

**CITY OF RAPID CITY
HEALTHCARE PLAN RENEWAL
JULY 1, 2003
(Medical Plan Only)**

May 22, 2003

LF061103-09

<i>Current Enrollment</i>						<i>Option A</i>	
Single	349					Renewal	
Family	<u>345</u>	Current	Renewal			Employer	
Total	<u>694</u>	Employer	Employer	Percent		Employer	Percent
		Reinsurance	Reinsurance	Change		Reinsurance	Change
STOP-LOSS CARRIER							
Specific Stop-Loss Limit		<u>\$100,000</u>	<u>\$100,000</u>			<u>\$125,000</u>	
Type of Contract		27/12	27/12			27/12	
Specific Premium							
Single per month		\$10.45	\$12.53			\$10.09	
Family per month		\$26.12	\$31.34			\$25.22	
Annualized Specific Premium		\$151,901	\$182,223	19.96%		\$146,668	-3.45%
Corridor Liability (Note 1)		\$73,088	\$91,449	25.12%		\$73,607	0.71%
Annualized Prem and Corridor Liability		\$224,989	\$273,672	21.64%		\$220,275	-2.10%
Aggregate Stop-Loss Limit							
Type of Contract		15/12	15/12			15/12	
Aggregate Accumulation Factors							
Single per Month		\$287.14	\$385.30			\$392.16	
Family per month		\$717.85	\$963.24			\$980.39	
Annualized Aggregate		\$4,174,441	\$5,601,445	34.18%		\$5,701,176	36.57%
<i>Run-in Limit</i>							
Aggregate Premium							
Employee Per Month		\$3.45	\$4.15			\$4.38	
Annualized Premium		\$28,732	\$34,561	20.29%		\$36,477	26.96%
Claims Administration-FAA							
Employee Per Month		\$5.75	\$5.75			\$5.75	
Annualized Administration		\$47,886	\$47,886	0.00%		\$47,886	0.00%
Network Access Fee							
Employee Per Month		\$3.00	\$3.00			\$3.00	
Annualized Administration		\$24,984	\$24,984	0.00%		\$24,984	0.00%
Utilization Review Intracorp							
Employee Per Month		\$1.70	\$1.70			\$1.70	
Annualized Review Fee		\$14,158	\$14,158	0.00%		\$14,158	0.00%
Annualized Fixed Costs		\$267,661	\$303,812	13.51%		\$270,172	0.94%
Anticipated Costs							
Annualized Fixed Costs		\$267,661	\$303,812			\$270,172	
Expected Claim Costs		\$3,412,641	\$4,572,605			\$4,634,547	
Total Anticipated Costs		\$3,680,302	\$4,876,417	32.50%		\$4,904,719	33.27%
Maximum Costs							
Annualized Fixed Costs		\$267,661	\$303,812			\$270,172	
Maximum Claims Costs		\$4,247,529	\$5,692,894			\$5,774,783	
Total Maximum Costs		\$4,515,190	\$5,996,706	32.81%		\$6,044,955	33.88%

Note 1: The "Corridor Liability" is an additional liability assumed in lieu of paying a similar amount of premium.

Note 2: Both quotes are contingent upon receipt of a written disclosure, and Employers' acceptance, of all known claims at the time of application.

Note 3: Dental claims administration would remain unchanged at \$2.40 per employee per month.

Note 3: Administrative fees are at a reduced level because the stop-loss coverage is purchased through First Administrators.