Hospital - Farmington, CT	69	\$106,028	\$1,537	2.9%
Total Outpatient Facility In-Network	806	\$3,621,035	\$4,493	100.0%

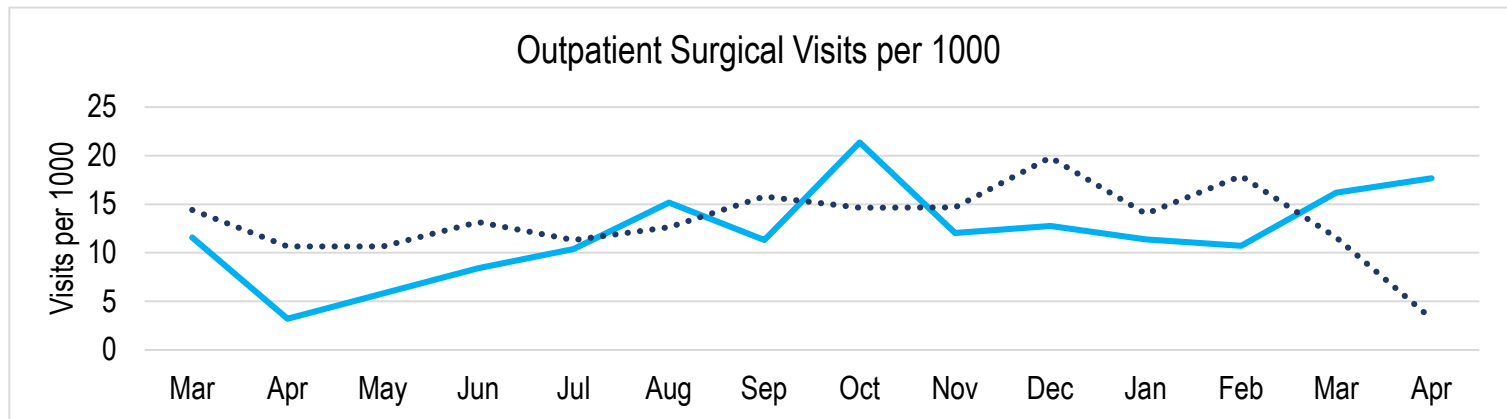
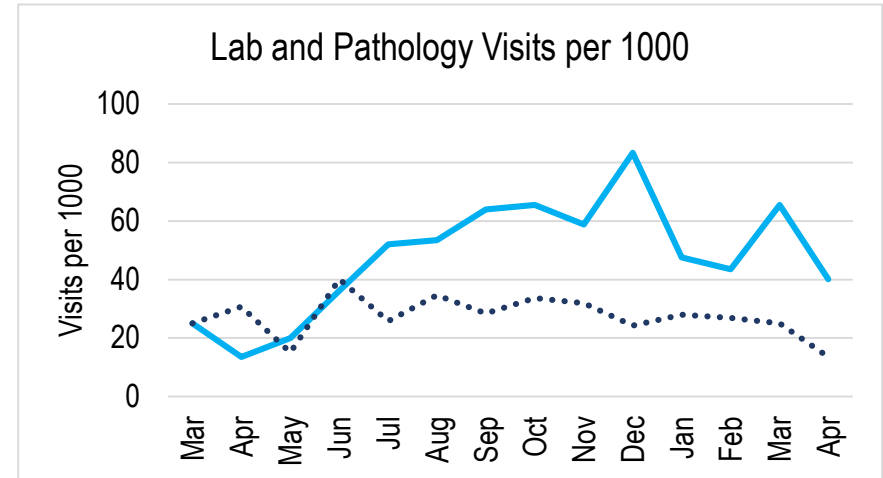
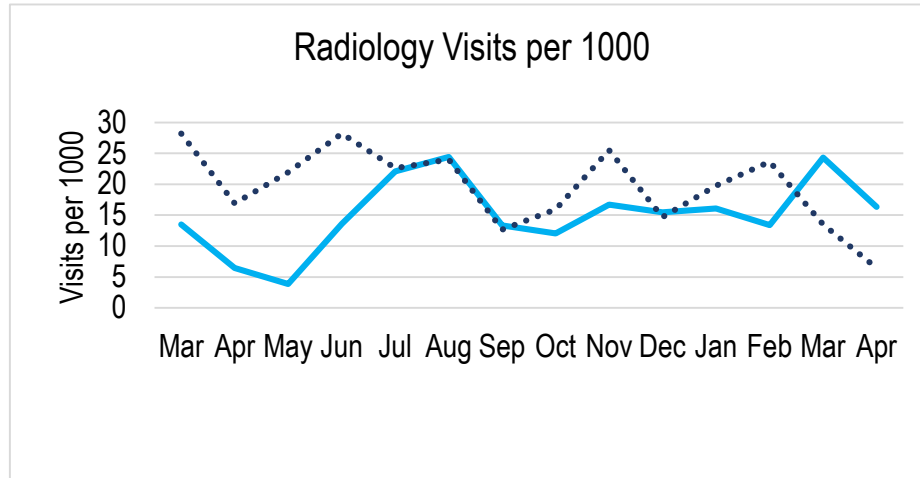
* Facility had less than 5 unique claimants

Trends for Potentially Delayed or Forgone Care



Trends for Potentially Delayed or Forgone Care

Outpatient Setting of Care



COVID Pre-COVID

AFTERCARE (ICD-10: Z51)

Definition: Encounter for other aftercare (typically cancer).

Examples: Chemotherapy, radiotherapy, immunotherapy.

BEHAVIORAL HEALTH DISORDERS (ICD-9: 290-319) (ICD-10: F01-F99 excluding F49)

Definition: Illness caused by psychiatric or psychological conditions.

Examples: Drug and alcohol abuse, anorexia nervosa, bulimia, depression, paranoia, schizophrenia.

CANCER SCREENINGS (ICD-10: Z08, Z12)

Definition: Screening for cancer and cancer precursors in asymptomatic individuals so that early detection and treatment can be provided for those who test positive for disease.

Examples: Colon cancer screening, breast cancer screening, prostate cancer screening.

CIRCULATORY SYSTEM (ICD-9: 390-459) (ICD-10: I00-I02, I05-I15, I20-I28, I30-I52, I60-I89, I95-I99)

Definition: Illness caused by heart and blood vessel disorders.

Examples: High or low blood pressure, hemorrhoids, varicose veins, heart attack, heart valve disease, stroke, aneurysm.

CONGENITAL ABNORMALITIES (ICD-9: 740-759) (ICD-10: Q00-Q07, Q10-Q18, Q20-Q28, Q30-Q45, Q50-Q56, Q60-Q99)

Definition: Congenital malformations, deformations and chromosomal abnormalities .

Examples: Cleft palate and/or lip, Down's syndrome, hydrocephalus, congenital cataracts, abnormal fetal development of the eyes, ears, nose, face, heart, lungs, etc.

DIGESTIVE SYSTEM (ICD-9: 520-579) (ICD-10: K00-K14, K20-K31, K35-K38, K40-K46, K50-K52, K55-K68, K70-K77, K80-K87, K90-K95)

Definition: Illness caused by disorders of the teeth, mouth, jaw, salivary glands, esophagus, stomach, intestine, rectum, gallbladder, and liver.

Examples: Dental cavities, ulcers, appendicitis, hernias, noninfectious colitis, anal fissure, gall stones, cirrhosis of the liver.

DISEASES OF THE BLOOD (ICD-9: 280-289) (ICD-10: D50-D53, D55-D78, D80-D89)

Definition: Diseases of the blood and blood-forming organs and certain disorders involving the immune mechanism .

Examples: Anemia, hemophilia, blood and spleen disorders.

DISEASES OF THE EAR (ICD-10: H60-H62, H65-H75, H80-H83, H90-H95)

Definition: Disease of the auditory and mastoid processes.

Examples: Otitis media, hearing loss, middle ear mastoid

DISEASES OF THE EYE (ICD-10: H00-H05, H10-H11, H15-H22, H25-H28, H30-H36, H40-H44, H46-H47, H49-H57, H59)

Definition: Disease of the visual sensory and adnexa processes.

Examples: Retinal detachments and breaks, glaucoma, cataracts, corneal scars and opacities

ENDOCRINE/METABOLIC (ICD-9: 240 – 279) (ICD-10: E00-E13, E15-E16, E20-E36, E40-E46, E50-E68, E70-E89)

Definition: Endocrine - illness caused by increased, decreased, or imbalanced hormones. Metabolic - illness caused by the body's inability to turn food into energy.

Examples: Thyroid disease, diabetes, parathyroid disease, ovarian and testicular hormonal disease, vitamin and mineral excess or deficiency, obesity.

GENITOURINARY SYSTEM (ICD-9: 580 – 629) (ICD-10: N00-N08, N10-N23, N25-N53, N60-N65, N70-N77, N80-N99)

Definition: Illness caused by disorders of the kidney, bladder, prostate, testes, breast, ovaries, and uterus.

HEALTH STATUS (ICD-9: V01-V83) (ICD-10: Z00-Z04, Z18, Z20-Z23, Z28, Z30, Z40-Z49, Z52-Z53, Z55-Z57, Z59-Z60, Z62-Z93, Z95-Z99)

Definition: Occasions when circumstances other than a disease or injury exists that are not classifiable to the other ICD-9 OR ICD-10 categories. This occurs in one of two ways: 1) when a person is not currently sick but encounters health services for some specific purpose, such as organ donation, vaccination, or to discuss a problem which itself is not an injury or disease; 2) some circumstance or problem is present which influences the persons health status but it is not a current illness or injury.

Examples: General medical exam, contraceptive management, personal history of disease, post-procedural aftercare

ILL-DEFINED CONDITIONS (ICD-9: 780-799) (ICD-10: R00-R23, R25-R94, R97, R99)

Definition: This classification will be utilized when 1) cases for which no more specific ICD-10 diagnosis code can be made even after all of the facts bearing on a case have been investigated; 2) signs or symptoms existing at the time of the initial visit proved to be short term, and the cause has not or could not be determined; and 3) the symptoms represent important medical problems, and the physician desired to classify the symptom and an additional ICD-10 diagnosis code.

Examples: 'Symptoms' include fainting, convulsions, fever, edema, headache, shock, chest pain, nausea, etc. 'Signs' include nonspecific abnormal blood tests, urine tests, x-rays, EEG, EKG, etc. 'Ill-defined conditions' include senility, crib death, nervousness, etc.

INFECTIOUS/PARASITIC (ICD-9: 001-139) (ICD-10: A00-A09, A15-A28, A30-A99, B00-B10, B15-B20, B25-B83, B85-B97, B99)

Definition: A disease caused by bacteria, germs, virus, or parasites (e.g., worms, ticks). The illness may be contagious.

Examples: Infectious diarrhea, chicken pox, measles, herpes, viral hepatitis, bacterial meningitis, food poisoning, blood poisoning, tuberculosis, AIDS.

INJURY & POISONING (ICD-9: 800-999) (ICD-10: S00-S99, T07, T14-T88)

Definition: Injury, poisoning and certain other consequences of external causes.

Examples: Procedural complications, dislocations & sprains, fractures, open wounds.

INJURY & POISONING - EXTERNAL (ICD-9: V00-V99, W00-W74, W85-W99, X00-X08, X10-X19, X30-X39, X52-X58, X71-X83, X92-X99, Y00-Y09, Y21-Y33, Y35-Y38, Y62-Y84, Y90-Y99) (ICD-10: E000-E019, E029, E030, E800-E807, E810-E838, E840-E857, E860-E876, E878-E888, E890-E907, E909-E960, E962-E989, E991-E999)

Definition: External causes of morbidity.

Examples: Burns, falls, transportation accidents.

MATERNAL COMPLICATION OF PREGNANCY (ICD-10: O10-O16, O20-O48, O60-O77, O85-O92, O94, O98, O99, O9A)

Definition: Pregnancy, childbirth and the puerperium.

Examples: Abnormality of pelvic region, perineal laceration during delivery, obstetric trauma.

MATERNAL OUTCOME OF DELIVERY (ICD-10: O00-O08, O80-O82, Z37, Z3A)

Definition: Pregnancy, childbirth and the puerperium/Factors influencing health status and contact with health services.

Examples: Full-term uncomplicated delivery, ectopic pregnancy, hydatidiform mole.

MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUES (ICD-9: 710-739) (ICD-10: M00-M02, M05-M19, M1A, M20-M27, M30-M36, M40-M43, M45-M51, M53-M54, M60-M63, M65-M67, M70-M96, M99)

Definition: Illness caused by disorders of the joints, muscles, ligaments, and bone (excluding fractures). Examples: Arthritis, back pain, bursitis, ganglions, bunions.

NEOPLASMS, BENIGN (ICD-10: D10-D36, D3A)

Definition: A tumor or cell growth that does not spread beyond its origin (non-Cancer).

Examples: Benign neoplasm of meninges (brain), benign neoplasm of colon, leiomyoma of uterus.

NEOPLASMS, MALIGNANT (ICD-10: C00-C26, C30-C41, C43-C49, C4A, C50-C58, C60-C79, C7A, C7B, C80-C96, D00-D09)

Definition: A tumor or uncontrolled cell growth (Cancer).

Examples: Hodgkin lymphoma, lymphoid leukemia, malignant neoplasm of breast, multiple myeloma.

NEOPLASMS, UNCERTAIN/UNSPECIFIED (ICD-10: D37-D49)

Definition: A tumor or uncontrolled cell growth whose behavior is unknown or not specified.

NERVOUS SYSTEM (ICD-9: 320-389) (ICD-10: G00-G14, G20-G26, G30-G32, G35-G37, G40-G47, G50-G65, G70-G73, G80-G83, G89-G99)

Definition: Nervous system - illness caused by brain, spinal cord, and nerve disorders. Sense organs - illness caused by disorders of the eyes and ears.

Examples: Migraine headache, meningitis, encephalitis, Alzheimer's disease, Parkinson's disease, cerebral palsy, muscular dystrophy, quadriplegia, epilepsy, cataract, glaucoma.

NEWBORN INITIAL RECORD (ICD-10: Z38)

Definition: Code used to designate the birth of a newborn infant.

NON-CANCER RELATED SCREENING AND TESTING (ICD-10: Z09-Z11, Z13-Z17, Z32)

Definition: Diagnostic codes related to the treatment of various (non-cancer) diseases and conditions.

Examples: Genetic carrier testing, pregnancy testing, infectious and parasitic disease testing.

PROCREATIVE MANAGEMENT (ICD-10: Z31)

Definition: Services related to the treatment of infertility.

RESPIRATORY SYSTEM (ICD-9: 460-519) (ICD-10: J00-J06, J09-J18, J20-J22, J30-J47, J60-J70, J80-J86, J90-J99)

Definition: Illness caused by nose, larynx, bronchus, and lung disorders.

Examples: Common cold, laryngitis, tonsillitis, deviated nasal septum, viral pneumonia, emphysema, asthma, lung disease.

SHORT GESTATION, LOW BIRTH WEIGHT (ICD-10: P07)

Definition: Services related to the occurrence and care of a low birth weight infant.

SUPERVISION OF PREGNANCY (ICD-10: O09, Z33-Z34, Z36, Z39)


Definition: Services related to pregnancy and related care.

Examples: Supervision of normal pregnancy, supervision of high risk pregnancy, postpartum care and examination.

TRANSPLANT EXCLUDES COMPLICATIONS (ICD-10: Z94)

Definition: Care related to the identification, preparation, and surgical removal of a healthy organ from one person and its transplantation into person whose organ failed or was injured.

Examples: Heart transplant, kidney transplant, bone marrow transplant, liver transplant.



September 20, 2021

2021 HEALTH AND WELFARE PARTNERSHIP *METROPOLITAN DISTRICT*

Christopher Monroe | Andrea Faber | Christine Moskal
www.usi.com



CONFIDENTIAL AND PROPRIETARY: This presentation and the information contained herein are the confidential and proprietary information of USI Insurance Services, LLC ("USI"). Recipient agrees not to copy, reproduce or distribute this document, in whole or in part, without the prior written consent of USI. Estimates are illustrative given data limitation, may not be cumulative and are subject to change based on carrier underwriting. ©2014-2016 USI Insurance Services. All rights reserved.

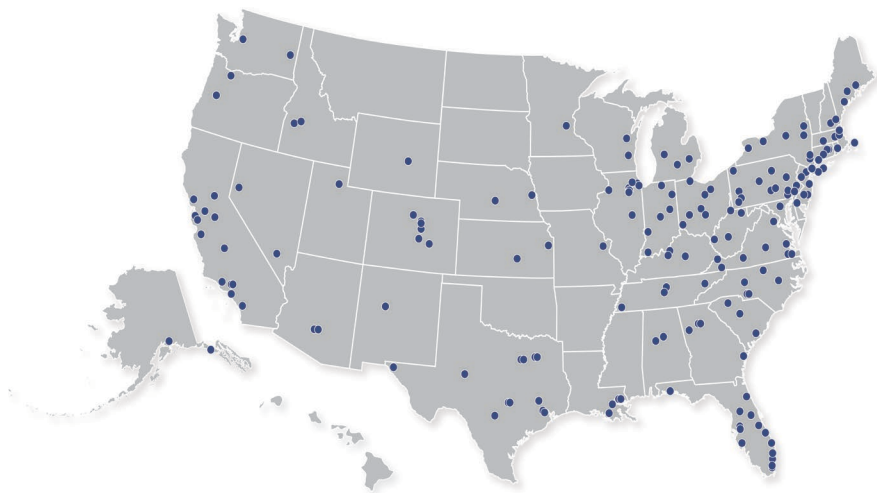


USI Brings National Capabilities & Local Expertise

USI is a national insurance brokerage and consulting firm with approximately 200 local offices connected across the U.S. and a leading market position in all core businesses.

The USI Connecticut offices have been serving the local communities since 1926.

Leading National & Local Broker
Approaching \$2B in Revenue



Commercial
P&C

Employee
Benefits

Personal
Risk

Programs

Retirement
Consulting

USI's New England Region

- Over 640 professionals with an average tenure of 13 years and specialists across a broad range of industries
- Dedicated analytics, underwriting, wellness and compliance experts who make up the region's Technical Resources Team
- Regional offices located in all six New England states as well as Glens Falls, NY Active on local and national EB and P&C carrier advisory boards

USI's Connecticut Offices

- Top 5 office in USI nationally
- Largest privately-held broker in the state



USI ONE®, Employee Benefit Solutions

USI's employee benefit practice is designed to contain cost, promote regulatory compliance and deliver superior account service. We focus on seven primary employee benefit service areas.



Underwriting & Analytics

Negotiation & management to contain plan costs



HR Services

Administration platforms, call centers and service calendars to ease your administrative burdens



Population Health Management

Wellness design, disease management analysis and aligned incentives to improve health



Compliance/Healthcare Reform

Tools, expert guidance, and policies to promote compliance with federal and state regulations



Care Intervention

Options for members to make more efficient care decisions without sacrificing quality



Pharmacy

Solutions to increase transparency and minimize pharmacy costs



Ancillary Benefits

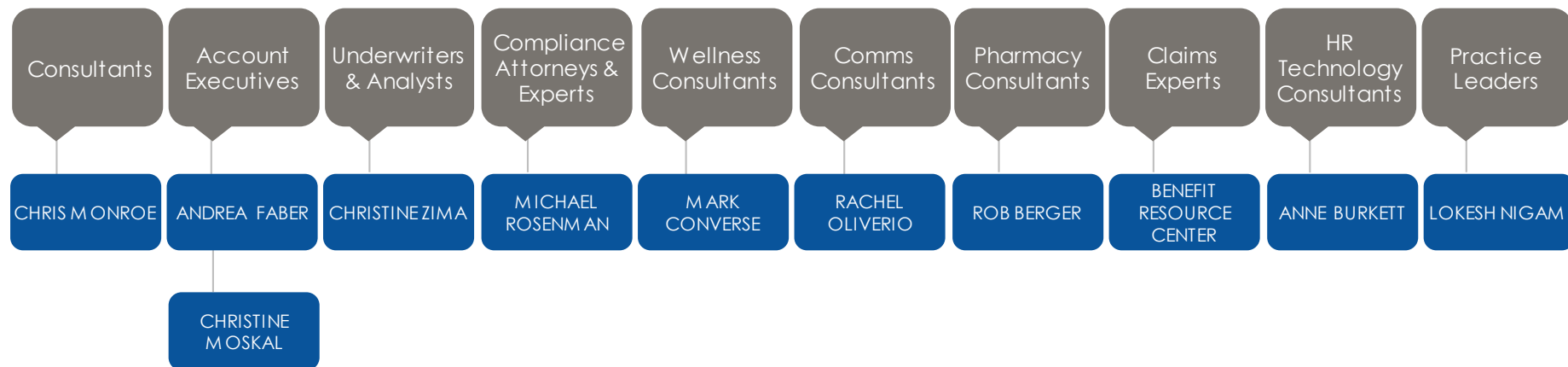
Competitive marketing and scoring drives results for other plan services

A Comprehensive, Holistic View of Your Employee Benefits Plan



USI ONE® Network Provides Deep Expertise

Dedicated technical experts networked nationally and embedded in local offices with over 8,000 professionals nationwide to build integrated client centered account teams.



- Over 2,400+ national employee benefits professionals including enrollment, retirement and wholesale
- 230 EB professionals within USI New England
- In-house experts, locally based, ensure your full account team is always available
- Hands-on service and ongoing diligent follow-through

Unmatched Breadth and Depth of Local and National Employee Benefit Resources