

A comparison of self-funded versus fully insured plans for REMIF

Prepared by:

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NFP Leadership Overview



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John Hohman is the Regional Managing Director of NFP's West region, the 9th largest insurance brokerage firm in the United States. In this position, John leads the region in the practice areas of employee benefits, retirement, estate planning and wealth management.

In 1995, John moved from a career in accounting with a Fortune 500 company to a position of Account Executive with Great West Life (acquired by CIGNA), a market leader in self funded medical and 401(k) plans. Since 2000, John provides his expertise in alternative funding, healthcare reform regulations and design of retirement plans to corporate clients and individuals. John is nationally recognized for his work and leadership in the industry and has been named one of the nation's 300 most influential Defined Contribution advisors by his peers. He sits on industry advisory boards for both medical and ancillary insurance carriers.

John is a University of Arizona graduate with a Bachelor's degree in Business Administration and a Master's Degree in Accounting/Finance. John also holds the designation of Accredited Investment Fiduciary and he holds licenses for both insurance and securities. He currently resides in Orinda, California with his wife and two children.

Redwood Empire Municipal Insurance Fund

Self-Funded vs. Fully Insured - 12/12

TPA - Capitol Network - Blue Shield Carrier - Berkley			
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Specific Excess

Individual Deductible	100,000	125,000	200,000
Contract Terms	12/12 Med/RX	12/12 Med/RX	12/12 Med/RX
Lifetime Max	Unlimited	Unlimited	Unlimited
Annual Max	Unlimited	Unlimited	Unlimited

	EE Count			
Employee & Dependent Only	324	92.96	75.14	43.98
Employee + 1	295	173.27	140.07	81.99
Employee + Family	387	263.16	212.73	124.51

Estimated Annual Premium	2,196,919.32	1,775,910.24	1,039,463.28
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TPA Admin Fees	EE Count			
Administrator	1006	19.00	19.00	19.00
Network	1006	29.59	29.59	29.59
Advisor Fee	1006	20.00	20.00	20.00

Estimated Annual Fees	828,018.48	828,018.48	828,018.48
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Aggregate Excess

Contract Terms	12/12	12/12	12/12
Covered Benefits	Med/RX	Med/RX	Med/RX
Attachment Point	125%	125%	125%
Max Annual Reimbursement	\$1M annual	\$1M annual	\$1M annual

	EE Count			
	1006	1.52	1.86	2.54

Estimated Annual Premium	18,349.44	22,453.92	30,662.88
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	EE Count			
Employee and Dependent Only	324	549.31	564.69	592.08
Employee + 1	295	1,023.92	1,052.58	1,103.64
Employee + Family	387	1,555.11	1,598.64	1,676.18

Attachment Point	12,982,324.92	13,345,732.08	13,993,072.56
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Potential Max Annual Cost	16,025,612.16	15,972,114.72	15,891,217.20
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Current Fully Insured Plans

	EE Count	Annual Premium
Anthem BC PPO	746	1,109,192.95
Anthem BC Retiree	160	203,246.22
Anthem BC HSA	100	115,581.12

Total Annual Premium	1006	17,136,243.48
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