ORD 15-025

AN ORDINANCE TO AUTHORIZE CITY CONTRACT 15016HRPS, LIFE AND HEALTH INSURANCE BROKERAGE SERVICES, AS AMENDED, WITH USI INSURANCE SERVICES LLC, SUCCESSOR IN INTEREST TO WILLIS OF DELAWARE, INC.

#4064

Sponsor:

Council Member Freel

Co-Sponsors

Council Members
D. Brown
Shabazz

WHEREAS, pursuant to Section 2-308 and Section 8-200 of the City Charter, the City of Wilmington is authorized to enter into contracts for the supply of property or the rendering of services for more than a period of one year if approved by City Council by Ordinance; and

WHEREAS, the City desires to obtain the services of an experienced firm to be the City's life and health insurance broker; and

WHEREAS, the City publicly advertised a request for proposals in accordance with the applicable provisions of the City Charter and subsequently negotiated Contract 15016HRPS – Life and Health Insurance Brokerage Services ("the Contract") – with Willis of Delaware, Inc. ("Willis"), the firm ranked highest by the City's evaluation committee, a copy of which Contract, in substantial form, is attached as Exhibit "A" hereto; and

WHEREAS, Willis has subsequently assigned its rights and obligations under the Contract to USI Insurance Services LLC ("USI"), and USI has agreed to accept and assume all such rights and obligations to the City as Willis' successor in interest; and

WHEREAS, the City and USI have agreed to amend the Contract to confirm the assignment thereof from Willis to USI, and to extend the term of the Contract for a period of one month; and

WHEREAS, the term of the amended Contract is for a period of one year beginning on or about August 1, 2014 and ending on July 31, 2015, at a total price not to exceed One Hundred Thirty Five Thousand Dollars ($135,000.00), with the possibility

of three (3) extensions of one year each, upon the same terms and conditions thereof; and

WHEREAS, it is the recommendation of the Department of Human Resources and the Risk Management Committee that the City enter into and extend the Contract, as amended, with USI as described above.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

SECTION 1. Contract 15016HRPS – Life and Health Insurance Brokerage Services, as amended – between the City and USI Insurance Services LLC, as successor in interest to Willis of Delaware, Inc., a copy of which, in substantial form, is attached hereto as Exhibit "A," for the term of one year beginning on or about August 1, 2014, and ending on July 31, 2015, at a total price not to exceed One Hundred Thirty Five Thousand Dollars ($135,000.00), with the possibility of three (3) extensions of one year each, upon the same terms and conditions thereof, is hereby approved, and the Mayor or his designee and the City Clerk are hereby authorized to execute as many copies of said contract, as well as all additional undertakings related thereto, as may be necessary.

SECTION 2. This Ordinance shall be effective upon its passage by City Council and approval of the Mayor.

First Reading.....June 4, 2015
Second Reading..... June 4, 2015
Third Reading..... July 9, 2015

Passed by City Council, July 9, 2015

Loretta Walsh
President of City Council
President Pro Tem

ATTEST: Maribel Lopez
City Clerk

Approved as to form this
2nd day of June, 2015

Mary Pilnick
First Assistant City Solicitor

Approved this 10 day of July, 2015

Dennis P. Kucinich
Mayor

SYNOPSIS: This Ordinance authorizes the City to enter into Contract 15016HRPS, Life and Health Insurance Brokerage Services, as amended, with USI Insurance Services LLC, as successor in interest to Willis of Delaware, Inc., for the term of one year beginning on or about August 1, 2014 and ending on July 31, 2015, at a total price not to exceed One Hundred Thirty Five Thousand Dollars ($135,000.00), with the possibility of three (3) extensions of one year each upon the same terms and conditions thereof.

Agenda #4064

IMPACT STATEMENT

This Ordinance authorizes the City to enter into Contract 15016HRPS, Life and Health Insurance Brokerage Services, as amended, with USI Insurance Services LLC, as successor in interest to Willis of Delaware, Inc., for the term of one year beginning on or about August 1, 2014 and ending on July 31, 2015, at a total price not to exceed One Hundred Thirty Five Thousand Dollars ($135,000.00), with the possibility of three (3) extensions of one year each upon the same terms and conditions thereof.

CITY CONTRACT 15016HRPS

LIFE & HEALTH INSURANCE BROKERAGE SERVICES

BETWEEN

CITY OF WILMINGTON

AND

WILLIS OF DELAWARE, INC

EXHIBIT "A"

The News Journal
Media Group
A GANNETT COMPANY

Street Address:
950 West Basin Road
New Castle, DE 19720

Mailing Address:
P.O. Box 15505
Wilmington, DE 19850

(302) 324-2500
(800) 235-9100

Legal Desk:
(302) 324-2676
Legal Fax:
302 324-2249

CITY OF WILMINGTON, PURCHASING DIV.
ATTN: PHILIP CERESINI
800 N. FRENCH ST., FL 5
WILMINGTON, DE 19801

State of Delaware } SS.

New Castle County

Personally appeared **The News Journal**

Of the**The News Journal Media Group,** a newspaper printed, published and circulated in the State of Delaware, who being duly sworn, deposeth and saith that the advertisement of which the annexed is a true copy, has been published in the said newspaper 2 times, once in each issue as follows:

3/25/14, 4/01/14

A.D. **2014**

Lorraine DiSantis
Notary Public of Delaware

Kristin Wagner
Sworn and subscribed before me, this
1 day of **April, 2014**

Legal notification printed at larger size for affidavit.

LORRAINE M. DISANTIS
MY COMMISSION
EXPIRES ON
October 22, 2015
NOTARY PUBLIC
NEW CASTLE COUNTY, STATE OF DELAWARE

The City of Wilmington will receive sealed proposals at the Div. of Procurement & Records, 5th Fl., Louis L. Redding Bldg., 800 French St., Wilm., DE 19801 for:

15016HRPS – LIFE & HEALTH INSURANCE BROKERAGE SERVICES

Proposals are due on TUESDAY, APRIL 15, 2014, at the close of business, 5:00 p.m.

Scope of Services may be obtained at the above address.

P[illegible] Ceresini
[illegible]asing Agent II
Department of Finance
Division of Procurement and Records

pceresini@WilmingtonDE.gov
www.WilmingtonDE.gov
3/25;4/1-NJ

0110967103-01



CITY OF WILMINGTON

CONTRACT 15016HRPS

REQUEST FOR PROPOSAL

LIFE AND HEALTH INSURANCE BROKERAGE SERVICES

1. Proposals on **City Contract** 15016HRPS – LIFE & HEALTH INSURANCE BROKERAGE SERVICES will be received in the Division of Procurement and Records, 5th Floor, Louis L. Redding City/County Building, 800 French Street, Wilmington, Delaware, on **TUESDAY, APRIL 15, 2014, at the close of business, 5:00 p.m.**

2. Proposals must be an original and four (4) copies, sealed in an envelope, and the envelope endorsed **"Proposal for City Contract** 15016HRPS – LIFE & HEALTH INSURANCE BROKERAGE SERVICES" and addressed to the Department of Finance, Division of Procurement and Records, 5th Floor, Louis L. Redding City/County Building, 800 French Street, Wilmington, Delaware.

3. Any proposal may be withdrawn prior to the schedule time for opening of proposals or authorized postponement thereof. No proposal may be withdrawn within sixty (60) calendar days after the actual opening thereof.

4. The successful proposer will be required to have or obtain an appropriate business license from the Department of Finance, Revenue Division, City of Wilmington, in order to be awarded the contract. Before obtaining a City of Wilmington Business License, all applicants must show proof of a current State of Delaware Business License.

5. The successful proposer will be required to withhold City of Wilmington Wage Tax from their employees and withheld taxes paid to the City of Wilmington pursuant to the provisions of the Wilmington Wage Tax Law. This law applies to people living and/or working in the City of Wilmington.

6. The U.S. Department of Commerce monitors Procurement transaction made to minority business enterprises by the City of Wilmington. The Minority Business Developments Agency's District Office reserves the right to contact the successful minority proposer and/or subcontractor to confirm any participation in the Procurement process.

7. The successful bidder certifies that they are not listed on the Federal Governmental, Excluded Parties List System (www.sam.gov). This will be verified by the City of Wilmington and if listed may be grounds for rejection of the bid or proposal.

8. **Award and Execution of Contract**

A. **Consideration of Proposals.** Before awarding the contract, a proposer may be required to show that he/she has the ability, experience, necessary equipment, experienced personnel, and financial resources to successfully carry out the work required by the contract.

The right is reserved to reject any and/or all proposals, to waive technicalities, to advertise for new proposals, or to proceed to do the work otherwise, if in the judgement of the department the best interest of the City will be promoted thereby.

B. **Award of Contract.** The award of the contract, if it be awarded, must be within sixty (60) calendar days after the opening of proposals to the qualified proposer whose proposal complies with all the requirements prescribed. The successful bidder will be notified by letter mailed to the address shown on his proposal that his proposal has been accepted and has been awarded the contract.

C. **Cancellation of Award.** The City reserves the right to cancel the award of any contract at any time before the execution of said contract by all parties without any liability against the City.

9. Any person doing business or seeking to do business with the City shall abide by the following Global Sullivan Principles:

A. Support universal human rights and particularly, those of employees, the communities within which you operate, and parties with whom you do business.

B. Promote equal opportunity for employees at all levels of the company with respect to issues such as color, race, gender, age, ethnicity, or religious beliefs, and operate without unacceptable worker treatment such as the exploitation of children, physical punishment, female abuse, involuntary servitude, or other forms of abuse.

C. Respect employee's voluntary freedom of association.

D. Compensate employees to enable them to meet at least their basic needs and provide the opportunity to improve their skill and capability in order to raise their social and economic opportunities.

E. Provide a safe and healthy workplace; protect human health and the environment; and promote sustainable development.

F. Promote fair competition including respect for intellectual and other property rights, and not offer, pay, or accept bribes.

G. Work with governments and communities in which you do business to improve the quality of life in those communities -- their educational, cultural, economic, and social well-being -- and seek to provide training and opportunities for workers from disadvantaged backgrounds.

H. Promote the application of these principles by those with whom you do business.

CITY OF WILMINGTON

CONTRACT NO.: 15016HRPS

LIFE AND HEALTH INSURANCE BROKERAGE SERVICES

TO ALL OFFERORS:

The City of Wilmington ("City") is seeking priced proposals from qualified firms to provide professional Life and Health Insurance Brokerage services for the City's mixed self-insured and insured life, health and disability insurance programs.

Any questions concerning the project should be sent in writing to Philip Ceresini, at pceresini@WilmingtonDE.gov. Responses to questions will be shared with all proposers. Questions will not be accepted within 7 days of the proposal due date.

GENERAL

The City of Wilmington, Delaware is seeking proposals from qualified firms to provide Professional Life and Health Insurance Brokerage Services in accordance with the specifications contained in this Request for Proposal. The process will result in the selection of one firm to provide future brokerage services.

The City has approximately 1,122 fulltime and 550 part-time and seasonal employees, serving a population of approximately 71,000 residents. The annual/budgeted payroll for fiscal year 2014 is $64,217,179. See Exhibit A hereto for a further Profile of the City.

The City is currently self-insured for medical costs. The City purchases Dental, Long-Term Disability, Group Life Insurance, and Medical Stop-Loss coverage.

It is the City's intention to engage in a comprehensive cost benefit analysis of the existing programs in an effort to achieve optimum efficiencies.

Note: A copy of the City of Wilmington Fiscal Year 2014 Comprehensive Annual Budget is available through our website:

http://www.wilmingtonde.gov/government/citybudget

Once selected, the successful firm will be responsible for assisting with the self-insured plans, and in the initial placement, renewals, and ongoing Life and Health insurance needs of the City of Wilmington. The services provided will include the development of underwriting guidelines, placement of all insurance coverages, periodic advice as to existing and renewal carriers, including financial solvency.

The City reserves the right to waive any formalities it deems appropriate and to reject any or all proposals. Failure to furnish the requested information will disqualify a broker candidate's proposal.

The City reserves the right to interview any, but not necessarily all, proposers.

Any contract for said services pursuant to this RFP must be approved by City Council before it will be effective.

SCOPE

The Contractor will market, present to the City, and place as directed by the City, insurance coverages for the City employees and retirees for Dental, Long-Term Disability, Short-term disability, Group Life Insurance, and Medical Stop-Loss coverage and other recommended and desired coverages. The Contractor will advise the City as to what coverages to seek and obtain, which carriers to choose, and what retentions, deductibles and limits are most suitable on a cost/benefit/risk basis. The Contractor will also market and present to the City proposals from vendors to contract for TPA services to manage the medical plans.

Table of Contents

I. Definitions
II. Overview
III. Special Provisions
    A. Issuing Office
    B. Scope of RFP
    C. Contract Term/Renewal/Extensions
    D. Basis of Award
    E. Incurring Costs
    F. Response Date
    G. Proposals
    H. Oral Presentations/Confidentiality
    I. Prime Responsibility/Subcontracting/Assignment
    J. Disclosure of Proposal Content
    K. Price
    L. Payment
    M. Addenda to the RFP
IV. Proposal Information
    A. Purpose
    B. Scope of Services
    C. Contractor Qualifications
    D. Insurance Requirements
V. Required Format for Submission of Proposals
    A. Compilation of Proposals (Format)
    B. Cover Letter
    C. Table of Contents/Page Numbering
    D. Description of Services and Staff to be provided
    E. Cost Proposal
    F. Exhibits
    G. Draft Form of Contract
    H. Conditions
    I. Submission of Proposal
VI. Criteria for Selection of Proposals/Review Process
    A. Proposal Review Committee
    B. Proposal Selection Criteria/Evaluation
VII. General Provisions
    A. Preparation of Proposal
    B. Withdrawal of Proposals
    C. Disqualification of Proposers
    D. Signing of Contract
    E. Performance of Work
    F. Contractor Responsibility/Independent Contractor
    G. Personnel
    H. Interest of Contractor
    I. Covenant Against Contigent Fees

J. Gratuities
K. Audit Access to Records
L. Laws to be Observed
M. Permits and Licenses
N. Appropriation of Funds
O. Non-Discrimination
P. Indemnification
Q. Contract Documents/Amendments
R. Assignment
S. Choice of Law
T. Notices

VIII. Proposal Reply Section
A. "No Proposal Reply" Form
B. Non-Collusion Statement and Acceptance

The definitions and general provisions apply and are part of this Request for Proposal. Should the general provisions conflict with the Special Provisions, the Special Provisions shall prevail.

I. DEFINITIONS

"**AGENCY**" means the City of Wilmington, Division of Procurement and Records, Department of Finance.

"**CARRIER**" means an insurance company authorized by the State of Delaware to sell insurance of the type to be issued..

"**CITY**" means the City of Wilmington, its elected and appointed officials, full and part-time and seasonal employees, and volunteers.

"**CITY EMPLOYEE**" means an employees and retirees of the City of Wilmington, including its elected and appointed officials, fulltime, part-time and seasonal employees, and volunteers.

"**CLAIMS**" means medical, dental, life and disability claims made by City employees during the initial term of the Contract, or any extension thereof.

"**CONTRACT**" means the written agreement between the City and the successful proposer for the furnishing and delivery of any material or work to be performed pursuant to this RFP, and any contract documents referenced in the said written agreement, including without limitation, this RFP and any proposal submitted by the contractor in response thereto.

"**CONTRACTOR**" means any individual, firm or corporation or other entity with whom a contract is made by the agency.

"**COMMITTEE**" means the Proposal Review Committee that shall screen and evaluate all proposals.

"**DEPARTMENT**" means the City of Wilmington, Division of Procurement and Records, Department of Finance.

"**DISABILITY INSURANCE**" means short or long term disability insurance covering city employees in the event of disability from any cause.

"**GROUP LIFE INSURANCE**" includes, but is not limited to, insurance coverage payable upon the death of the insured employee or retiree under a group life insureance policy. .

"**GENERAL PROVISIONS**" means the instructions pertaining to City contracts in general.

"**INSURANCE PROGRAM**" means the City of Wilmington program of risk retention, loss control, funding for self insured loss reserves and contingencies, and insurance of property and casualty and life and health related risks.

"**OFFEROR**" means a proposer or vendor.

"PROPOSAL" means the detailed offer of the proposer submitted in the required manner and setting forth the proposer's price(s) for performing the work or supplying the material(s) to be provided pursuant to the Request for Proposal.

"PROPOSER" OR "VENDOR" means an individual, firm or corporation or other entity formally submitting a proposal for the material or work contemplated, acting directly or through a duly authorized representative.

"REQUEST FOR PROPOSAL" OR "RFP" means this document and any other documents or materials provided to offerors upon request, including, but not limited to, the General, Scope, Definitions, Overview, Services, Special Provisions, Proposal Information, Required Format for Submission of Proposals, Criteria for Selection of Proposals/Review Process, General Provisions and Proposal Reply Sections.

"RISK MANAGEMENT" OR "RISK MANAGEMENT DIVISION" means the Risk Management and Employee Benefits division of the Department of Human Resources of the City of Wilmington.

"RISK MANAGER" means the Director of Risk Management and Employee Benefits of the City of Wilmington or his or her designee.

"SPECIAL PROVISIONS" means specific conditions or requirements particular to the contract under consideration, which supplement the general provisions. In the case of any conflict between general and special provisions, special provisions shall prevail.

II. OVERVIEW

The Agency seeks proposals for professional services to provide Life and Health Insurance Brokerage Services..

The proposed schedule of events is as follows:

	Date/Time
Public Notice	3-25-14 & 4-1-14
Deadline for Questions	4-8-14 at 5:00 p.m.
Deadline for the Receipt of Proposals	4-15-14 at 5:00 p.m.
Anticipated Contract Effective Date	7-1-14

Proposals must conform to the requirements set forth in this RFP. Each proposal must be accompanied by a cover letter briefly summarizing the proposer's interest in providing the required professional services and the name, address, and telephone number of a contact person or persons.

Any duly qualified private for-profit or non-profit corporation, partnership, sole proprietor, or other legal entity which has or can timely obtain, before commencing the Contract, and maintain licensure for the entity and its employees as required by the Department of Insurance and other

agencies of the State of Delaware, as well as State of Delaware and City of Wilmington business licenses ("qualified entity") is eligible to respond to this RFP, subject to the minimum requirements set forth herein. The successful applicant must provide proof of its qualification as part of its proposal.

III. SPECIAL PROVISIONS

A. ISSUING OFFICE

This RFP is issued by the City of Wilmington, Division of Procurement and Records, Department of Finance. The Department is the primary point of contact between the City and all proposers.

B. SCOPE OF RFP

This RFP contains instructions governing proposals to be submitted and the material to be included therein, a description of the services to be provided, requirements that must be met to be eligible for consideration and general evaluation criteria.

C. CONTRACT TERM/RENEWAL/EXTENSIONS

The term of the contract shall be for 12 months beginning July 1, 2014, or as soon thereafter as possible, and ending June 30, 2015, with the availability of three (3) extensions of one year each by mutual consent, to be reached at least ninety (90) days prior to the termination date of the Contract or extension thereof. Should no notice of desire to extend or terminate be transmitted in writing by either party to the other party prior to ninety (90) days prior to the said termination date, the Contract shall continue from month-to-month following the said termination date as before until an extension or termination agreement is reached. The Contract may be terminated for cause by either party upon thirty (30) days written notice, and by either party without cause upon 120 days written notice. The contractor shall be liable for the adjustment of all prior and new claims during the contract term, and to provide a full accounting and documentation of same in acceptable electronic and/or paper form in a timely manner upon termination thereof to any successive Contractor or the City, as directed.

D. BASIS OF AWARD

The City shall award this contract to the most responsible and responsive proposer who complies with the requirements of this RFP, best satisfies the criteria for selection, and meets the needs of the City. The award of a contract may be made upon criteria other than the lowest price. The City reserves the right to reject any or all proposals in whole or in part, to make partial awards, award by types, item by item, or lump sum total, whichever may be

most advantageous to the City of Wilmington. The intent though is to award this contract to one (1) proposer.

In the sole discretion of the City, proposers submitting conforming proposals may be afforded an opportunity for discussion and revision of proposals. Negotiations may be conducted with responsible proposers who submit proposals found to be reasonable likely to be selected for award. The contents of any proposal shall not be disclosed so as to be available to competing proposers during the negotiation process.

E. INCURRING COSTS

The City will not be responsible for any expenses or costs incurred by any proposer in preparing and submitting a proposal or prior to the issuance of a contract.

F. RESPONSE DATE

To be considered, proposals must be received by the Division of Procurement and Records, Department of Finance, City of Wilmington, no later than 5:00 p.m., April 15, 2014. **Proposals shall be addressed as follows:**

City of Wilmington
Attention: Philip Ceresini
Department of Finance
Division of Procurement and Records
800 North French Street, 5th Floor
Wilmington, Delaware 19801

Proposals shall be delivered in sealed envelopes with the name and address of the proposer, and shall be labeled **"Sealed Proposal Contract 15016HRPS, City of Wilmington – Life and Health Insurance Brokerage Services."** The proposer bears the risk of delays in delivery. Proposals received after the time set will be returned unopened.

G. PROPOSALS

To be considered, proposers must submit a complete response covering all of the work items outlined in this RFP, using the format required by the RFP. A proposal may be rejected if it is incomplete or conditional.

The proposer must submit five (5) copies of the proposal in a sealed envelope marked with the proposer's name and address, and labeled **"Sealed Proposal Contract 15016HRPS, City of Wilmington – Life and Health Insurance Brokerage Services."** One of the copies shall be marked "Master Copy," and will contain original signatures in all locations requiring a proposer's signature.

Proposals must be signed by an individual authorized to bind the proposer to its provisions. Proposals must remain valid until July 1, 2014.. Proposals should be prepared as simply and economically as reasonably possible, providing a straightforward, clear, and concise description of the proposer's ability to meet the requirements of the RFP. The selected proposal will become a part of the contract issued pursuant to the RFP. The Scope of Services and Contractor Qualifications paragraphs below should be responded specifically to by paragraph number in the proposal.

H. ORAL PRESENTATIONS/CONFIDENTIALITY

Proposers who submit proposals may be required to make oral presentations of proposals. Such presentations provide an opportunity to clarify proposals to ensure thorough mutual understanding. Presentations will be scheduled at the sole discretion of the Agency.
All reports, documentation, and material developed or acquired by the contractor as a direct requirement specified herein are confidential, and shall become and remain the exclusive property of the City. The contractor shall agree and understand that all discussions with the contractor and all information gained by the contractor as a result of the contractor's performance under the contract shall be confidential, and that no reports, documentation, or material prepared as required by the contract shall be released to the public without the prior written consent of the City.

I. PRIME RESPONSIBILITY/SUBCONTRACTING/ASSIGNMENT

The City will enter into a contract with the successful proposer. The successful proposer shall be responsible for all work required by this RFP and any contract issued pursuant thereto. Subcontractors, if any, must be clearly identified in the proposal. The City retains the right to approve any subcontractor.

Neither the successful proposer nor any approved subcontractor may assign or transfer any of its interest in its proposal or any subsequent contract issued pursuant to this RFP without the prior written consent of the City. Any such attempted assignment shall be void and constitute a breach of the requirements of this RFP and any contract subsequently issued pursuant thereto, and constitute cause for termination as described above.

J. DISCLOSURE OF PROPOSAL CONTENT

All materials submitted in connection with any proposal become the property of the City and may be returned only at the option of the City. Proposals may be reviewed and evaluated by any person other than competing proposers at the discretion of the City. Any information a proposer considers proprietary or otherwise not a "public record" should be so identified with a request that it not be disclosed to any third parties. Disclosure will then be controlled by

the Delaware Freedom of Information Act (FOIA) or other applicable statutes or regulations as interpreted in the sole discretion of the City.

K. PRICE

The proposal must clearly identify the price of all work to be performed and include:

- A pricing structure that is clear, accountable, and auditable;
- The full spectrum of services required; and
- Specify the price during any contact renewal terms.
- Specify the pricing for any extra services, as described above.

Prices and/or rates will remain firm for the term of the contract and any renewal term thereof.

L. PAYMENT

For insurance premiums, funds will be paid to the contractor in response to billings reflecting premiums from selected carriers, from which contractor will issue drafts to carriers. Such funds shall not be comingled with the contractor's general operating funds, rather maintained in a separate escrow-type account identified as City funds until disbursal.
For services rendered, payment shall be made by the City to the Contractor within thirty days after the satisfactory completion of all work specified herein and upon proper invoice to the City, or in such installments as shall be mutually agreed.

M. ADDENDA TO THE RFP

If it becomes necessary to revise any part of this RFP, revisions in writing will be provided to all potential proposers known to have received a copy of the RFP. Proposers shall acknowledge in writing receipt of all amendments, addenda, and changes in connection with this RFP by including a statement in the Proposal to that effect.

IV. PROPOSAL INFORMATION

A. PURPOSE

This Request for Proposal (RFP) seeks proposals for Life and Health Insurance Brokerage Services. The City is currently self-insured for coverages including, but not limited to, COBRA, Flexible Spending, Commuter Reimbursement administration, and employee medical. The City purchases Dental, Long-Term Disability, Medical Stop-Loss, and Group Life Insurance. It is the City's intention to review these coverages to assure cost-effectiveness among other criteria on an annual basis.

B. SCOPE OF SERVICES

The Contractor will:

1. Represent the City's interests in the marketplace when the purchase of insurance is necessary. Secure Dental, Long-Term Disability, Short-Term Disability, Group Life, and specific and aggregate stop-loss insurance coverages as appropriate. Functioning as the intermediary, negotiate with insurance companies and monitor the published financial information of the City's insurers and alert the City to changes in their status.

2. Prepare pre-renewal strategy prior to the insurance program anniversary date. Identify and quantify exposures to loss; procure necessary loss and exposure information; and complete any required applications.

3. Develop underwriting specifications including historical exposure and loss information; coverage requirements; program alternatives; and service requirements, which are to be reviewed with the City of Wilmington prior to submitting them to the insurance markets.

4. Receive quotations and prepare a recommendations report.

5. Procure vendor for self-insured programs through competitive process for TPA services with respect to management of the programs, including adding and deleting eligible City employees and retirees, sending all notices and updates, and providing for the printing, updates, revisions, deletions, additions and changes to employee benefits booklets, including obtaining from and delivery to the City Employee Benefits Division.

6. Work directly with the City's vendors/insurance carriers to ensure superior service; facilitating all strategic meetings with the City and insurance markets; and keep the City informed of significant changes and/or trends in the insurance industry that could have an impact on the City.

7. Provide monthly and annual summaries including a concise narrative of overall administrative and trends effectiveness and estimated future costs in an agreed upon format between City and vendor.

8. Track significant claims and provide the City with periodic reports.

9. Monitor and advise the City of Wilmington of any reduction or exhaustion of aggregate limits of any policy and advising the City of Wilmington on any limit reinstatement or additional purchase options available.

10. Check policies, endorsements, amendments, audits, rating adjustments, and billings for accuracy and request corrections, as needed.

11. Serve as advocate in the resolution of coverage issues (i.e., "reservations of rights" or coverage disclaimers, when an insurance carrier is involved).

12. Provide support for the City-sponsored benefit activities such as Benefit Fairs, Annual Passive and Mandatory Open Enrollment meetings, special enrollments or other employee benefits projects as needed.

13. Conduct benefit offering surveys on comparable organizations and prepare reports comparing each benefit and employee costs for such.

14. Provide the City a copy of your audited financial statements annually.

15. Assist with any claims audit conducted by an outside party.

16. Furnish the City with such Reports as the City may request pertaining to the work or services undertaken pursuant to this Agreement.

17. Withhold, as applicable, City of Wilmington wage taxes from the compensation of its officers, agents or employees as required by the City of Wilmington wage tax law.

C. CONTRACTOR QUALIFICATIONS.

The Contractor shall have, at a minimum, the following qualifications, subject to written waiver in the sole discretion of the City if the overall experience of the proposer, and anticipated enhancement actions warrant same:

1. Must be primarily engaged in the business of providing comprehensive Life and Health Insurance Brokerage Services, including to self-insured and Delaware clients, and must have actively provided this service for a period of no less than five (5) years, with available staff of at least two (2) qualified, licensed and bonded Life and Health insurance brokers who are, and are supervised by an individual familiar with all phases of Delaware health, life, disability, and welfare benefit and insurance laws as applicable, with at least seven (7) years experience for the supervisor and three (3) years experience for the brokers in the area (s) to which they are to be assigned. The firm must have been in existence and have had a substantial client base in Delaware for at least five (5) years.

2. The brokers and supervisors to be assigned to this contract shall provide resumes in which education and experience generally and in Delaware are listed, as well as initial and recurrent and ongoing planned continuing broker education in Delaware in health, life, disability, and welfare benefit and insurance laws and regulations, listing providers of the training received and planned, and listing hours spent and to be spent periodically going forward.

3. Delaware and City of Wilmington Business Licenses.

4. Licenses for all operational and supervisory personnel as required by DE law.

5. Have sufficient staff to complete the actions outlined here.

6. Three (3) business or government references of self-insured or insured clients served for at least two (2) years.

D. INSURANCE REQUIREMENTS

Workers' Compensation & Employer's Liability Insurance

Vendor shall purchase and keep in force and effect workers' compensation insurance that will provide the applicable statutory benefits for all of the vendor's employees who may or do suffer covered injuries or diseases while involved in the performance of their work for the Vendor; and, even if permitted to do so by statute, Vendor shall not reject any workers compensation insurance option that, in the absence of such a rejection, would be applicable to any of the said employees. The policy providing the workers' compensation insurance shall include: (1) broad form all-states coverage; (2) an endorsement that specifically waives any subrogation rights the insurer would otherwise have against the City of Wilmington, its officials or employees.

Vendor shall purchase, and keep in force and effect, Employers' Liability insurance with maximum limits for each employee of $1,000,000 for each bodily injury by accident, or occupational disease, and $1,000,000 aggregate maximum limits for all bodily injuries by accidents and occupational diseases within the coverage period, regardless of the number of employees who may sustain bodily injuries by accident or occupational disease.

Automobile and General Liability Insurance

Vendor shall purchase: (1) motor vehicle liability coverage, for owned, hired and non-owned vehicles, covering any and all claims for bodily injury and property damage that arise out of Vendor's performance of work for the City of Wilmington, (2) comprehensive Commercial General Liability (CGL) insurance with limits of no less than $1,000,000 each occurrence and $2,000,000 annual aggregate. The CGL policy shall be extended by endorsement or otherwise to also include (a) coverage for Contractual Liability assumed by Vendor, with defense provided in addition to and separate from policy limits for indemnities of the named insured, (b) coverage for Independent Contractor Liability providing coverage in connection with such portion of the Services being subcontracted prior to any of the Services being subcontracted, in accordance with the terms and conditions of this Agreement, (c) coverage for Broad Form Property Damage Liability, (d) coverage for Personal Injury and Advertisers Liability, (e) products and completed operations. (e) the City of Wilmington shall be named as an "Additional Insured" on the CGL coverage.

Professional Liability Insurance

Each vendor shall provide professional liability insurance with limits of at least $1,000,000 per occurrence and $3,000,000 annual aggregate.

All insurance required under this contract except workers' compensation, employers liability, and professional liability shall be provided on a policy(s) that specifically names the City of Wilmington, its officials and employees as additional insureds.

Each policy shall provide an endorsement that specifically waives any subrogation rights the insurer would otherwise have against the City of Wilmington, its officials or employees. Each policy shall be endorsed to require the insurer to give the City of Wilmington at least thirty (30) days' advance written notice of the insurer's intention to cancel, refuse to renew, or otherwise terminate the policy, suspend or terminate any coverage under the policy, or reduce any policy limits, increase any policy deductibles, or otherwise modify or alter any terms or conditions of the policy or renewal issued by the same insurer.

Each policy shall be written by a carrier licensed by the State of Delaware to do insurance business of the type involved in the State of Delaware, and which has, and maintains for the life of this contract, at least an "A" rating from the A.M. Best Agency with "Stable" outlook.

Any change in this rating or outlook must be related to the City of Wilmington by the Vendor or insurance carrier as soon as possible upon learning of same; and the Vendor shall use due diligence with its insurance broker or carrier to keep track of same.

All insurance required under this contract except workers' compensation, employer's liability and professional liability shall expressly provide that such insurance shall be primary insurance; and any similar insurance in the name of Vendor shall be excess and non-contributing.

Deductibles for insurance provided under this contract shall not exceed five percent (5%) of policy limits.

Contractor shall provide the City with a Certificate of Insurance evidencing the above-stated coverages and other requirements, indicating the waiver of subrogation, and naming the City as an additional insured.

V. REQUIRED FORMAT FOR SUBMISSION OF PROPOSALS

A. COMPILATION OF PROPOSALS (FORMAT)

Proposals must be submitted with labeled tabs or labeled colored divider sheets as described in the paragraphs below. Any other information thought to be relevant, but not applicable to these categories, should be provided as an appendix to the proposal. Paragraphs under Scope of Services and Contractor Qualifications should be responded to by numbered paragraph.

If a proposal contains material that a proposer considers to be exempt from the definition of a "public record" under the provisions of the Delaware Freedom of Information Act, it should be so marked and include a reference to the specific subsection of the Delaware Code under which the exemption is claimed. However, the Agency reserves the right to make a final determination as to whether any such material is a public record.

B. COVER LETTER

Each proposal will have a cover letter on the letterhead of the proposer submitting the proposal. The cover letter will briefly summarize the proposer's ability to provide the services specified in the RFP and any other value-added services not specifically requested.

The cover letter must be signed by a representative who has the legal capacity to enter into a formal contract with the City on behalf of the proposer.

C. TABLE OF CONTENTS/PAGE NUMBERING

Each proposal should have a table of contents, and tabs for sections identified therein. Pages should be numbered consecutively from beginning to end of the proposal, not within sections.

D. DESCRIPTION OF SERVICES AND STAFF TO BE PROVIDED

Include a detailed narrative description of the services to be provided, by whom and how in satisfaction of the requirements set forth in the SPECIAL PROVISIONS, GENERAL PROVISIONS, AND SCOPE OF SERVICES sections of this RFP, and following a logical order from the beginning of processing each claim to the end.

Describe in detail the proposer's experience and qualifications to implement the insurance program contemplated by this RFP. Provide evidence that the proposer has been in the business of providing L & H Insurance Brokerage services for not less than five (5) consecutive years immediately prior to submitting the proposal, as well as the other items listed under Contractor Qualifications above. Indicate the proposer's prior experience in implementing similar programs for other public entities describing any such experience in detail and providing names, addresses, telephone numbers and the job title of contact persons for each such public entity.

Describe the proposer's staff resources and their geographical location and state the proposer's present and/or proposed operations in Delaware with other government or self insured private or public entities. Indicate staff size and any special capabilities, particularly those relevant to this project, and profile your client mix by industry.

Identify the persons in your organization who will be involved in key activities implementing and managing the work to be done pursuant to this RFP; state their respective functions; and provide a brief resume of each individual's professional experience and other qualifications, as provided above. Identify one person who will ultimately be accountable for the development of the services to be provided pursuant to this RFP.

E. COST PROPOSAL

Proposals are to provide a fixed annual fee for the initial year (12 months) of the contract and each subsequent year.

Alternate cost proposals may also be included as additions, but only if accompanied by a detailed explanation.

F. EXHIBITS

The proposer must include specimen copies of reports described above. Other exhibits may also be included in this section.

G. DRAFT FORM OF CONTRACT

Attach a draft form of contract that complies with the requirements of this RFP.

H. CONDITIONS

State with specificity any conditions to the proposer's proposal.

VI. CRITERIA FOR SELECTION OF PROPOSALS/REVIEW PROCESS

A. PROPOSAL REVIEW COMMITTEE

The Proposal Review Committee (PRC) shall be composed of members selected by the City's HR Director. The PRC shall determine which proposers meet the minimum requirements pursuant to the selection criteria and shall interview at least one of those proposers. The PRC or Department may negotiate with one or more of the qualified proposers, and may, in its discretion, terminate negotiations with any or all proposers. The PRC shall make a recommendation to the HR Director regarding the award of a contract. Subject to the provisions of this RFP and any applicable laws, the Director of Human Resources shall have the final authority to award a contract to the successful proposer.

B. PROPOSAL SELECTION CRITERIA

1. MINIMUM REQUIREMENTS TO BE CONSIDERED

The following requirements must be met in order for a proposal to be considered:

a. The proposer must provide evidence that the proposer meets to requirements of section IV, C. above.

b. The proposer must provide evidence of insurance, or representation that such has been arranged for in the event the contract is award, as provided above.

c. The proposer must provide evidence that, at the time at which the proposal is filed, the proposer maintains available staff of qualified, licensed, bonded brokers as provided above, and the qualifications and background listed above.

d. The proposer must provide evidence that the proposer possesses valid State of Delaware and City Business, Insurance or other required Licenses, or a signed commitment to obtain same upon the award of this contract.

2. EVALUATION

Proposals that meet the foregoing minimum requirements will be evaluated by the PRC.

The proposals shall contain the essential information from which the award decision will be made. The information required to be submitted in response to this RFP has been determined by the HR Director to be essential for use by the committee in the proposal evaluation and award process. Therefore, all instructions in this RFP shall be met in order to qualify as a responsive and responsible proposer and participate in the PRC's consideration for award. Proposals that do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the committee.

The City reserves the right to:

a. Reject any and all proposals received in response to this RFP, or to make no award, or to issue a new RFP.

b. Waive, reject, or ignore any information, irregularity, or inconsistency in proposals received.

c. Request modifications to proposals from any or all proposers during review and negotiation.

d. Negotiate any aspect of the proposal with any proposer, and negotiate with more than one proposer at the same time.

e. Select for contract or for negotiation a proposal other than that with the lowest cost.

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be included, but not limited to, by the PRC to evaluate proposals:

a.Experience and demonstrated ability to comply with the requirements of a contract of the magnitude of that described in Section IVB- Scope of Services of this RFP.

b. Reputation in the insurance industry and among trade organizations and clients formerly and currently serviced.

c. Demonstrated experience, facilities and staff to perform the contract.

d. Proximity to the City.

e.Pricing for the services required by this RFP as submitted by the proposing firms.

SECTION VII. GENERAL PROVISIONS

A. PREPARATION OF PROPOSAL

The proposer's proposal shall be typewritten.

B. WITHDRAWAL OF PROPOSALS

A proposer may withdraw an unopened proposal after it has been deposited with the City, if such request is made in writing and received by the City prior to the time set for the opening of the proposal.

C. DISQUALIFICATION OF PROPOSERS

Any one or more of the following causes may be considered sufficient for the disqualification of a proposer and the rejection of a proposal.

1. More than one proposal for the same contract from an individual, firm, corporation, or other business entity under the same or different names.

2. Evidence of collusion among proposers.

3. Failure to return the Non-collusion Statement provided near the end of this package with the bid or proposal. The proposal marked "Master Copy" must have handwritten signature(s). Signature stamps or photocopies of signatures are not acceptable for the Master Copy. Photocopies of the Master Copy may be used for additional copies of the proposal.

4. Unsatisfactory Performance record as evidenced by documented past experience.

5. Failure to satisfy any minimum qualification in the RFP, except as waived as described above.

6. Filing an incomplete or unresponsive proposal.

7. Unauthorized additions, interlineations, conditional or alternate proposals or irregularities which make the proposal incomplete, indefinite or ambiguous as to its meaning.

D. SIGNING OF CONTRACT

The proposer to whom the award is made shall timely sign a formal contract. If the successful proposer fails to sign a formal contract as aforesaid, the City may revoke the award and proceed as if the proposer's proposal had been rejected.

E. PERFORMANCE OF WORK

All work described in this RFP must be completed with reasonable promptness in the judgment of the City.

F. CONTRACTOR RESPONSIBILITY

The contractor shall be responsible for all services required by this RFP. Subcontractors, if any, must be clearly identified in the proposal and are subject to the approval of the City. Notwithstanding any approval for the use of any subcontractor, the contractor shall continue to be fully responsible for all services required by this RFP.

G. PERSONNEL

The contractor represents that he has or will secure, at contractor's own expense, all personnel required to perform the services required under this contract, and will pay all costs and expenses incident thereto.

All of the services required hereunder shall be performed by the contractor or under its direct supervision, and all personnel, including subcontractors, engaged in the work shall be fully qualified and shall be authorized under State and local law to perform such services.

None of the work or services covered by the contract shall be subcontracted without the prior written approval of the City.

H. INTEREST OF CONTRACTOR/INDEPENDENT CONTRACTOR

The contractor (and its employees and agents) is an independent contractor and not an employee or agent of the City with respect to this RFP or any Agreement in connection therewith. The contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree in performing any services under the contract. The contractor further covenants that in the performance of this contract, no person having such interest shall be employed or subcontracted with.

I. COVENANT AGAINST CONTINGENT FEES

The contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach or violation of this warranty, the City shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

J. GRATUITIES

If it is found, after notice and hearing, by the City that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the contractor or any agent of the contractor to the City with a view toward securing a contract, or securing favorable treatment with respect to the awarding, amending or making of any determinations relating to the performance of the contract, the City may, by written notice to the contractor, terminate the right of the contractor to proceed under the contract and/or may pursue such other rights and remedies provided by law or under the contract.

K. AUDIT ACCESS TO RECORDS

The contractor shall maintain accounts and records, including personnel, property and financial records, books, documents, and other evidence pertaining to the contract adequate to identify and account for all costs pertaining to this Agreement, and such other records as may be deemed necessary by the City to assure proper accounting for all project funds, and to the extent and in such detail as shall adequately reflect performance hereunder. The

contractor agrees to preserve and make available to the City, upon request, such records for a period of ten (10) years from the date services were rendered by the contractor. Records involving matters in litigation shall be retained for ten (10) years following the termination of such litigation. The contractor agrees to make such records available for inspection, audit, or reproduction to any official City representative.

L. LAWS TO BE OBSERVED

The contractor is presumed to know and shall strictly comply with all national, state, county, and city laws, ordinances, and regulations in any manner affecting the work to be done pursuant to this RFP. The contractor shall defend, indemnify, and hold harmless the City of Wilmington, this agreement, and all officers, agents, and employees thereof against any claim, liability, or cost, including attorney's fees arising from or based upon the violation of any such laws, ordinances, or regulations, whether by the contractor or by its officers, agents, employees or subcontractors.

M. PERMITS AND LICENSES

All necessary permits, licenses, insurance policies, etc., required by local, state, or federal laws, shall be provided by the contractor at its own expense.

N. APPROPRIATION OF FUNDS

In the event that the City Council fails to approve any Agreement hereunder, or appropriate the specific funds necessary to initially fund or continue the contract, either in whole or in part, the contract shall be suspended pending appropriations, limited as appropriated for, or terminated as to any obligation of the City requiring the expenditure of money for which no specific appropriation is available at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds, whichever shall occur first. Notwithstanding, the contractor shall continue to service the contract during any such period upon mutual agreement for a reasonable time to assure that City insurance program is not compromised during such periods.

O. NON-DISCRIMINATION

In performing the services required by this RFP, the contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, sexual orientation, marital status, disability, age or veteran status. The contractor shall comply with all federal and state laws, regulations, and policies concerning the prevention of discriminatory employment practice. Failure to comply with these provisions is a material breach of the contract.

P. INDEMNIFICATION

The contractor agrees to indemnify and otherwise hold harmless the City of Wilmington, its agents and employees from any and all liability, suits, actions, damages, or claims, together with all costs, expenses and attorneys' fees, arising out of the contractor's, its agents, employees, subconsultants, and subcontractors' performance of work or services in connection with the contract.

Q. CONTRACT DOCUMENTS/AMENDMENTS

This RFP, the successful proposal, and contract shall be part of and constitute the entire Agreement entered into by the City and any proposer. Any contract or Agreement in connection herewith may not be changed orally, but only by an Agreement in writing and signed by both parties. Any Agreement hereunder shall be binding upon, and shall inure to the benefit of the City and Contractor, and their respective legal representatives, successors and assigns, as limited hereunder. In the event that there is a discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter:

- Contract
- RFP
- Proposal

R. ASSIGNMENT

Neither the contract, nor any part of it, may be assigned except with the prior written consent of the City, and any attempted such assignment shall be void and of no effect.

S. CHOICE OF LAW

The contract shall be governed by and interpreted under the laws of the State of Delaware and City of Wilmington, without regard to principles of conflicts of laws. The contractor consents and agrees that jurisdiction and venue shall lie in the courts of the State of Delaware for any litigation brought under the contract.

T.NOTICES

The RFP must provide the name and address to which any Notices to the Contractor under any Agreement in connection with the services provided for herein shall be sent.

VIII. PROPOSAL REPLY SECTION

If you do not desire to file a proposal in response to this RFP, please fill out the No Proposal Reply form and return it to the Division of Procurement and Records at the address set forth above by 5:00 p.m., on April 15, 2014. If you desire to file a proposal, please respond in accordance with the requirements of the RFP and submit a completed Non-Collusion Statement in the form, which follows. Failure to submit the form with your proposal will result in your proposal being disqualified from further consideration.

CITY OF WILMINGTON
DEPARTMENT OF FINANCE
800 NORTH FRENCH STREET, 5TH FLOOR
WILMINGTON, DELAWARE 19801

NO PROPOSAL REPLY FORM

Contract Title: RFP for L & H Insurance Brokerage Services

Contract No. 15016HRPS

To assist us in obtaining good competition on our Request for Proposals, we ask that each firm that has received an invitation, but does not wish to submit a proposal, state their reason(s) below and return in a clearly marked envelope displaying the contract number. This information will not preclude receipt of future invitations unless you request removal from the Vendor's List by so indicating below, or do not return this form or bona fide proposal.

Unfortunately, we must offer a "No Proposal" at this time because:

- ☐ 1. We do not wish to participate in the proposal process.
- ☐ 2. We do not wish to submit a proposal under the terms and conditions of the Request for Proposal document. Our objections are:
- ☐ 3. We do not feel we can be competitive.
- ☐ 4. We cannot submit a proposal because of the marketing or franchising policies of the company.
- ☐ 5. We do not wish to contract with the City. Our objections are: _____

  _____
- ☐ 6. We do not provide the items/services on which proposals are requested.
- ☐ 7. Other:_____

_____ _____

FIRM NAME SIGNATURE

Contract Title: RFP for L & H Insurance Brokerage Services

Contract 15016HRPS Proposal Due Date: April 15, 2014

NON-COLLUSION STATEMENT

This is to certify that the undersigned offeror has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive proposals in connection with this proposal submitted this date to the City of Wilmington, Division of Procurement and Records.

It is agreed by the undersigned proposer that the signed delivery of this proposal represents the proposer's acceptance of the terms and conditions of this Invitation to Proposal including all specifications and special provisions.

NOTE: Signature of the authorized representative MUST be of an individual who legally may enter his/her organization into a formal contract with the City of Wilmington.

COMPANY NAME _____

(Check one)

	Corporation, State:
	Partnership/State:
	Individual
	Other (Specify)

NAME OF AUTHORIZED REPRESENTATIVE _____

SIGNATURE _____ TITLE _____

COMPANY ADDRESS _____

_____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

FEDERAL E.I. NUMBER _____

STATE OF DELAWARE BUSINESS LICENSE NUMBER _____

CITY OF WILMINGTON BUSINESS LICENSE NUMBER_____

		(circle one)	
COMPANY CLASSIFICATIONS: CERT. NO. _____	Disadvantaged Business Enterprise (DBE)	Yes	No

[The above table is for information and statistical use only.]

FINANCIAL INFORMATION SHOULD BE SENT TO:

COMPANY NAME _____

_____

ADDRESS _____

CONTACT _____

PHONE NUMBER _____ FAX NUMBER _____

_____

EMAIL ADDRESS _____

_____

AFFIRMATION: Within the past five years, has your firm, any affiliate, any predecessor company or entity, owner, director, officer, partner, or proprietor been the subject of a federal, state, local government suspension or debarment?

YES _____ NO _____ If yes, please explain _____

_____

THIS PAGE SHALL BE SIGNED, NOTARIZED, AND RETURNED FOR YOUR PROPOSAL TO BE CONSIDERED

STATE OF _____

SS

COUNTY OF _____

SWORN TO AND SUBSCRIBED BEFORE ME this _____ day of _____, 20___

Notary Public_____Commission Expires _____

ACCOUNT PROFILE FOR CITIES AND COUNTIES (11/18/13)

City of Wilmington

800 North French Street
Wilmington, DE 19801

Contact: James A. Robb
302-576-2470
jarobb@wilmingtonde.gov

Population: 71,000
Budget: $146,926,834
Payroll: $ 64,217,179
Employees: 1,122

Bond Rating: Moody's- Aa2; S&P- AA-; Fitch-AA (a/o 11/15/13)

Website: www.wilmingtonde.gov

TPA (WC only until 01/15/13 +-, then AL/GL also; RFP pending):

Name of Firm: PMA Management Corp.
Contact Person: Michael J. Sharkey, Sr. Claims Service Manager
Michael_Sharkey@pmagroup.com
484-530-8224 (office)
Address: PMA Companies, Member of Old Republic Companies, One Tower Bridge, Suite 1200, W. Conshohocken, PA 19428
Type of Service: Adjusting, Reserve Setting, Loss Runs, Data Management Onsite Claim Handling
Term of Service: Annual (currently in extension through January, 2014 pending RFP results.

Streets and Roads

Paved Miles: 199
Unpaved Miles: 0

Bridges: 0 City is responsible for.

Amusement Parks: 0

Beaches/Lakes: 0

Clinics

Type and Number of Locations: Medical Dispensary for City Employees
Total Outpatient Visits/yr.: 3151
Physicians/Nurses: Nurse-City Employee
Doctor-Independent Contractor-Own Insurance

Dams: 0

Daycare:	0
Exhibition /Convention Centers	0

Firefighters

Total:	172
Payroll:	$10,379,642
EMTs/Paramedics	130 EMTs (4 are Certified Paramedics)
Volunteers:	0
Training:	Provided

Firehouses

Number:	7
Apparatus:	2 at Stations 1,2,3,6 3 at Stations 4, 5 6 at Station 7 (watercraft-see below)
Size:	Stations 1-4, and 6- 9,116 Sq. Ft. each Station 5-12,000 sq. ft. Station 7 4,900 sq. ft.

Watercraft-Fire

Number:	6
Description:	Metalcraft Fire Storm 70' Boston Whaler 21' Zodiac 16' Grumman 16' Avon 10' Silvership 34'

Law Enforcement

Police Officers:	317
Payroll	$21,332,825
Reserves:	0
Accreditation:	Council on Acceditation for Law Enforcement
Ride-Along:	Waivers Signed

Jail: 0

Holding Facilities

Facilities:	1
Cells:	10
Length of Stays:	Up to 72 Hours
Sq. Footage	9- 80 Sq. Ft. each
	1-400 Sq. Ft.
	Total: 1,120 Sq. Ft.
Security:	24/7

Housing: 0

Landfills: 0

Golf Courses:

Number of Courses:	2
Owner/Operator:	City of Wilmington/Billy Casper Golf

Annual Receipts: $2,000,000 +-

Golfmobiles

Number:	57
Annual Receipts:	$200,000 +-

Marinas: 0

Nursing Homes: 0

Recreational Facilities

Major Neighborhood Parks:	24
Playgrounds:	26
Parkways and Boulevards:	7
Triangles, Square Plazas, And Monuments:	19
Swimming Pools:	5
Recreation Centers:	1
Indemnification:	Yes-for large events

Schools: 0

Special Events

Various sports tournaments, Festivals, banquets, League sports and camps, First Night, July 4th, Jazz Festivals, Film Festival, Misc. Wellness and Fitness and Senior Days

Stadiums: 0 (One owned but leased to State)

Transportation

Public Transportation:	None
City Vehicles:	474 tagged, 42 not tagged
Monitoring of Drivers:	DMV Records checked once yearly All receive Defensive Driving Course
Maintenance:	Contracted to First Vehicle Services- Maintained to Manufacturer Specifications

Utilities

Sewer Lines:	200 miles
Water Lines:	550 miles

Zoos: 0 (One in City Park owned but leased to State and non-profit)



PREPARED FOR

THE CITY OF WILMINGTON, DE

Contract 15016HRPS, City of Wilmington – Life and Health Insurance Brokerage Services

PRESENTED BY WILLIS OF DELAWARE, INC. AND WILLIS OF MARYLAND, INC.

April 15, 2014

Master Copy

Willis

April 15, 2015

Office: (302) 658-8000
Toll Free: (800) 441-9385
Fax: (302) 658-8879
Website: willisofde.com / willis.com

City of Wilmington
Attention: Philip Ceresini
Department of Finance
Division of Procurement and Records
800 North French Street, 5th Floor
Wilmington, DE 19801

Re: Sealed Proposal Contract 15016HRPS, City of Wilmington – Life and Health Insurance Brokerage Services

Dear Mr. Ceresini:

It is with great pleasure and enthusiasm that I submit to you our Human Capital Consulting and Brokerage Proposal for your review. Our goal is to demonstrate to you in our written proposal, and in our oral presentation, that Willis is both different and better than any other brokerage and consulting firm.

Willis has assembled the Nation's most experienced and talented professionals in the industry to provide organizations like the City of Wilmington the best value in a brokerage and consulting relationship. Unlike our competitors, we have combined all the qualities of a true broker with all the tools and resources of a pure consulting firm, in order to offer our clients the full array of services they need, when they need them.

Our "Value-Center" delivery model allows Willis and our clients to custom design the ideal brokerage and consulting relationship in an affordable manner. In addition, our Total Rewards for the Price of Placement approach provides full services to your organization that are included in our one price value proposition and brings you all of Willis worldwide. We are truly excited about the opportunity to serve you and your employees. If awarded, Willis of Delaware will comply with all contractor insurance requirements stated in the Request for Proposal Section D. Our Willis Values and abiding with the City of Wilmington's Global Sullivan Principals will offer a strong partnership between our two teams.

I will act as your point of contact throughout your evaluation process and welcome the opportunity to meet with you to discuss our capabilities and desire to partner with the City of Wilmington. My team and I are ready to prove to you our local, national, and global abilities and look forward to exceeding your expectations!

Sincerely,

E. Kent Evans
Senior Vice President & Co-Client Advocate
Willis of Delaware, Inc.

302-397-0171 (direct)
610-442-3895 (mobile)
kent.evans@willis.com

Willis of Delaware, Inc.
222 Delaware Avenue, Suite 1000
P.O. Box 2287
Wilmington, DE 19899

TABLE OF CONTENTS

		Page
Section 1	Executive Summary	1
Section 2	Scope of Services and Cost Proposal	4
Section 3	RFP Questionnaire Responses – B. Scope of Services	11
Section 4	RFP Questionnaire Responses – C. Contractor Qualifications	29
Section 5	Willis Total Rewards Services – Included	36

Exhibits

A. City of Wilmington RFP (includes signed and notarized Non-Collusion Statement)
B. Client Service Team Experience and Biographies and National Subject Matter Expert Biographies
C. Draft Form of Contract
D. Willis Fact Sheets:
    1. Value Credentials / Industry 101 – Public Entities
    2. Communications
    3. National Legal and Research Group
    4. HR Partner
    5. Health Outcomes
E. Sample Client Service Plan
F. Sample Client Advocacy Report
G. Sample WillisMed Report
H. Sample Client Dashboard Report
I. Sample Marketing Bid Proposal and Willis RFP
J. Sample Health Care Reform Impact Analysis Report
K. Sample Work from Communications Team:
    1. Sample of Benefits Communication OnDemand
    2. Sample Open Enrollment Materials
L. Licenses and Insurance:
    1. Proposal Selection Minimum Criteria Letter (Insurance Licensure and Commitment for State and City Business Licenses)
    2. State Insurance Licenses for Office and Team Members
    3. Copy of E&O Certificate

Willis Group Holdings Limited is a leading global insurance broker, developing and delivering professional insurance, reinsurance, risk management, financial and human resource consulting and actuarial services to corporations, public entities and institutions around the world. Willis has more than 400 offices in some 119 countries, with a global team of approximately 17,000 Associates serving clients in some 190 countries. Additional information on Willis may be found at www.willis.com

Cover picture source: http://en.wikipedia.org/wiki/File:Wilmington_Delaware_skyline.jpg

Willis

SECTION 1: EXECUTIVE SUMMARY

Willis is excited about the opportunity to offer Employee Benefit Consulting Services to the City of Wilmington. Our goal is to demonstrate that Willis is both different and better than any other brokerage and consulting firm. The Willis Human Capital Practice is the best consulting value in the business. Human Resource issues are more complex than ever and employers have, limited staff, expertise in all areas, and budgets, to manage them. The local and regional brokers don't have the depth of resources or market clout to solve human capital issues "beyond benefits", and the national players charge extra for it.

Willis offers a unique advantage. In addition to highly qualified benefit expertise, we provide our benefit clients with a full complement of human resource tools and professional experts to provide **Total Rewards solutions for the Price of Placement with Willis.**

The City of Wilmington is seeking the services of a benefit consulting firm to:

- Provide pro-active, objective, and substantiated benefit advice;
- Obtain timely reports with actionable considerations;
- Be accessible to the City of Wilmington;
- Keep the City of Wilmington up to date on compliance, regulatory, and other issues that impact their plans;
- Assist in implementation and communication of new programs or changes of programs;
- Review claims experience, claim service, and claim administration services;
- Provide on-going evaluation of the marketplace, plan performance, and vendor services; and
- Maintain full and accurate records.

Willis will meet the City of Wilmington's objectives. Our Human Capital Practice's mission statement is to partner with Human Resources to engage the workforce, increase productivity, and improve business results. We accomplish this by augmenting traditional employer focused solutions with consumer based tools, resources, and content that promotes the health and wellbeing of your employee population.

We will work to elevate employee understanding, engagement, and perception of the City of Wilmington's programs, while managing costs effectively. Willis understands your programs must provide:

- A wide range of valuable and supportive benefit programs and services:
  - That are in compliance with regulations and laws
  - Positioned for the impact of Health Care Reform
  - Increase the overall perception by the employee population
- Clear and frequent communication:
  - Which serves to educate
  - Encourages employee responsibility and engagement
  - That provides frequent employee feedback using electronic surveys and committee meetings

- Financially sound and well managed programs:
  - To meet the diverse needs of the workforce
  - To retain and attract talent
  - To stretch limited resources
  - To adequately cover risk
  - To protect employees' out-of-pocket liability

- HR department tools and resources:
  - Which are paper-less
  - Secure
  - Will reduce outsourcing overhead costs

WILLIS WILL SUPPORT YOUR MISSION AND MEET YOUR HR GOALS.

WE OFFER THE CITY OF WILMINGTON:

- A local and regional team of senior, experienced financial underwriters and account service consultants specifically selected to serve you:
  - Delivering timely, objective advice that is tailored to your culture and benefit strategy
  - Assuring vendor services are delivered efficiently and effectively
  - Pro-actively reporting results, projecting future costs and offering actionable recommendations
  - Educating your workforce on all of the ways in which The City of Wilmington supports its employees
  - Serving your interests first and foremost

- Team members bring significant experience and understanding of the Delaware market, including:
  - Firsthand knowledge of the impact of the Affordable Care Act and Patient Centered Medical Homes from the provider perspective and how employers may take advantage of these platforms to lower costs through our long term relationship serving the Medical Society of Delaware Insurance operations
  - Comparable health and welfare consulting services provided to New Castle County, Delaware, using the same service team
  - Your Co-Client Advocate, Pennie Hinds, CEBS, served as the lead consultant and financial underwriter for the State of Delaware's Employee Benefit Committee for ten years, while at a former employer

- Reducing additional overhead outsourcing expenses by offering you the **Willis Total Rewards Package for the Price of Placement.** The City of Wilmington will have access to subject matter experts and consultants at no additional cost in the important areas of:
  - Communications
  - HR Partner (Human Resources)
  - NLRG – National Legal & Research Group
  - Health Outcomes/Wellness
  - Financial/Analytics/Actuarial

- Providing the strength of the third largest national and global insurance intermediary, a public firm with over 180 years of service and the depth, talent, and resources to exceed your expectations
- Peace of mind – transparent fees, annual service plan, benchmarking, budget forecasts, and tracking of results

We encourage you to visit our website at www.willis.com to learn more about our people, our business model, and our group values.

We will strive to do our utmost to earn your confidence and become a candidate to partner with the City of Wilmington Management Team.

We are very excited to participate in this process and we hope we will have the opportunity to present in person to the City of Wilmington and move forward in a rewarding relationship.

Sincerely,

E. Kent Evans, CBC
Senior Vice President of Human Capital & Co-Client Advocate
Willis of Delaware, Inc.
222 Delaware Avenue, Suite 1000
Wilmington, DE 19801
Office: 302-397-0171
Cell: 610-442-3895
kent.evans@willis.com

Pennie Hinds, CEBS
Senior Vice President of Human Capital & Co-Client Advocate
Willis of Maryland, Inc.
303 International Circle, Suite 400
Hunt Valley, MD 21030
Office: 410-584-8409 / 800-456-5435
Cell: 410-404-3107
pennie.hinds@willis.com

SECTION 2: SCOPE OF SERVICES AND COST PROPOSAL

The following Scope of Services are to include all items listed in Section B of the Request for Proposal for the City of Wilmington and, in addition, all items listed below in the Willis Scope of Services prepared for the City of Wilmington.

Brokerage and Consulting Services

As your benefits advisor, we work to help you establish a comprehensive strategy for your programs. Once a strategy is determined, we develop a detailed action plan to assist with your needs. Along the way, we continually review performance to ensure your organization's goals are met. While all decisions regarding your benefit programs remain up to you, you can expect Willis to support your organization with the following activities, where appropriate:

Financial and Data Analytics

- ☑ Provide a **monthly** Dashboard Report, to include paid claims by month and plan, a summary of large claims activity, and preliminary renewal projections (*provided experience reporting is available from carrier*)
- ☑ Provide tools to help you assess current funding arrangements for appropriateness
- ☑ Clinical and financial reporting through ***WillisMed*** at the member, population, and cohort level, combined with predictive modeling capabilities to project future plan costs based on the specific disease burdens which exist in your population. This reporting serves as the foundation for making educated decisions regarding plan design, wellness initiatives, and communication campaigns.

Strategy Development

- ☑ Facilitate an annual planning session to assist in the creation of a human capital strategy:
  - Assist you in identifying the strengths, weaknesses, opportunities and threats in your current plan designs and program offerings
  - Evaluate workforce demographics
  - Evaluate current programs against specific competitive benchmark data
  - Present information on current trends in plan design and market conditions
  - Interview members of senior management to gather attitudes about the role of employee benefits in the organization and the current state of benefits programs
- ☑ Provide recommendations for establishing and prioritizing objectives aligned to organizational goals
- ☑ Create and deliver a ***Client Service Plan*** to reflect agreed projects, to include assigned accountabilities and timeframes

Renewal and Placement

- ☑ Conduct a "Pre-Renewal Strategy Meeting" to determine specific goals, budget and needs to be achieved from renewal negotiations
- ☑ Review renewal methodology, experience data, and assumptions against trend analysis for accuracy and logic
- ☑ Negotiate renewals with existing incumbent carriers
- ☑ Develop RFP and market plan coverage" as determined during the pre-renewal strategy discussion
- ☑ Summarize and analyze each carrier quote. Comparative analysis may include: pricing, terms, conditions, RFP / RFI responses, network access, discount analysis and plan design.
- ☑ Evaluate structure and performance of stop loss coverage, recommending alternatives as appropriate for consideration
- ☑ Evaluate existing and potential carriers, including their capabilities and support services
- ☑ Schedule and facilitate selected carrier and vendor finalist interviews and site visits, as appropriate
- ☑ Provide recommendations on vendors best suited to meet plan goals and objectives (the client makes all decisions regarding the vendors they retain)
- ☑ Assist in establishing appropriate carrier/vendor performance guarantees with monetary penalties, if requested
- ☑ When requested, provide a non-legal review of terms you agree upon with benefits vendors, to help ensure the agreement meets your benefits needs

Implementation and Enrollment

- ☑ Review current vendor electronic data transfer process functionality, as appropriate
- ☑ Finalize benefit program design and rates, including COBRA and fees (our work is administrative in nature and client retains full decision-making authority and discretion with respect to all plan issues)
- ☑ *Assist in implementation with multiple organizational departments (HR, IT, Finance, etc.) to ensure* timelines are met, systems are set-up correctly, and data transfer is operational
- ☑ Provide multiple versions of contribution modeling (employee/employer) based on enrollment and financial targets
- ☑ Evaluate current communication strategy and develop an appropriate strategy for ongoing communication, taking into consideration business needs, goals and budget requirements
- ☑ Help coordinate vendor-sponsored communication material, as appropriate
- ☑ Assist in planning employee open enrollment meetings, including carrier participation
- ☑ Assist in the planning and coordination of a health seminar/vendor fair
- ☑ Facilitate local enrollment meetings (with > 25 employees) or webcast enrollment meetings
- ☑ Provide train-the-trainer sessions for conducting annual enrollment meetings
- ☑ Design and implement a customized web portal **(Willis Connect)** to provide your employees with access to employee communications about their benefits and other related information

Account Management

- ☑ Provide ongoing service and response to inquiries from HR and the Benefits team, with regards to day-to-day administration of benefit program matters, consultation on policy coverage's, etc.
- ☑ Facilitate processes related to changes in coverage, including notifying insures of changes in coverage, obtaining approvals, confirming acceptance of client, etc.
- ☑ Provide up-to-date status of all outstanding items and activities
- ☑ Act as an employee/employer advocate in the resolution of escalated service and/or claims issues when requested to do so and properly authorized
- ☑ Keep the organization informed of trends that may impact their benefit programs
- ☑ Organize and facilitate meetings, including carrier reviews, financial reporting, and vendor meetings
- ☑ Assist you in identifying and monitoring potentially catastrophic claims and work with case management to understand possible impact of large claims on plan performance

Subject Matter Expertise

Our Subject Matter Experts support our clients by providing solutions to address human capital risk. We are configured to deliver these solutions in a client centric environment.

Willis Subject Matter Experts are located throughout the United States, specializing in the following areas:

- Compliance (NLRG)*
- HR Consulting (HR Partner)
- Health Outcomes
- Communication
- Reporting and Analytics

Updates and Education

A key component of the Subject Matter Expert role is to stay abreast of the latest trends and issues that impact organizations today. As a Willis client, you are eligible to receive the latest information through:

- ☑ HRFocus
- ☑ Alerts
- ☑ Seminars
- ☑ Client Workshops
- ☑ Educational Webcasts

Gap Assessments

As part of our Gap Assessment process, clients can complete a set of discovery questions and receive a comprehensive report that includes recommendations for change. Based on the specific review you complete, our Subject Matter Experts will analyze your results and discuss appropriate action steps in one or more of the following areas:

HR Gap Assessments

- ☑ Strategic HR Initiatives
- ☑ Recruitment and Selection Practices
- ☑ Workplace Practice and Administration
- ☑ Recordkeeping Practices
- ☑ Family Medical Leave Administration
- ☑ Performance Management Procedures
- ☑ Career Development Initiatives
- ☑ Training Programs and Practices
- ☑ Compensation Administration
- ☑ Employee Termination Procedures

Communications Gap Assessments

- ☑ Evaluating Your Communication
- ☑ Communication Messaging
- ☑ Strategic Communication Plan and Implementation

Compliance Gap Assessments*

- ☑ ERISA
- ☑ Cafeteria Plans
- ☑ Federal Group Health Plan Mandates
- ☑ COBRA

Health Outcomes Gap Assessments

- ☑ Resource Investment
- ☑ Leadership Support
- ☑ Formal Strategy
- ☑ Programs and Interventions
- ☑ Engagement
- ☑ Evaluation and Measure Practices

Employer Guides and Tools

Covering a myriad of topics, our Employer Guides compile information on regulations, best practices and benchmarking in an effort to provide guidance around specific issues impacting our clients. These guides are accompanied by automated tools, as well as sample policies and checklists to help develop, implement, evaluate and administer your programs.

Compliance*

- ☑ Health and Welfare Benefits
- ☑ ERISA Reporting
- ☑ Cafeteria Plans
- ☑ Qualified Medical Child Support Orders
- ☑ HIPAA Privacy-Shortcut Plans
- ☑ Health Care Reform
- ☑ Health and Welfare Calendar

HR Partner

- ☑ Succession Planning
- ☑ Compensation Administration
- ☑ Pay Structure Design
- ☑ Paid Time Off
- ☑ FMLA
- ☑ California Leaves of Absence
- ☑ Career Level Guides
- ☑ Performance Management

Continued on next page

Employer Guides and Tools *(continued)*

Health Outcomes

- ☑ Getting Started With Your Wellness Program
- ☑ Building a Culture of Health in Your Organization
- ☑ Assessing The Health of Your Population
- ☑ Measuring The Success of Your Wellness Program
- ☑ Driving Successful Behavior Change
- ☑ Planning a Successful Health Fair

Communication

- ☑ Communicating Wellness
- ☑ Communicating Consumerism
- ☑ Creative Distribution

Solutions and Services

Our solutions and services offer clients and their employees critical information and technology-based solutions to drive effective decision making and deliver business results. You will be eligible to receive the following solutions and services:

- ☑ **Market Ready Reports:** Compiled using 27 reputable survey sources to summarize market base pay and total cash compensation at the 25th, 50th, and 75th percentiles for over 700 benchmark jobs.
- ☑ **Willis Essentials:** A portal for HR and benefit team members to access a host of tools, services and resources to minimize risks, promote wellness, prevent losses, and stay in compliance.
- ☑ **Total Rewards Gap Assessment:** Facilitate a session with HR alone, or HR and management, to assess your employee value proposition. Start by evaluating the effectiveness each element has on the organization's ability to recruit, retain and motivate talent. From there we look at how aligned each element is to not only your business strategy, but the market place in which you compete for talent.
- ☑ **Winning with Willis:** A public access resource portal designed to support healthy lifestyles. Rich in content, Winning with Willis creates a foundation for changing the individual behaviors that drive employer costs.
- ☑ **Employer Risk Review:** Using a defined set of diagnostic questions, we prioritize risk areas and quantify the value of Willis solutions specific to your business issues.
- ☑ **Health Care Reform Impact Analysis:** Based on information you provide, we help you calculate the cost impact to your organization associated with Health Care Reform.

** Your local client service team will have direct access to Willis's NLRG team. NLRG is a group of employee benefits experts that is comprised of specialized benefits attorneys and paraprofessionals with prior experience advising employers in the areas of ERISA, the Internal Revenue Code, and other laws affecting employee benefit plans and their application to employer plans including HIPAA, COBRA, FMLA, FLSA, PHSA, etc. NLRG assists your local client service team in providing consulting advice, regulatory and compliance updates through publications, access to a comprehensive online compliance manual, and expert speakers for seminars, webcasts and/or industry conferences. Please note that Willis is not a law firm or an accounting firm and cannot provide you with any legal or tax advice. NLRG is comprised of individuals with specialized employee benefits experience, including several licensed attorneys and paraprofessionals; however, they are not acting as your attorneys. They do provide your client service team with up-to-date information and research on employee benefits matters. If you desire legal or tax advice, or if your specific situation requires it, you should consult with attorneys or tax advisors of your own choosing.*

FEES

We are pleased to offer to The City of Wilmington a choice on fixed fee structure(s) for:

1. **All services identified in the full Scope of Services, including "The Willis Total Rewards."**
2. **All services identified in the full scope of services, including "The Willis Total Rewards" and a Benefits Enrollment System.**

The City of Wilmington will have the opportunity at their request to extend the contract one (1) each additional year(s). The optional second and third and fourth year renewal will be extended at the same fee as the original one (1)-year contract period.

Option #1

Year 1	Year 2 (Extension Option)	Year 3 (Extension Option)	Year 4 (Extension Option)
$135,000	$135,000	$135,000	$135,000

Option #2

Year 1	Year 2 (Extension Option)	Year 3 (Extension Option)	Year 4 (Extension Option)
$195,000	$195,000	$195,000	$195,000

Willis' Philosophy on Online Benefits Enrollment and Administrative Services (Option #2)
Willis would prefer to offer you the full scope of our Consulting Services transparent and separate from a bundled enrollment center that may not necessarily meet the HR and payroll strategic goals and objectives for the City of Wilmington. However, based on the City of Wilmington's Addendum #2, Question #2, we are providing you a bundled pricing option.

Willis would rather work with you to determine the best method for enrolling your employees. Whether paper, electronic, or call center enrollment, your Willis team would lead the charge toward accurate and successful implementation. And with every enrollment solution, Willis offers a full-service approach to ensure we exceed your expectations.

Many options exist with respect to online benefits enrollment technology. <u>One size does not fit all</u>, so our expertise focuses on providing you with marketplace expertise in the evaluation of the systems that meet your specific requirements, including payroll and carrier direct feeds. We then work with you and the selected technology provider to negotiate the most favorable terms, conditions, and pricing. We also assist in the implementation process, as well as the employee communication strategy at launch.

The City of Wilmington will be able to terminate services per the Contract 15016HRPS.

The annual fee can be billed on a monthly or quarterly basis. If The City of Wilmington would require additional services outside the Scope of Services, we reserve the right to modify this agreement based on our mutual agreement.

We believe that compensation plans for advisors should meet the criteria of complete transparency and equity on each policy placed. They must be accurate, effective, and consistent. The client should have no doubt, whatsoever, that their advisor is acting objectively and in their interest to get the best deal for them. Willis believes in always making sure our client programs are placed with carriers based on product quality and performance.

Keeping with this philosophy, many compensation plans include non-cash payments such as trips and/or expensive gifts. It is Willis' policy not to accept non-cash payments related to your account.

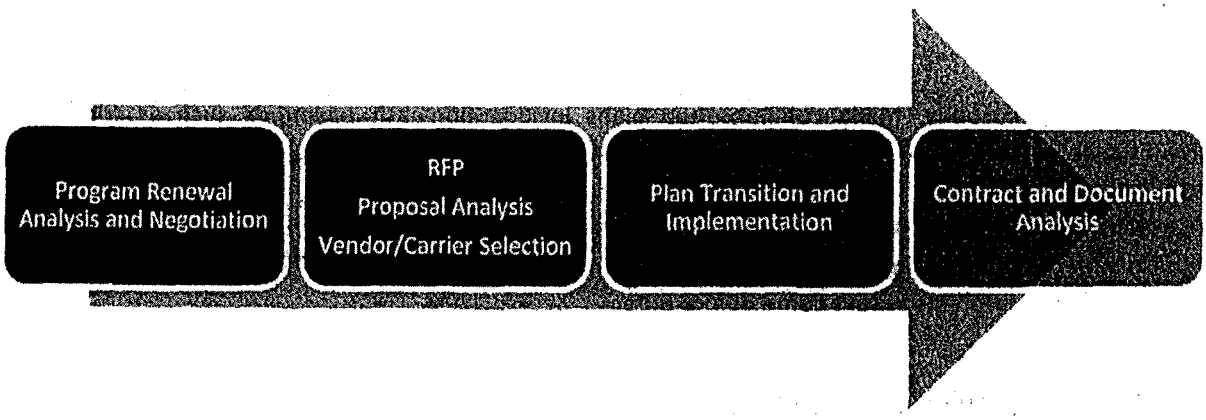
At times, Willis may be invited to participate in industry events sponsored by carriers for business purposes. During these times, Willis has implemented strict guidelines surrounding our participation and our guidelines insure that our client's interests always come before ours.

SERVICE LEVEL AGREEMENTS

Willis will implement a Service Level Agreement to ensure client satisfaction.
We are pleased to discuss Performance Guarantees related to our service commitment. We are willing to place 10% of our compensation at risk if we do not meet mutually agreed upon service standards. Please let us know if you would like to receive a sample performance guarantee agreement.

SECTION 3: RFP QUESTIONNAIRE RESPONSES – B. SCOPE OF SERVICES

1. Represent the City's interest in the marketplace when the purchase of insurance is necessary. Secure Dental, Long-Term Disability, Short-Term Disability, Group Life, and specific and aggregate stop-loss insurance coverage's as appropriate. Functioning as the intermediary, negotiate with insurance companies and monitor the published financial information of the City's insurers and alert the City to changes in their status.



Program Renewal Analysis and Negotiations
Willis initiates renewal negotiations with each plan administrator far in advance of renewal dates. In the renewal negotiation process, Willis leverages available resources including utilization data, Willis renewal projections, service experience, and the Willis block of business. Upon completion of renewal negotiations, we provide a thorough renewal analysis focusing on client financial impact, contribution strategies, and specific contract renewal recommendations. If renewal terms are anticipated to be unacceptable, we initiate competitive marketing to secure alternative solutions.

Request for Proposal (RFP), Proposal Analysis, and Vendor/Carrier Selection
Willis works to identify potential markets that serve your needs, and to assist with analyzing carrier networks for adequate facilities in the areas your employees reside. Vendors are also selected for service quality, funding options, claim processing standards, and performance guarantees.

Our experience bidding employee benefit and related services is vast and we are able to evaluate the full range of vendor services, including: medical, carved out prescription drug, dental, vision, life, disability, FMLA, advice to pay, flexible spending accounts, pre-tax transportation, COBRA/HIPAA administration, health advocacy services, wellness and disease management services, EAP, mental health carve-out, and voluntary benefits, as well as employee self-service enrollment, consolidated billing, and call center services.

Your Willis team formulates an RFP based on your performance expectations, current census, experience, plan design data and a questionnaire to delineate and rank the critical objectives of the marketing effort. This process develops a quality RFP to help you make informed choices, and to increase the likelihood of receiving competitive bids from qualified carriers who fully understand program expectations. Willis serves as the point of contact for the RFP. The team analyzes responses, checks for accuracy, program design, networks, risk sharing arrangements, market competitiveness and claims processing. We also search for distinctive identifiers such as performance guarantees, wellness budgets, and unique tools/services.

The vendor responses provided are presented in a summary highlighting costs, benefit differences, and service capabilities. The Willis team will meet with you to review and identify vendors to select, or if desired, bring in for a finalist meeting. These interviews are conducted jointly by you and your Willis team to allow you to clarify any issues, and learn which vendor may be the best fit for your needs, objectives and corporate culture.

Plan Transition and Implementation

Once a vendor is selected, we develop an implementation calendar and work with each vendor to make certain programs are implemented correctly and on time. To confirm commitments made during the proposal process, we review fees, plan designs, claim system setup, reporting structure and data requirements. In addition, we help complete the carrier application, review carrier takeover issues, and ensure the eligibility file is transferred.

Contract/Document Analysis

We work with clients and their plan administrators to determine inadequate or missing plan documentation. Willis reviews group contracts, benefit summaries, plan documents, certificates and booklets. Using various checklists, we routinely identify areas where contractual language disproportionately favors the carrier/vendor, and work to negotiate more equitable terms. We also carefully review "right to audit" language to ensure clients can thoroughly monitor administrator performance.

Willis Excellence Model (WEM)

The Willis Excellence Model (WEM) is the process that drives our insurance placement work on behalf of our customers. The WEM process includes, but is not limited to, the following:

- Ensuring we understand the client's wishes with respect to the employee benefits program and plan components, as well as any specific direction about how the plan is to be marketed and to whom.
- Full disclosure of our marketing process, the carrier's approach, and each carrier's response.
- Providing a copy of each carrier's quote at any point in the process.
- Market Security evaluation of the financial strength of each carrier.
- Written confirmation of renewal and marketing decisions with both the client and each carrier.

The Willis internal audit team conducts on-site office reviews for the purpose of monitoring compliance with these standards. A separate process of periodic self-assessment of key internal controls at the office management level provides additional monitoring and feedback.

Willis has a comprehensive approach to monitoring the performance of carriers and vendors, including the Willis Quality Index Report, implementing and reviewing Carrier Performance Guarantees, utilizing our National Placement Practice and through our regular marketing security evaluation.

Willis Quality Index Report (WQI)

Willis monitors, evaluates, and ensures the highest service levels and market security of our clients' benefit plan providers using the proprietary **Willis Quality Index Report (WQI)**. This bi-annual report provides carriers with detailed feedback from Willis associates in four major categories, including: underwriting, policy and claims administration, service, and new business processes relative to their peers. Willis then works directly with carriers to drive improvement. Because the WQI compares carriers against their peers, the result is a continually increasing level of service across the industry. We are able to share the WQI results with our clients as another data point to help determine the most appropriate carrier for their business.

Carrier Performance Guarantees

Willis develops performance guarantees with carriers to address specific needs, concerns and considerations most important to each client. Willis then confirms carriers meet or exceed agreed upon performance levels. If not met, Willis works to ensure the carrier delivers on the pre-determined penalties. The existence of performance

guarantees helps create an ongoing, candid dialogue between carrier, client and Willis to ensure client service satisfaction.

National Placement Practice
Willis is unique in the industry with a specialized, locally driven, nationally directed Placement Practice dedicated to producing the best terms, conditions and financial arrangements for clients. Our team has an intimate understanding of local market trends and is highly experienced in negotiating skills. In addition, the practice maintains relationships with senior level executives at carriers and vendors with whom we conduct business. These relationships, coupled with our dedicated placement expertise, enhance our ability to resolve contract, administrative, billing and/or claims issues.

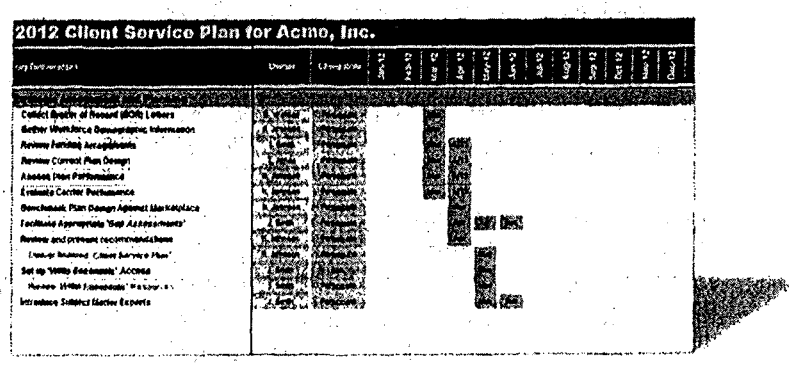
Marketing Security Evaluation
Willis closely monitors the security of insurance and reinsurance markets worldwide. Annually, our International Market Security Team provides an in-depth analysis of the financial strength of each insurer with whom we place business. In addition, carriers are monitored throughout the year regarding upgrades/downgrades and changes in outlook from the major international rating agencies including, but not limited to, Standard & Poor's and AM Best. While we do not guarantee the financial strength or solvency of any carrier utilized, we do provide our clients with information indicating if the carrier meets our stringent guidelines for approval.

2. **Prepare pre-renewal strategy prior to the insurance program anniversary date. Identify and quantify exposures to loss; procure necessary loss and exposure information; and complete any required applications.**

At Willis we take a strategic approach with each client, and that starts with an assessment to determine the current state of your health and welfare programs versus the desired state. We will start by engaging you in a candid discussion regarding your organization, business strategy, and objectives, as well as the history of your programs.

Information collected, reviewed and discussed during this step, may include, but is not limited to:

- Current Vendors and Carriers in place
- Service level and satisfaction of services
- Plan designs
- Funding arrangements
- Claims experience
- Financial reports
- Summary Plan Descriptions (SPDs) and/or certificate of coverage
- Demographic and participation data
- Benefit communication materials



Throughout this process we may conduct relevant benchmarking and facilitate an Employee Survey and Focus Group in order to evaluate internal and external competitiveness and satisfaction.

Following our initial assessment of your existing benefits and costs, we will make specific recommendations that align your benefits strategy with the organization's business strategy and goals. This will set the foundation for our ***Client Service Plan***, which outlines tasks, deliverables, key dates, and responsible parties.

Some clients may request or need a deeper assessment beyond benefits at which time we may also recommend a Total Rewards Gap Assessment, and/or one of our Gap Assessments that cover Compliance, Communication, Health Outcomes and HR.

We have included our ***Willis Human Capital Practice | Scope of Services*** in Section 2 of this RFP response so you may review a more comprehensive listing of services and deliverables you can expect.

3. Develop underwriting specifications including historical exposure and loss information; coverage requirements; which are to be reviewed with the City of Wilmington prior to submitting them to the insurance markets.

Willis is pleased to offer the City of Wilmington a service team that includes experienced underwriters, supported, when necessary, by a health actuary. Your Willis service team is well versed in projecting the costs of self-funded health plans, evaluating cost containment strategies and cost benefit analysis of stop loss protection. In fact, when Pennie Hinds was the lead consultant for the State of Delaware (1997 – 2007), she projected the self-funded rates a fraction of actual expenditures, created a rainy day fund for catastrophic loss, and never put the State of Delaware in a deficit position.

The financial team will work with each of your vendors to collect on-going claim and demographic information and will provide the City of Wilmington on-going tracking of actual results to budget and will develop detailed budget projections by product and population.

We will meet periodically with the City of Wilmington to provide an assessment of the financial position of the plans to budget and will project the next year's renewal early, so that there are no surprises. Once the experience period for the rate setting process is up-to-date, we will provide a comprehensive projection of the renewal costs, detailing all items, including claims above stop-loss, recommended trend factors and margin, impact of healthcare reform or other legislation, change in population and shift in programs, vendor administrative and service fees, and any other components that should be incorporated into the rates.

Simultaneously, to the extent that there are no existing rate guarantees, we will negotiate the best terms for the fully insured programs and the administrative services fees of all of the group programs.

We recommend and are prepared to conduct an annual marketing of the City of Wilmington's stop-loss coverage. Willis has approved top-rated reinsurers as part of our stop-loss panel. These providers have agreed to advantageous policy terms for our clients and discounted pricing. Our team can also access any stop-loss market it feels appropriate to deliver the best results to the City of Wilmington.

We can recommend and price benefit changes and benchmark the City of Wilmington's plans against other public entities and/or local employers. Benchmarking is a routine annual deliverable to our clients and is extremely helpful in understanding the competitive position of your benefits prior to making changes.

We have access to a number of plan design actuarial pricing models to determine the impact of plan design and legislative changes. Our national actuarial team is on-hand to assist with unique pricing situations.

Your assigned financial consultants are fully prepared to price plan design changes, provide contribution scenarios, and assist in discussions related to financing, investment, and administration. We will support requests and timing related to financial evaluations of the impact of proposed legislation and will draw in our actuarial staff, when necessary.

In summary, our financial and actuarial services include:

- Development of premium equivalent rates for self-insured benefit programs
- Development of annual benefits budgets
- Calculation of claim reserve liabilities for self-insured benefits
- Analysis of cost impact of proposed changes to the City of Wilmington benefit programs
- Recommendation regarding appropriate specific stop loss insurance deductible
- Risk analysis of proposed alternative funding arrangements
- Analysis of cost impact of proposed or enacted legislation on the benefit programs
- Negotiation of fully insured plan renewals

Our National Underwriting Practice works with the local Willis offices to thoroughly review and assist in the negotiation of renewals for Willis clients. Below is an overview of our underwriting capabilities performed by our formally trained national practice underwriters:

- Annual National Trend Survey – 2008, 2009, 2010, and 2011
- Benefit plan design pricing - Increments / Decrements
- Trend review (smaller account renewal review)
- Review of client specific underwriting calculations
- IBNR calculation and review of client specific IBNR levels
- Analyze utilization data and cost containment results of medical management

4. **Receive quotations and prepare a recommendations report.**

See Willis response to Question #1 above.

5. **Procure vendor for self-insured programs through competitive process for TPA services with respect to management of the programs, including adding and deleting eligible City employees and retirees, sending all notices and updates, and providing for the printing, updates, revisions, deletions, additions and changes to employee benefits booklets, including obtaining from and delivery to the City Employee Benefits Division.**

Willis Bid Process

Willis is one of the largest benefit broker and consulting firms globally and in North America. We specialize in the 250 – 10,000 life market and have strong relationships with all of the major vendors both through our National Human Capital placement specialists. We serve on the advisory boards of local and national insurers. We represent over 1,000 U.S. benefit clients with in excess of $4.5 billion in premium revenue.

The marketing of employee benefits is a distinguishing value of Willis. Using our underwriting background, we independently price the total expected cost of each bid based upon the bidders' fixed fees and our estimated claims based upon our independent analysis of each providers' network depth and discounts and their utilization management services.

We work jointly with the City of Wilmington to identify potential markets that serve your needs and assist you with analyzing carrier networks for freedom of choice of physicians and hospitals in the areas where your employees live. Vendors will also be selected for their quality of service, available funding options, level of claim detail they will provide and their willingness to implement performance guarantees.

We formulate an RFP based around your objectives and performance expectations, current census, experience, plan design data and a questionnaire addressing each vendor's capabilities in multiple areas. This RFP process helps you make informed choices about the carriers and vendors interested in servicing your benefits.

Willis's bid process follows a strict regimen to assure "apples to apples" comparisons and full understanding of each vendor's costs and capabilities. Our step by step process includes:

1. **Preparation of bid specifications, including:**
   - Client procurement language
   - Bid instructions
   - Minimum requirements
   - Bid criteria – *based upon the client's needs and perception of importance*
   - Scope of services
   - Plan design – current as well as any potential changes
   - Utilization and health management programs
   - Value added member resources, tools and programs
   - Wellness or communication funding
   - Financial bids, (multiple year) broken down by all fixed fees, network fees, claims, reserves and insurance charges
   - Network, including:
     - Geo access
     - Depth by location
     - Provider disruption
     - Discounts (including claim repricing)
   - Performance standards
   - Detailed questionnaire, including:
     - Organization information and financial strength
     - Experience and references
     - Plan administration capabilities
     - Network credentialing and management
     - Underwriting
     - Reporting

2. **Gathering of necessary data, including:**
   - Census files from the vendors with demographic, enrollment and zip codes
   - Historic claim and enrollment data
   - Utilization information by CPT, ADA, frequency, and dollars paid
   - Large claim information
   - Plan descriptions
   - Claim file during a defined period with hospital and providers charges and frequency by service/CPT code for discount re-pricing

3. **Client review and final specification preparation**

4. Submission to vendors

5. Field vendor questions

6. Detailed side by side comparisons, including:
   - Proposal deviations, underwriting and any other caveats
   - Plan design deviations
   - Network information based upon actual utilization, including:
     - Geo access reports (consistently applied to total population)
     - Depth and breadth by location
     - Disruption by number of providers, frequency and paid dollars
     - Differential of discounts based upon projected claims
   - Financial bids with projections of current programs compared to alternative vendors and plans using fixed fees and projected claims based upon network discount comparisons
   - Performance standards
   - The questionnaire

7. **Evaluation of all results by senior, experienced consultants, including peer review of key findings**

8. **Construction of a PowerPoint presentation with observations, comparisons and commentary related to the strength and weaknesses of each vendor's response.**

9. **Tentative recommendations for finalists based upon bid criteria and consultant scoring.**

10. **Meet with client to go over results**

11. **Determine finalists**

12. **Prepare questions based upon issues discovered in response and for comparison and facilitate finalist meetings**

13. **Assist with best and final negotiations**

14. **Assist in the recommendation of awarded vendor(s)**

Once a vendor has been selected, we will begin implementing the selected programs. During this process, we will develop an implementation calendar and will work closely with each vendor to make certain the programs are implemented correctly and in a timely manner. We will confirm all fees, plan designs, claim system setup, reporting structure and data requirements. We will help you complete the carrier application, review carrier takeover issues, ensure the eligibility file is transferred and request all required documents (contract agreement, SPD/Plan document, and administration manual and performance agreements) prior to the effective date.

6. Work directly with the City's vendors/insurance carriers to ensure superior service; facilitating all strategic meetings with the City and insurance markets; and keep the City informed of significant changes and/or trends in the insurance industry that could have an impact on the City.

Our Service Process

Throughout the year your Willis Client Service Team is working for you and with you. As day-to-day issues arise Willis will assist with, but is not limited to, the following:

- Coordination of our Subject Matter Experts
- Regular updates through meetings and calls
- Monthly and quarterly financial and claims reporting
- Carrier/vendor service issues
- Contract language
- Administrative and billing issues, and
- The resolution of complex or sensitive claims issues.

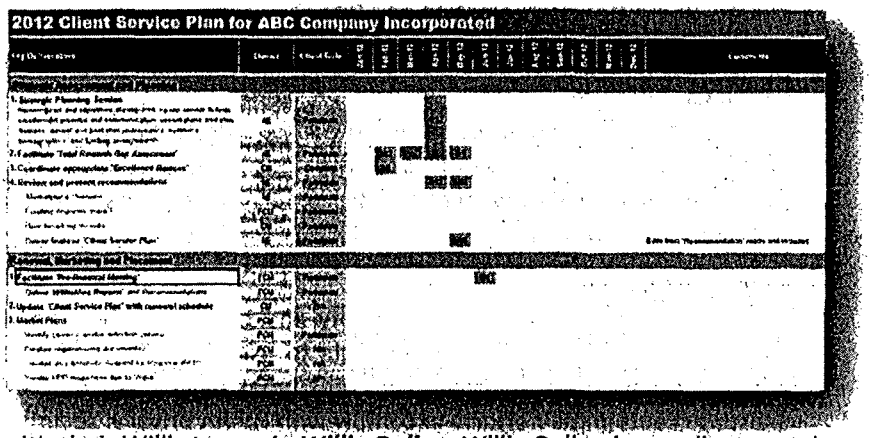
We pride ourselves on proactive service and responsiveness. Our internal standard to return client calls is 24 hours; however, calls are typically returned the same day. Your primary contacts are supported by additional members of the Willis team. A list of all applicable contacts will be provided. We do not place a limit on the number of calls and meetings anticipated to occur during the year.

Willis begins each engagement by establishing a clear understanding of the needs and objectives of your business. We conduct research, ask questions, and apply our knowledge and global network of resources to arrive at a clear and comprehensive picture of your particular circumstances.

Our approach to scheduled client interaction varies by client preference, ranging from regular project log calls, to email updates, to periodic check-ins. Internally, your team meets at least bi-weekly with management and support staff to review all timely projects together and organize resources. Leading the entire process is your Willis Client Advocate® — a senior Willis team member who manages all aspects of your account and acts as a project manager to move tasks towards completion.

Client Service Plan

We develop a ***Client Service Plan*** specifically tailored to serve your needs — using the right blend of talented people, superior knowledge, industry experience and advanced technology. Our Client Service Plan includes assigned deadlines and responsibilities as mutually agreed upon.



Willis Online

Some clients also prefer to communicate with their Willis team via ***Willis Online***. Willis Online is our client portal intended to provide a one-stop website where clients can access all the tools and resources available through Willis, as well as client specific documents. Your Willis Online site is customized for your organization and requires a secure login and password to gain access. Willis Online also allows clients to monitor the status of their projects and increase efficiency. A copy of your Client Service Plan may be stored on Willis Online.

Client Advocacy Report (CAR)

Periodically taking stock of goals, issues, and obstacles is important. Presented annually, the Willis Client Advocacy Report serves as a review of Human Capital Risk, aligns Willis solutions and the resulting value. The report focuses on our partnership, outlining key deliverables over the past year and identifying opportunities for the coming year.

Willis will directly assist the City of Wilmington in maintaining compliance with federal regulations related to health and welfare plans.

You and your Willis team are supported internally by the Willis ***National Legal and Research Group (NLRG)***. NLRG is a team of attorneys and paralegals with specialized expertise and firsthand experience in ERISA, the Internal Revenue Code and other laws affecting employer sponsored benefit plans. The NLRG staff has years of practical experience and in-depth knowledge regarding the application of the laws and regulations that affect employee benefit plans.

☑ **NLRG Compliance Gap Assessments**

Upon engagement, we would suggest a Compliance Gap Assessment, covering areas such as ERISA, Group Health Plan Mandates, Cafeteria Plans and COBRA, to identify and help correct non-compliant program features.

As legislation changes and interpretations are released from NLRG and your carrier/vendors, your Willis team will address each change with you. The team will suggest and quantify appropriate adjustments within the existing programs.

☑ **Employer Guides and Tools**

NLRG has developed a Compliance Manual and Employer Guides and Tools, covering topics such as:

- Cafeteria Plans
- COBRA
- Consumer Directed Plans
- Death Benefits
- ERISA Reporting and Disclosure
- HIPAA Nondiscrimination and Portability
- HIPAA Privacy
- Medicare (MSP, Part D, and Payer Reporting)
- QMCSOs
- USERRA
- 5500 Reporting

☑ **Health Care Reform**

NLRG leads our focused effort around the Patient Protection and Affordability Care Act, commonly referred to as Health Care Reform. Examples of the consulting expertise and tools developed include employer and employee guides, FAQs, webcasts, articles and alerts to assist employers with their planning and potential transition to a new plan design under Health Care Reform.

☑ **HIPAA Compliance**

Compliance with HIPAA privacy, security and breach notification requirements is technical, complex, and confusing. Willis often receives requests to assist clients in their compliance efforts, and we have found different clients need and want different types of assistance. Therefore, we offer a range of options for assisting clients in their efforts to comply with HIPAA privacy, security and breach notification requirements.

- **Willis HIPAA Employer Guide & Tools and HIPAA Compliance Manual**

  The ***HIPAA Employer Guide and Tools*** as well as the ***HIPAA Compliance Manual*** include a wealth of information including samples of each document required to comply with HIPAA's privacy, security and breach notification requirements, including written policies and procedures, the compliance strategies available, the documentation required to reflect the strategy chosen, and the operational changes needed to implement that strategy. Employer tools include

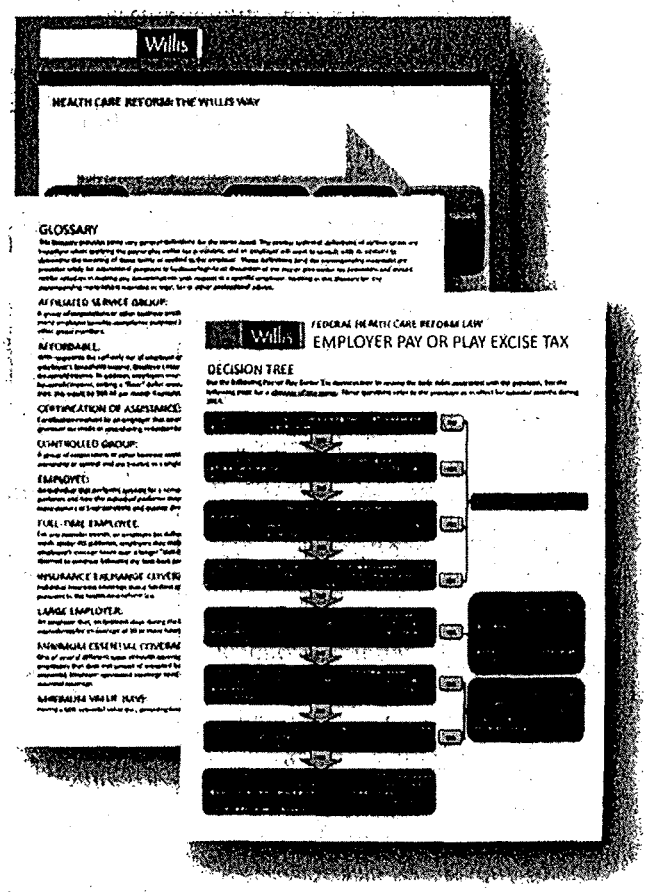
checklists, forms, and instructions that guide users through creating their own HIPAA compliance documents based on the sample documents provided.

- **HIPAA Lite – Short Form Packets**
  NLRG has developed generic compliance packets that include the forms, policies and notices required by HHS.
- NLRG has relationships with external entities to assist clients with implementing various aspects of HIPAA privacy, security and breach notification compliance with preferred pricing.

☑ **Plan Document Services**
As compliance with ERISA and the Internal Revenue Code has become more complex, creating and maintaining accurate and complete plan documents and summary plan descriptions has become more critical to plan administration. NLRG helps solve this compliance requirement by providing plan documents and summary plan descriptions (SPDs) through our partnerships with respected outside law firms. These services help our clients meet compliance obligations with federal ERISA requirements, in a cost effective manner.

Willis will directly assist the City of Wilmington in maintaining compliance with the Patient Protection and Affordable Care Act (Health Care Reform).
Health Care Reform is one of the top concerns on employers' minds today. As legislation evolves, the Willis Human Capital Practice is committed to providing exceptional consulting and strategic planning for our clients.

Your Client Advocacy team is experienced and knowledgeable regarding the Patient Protection and Affordable Care Act (PPACA) requirements. Your Willis Client Advocate® will lead a focused effort around PPACA, providing rich consulting expertise to assist in developing strategic and tactical approaches to mandates, taxes, penalties and potential plan design transitions. Our Subject Matter Experts also take a multi-disciplinary approach to Health Care Reform, assisting with the role of HR, employee education and communication, health outcomes support, and targeted reporting to assist in strategy development.



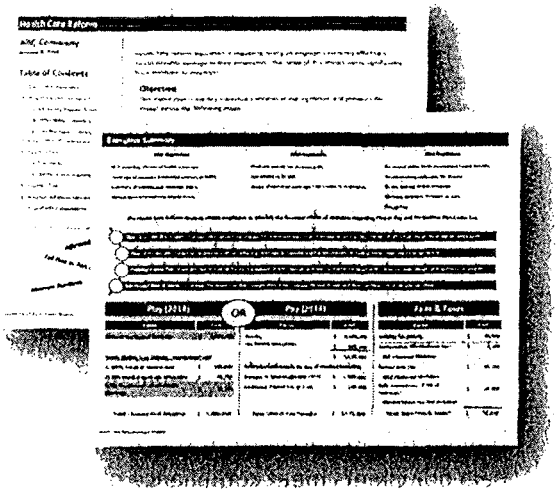
The Willis Way
In response to the complexity, individuality, and variability of the issues our clients face, Willis created a formalized consulting process for handling health care reform. The Willis Way is a five step process that takes into consideration all of the regulations, requirements, and obligations our clients will face due to health care reform.

The Willis Way uses over 150 supporting and guidance documents to give our clients a thorough understanding of the organizational and financial implications of Health Care Reform. In short, The Willis Way ensures our clients have no surprises regarding the implications and obligations of Health Care Reform. It helps make sure we build and smoothly implement proactive strategies.

Tools and Resources
Our comprehensive approach also includes the following tools and resources:

- Health Care Reform Impact Analysis Calculator

- Weekly Health Care Reform Updates
- Educational Webcasts
- Employer Health Care Reform Guides
- Publications and News Alerts
- Health Care Reform FAQs
- Local Seminars
- Client Consultation



Our National Legal and Research Group (NLRG) also maintains ties to regulators in Washington and advises our Client Advocate teams and clients of new and revised mandates and guidance from the regulatory agencies.

Health Care Reform Impact Analysis Calculator

Our proprietary Health Care Reform Impact Analysis Calculator supports client planning through:

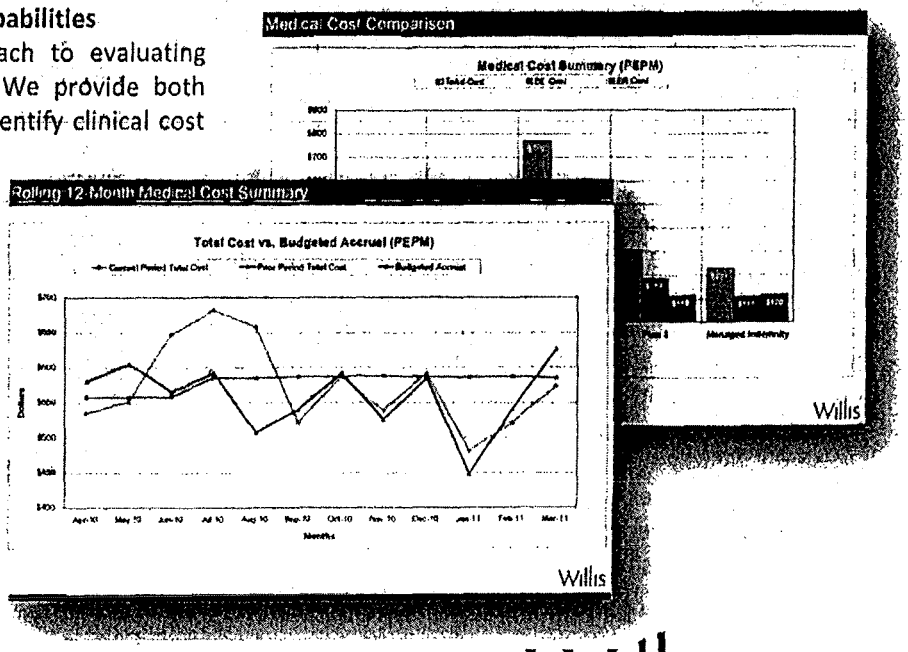
- An extensive listing of each health care reform regulation past, present and future
- A Cadillac Plan calculator to forecast potential penalties associated with current plan offerings and premium structures, as well as a "what if" module to determine how to maximize plan offerings while avoiding the Excise Tax
- The Play or Pay calculator to identify monthly exposure to "play or pay" penalties (effective 2014) based on hours worked and number of full-time employees

Using the results, we provide our clients with potential options to meet their organization's financial, cultural, and regulatory needs. A sample Health Care Reform Impact Analysis Report is provided in **Exhibit J**.

7. **Provide monthly and annual summaries including a concise narrative of overall administrative and tends effectiveness and estimated future costs in an agreed upon format between City and vendor.**

The Willis Reporting and Analytical Capabilities

Willis offers a comprehensive approach to evaluating employer health plan performance. We provide both financial and utilization reporting to identify clinical cost drivers. Our detailed approach positions clients to effectively mitigate plan cost increases by identifying opportunities for savings.



☑ **Dashboard Report (Financial Report)**

Willis uses carrier provided data to create a management report showing past, present, and future financial impact. The report is customized to your business structure and

plan offerings. We also layer in your employee contribution structures to truly illustrate the net cost of the plan to your company. The report segments Medical claims, Rx claims, and large claimants to identify how each segment affects plan cost. Understanding how each segment performs provides a solid foundation from which we can forecast plan costs.
The report includes:

- Segmentation of data by claims type and client structure
- Employee contribution amounts
- An actual vs. budget comparison
- A forecast to translate current experience into an expected future premium or premium equivalent
- A financial overview of plan performance

☑ **WillisMed (Utilization & Clinical Reporting)**
WillisMed incorporates eligibility, medical, and pharmacy data feeds from carriers/TPAs to create a data warehouse with the ability to drill down to individual plan member detail on a de-identified basis. The tool has embedded predictive modeling capabilities based on an employer's specific demographics and health conditions of the plan membership. WillisMed allows for the aggregation of members (cohorts) with similar characteristics or disease states. Cohorts become a powerful tool in gauging the effectiveness of wellness initiatives by clearly tracking and illustrating the cohort improvement in several areas including cost, hospital admissions, and ER visits. A sample WillisMed Report is provided in **Exhibit G**.

8. **Track significant claims and provide the City with periodic reports.**

WillisMed

WillisMed is Willis' data mining platform. Willis offers WillisMed reporting to our self-funded clients. Willis conducted a comprehensive bid for our data mining partner and selected Verisk Health. Verisk Health was selected due to their timely reporting, large data base and the robust population health reporting.

Verisk Health is leading source for risk identification, prediction and mitigation in the healthcare sector. Established by Verisk Analytics, a provider of risk assessment solutions across multiple industries, Verisk Health's development has been guided by physicians and scientists, who bring real world, first-hand clinical knowledge to the science of risk management.

Notably, all data in the normative database is de-identified. Verisk Health is committed to rigorously safeguarding and protecting information assets, assuring the privacy of our clients, their customers, and the public. Their privacy practices are driven by the need to protect all data including, but not limited to, and Personally Identifiable Information (PII), Protected Health Information (PHI) and financial information, among others.

WillisMed uses your employee medical and drug claims data, enrollment data, normative measures, and sophisticated methodologies to provide comprehensive health care analysis reports. Each month we receive a data feed from your insurers with the last 24 to 36 months of data (when available). Using this data, WillisMed can identify cost savings and quality improvement opportunities in the area of benefits management, network management, financial planning, and disease management programs.

WillisMed can help address strategic business questions:

- What did my health benefits cost and where were expenditures concentrated (inpatient, outpatient, pharmacy, etc.)?

- What is driving my high cost trend and what can I expect next year?
- How does my experience compare to other organizations like mine?
- What control measures have been implemented?
- What future initiatives will help me best manage my health benefits?
- What value am I receiving from my benefits?

As part of our value proposition for the City of Wilmington, Willis include as part of our scope of services:

- Implementation to WillisMed on your behalf,
- Data feeds from the vendors,
- One client user license, and
- A robust series of standard reports on a quarterly basis.

9. **Monitor and advise the City of Wilmington of any reduction or exhaustion of aggregate limits of any policy and advising the City of Wilmington on any limit reinstatement or additional purchase options available.**

Analyzing Results

An important step throughout the plan year is to monitor plan performance to goals. We will provide reports on a monthly, quarterly, and annual basis. These reports assist us in monitoring the plans performance and highlighting any areas that need to be reviewed in future years. The Willis Consultative Process is on-going and fluid, recognizing that The City of Wilmington may have changing priorities and federal and state legislation and other environmental factors may impact the plan. Each year, we look back with a Stewardship Report and then update for the next period based upon current conditions. In addition please see Willis response to Question #7 and #8 above on reports and monitoring capabilities.

10. **Check policies, endorsements, amendments, audits, rating adjustments, and billings for accuracy and request corrections, as needed.**

Contract / Document Analysis

We work with clients and their plan administrators to determine inadequate or missing plan documentation. Willis reviews group contracts, benefit summaries, plan documents, certificates and booklets. Using various checklists, we routinely identify areas where contractual language disproportionately favors the carrier/vendor, and work to negotiate more equitable terms. We also carefully review "right to audit" language to ensure clients can thoroughly monitor administrator performance. In addition several of our additional audit services include but are not limited to:

☑ **Actuarial Services**

Our actuarial team uses experience and statistical models to improve the quality of decisions about benefit programs. The team provides analytical support in areas such as Non-Pension Post-Employment Benefit Valuation, IBNR Reserve Liability, Benefit Design Modeling, Clinical Analysis of Health Care Utilization and Cost Mitigation Strategies, Actuarial Support to Captive Insurance Feasibility, Non-Discrimination Testing, and additional audit and statistical analysis review services to manage health and disability costs.

☑ **Dependent Eligibility Audits**

A carefully planned dependent audit can help uncover ineligible members and realize potentially significant cost savings years in the future. Willis has developed a unique approach to meeting this need for our clients. Our process is to contact each employee covering a dependent on the plan with mailings to homes, and to provide call center support for employees who have questions through the process.

☑ **PBM Review**

Willis works with an external resource to negotiate pharmacy contracts that reduce plan cost, risk, and increase vendor accountability. After negotiating contracts, they are aggressively policed via annual audits. Outside of contracting, demonstrated proven techniques are implemented for eliminating claim data issues, optimizing mail order savings, better managing high cost diseases, and reducing clinical outliers.

11. Serve as advocate in the resolution of coverage issues (i.e., "reservations of rights" or coverage disclaimers, when an insurance carrier is involved).

Willis maintains an open dialogue with all of our carrier and vendor partners. We have relationships with senior level executives at the carriers and vendors with whom we conduct business. Regularly scheduled calls and meetings are conducted with our business partners to learn of new services, updates within the organization and/or to address any issues and resolve open items. Client meetings are scheduled and built into the Client Service Plan to capture important dates for deliverables (renewals, SPDs, contracts, claims, etc.) and discuss any open items relating to service, eligibility and reporting. Willis will review any performance guarantees and request adjustments as needed to ensure the performance of our partners is meeting client expectations.

To provide the highest level of service to our clients, we evaluate our carrier partners using the proprietary Willis Quality Index Report. This bi-annual report provides carriers with the feedback of Willis associates regarding the services, products and resources provided relative to their peers. Willis Relationship Directors work directly with carriers to address issues as they are identified. The Willis Quality Index carrier scores can also be provided to a client as another data point or tool with which to compare and evaluate which carrier to place their insurance business with based on the collective opinion of Willis associates. Willis strives to ensure all clients have a positive relationship with our business partners. In the event any coverage or carrier issues arise, each Willis client has direct access to a local Client Advocate to achieve problem resolution and documented claim escalated process.

12. Provide support for the City-sponsored benefit activities such as Benefit Fairs, Annual Passive and Mandatory Open Enrollment meetings, special enrollments or other employee benefits projects as needed.

The Willis Communication Difference.

Willis communication consultants work with you to develop compelling communication strategies that drive employee behavior around human capital issues. Our team understands and works daily with clients to effectively communicate about benefits, open enrollment, consumer-driven health care, total rewards, wellness, government compliance, health care reform and more. We begin by listening to your unique needs and challenges. Then we work with you to develop a strategic communication plan tailored to your situation, using messages that align with your objectives and media that will reach your employee audience – whether online or via video, print or social media – in any language. We use our benefits expertise, coupled with our creativity, innovation and knowledge of new technology, to educate employees on how to be more thoughtful health care consumers or how best to use their benefit programs. We partner with select communication firms to implement your strategic communication plan by creating a visual identity for your benefits or wellness program, developing print and online communications and managing print and fulfillment.

Communication Initiatives

- Open Enrollment
- New Hire Enrollment
- Smart Health Care Consumerism
- Consumer-Driven Health Plans
- Health and Wellness Programs
- Targeted Benefits Education

☑ **Communication Gap Assessment**

The team has developed a process to evaluate your current communication strategy, identify communication opportunities and address gaps in communication. Through our Gap Assessment, we ask you to complete a series of questions, after which we review your results and prepare a report outlining best practices and next steps.

☑ **Visual Identity Development**

We work with you to develop a visual identity for your benefit or wellness program using images, color and messages developed with your brand and organizational culture in mind. This provides your employees with a cohesive visual presentation so they can easily identify important communications about their plan.

☑ **Creative Solutions**

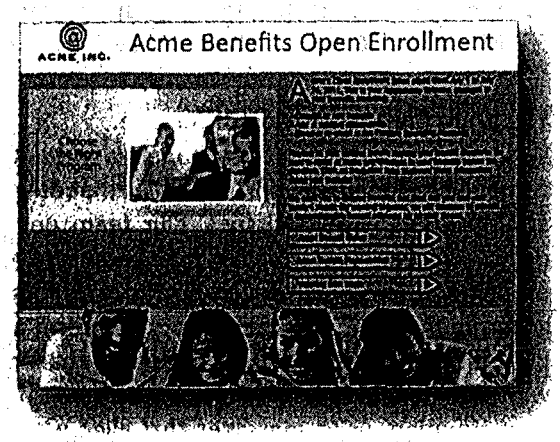
The team has developed design approaches for communication campaigns to accommodate clients across topics, budgets and time constraints and can develop a compelling communication strategy for your organization that engages your employees year-round. A typical campaign might include:

- Benefit guide
- Poster
- Postcard
- Wallet card
- Magnet
- Envelope
- Announcement memos
- Plan summaries

As a Willis client, you have access to communication tools and templates through Willis Essentials, our client web portal. Willis Essentials includes resources to help you elevate your employee communication, including communication strategies, wellness education, benefits education, newsletters, updates on health care reform and employee communication surveys.

☑ **Multimedia Communication Materials**

The Communication Practice can work with you to choose the right media to reach your employee audience. This may include video or video postcards, print and/or online materials, audio presentations, text messaging, promotional items, and other creative solutions.



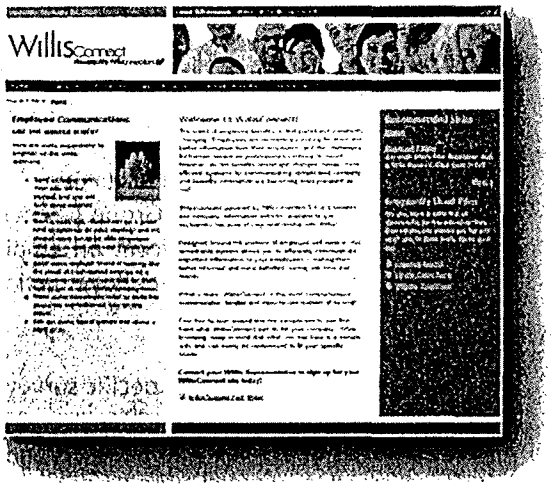
☑ **Translation Services**

Willis can work with you to translate virtually any document. Willis works with organizations that use native-speakers for translation to ensure your message is accurately presented.

☑ **Total Rewards Statements**

Total Rewards Statements increase employee awareness, understanding, and appreciation of all programs offered, as well as the real employer and employee cost of such programs. Willis has reviewed the marketplace to identify resources to develop effective statements. Whether printed or online, these statements provide a presentation of benefit value, plan details and reinforce the breadth of the benefit program and total rewards offerings.

☑ **Employee Benefits Portal**
WillisConnect provides an intuitive platform to manage and provide essential benefits, HR, and company information directly to employees, including enrollment materials, policies, forms and announcements. The portal is personalized to your organization and allows you to distribute important information in a secure, consistent and timely manner.



Your Willis Team will be present and participate at each open enrollment meeting. Many of our clients have various shifts including weekends. We will also provide coordination, management, and oversight of the vendors that will present at each meeting location.

13. Conduct benefit offering surveys on comparable organizations and prepare report comparing each benefit and employee costs for such.

Willis will provide the City of Wilmington benchmarking to design competitive programs.
When we design competitive programs for your organization, a key element is benchmarking your organization to published industry surveys.

Benchmarking Survey Library
The Willis survey library includes, but is not limited to:

- Towers Watson Employee Benefits
- Hay Benefits Prevalence Report
- MetLife Annual Study of Employee Benefit Trends
- Mercer Metropolitan Benchmark Survey
- Benchmark Pro (from CompData Surveys)
- Culpepper Pay Practices & Policies Survey
- National Business Group on Health
- Wellness Council of America
- Institute for Health and Productivity Management

Willis has access to and maintains an extensive library of benchmarking surveys which allow us to conduct competitive market studies for our clients. We are able to evaluate competitiveness based on geographic area, employer size, and certain industry groups relevant to where the City of Wilmington wants to compete for the market place, including:

- Plan Design Features
- Cost
- Eligibility
- Short-Term and Long-Term Disability
- Supplemental/Dependent Life Insurance (Death Benefits)
- *Executive Benefits Prevalence*
- Tuition Reimbursement
- Severance
- Paid and Unpaid Time Off
- Compensation (see HR Consulting section for details)

Through memberships, Willis also has access to hundreds of surveys from WorldatWork, SHRM, Cal Chamber, BLR, International Foundation of Employee Benefit Plans (IFEBP), Employee Benefits Research Institute (EBRI) and many others.

In addition, Willis conducts a number of relevant studies, including:

Willis Annual Health and Productivity Survey
Our team of Health Outcomes Consultants developed the Willis Health and Productivity Survey to track employers

across stages of wellness program implementation. Employers offering wellness programs are asked to detail program components, incentives used, participation rates, vendor satisfaction and how program results are measured.

Willis Annual Health Care Reform Survey
Our National Legal & Research Group has conducted an annual survey to gather input from employers regarding the impact of Health Care Reform on employer group medical plans, and the effects as Health Care Reform provisions continue to require employer action.

Peer Benchmarking
We have also conducted client specific surveys based on targeted peer companies identified by the client.

Also see samples of the WillisMed Report and Client Dashboard Report in **Exhibits G and H.**

Willis will provide the City of Wilmington focus groups and/or employee surveys.
Clients are often interested in qualifying the benefit needs and objectives of their workforce. Willis can assist in the design of an employee benefit survey tool to measure how employees value each segment of your benefit program. Once the data is accumulated, Willis can help the City of Wilmington address issues discovered and utilize the data to support recommended changes. Depending on the number of employees to be surveyed, we may utilize a strategic partner to distribute and compile survey data.

We will also assist in developing focus group questions and discussion points, as well as participate in the facilitation of actual focus groups, as appropriate.

Willis can develop a survey of client-specific competitors to gain information relative to plan offerings, benefit levels and employee contributions. This data can be utilized to measure the competitiveness of the benefit program as compared to others, and to create a short- and long-term benefit strategy.

14. Provide the City a copy of your audited financial statements annually.

We are a public company and listed on the New York Stock Exchange under the symbol WSH. You can find copies of our complete Quarterly and Annual Reports on our website at:
http://investors.willis.com/phoenix.zhtml?c=129857&p=quarterlyearnings.

We will provide the City of Wilmington a copy of our audited financial statement.

15. Assist with any claims audit conducted by an outside party.

The Willis actuaries, legal, and consultants are experienced in assisting clients in dealing with the requirements of GASB 45, and Medicare Part D. With respect to GASB 45, our experience includes the performance of actuarial valuations for development of required financial statement disclosures, forecasts of emerging liabilities, and annual required contributions, as well as plan design consulting related to strategies for reducing the liability to be recognized in accordance with the accounting standard. With respect to Medicare Part D, our actuaries can provide the certification of actuarial equivalence of the post-Medicare retiree prescription drug benefit and will file the certification on the client's CMS site, which will allow the client to file for the government subsidy.

Our clients include a broad spectrum of municipalities, school systems, and public colleges and universities.

Claim Auditing Services

Willis can provide an on-site full population claims audit of 100% of your organization's claims paid in the last 18 to 24 months. We work with the TPA during the process to provide accurate, database driven results to generate significant savings. Our services include an onsite audit with access to your TPA's claims processing system, while also assisting with Sarbanes-Oxley compliance.

16. **Furnish the City with such Reports as the City my request pertaining to the work or services undertaken pursuant to the Agreement.**

In addition to the exhaustive reporting that Willis provides included in our Scope of Services, Willis will provide any additional reporting referenced in question #16 provided the City of Wilmington grant Willis an advanced written request.

17. **Withhold, as applicable, City of Wilmington wage taxes from the compensation of its officers, agents or employees as required by the City of Wilmington wage tax law.**

Willis does comply with withholding of City of Wilmington Wage Taxes for its employees located at 222 Delaware Avenue, Suite 1000, Wilmington, DE 19801.

SECTION 4: RFP QUESTIONNAIRE RESPONSES – C. CONTRACTOR QUALIFICATIONS

18. Must be primarily engaged in the business of providing comprehensive Life and Health Insurance Brokerage Services, including to self-insured and Delaware clients, and must have actively provided this service for a period of no less than five (5) years, with available staff of two (2) qualified, licensed and bonded Life and Health insurance brokers who are, and are supervised by an individual familiar with all phases of Delaware health, life, disability, and welfare benefit and insurance laws as applicable, with at least seven (7) years experience for the supervisor and three (3) years experience for the brokers in the area (s) to which they are to be assigned. The firm must have been in existence and have had a substantial client base in Delaware for at least five (5) years.

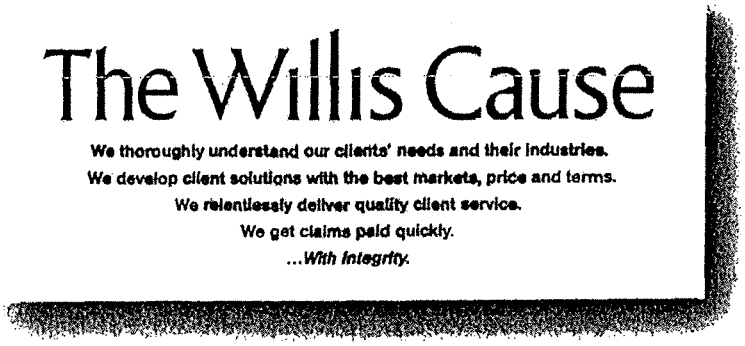
Willis Group Holdings plc is a leading global insurance broker. Through our subsidiaries, Willis develops and delivers professional insurance, reinsurance, risk management, financial and human resource consulting, and actuarial services to corporations, public entities, and institutions worldwide.

We have more than 400 offices in nearly 120 countries, with a global team of approximately 17,000 Associates serving clients in virtually every part of the world. Listed on the NYSE, headquartered in London, and domiciled in Dublin, the company is led from our New York and London offices. The Willis of Delaware office has been located in Wilmington for over 74 years.

Our dedication to our clients' success stretches back 182 years, from the dawn of an industry we helped establish, to the intricate, interwoven, and global state of the insurance sector today. Our origins lie in the early 19th century with the founding in London of three firms, Henry Willis & Co, Faber Brothers, and Dumas & Wylie. The first two merged in 1897 to form Willis, Faber & Co. Dumas & Wylie joined in 1928, creating the famous name of Willis, Faber & Dumas Limited.

R A Corroon & Co. Inc. was established in New York in 1905. In 1966, it merged with C R Black Jr Corporation. Of many subsequent amalgamations the most significant was with Synercon Corporation of Nashville in 1976. In mid-1998 the Group's shareholders accepted an offer from the leveraged buy-out specialists Kohlberg Kravis Roberts, who took the company private. In 1999, the Group's operations amalgamated under one name, Willis Group Limited. Willis returned to the New York Stock Exchange in 2001. On October 1, 2008, Willis acquired Hilb Rogal & Hobbs, one of the largest insurance and risk management intermediaries in North America, in the largest industry deal of the decade.

In 2010, we published The Willis Cause, the distillation of what it means to be the world's greatest insurance broker.



The Willis overarching vision and philosophy

We live by The Willis Cause. It's what drives us to deliver the world's best risk management advice and service. And it's what sets us apart from other global brokers and the thousands of smaller firms that can't match our size, scope and specialization. Four straightforward commitments to our clients and one overriding principle that binds them together:

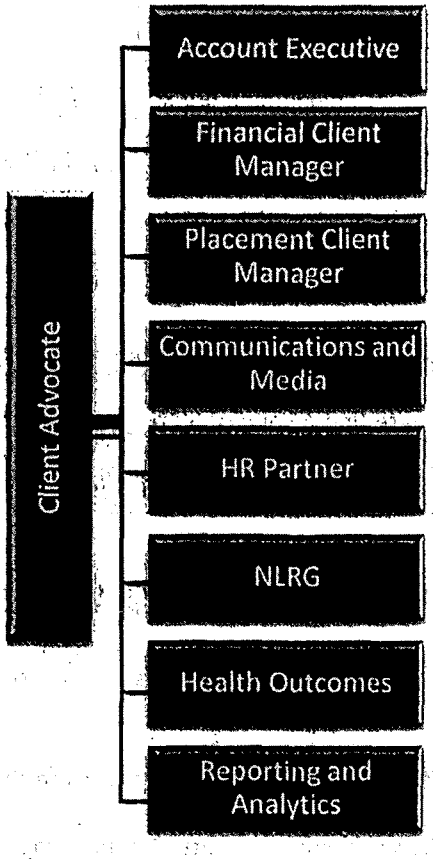
- We thoroughly understand our clients' needs and their industries.
- We develop client solutions with the best markets, prices and terms.
- We relentlessly deliver quality client service.
- We get claims paid quickly.

...with integrity.

Understanding. Solutions. Service. Claims. Integrity. Easy words to say; demanding ideals to live by. While other brokers may perform well on one measure or another, Willis is committed to delivering the whole package, with the expertise, scale, technology and passion that consistently defines our service experience in every country where we operate.

19. The brokers and supervisors to be assigned to this contract shall provide resumes in which education and experience generally and in Delaware are listed, as well as initial and recurrent and ongoing planned continuing broker education in Delaware in health, life, disability and welfare benefit and insurance laws and regulations, listing providers of the training received and planned and listing hours spent and to be spent periodically going forward.

Between our local Wilmington, Delaware, and Baltimore, Maryland, offices we have a staff of 45 Human Capital Associates. All Client Service Teams are carefully assembled with individuals who possess the skill set to address your organization's unique needs.



Sr. Client Advocates | Kent Evans & Pennie Hinds

How do we put our array of resources to work for each client? The Willis Client Advocate®. This experienced professional is your trusted advisor, empowered to deliver all of Willis to your doorstep – and desktop. Your Client Advocate® assembles a team of Willis experts and resources that work continually to assess, mitigate, manage, transfer and where possible eliminate your risk. We call this *Glocal* service – global resources, delivered locally.

Account Executive | Jennifer Bagley

The Account Executive is responsible for assisting with strategic planning and overall relationship, including account management, project management, vendor relations, communications, and compliance.

Sr. Client Service Managers | Mischelle Lindsay & Tracie Schloer

The Client Service Manger performs day-to-day service and troubleshooting for Willis clients, assisting in coordinating Willis resources and solutions to best meet the client's needs. Responsibilities include open enrollment support, and managing carrier/vendor processes such as claims resolution.

Financial & Placement Client Manager | Toyin George
The Financial Client Manager coordinates and executes the ongoing creation, maintenance and delivery of reporting deliverables for Willis clients. The Financial Client Manager is involved in reviewing RFP results, funding arrangements, plan cost variances and utilization anomalies to provide clients with the best practices and options to manage plan costs and utilization. In addition, The Placement Client Manager coordinates renewals and placement activities associated with marketing and negotiation. The Placement Client Manager is knowledgeable about specific carrier strengths, and assists in managing resolutions for any escalated issues.

Local Communications Consultant | Angel Partie
Willis communication consultants work with you to develop compelling communication strategies that drive employee behavior around human capital issues.

On average, Willis invests 2-3% of every employee's salary on employee development. Willis has a dedicated team, Group Training, which is responsible for ongoing training and education to all Willis Associates. Training programs rolled out by Group Training can be mandatory or voluntary depending on the topic and need. Group Training has been actively involved in working with Willis Compliance and Legal on new procedures affecting HIPAA privacy and WEM - The Willis Excellence Model that provides procedures and processes for servicing our clients. Group Training also assists the National Human Capital Practice in conducting workshops to help with presentation and listening skills.

In addition, through our Learning Management System called Willis Academy, Willis Associates are able to:

- View and manage learning and development programs to support growth initiatives
- Plan their individual learning program and enroll for courses and events
- Access learning materials and articles – building and managing self-sustaining learning communities to help embed our knowledge pool
- Take greater ownership of their own learning and development profile

We have included biographies and listed years of experience for each member of your Willis service team in **Exhibit B.**

20. Delaware and City of Wilmington Business Licenses.

Please find a copy of State of Delaware Insurance License for Willis of Delaware as evidence of authorization to conduct the business of insurance. Please find a separate signed letter stating our commitment to obtain a valid State of Delaware and City business license upon reward of contract.

21. Licenses for all operational and supervisory personnel as required by DE law.

Copies of Insurance Licenses for each service team member are included in **Exhibit L.**

22. Have sufficient staff to complete the actions outlined here.

The Willis Human Capital Practice employs more than 1,000 associates in 66 offices throughout the United States. In addition, we have a **National Human Capital Practice.** Our National Practice is staffed with industry specialists and is tasked with developing new products and services which supplement our brokerage service.

Approximately 80 associates make up our National Practice, including:

- Communication Consultants
- HR Consultants
- Compensation Consultants
- Underwriters
- Attorneys
- Paralegals
- CPAs
- Clinical Professionals
- Wellness Consultants
- Actuaries

Your Client Services Team is supported by specific subject matter experts in the areas of Communication; HR; Health and Welfare Compliance; Reporting and Analytics and Health Outcomes. Willis Subject Matter Experts support your local team across five key areas:

1. **Updates and Education**
   Willis keeps clients abreast of the key issues and trends impacting our clients' businesses through a variety of media (publications, webcasts and seminars).

2. **Gap Assessments**
   Clients complete a web-based assessment and receive a comprehensive report. The Gap Assessment includes recommendations for change and the Willis resources to support action.

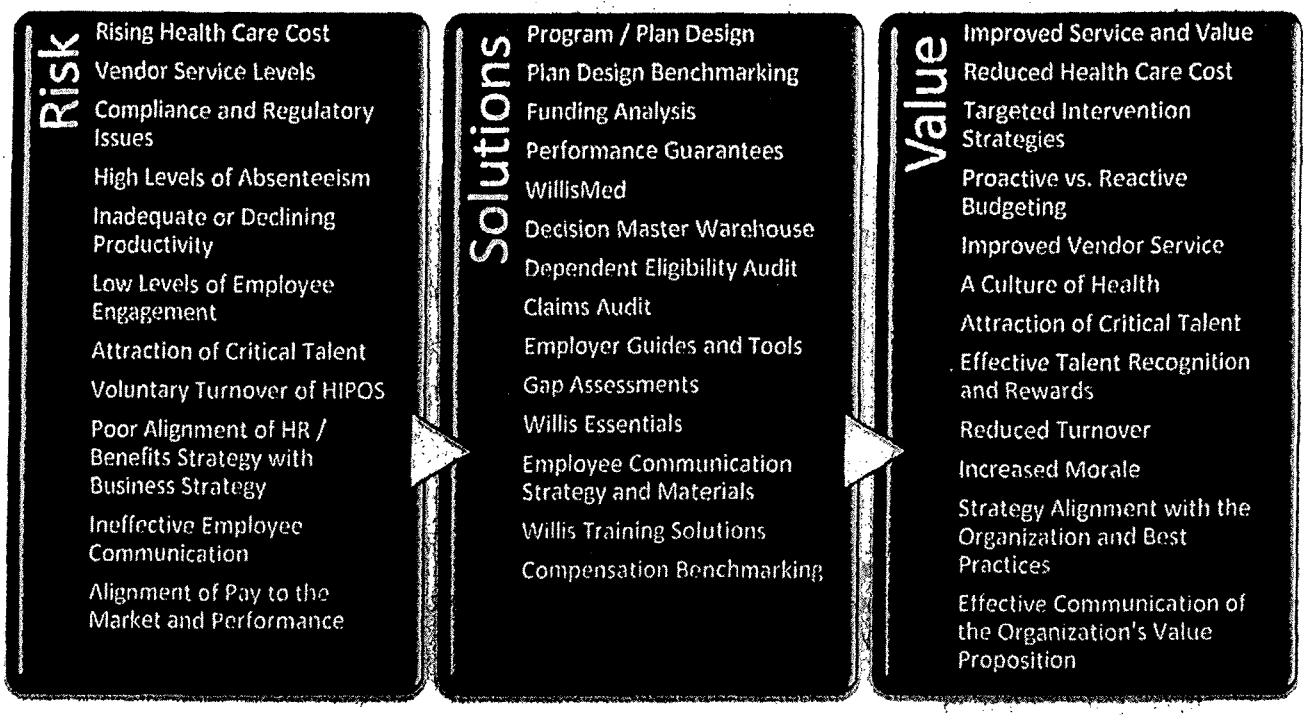
3. **Employer Guides and Tools**
   Comprehensive guides highlight best practices, recommendations, benchmarking, and step-by-step guidance. Employer Guides include supplemental tools for program development, implementation and evaluation.

4. **Solutions and Services**
   Our solutions and services provide clients and their employees with critical information and technology-*based solutions to drive effective decision-making and deliver business results.*

5. **Scope Specific Consulting**
   Defined scope projects of short to medium length duration on existing areas of expertise.

Risk | Solutions | Value
At Willis we understand the risk our clients face related to Human Capital, and we work in partnership to deliver solutions to drive and support your organizational goals.

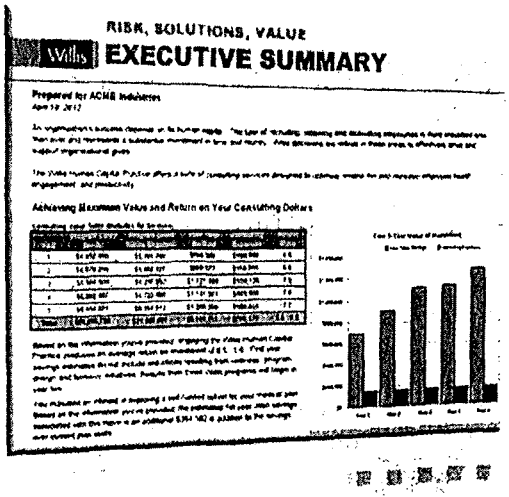
Our approach is unique — Willis recognizes Employee Benefits are just one tactic in a comprehensive Human Capital strategy. As such, our Client Advocates are armed with solutions to solve your human capital risk. The Willis business model is configured to deliver solutions in a client centric environment.



As a Willis client, you will have access to all our resources, anywhere around the country and globally to solve your most challenging Human Capital Risk. Our entire Human Capital Practice works together as a team, sharing best practices, carrier/vendor information, local information and trends to provide our clients a local touch, with a global perspective.

Willis Risk Review

Willis offers prospective clients the opportunity to identify areas of cost savings and risk mitigation through our Risk Review process. The Risk Review evaluates opportunities in benefits, compliance, communication, and employee engagement.


RISK, SOLUTIONS, VALUE

Willis EXECUTIVE SUMMARY

Once complete, the Risk Review quantifies the opportunities, and provides the prospective client with a customized analysis detailing the anticipated ROI associated with a Willis partnership. A typical client at Willis realizes an ROI in excess of 4:1, which is driven by Willis' unique business model within the industry.

The Risk Review naturally serves as an action plan to allow your Willis team to drive value starting on the first day of partnership.

23. Three (3) business or government references of self-insured or insured clients served for at least two (2) years.

Our Human Capital Practice currently has a client retention rate of approximately 96%.

Willis is dedicated to ensuring our clients are satisfied with the level of service we provide. In order to maintain, evaluate and enhance our service, Willis established a Client Advisory Council and also deploys annual client satisfaction surveys.

Traditionally, the target market for our Human Capital Practice is organizations with 250 – 10,000 employees. However, Willis has clients of various sizes across industries.

Our client teams are customized to fulfill our client's objectives. The team members selected for the City of Wilmington have been chosen due to their relevant experience and depth of knowledge. We have included client references that are familiar with the City of Wilmington team.

Company #1	New Castle County, Delaware
# of Employees	2,188 Employees and Retirees
Length of Service	Current contract began in May 2011. Pennie Hinds served as lead consultant at prior employers from 1993 – 2007.
Contact Name	Tammi M. Martin
Contact Title	Pension and Benefits Administrator
Contact Phone	302-395-5182
Contact Email	TMMartin@nccde.org

The services Willis provides to New Castle County, DE are comparable to the scope of services requested by the City of Wilmington, DE. Some of the highlights of our services to New Castle County include:

- In 2011, we bid and consolidated the Stop Loss coverage, added prescription drug and produced a net savings to the County of $365K.
- Worked with the PBM to offer step therapy programs, with no change in copays or benefits for a savings of $178K
- Negotiated a fully insured rate hold on the Life and AD&D program
- In 2013, we conducted a comprehensive bid of both the self-funded medical and prescription drug plans. Obtained savings in medical fees, added performance guarantees, added a wellness allowance, and produced substantial savings in the PBM services based upon improved guaranteed discounts and rebates.
- Facilitated and attended Open Enrollment Health Fairs
- Created Employee Communication materials
- Performed Medicare Part D attestation
- Provided compliance advice from Willis National Legal and Research Group
- Assist routinely with escalated service issues

Company #2	University of Maryland Facility Physicians, Inc.
# of Employees	1,000
Length of Service	7 ½ years
Contact Name	Ms. Laura Rose Tobin, CCP
Contact Title	Associate Director, Human Resources
Contact Phone	410-328-7095
Contact Email	ltobin@fpi.umaryland.edu

Company #3	Rommel Capital Management, LLC
# of Employees	1,050
Length of Service	2 years
Contact Name	Don Limburg
Contact Title	President
Contact Phone	410-861-7144 (mobile)
Contact Email	DLimburg@RommelUSA.com

Company #4	State of Delaware
# of Employees	50,000 employees and retirees
Length of Service	From 1997 – 2007, Pennie Hinds was the lead consultant and senior underwriter serving the State Employee Benefit Committee at prior employer.
Contact Name	Ms. Brenda Lakeman
Contact Title	Director, Statewide Benefits
Contact Phone	302-739-8331
Contact Email	blakeman@state.de.us

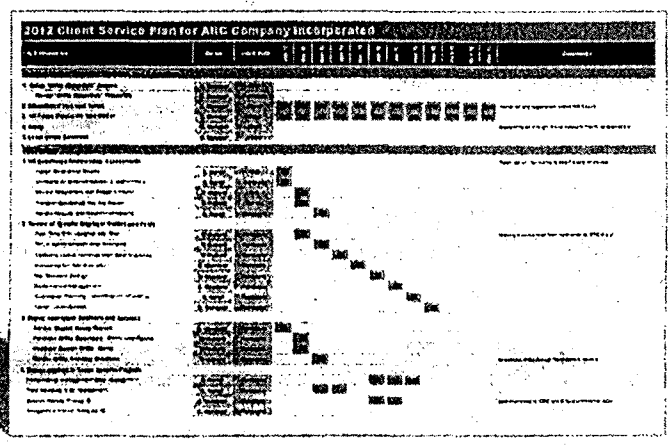
SECTION 5: WILLIS TOTAL REWARDS SERVICES – INCLUDED

This section reiterates the significant and unique array of resources that Willis offers to help enrich The City of Wilmington's human resource internal processes and member communication and health awareness. These are Total Reward services at no additional cost to the City of Wilmington and it has been our clients' collective experience that this approach reduces additional overhead costs – our belief in the Total Rewards for the Price of Placement.

Willis and the City of Wilmington partnering together to increase efficiencies in your HR Department.
Managing benefits is just one aspect of an HR Department's overall responsibility to attract, retain and motivate an engaged and productive workforce. To help our clients face multiple and often competing demands, Willis created HR Partner, a team of HR consultants.

HR Partner's core deliverable is the development and maintenance of tools and resources that take work off our clients' desks, and keep clients aligned with HR best practices and trends. These tools, and the consultative guidance our HR Partner team provides, are reserved for clients of our Human Capital Practice. Our goal is simple; we aim to eliminate the financial hurdles that traditionally prevent clients from correcting problems by providing little to no-cost solutions.

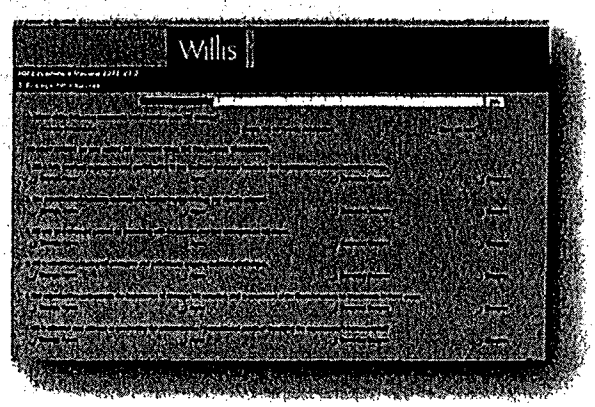
To determine how HR Partner can assist your organization, we recommend you begin with one of our Gap Assessments. Through this discovery process, our consultants can gather the information necessary to provide more targeted guidance around the solutions offered through HR Partner. The HR Partner team will then work with you and your local Willis Account Team to deliver our tools and resources, in accordance with your *Client Service Plan*, including our:



- HR Gap Assessment
- Total Rewards Gap Assessment
- Employer Guides and Tools
- Market Ready Reports
- Willis Training Solutions
- Search Willis
- Willis Essentials

☑ **HR Gap Assessment**
Our HR Gap Assessment can be enormously helpful in uncovering gaps in your programs and practices. To get started, you will be sent an online questionnaire, which includes more than 100 questions covering areas such as:

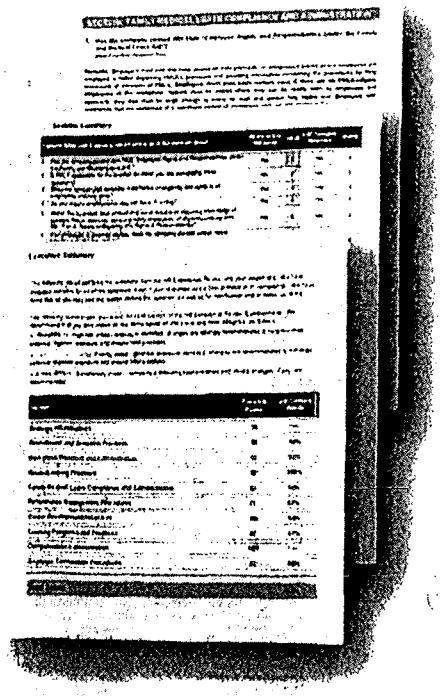
1. Strategic HR Initiatives
2. Recruitment and Selection Practices
3. Workplaces Practices and Administration
4. Recordkeeping Practices
5. FMLA Compliance and Administration



6. Performance Management Procedures
7. Career Development Initiatives
8. Training Programs and Practices
9. Compensation Administration
10. Employee Terminations Procedures

Once you complete the questionnaire, we prepare your HR Gap Assessment Report. This comprehensive report includes:

- An ***Executive Summary*** which provides an at-a-glance view of your organization's overall results for each section. Using stop light reporting, high-risk sections are easily identified, allowing you to prioritize the HR areas that require further attention.
- The ***Section Summaries*** contain a complete listing of the questions, the assigned value and your responses. Also provided are the best practice responses, and your overall score for each section.
- A ***Detailed Report*** covering best practices and recommendations for action are included for every question within the specific section.
- A ***Solution-Filled Appendix*** containing information and links to further assist you in rectifying any issues you may have discovered through the Gap Assessment process.

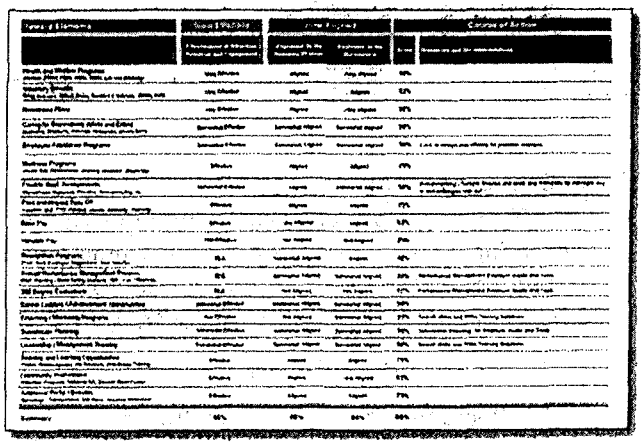


After you review the report, one of our HR Partner Consultants can discuss the results and provide guidance around any questions you have related to your report.

☑ **Total Rewards Gap Assessment**

Attracting and retaining top talent, and creating a high level of employee engagement, are critical to an organization's success. Today's best companies engage employees through a mixture of compensation, benefits, work-life initiatives, and career development and training.

Our Total Rewards Gap Assessment is the first step toward establishing a Total Rewards Strategy to balance both company and employee needs.

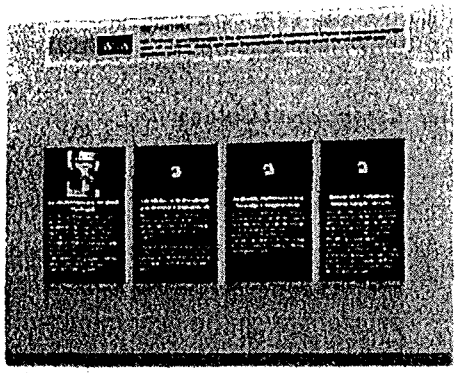


Our HR Consultants work with you to facilitate an open dialogue about your organization's Total Rewards Strategy. During this interactive meeting, which can include HR and/or Senior Management, we evaluate the effectiveness of each element of your current total rewards strategy and the alignment of each element to not only your business strategy, but also the marketplace in which you compete for talent.

The result is a roadmap with key priorities for change to help guide your organization's reward programs to meet future business goals and performance objectives.

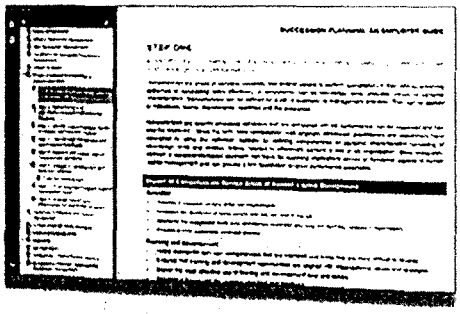
☑ **Employer Guides and Tools**

To help close gaps uncovered during the gap assessment process, we created ***Employer Guides and Tools*** that cover various human resource topics. Within these documents we provide best practices, recommendations, benchmarking, sample policies and checklists.



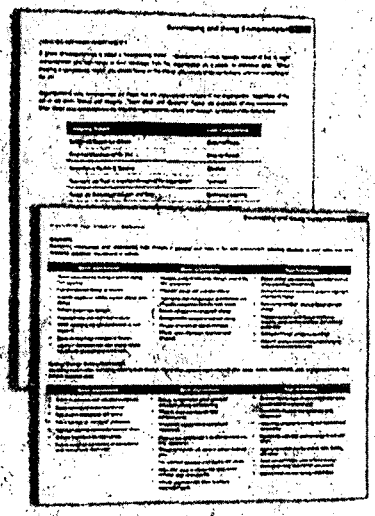
These resources are presented to you as a complete solution. Each guide is accompanied by the tools necessary to design and deliver HR practices that successfully impact your business, including:

- Merit Matrix Modeling
- Evaluating High-Potential/High-Performing Employees
- Identifying Critical Positions and Workforce Segments
- Pay Structure Design Tool
- PTO Conversion Tool
- Compensation Administration Guidelines
- FMLA Administration Tools



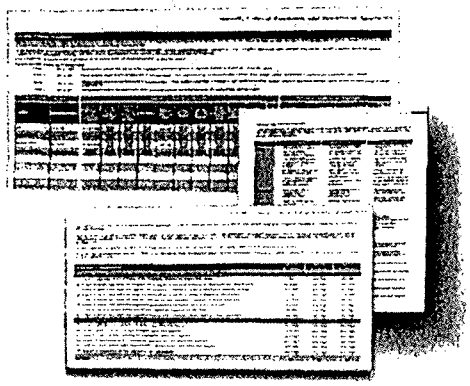
☑ **Performance Management Gap Assessment**

Clients complete a short questionnaire about the current state of their performance management program and submit performance management policies and appraisal instruments for HR Partner to review.



From this information, your HR Partner Consultant prepares a report to summarize key observations and recommendations, based upon 10 key principles of effective performance management found in HR Partner's ***Performance Management Employer Guide and Tools***. Through meaningful dialogue, a step-by-step action plan can be developed to address gaps in your current program.

Our report is supplemented with a comprehensive library of tools and resources to help you implement best practice solutions, including behavioral competency models, sample appraisal instruments (balanced scorecards, self-appraisals, and multi-rater assessments), individual development plans, performance improvement plans, goal-setting guidelines, numerous performance management training programs, and performance management technology research.



☑ **Succession Planning**

How can an organization prepare to win in the future when it does not know the most important roles to help them get there? This Employer Guide provides step-by-step guidance for implementing a Succession Plan for your organization.

The supporting Employer Tools are used to drive the process within your organization to identify positions and workforce segments most

vital to your organization, identify high-potential and high-performing employees (HIPOs), and create individual development plans.

☑ **Career Level Guides**

Career Level Guides are an innovative and streamlined approach to define the nature of work, job roles, career paths, and compensation/reward systems.

Our Employer Guides provide step-by-step guidance on how to define your career level framework, create a Universal Career Level Guide, tailor Universal Career Level Guides for specific job families, and map people/jobs to the new framework. Links to career-pathing and keys to success are also discussed. We also have numerous samples which serve as an excellent starting point as you create Career Level Guides within your own organization.

☑ **Training and Development Resources**

HR Partner provides the following training and development resources:

- **Search Willis Training Toolkit Library**
  Search Willis provides access to more than 100 customizable training toolkits, which include slides, speaker notes, quizzes, handouts, activities, and more. In addition, a number of the trainings are professionally recorded, so you may quickly email managers and employees links to complete required and recommended trainings.

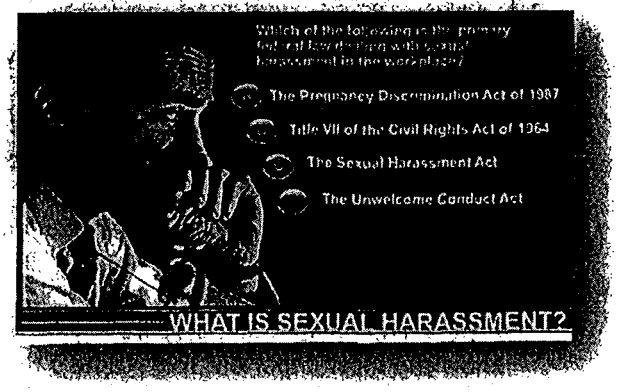
- **Willis Training Solutions**
  Willis Training Solutions (WTS) provides companies access to up-to-date training content including courses designed for managers and employees, some of which are available in multiple languages. Courses are delivered through a Learning Management System (LMS) for HR to assign, track, and report employee progress.

  Each course includes closed captioning, bookmarking, note taking capabilities, and intuitive navigation. Additionally, interactions are dispersed throughout the course, including true/false, multiple choice, matching, and drag/drop scenario questions, as well as action plans. A quiz is presented at the end of the training, and missed questions are recycled to the back for reinforcement.

  There are charges associated with Willis Training Solutions.

Training Topics Covered

- Sexual Harassment
- Workplace Violence
- The Americans with Disabilities Act
- Ethical Principles
- Avoiding Conflicts of Interest
- A Practical Guide to Time Management
- Effective Decision Making Strategies
- Encouraging Workplace Diversity
- Conducting Effective and Compliant Interviewing
- Documentation and Discipline
- Workers Compensation
- Recognizing and Preventing Harassing Behavior
- Conducting Effective Performance Appraisals
- Leadership Skills for Managers



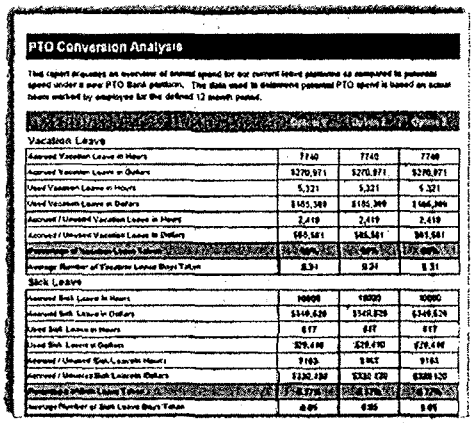
☑ **Paid and Unpaid Time Off**

To assist clients in managing employee leave, HR Partner developed the following resources:

- **FMLA Administration**

  This detailed Employer Guide provides an overview of FMLA, as well as key considerations to develop an FMLA policy for your organization. In addition, we included commentary around the interaction between FMLA and other leaves, recordkeeping requirements, certifications, and more.

  We created tools and resources to assist in administering your FMLA leave, including an interactive Excel workbook to assist in tracking both concurrent and intermittent FMLA leave. Sample forms, charts, worksheets, and policies are also provided. These samples may be used, as is, as a starting point for developing new policies for your organization, or as a means to review current policies.


PTO Conversion Analysis

- **Paid Time Off**

  Our Paid Time Off Employer Guide walks you through a number of key decisions for paid time off including insight into converting from a traditional plan to a PTO Bank. Throughout the guide, we provide important benchmarking around paid time off practices, as well as our recommendations.

  We also created a self-service Excel workbook. Complete with step-by-step instructions, this tool allows you to compare your current paid time off programs to market best practices, as well as analyze current annual vacation and sick leave costs vs. potential costs in a new PTO bank.

☑ **Willis Essentials**

As a Willis client, you can directly access our tools and more through Willis Essentials, our client-facing portal. HR Partner Consultants review these tools and resources with you and provide direction on how to effectively use them in your organization. Willis Essentials includes information on topics such as:

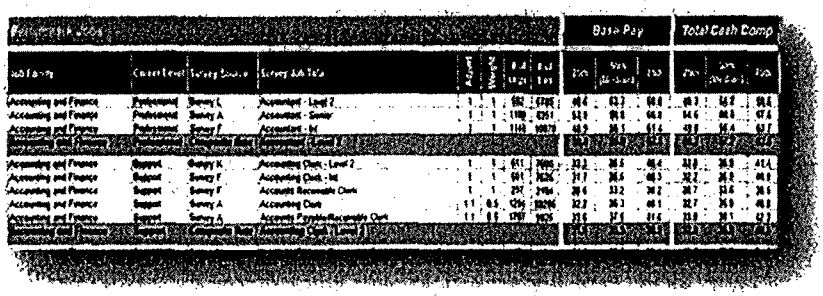
- Total Rewards
- Performance Management
- Pay Structure Design
- Compensation Benchmarking Data
- Family Medical Leave
- High-Potential Employees (HIPOs)
- Paid Time Off

Willis will provide the City of Wilmington assistance in the area of compensation consulting.

Compensation can be one of an organization's biggest expenditures, so a well-designed compensation plan is an important element in business success. Our HR Partner consultants provide compensation support through the following tools and services:

☑ **Market Ready Reports**

Our ***Market Ready Reports*** are compiled using 18 reputable survey sources and summarize market base pay and total cash compensation at the 25th, 50th, and 75th percentiles for over 700 benchmark jobs.

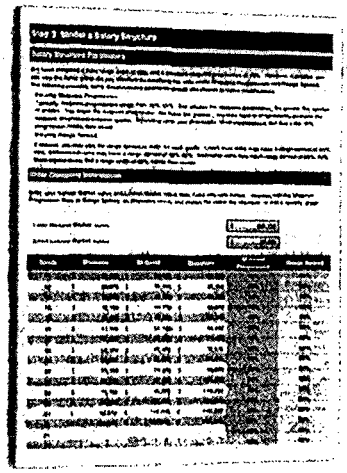


For each position you will find each survey match, plus a composite rate for all matches related to that specific position. This market data provides

a baseline for checking the competitiveness of comparable jobs within your organization. Each report is customizable to your organization, based on city and industry.

☑ **Pay Structure Design**

Pay structures are an important component of effective compensation programs and help ensure pay levels for groups of jobs are both externally competitive and internally equitable. An effective salary structure allows management to reward performance and the development of skills, while controlling overall base salary cost by creating parameters on the range paid for particular jobs or locations.



Our ***Pay Structure Design Employer Guide*** presents an overview of each pay structure alternative (traditional grades, broad bands, and step structures), and the pros and cons of each.

This guide is used in conjunction with our ***Pay Structure Design Tool,*** an interactive Excel-based tool that allows you to add your own benchmark jobs and market data (available from our Market Ready or Custom Market Pricing Reports), create a market-aligned pay structure, and assign benchmark and non-benchmark jobs to the structure.

Step-by-step instructions are provided, and HR Partner consultants are available to guide you through the process.

☑ **Compensation Administration**

Our ***Compensation Administration Employer Guide*** will walk you through day-to-day pay administration issues and key decisions, such as compensation philosophy, pay for new hires, merit increases, promotions, pay premiums, special assignments, and severance. In addition, strategies for addressing pay compression and communicating compensation programs are presented.

A large portion of this guide is dedicated to merit increases, including information on anniversary vs. focal review dates, key policy design issues, designing and using a merit matrix model, and much more. This information can be used in conjunction with our interactive ***Merit Matrix Modeling Tool.*** This tool allows organizations with 2,000 employees or less to evaluate and propose several merit increase alternatives to ensure pay for performance alignment, while meeting planned salary increase budgets.

These alternatives are based upon budgetary requirements, workforce distribution within the salary range, and historical performance rating distribution.

The guide also includes a set of Compensation Administration Guidelines. The guidelines can be customized to meet your organization's needs and are important tools to create a consistent approach to manage ongoing compensation decisions.

Additional Compensation Consulting Services

HR Partner Consultants provide project based work around ***Custom Market Pricing*** and ***Competitive Market Analysis***, as well as third party solutions for Global and Executive Compensation. *Please note there are charges associated with these services.*

Custom Market Pricing

If you cannot locate a job within our Market Ready Reports for which you need competitive compensation data, we can conduct a Custom Market Pricing project, where you may select from over 3,000 additional positions.

Competitive Market Analysis

A Competitive Market Analysis project is a comprehensive study to analyze the competitiveness of your employees' pay vs. the market.

For each of these comprehensive projects your HR Partner team can detail the process, deliverables and associated costs.

Willis will partner with the City of Wilmington in adding resources and forward thinking approaches to wellness and health outcomes with regard to both an individual's health and the City of Wilmington's costs.
By every measure, employer health care costs are on the rise and pose a significant threat to overall business competitiveness.

Health care costs are growing for several reasons, some of which are manageable and some of which are not. Despite the reasons, there are many ways for employers to mitigate increasing health care costs. Through the integration of health management practices such as value-based benefit design, health and safety policies, and population-specific programs to promote prevention and risk avoidance, organizations can be proactive in addressing the health and productivity of their workforce.

Subject Matter Expertise
Our Health Outcomes Consultants work with clients to identify risks and the potential solutions with the greatest opportunities to provide value. Our tools include:

- Health Outcomes Gap Assessments
- Market Intelligence
- Best Practices and Benchmarking
- Employer Guides and Tools
- Winning with Willis
- Willis Essentials Communication Materials
- Our own Willis on-staff Physician leading the Health Outcomes Practice

We work in collaboration with you and your local Willis Client Service Team to provide a holistic approach to achieving better health outcomes. Willis has expertise in benefit plan designs, reporting and analytics, and employee communication, which support our approach to health management programs.

How We Consult with You to Create Health Outcomes
Our process starts with the Health Outcomes Gap Assessment. Through this process we learn about your organization's culture, leadership, current practices and programs. Once we identify opportunities, we address program design. Based on assessment findings, we may evaluate the marketplace for appropriate solutions aligned to your business needs and budget. For clients with a limited budget, we will review best practices and recommendations for creating a grassroots program utilizing the tools and resources created by our Health Outcomes Consultants. We then collaborate with your Client Service Team to review Willis and vendor reporting, and facilitate a program evaluation.

Willis Solutions and Resources

Regardless of budget, Willis clients can move forward with a Health Management program using our best practices around key tools and resources, including:

- Winning with Willis
- Willis Essentials
- Communication Action Plan
- Communication Materials
- Health Challenges

Health Outcomes Gap Assessment

1. Online Questionnaire
2. Complete Data Request*
3. Facilitate Programs and Policies Session

Program Design Considerations

1. Leadership Commitment
2. Wellness Committee
3. Program Components
4. Budget
5. Incentives
6. Metrics

Market Overview and Vendor Selection

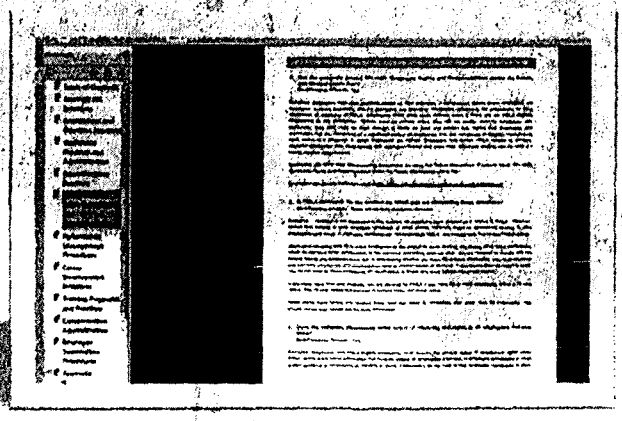
1. Market Overview
2. Complete Vendor Requirements
3. Present Vendor Options
4. Market and Negotiate with Applicable Vendors*
5. Best Practice Guideance for Implementation

Program Evaluation

1. Account Management*
2. WillisMed*
3. Decsion MasterWarehouse*
4. Gap Assessment (check in at 9 months)

Health Outcomes Gap Assessment

Our Health Outcomes Gap Assessment can be enormously helpful in uncovering gaps in your programs and practices. Clients complete a short questionnaire about the current state of their wellness programs and practices. This provides our Health Outcomes Consultants a better view of your organization, regardless of whether you are fully engaged in creating health outcomes or just getting started. The assessment also provides a reference point for annual program review.



Online Questionnaire

You complete an online questionnaire, which includes over 100 questions covering:

- Leadership Support and Culture
- Identification of Issues
- Strategy and Interventions
- Program Evaluation

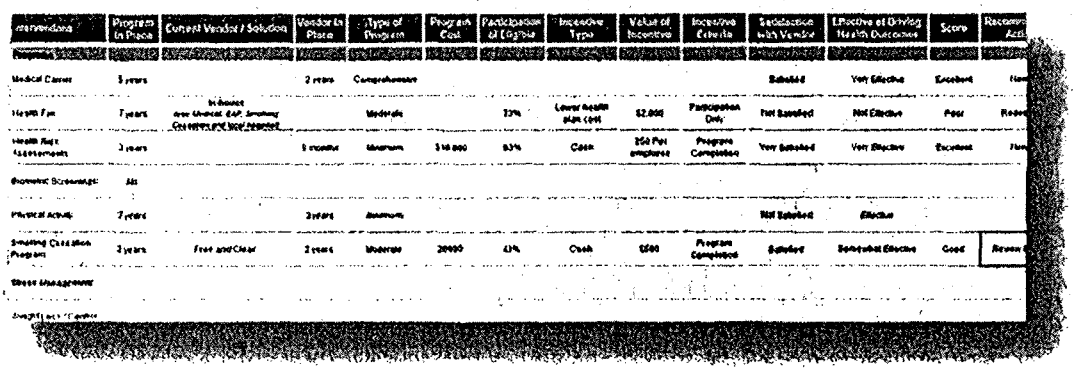
Data Request File

In addition, we also request key data points, including information around:

- Workforce demographic profiles
- Medical claims data and cost
- Pharmacy data
- Absenteeism data
- Turnover
- Short-term and long-term disability claims
- Workers compensation cost and claims
- HRA and biometric screening results
- Employee surveys and needs assessment results

Facilitated Program Gap Assessment

In the final stage of the Gap Assessment, our Health Outcomes Consultants facilitate a detailed discussion around your organization's programs and policies. We review current vendors and solutions, satisfaction, results, incentives and incentive criteria. The result is a roadmap with key priorities for change, which guides your organization's health outcomes program so it meets future business goals and performance objectives.



Willis will directly assist the City of Wilmington in updated you in HR and benefit trends, regulations and best practices.

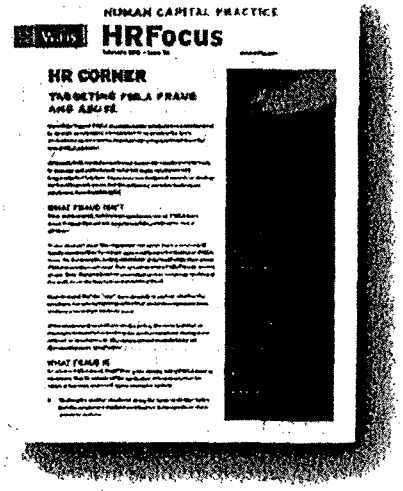
With Willis, you get the benefit of our thought leaders across each specialty practice (*HR, Communication, Health Outcomes, Reporting and Analytics and the National Legal and Resources Group*) working within their respective field to identify and educate you on emerging and timely issues.

Subject Matter Experts track and report legislative activity on the federal level, issuing publications as needed to highlight key topics. In the area of State law and the numerous jurisdictions within the States, NLRG reports on information that may be of interest to the *general public, and may affect employee benefits on a national level.*

Willis Human Capital Practice updates and education include:

☑ **HRFocus**

HRFocus is our primary publication for clients covering and tracking legal issues that can affect decisions about benefit plan designs, compliance issues and legislative activity on both federal and state levels. This publication also addresses hot topics in HR, communication, and health outcomes, to provide our clients with HR and benefits insight. *HR Focus* also features relevant news, webcasts and events, monthly survey questions, survey results, product highlights, and vendor information.



☑ **Alerts**

Alerts quickly put time sensitive information into your hands. These releases give clients insightful commentary and immediate access to legal issues impacting benefits, and compliance obligations.

☑ **Willis Educational Webcast Series**

Willis hosts webcasts to educate HR Professionals on hot topics and provide updates on legislative activity. Willis clients attend at no cost and have access to previous webcasts via recordings. The following is an example from the 2013 Series:

Date	Topic	Presented by
1/15/13	Performance Management Processes: A Plan for Improvement	HR Partner
2/19/13	2013 Health Care Reform Survey Results: Now What?	NLRG
3/19/13	2013 Health & Productivity Survey Results: A Practical Application	Health Outcomes
4/16/13	Health Care Reform: What We Know Now, What Questions Remain	NLRG
5/21/13	Open Enrollment: How to Manage the Communication Process and Keep Your Sanity!	Communications
6/18/13	Health Care Reform: Last Minute Issues Before Open Enrollment	NLRG
7/16/13	Voluntary Benefits: Maximizing Your Benefits Program	Innotech
8/20/13	The Dangers of Jargon: How to Create Clear, Concise Communications to Enhance Employee Comprehension	Communications
9/17/13	Let's Get Clinical: Leveraging Clinical Data for Positive Health Outcomes	Health Outcomes
10/15/13	Effectively Navigating the Medical Leave of Absence Maze	HR Partner
11/19/13	Regulatory Update: Keeping You Ready for Change	NLRG
12/17/13	Next Generation Wellness: Taking Your Program to the Next Level	Health Outcomes

☑ **Local Seminars**

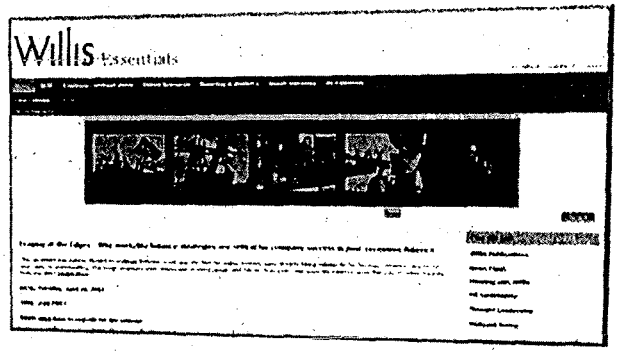
To bring relevant and timely Willis industry knowledge directly to our clients, Willis hosts over 20 local seminars annually. These events provide education around topics such as employee engagement, compliance, health care reform, effective communication, implementing wellness programs and total rewards strategies.

☑ **Client Workshops**

Smaller group sessions allow Willis Subject Matter Experts to provide a deep dive into issues relevant to our clients, such as compensation strategies and compliance review. These events provide a hands-on review of strategies and solutions as well as Willis tools and resources. Workshops also offer an opportunity for clients to discuss challenges and successes among peers.

☑ **Willis Essentials**

Willis Essentials is a powerful portal that complements the daily services of your Willis service team with around-the-clock access to employer guides, templates and tools. These resources help clients streamline everyday work tasks and drive organizational success.



Willis Essentials provides access to rich human capital content around compliance, employee communication, human resources, reporting and analytics and health outcomes. In addition, the site serves as a single point to access publications and educational webcasts.

The Willis Approach to the Private Exchange Marketplace

Willis has evaluated the evolving private exchange marketplace and has developed a unique strategy that provides options to you and your employees, **The Willis Advantage.** Our philosophy and platform allows you to understand the realm of options and build a multi-year strategy to help achieve your objectives.

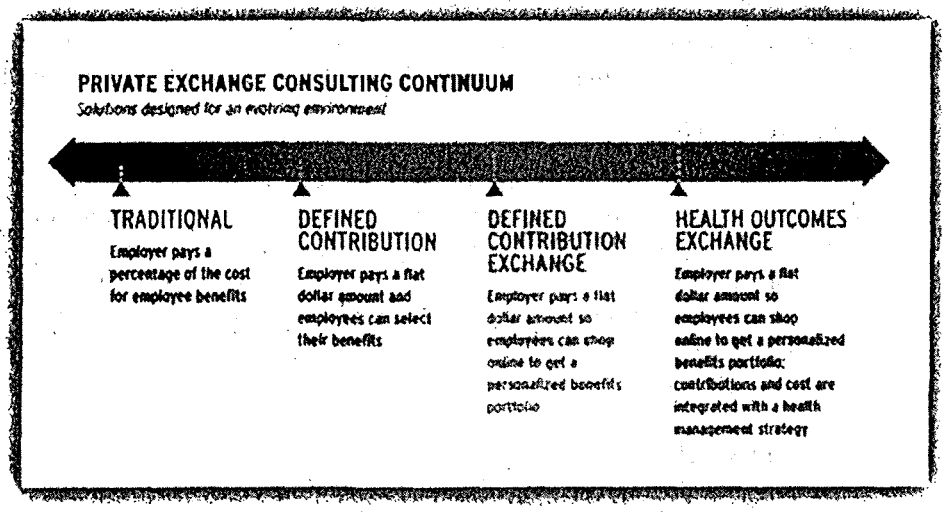
Consulting Process

The Willis Advantage is a consultative process. Our Human Capital Practice Consultants will work with you to build a proactive strategy that best meets your organizational goals and objectives. Our role is to identify opportunities, resources and strategies to help employers build comprehensive programs that integrate innovative health management programs with defined contribution benefit strategies in a changing health benefit environment.

Willis Human Capital Practice consultants partner with you to:

- Review the exchange market
- Define and address your benefit and business goals
- Develop a multi-year exchange strategy to address your objectives
- Offer your employees a broad selection of options
- Help you determine which type of plan is right for you and your employees, including:
  - A traditional defined benefit plan
  - The Willis Advantage private exchange platform, which may include our Health Outcomes Exchange
  - An appropriate external solution
  - Variations of each approach

Private Exchange Platform



Should you decide the Willis private exchange platform is right for your organization, The Willis Advantage provides a private exchange solution that marries employer population health management with a proven strategy to increase member focus on health improvement. Further, The Willis Advantage allows an employer to *incent* member health improvement. In concert, these components provide for all of the advantages and benefits of a private exchange for employers and their members, while more thoroughly addressing the underlying cost drivers of healthcare.

This unique exchange platform integrates sophisticated technology with health outcomes, member choice, and enhanced carrier affiliations. The Willis Advantage offers:

1. Flexibility in plan offerings, allowing employees more choice
2. A dynamic decision-support benefits marketplace where employees can shop online, with call-center support, for their benefits and receive personalized recommendation based on their input
3. Should you choose, our integrated and turnkey health management and wellness options to support changing employee behaviors to improve their health and productivity. This strategy has immediate impact and ROI with the carriers; therefore we can experience better terms, conditions, and rates with the carriers you choose to offer in your exchange.

Our approach is advisory and impartial with no financial incentive to recommend The Willis Advantage private exchange platform. Your Willis client advocate team will help you identify and implement the best platform to meet your needs.

ADDITIONAL SERVICES AND EXPERTISE

In addition to our Brokerage and Consulting Services, as well as our Subject Matter Expertise, your Client Advocate will work with you to arrange for other services needed:

☑ **Multinational Capabilities**
Willis Global Solutions provides a well-crafted employee benefits strategy for plan design, funding, administration and program management to multinational businesses worldwide. We deliver professional advice across a broad spectrum of global benefits ranging from developing strategies, to constructing and executing financial management strategies for global benefits, including multinational pooling and captives.

☑ **Specialty Benefits**
Specialty Benefits provides expertise and market knowledge for a variety of special risks coverage including business travel accident, occupational accident, contributory/non-contributory AD&D, war risk, special events, youth group plans, student health, sports accident, and much more. The Specialty Benefits Group assists in identifying and preventing insurance gaps between accident programs, creates personalized state-of-the-art plan designs to meet the client's individual needs, provides the most comprehensive and competitively priced programs, and provides excellent initial and ongoing client service on a domestic and international basis.

☑ **Voluntary Benefits**
Voluntary benefits are an effective tool in helping both organizations and individuals manage heath care costs. Willis works closely with clients to determine the appropriate plan offerings, and to ensure optimal administrative processes for our clients. We then market to select carriers to develop best in class program offerings designed to meet your specific goals and expectations.

OUTSOURCING AND PARTNERSHIP SERVICES

Willis is always reviewing the marketplace to identify the best resources to manage your Human Capital Risk. We have integrated solutions in place to meet your needs, including:

☑ **COBRA Outsourcing Services**

☑ **Executive Benefits**
The Executive Benefits Group can design benefit programs for the highly compensated employee, business owner and high net worth executives. This includes high-end life insurance, high-end disability protection and enhanced retirement plans for select individuals or groups of executives.

☑ **Retirement Services**
Willis provides both internal and external resources to meet our client's retirement needs, and is uniquely positioned to provide an unbiased evaluation of existing plans and service providers. Willis has the expertise to help reduce plan costs, outsource administrative functions and enhance employee education and communication programs for 401(k)s, Defined Contribution Plans, Defined Benefit Plans, as well as Non-Qualified Retirement Plans for key executives.



CITY OF WILMINGTON

CONTRACT 15016HRPS

REQUEST FOR PROPOSAL

LIFE AND HEALTH INSURANCE BROKERAGE SERVICES

REQUESTS FOR PROPOSALS

1. Proposals on **City Contract** **15016HRPS – LIFE & HEALTH INSURANCE BROKERAGE SERVICES** will be received in the Division of Procurement and Records, 5th Floor, Louis L. Redding City/County Building, 800 French Street, Wilmington, Delaware, on **TUESDAY, APRIL 15, 2014, at the close of business, 5:00 p.m.**

2. Proposals must be an original and four (4) copies, sealed in an envelope, and the envelope endorsed **"Proposal for City Contract 15016HRPS – LIFE & HEALTH INSURANCE BROKERAGE SERVICES"** and addressed to the Department of Finance, Division of Procurement and Records, 5th Floor, Louis L. Redding City/County Building, 800 French Street, Wilmington, Delaware.

3. Any proposal may be withdrawn prior to the schedule time for opening of proposals or authorized postponement thereof. No proposal may be withdrawn within sixty (60) calendar days after the actual opening thereof.

4. The successful proposer will be required to have or obtain an appropriate business license from the Department of Finance, Revenue Division, City of Wilmington, in order to be awarded the contract. Before obtaining a City of Wilmington Business License, all applicants must show proof of a current State of Delaware Business License.

5. The successful proposer will be required to withhold City of Wilmington Wage Tax from their employees and withheld taxes paid to the City of Wilmington pursuant to the provisions of the Wilmington Wage Tax Law. This law applies to people living and/or working in the City of Wilmington.

6. The U.S. Department of Commerce monitors Procurement transaction made to minority business enterprises by the City of Wilmington. The Minority Business Developments Agency's District Office reserves the right to contact the successful minority proposer and/or subcontractor to confirm any participation in the Procurement process.

7. The successful bidder certifies that they are not listed on the Federal Governmental, Excluded Parties List System (www.sam.gov). This will be verified by the City of Wilmington and if listed may be grounds for rejection of the bid or proposal.

8. **Award and Execution of Contract**

A. **Consideration of Proposals.** Before awarding the contract, a proposer may be required to show that he/she has the ability, experience, necessary equipment, experienced personnel, and financial resources to successfully carry out the work required by the contract.

The right is reserved to reject any and/or all proposals, to waive technicalities, to advertise for new proposals, or to proceed to do the work otherwise, if in the judgement of the department the best interest of the City will be promoted thereby.

B. **Award of Contract.** The award of the contract, if it be awarded, must be within sixty (60) calendar days after the opening of proposals to the qualified proposer whose proposal complies with all the requirements prescribed. The successful bidder will be notified by letter mailed to the address shown on his proposal that his proposal has been accepted and has been awarded the contract.

C. **Cancellation of Award.** The City reserves the right to cancel the award of any contract at any time before the execution of said contract by all parties without any liability against the City.

9. Any person doing business or seeking to do business with the City shall abide by the following Global Sullivan Principles:

A. Support universal human rights and particularly, those of employees, the communities within which you operate, and parties with whom you do business.

B. Promote equal opportunity for employees at all levels of the company with respect to issues such as color, race, gender, age, ethnicity, or religious beliefs, and operate without unacceptable worker treatment such as the exploitation of children, physical punishment, female abuse, involuntary servitude, or other forms of abuse.

C. Respect employee's voluntary freedom of association.

D. Compensate employees to enable them to meet at least their basic needs and provide the opportunity to improve their skill and capability in order to raise their social and economic opportunities.

E. Provide a safe and healthy workplace; protect human health and the environment; and promote sustainable development.

F. Promote fair competition including respect for intellectual and other property rights, and not offer, pay, or accept bribes.

G. Work with governments and communities in which you do business to improve the quality of life in those communities -- their educational, cultural, economic, and social well-being -- and seek to provide training and opportunities for workers from disadvantaged backgrounds.

H. Promote the application of these principles by those with whom you do business.

CITY OF WILMINGTON

CONTRACT NO.: 15016HRPS

LIFE AND HEALTH INSURANCE BROKERAGE SERVICES

TO ALL OFFERORS:

The City of Wilmington ("City") is seeking priced proposals from qualified firms to provide professional Life and Health Insurance Brokerage services for the City's mixed self-insured and insured life, health and disability insurance programs.

Any questions concerning the project should be sent in writing to Philip Ceresini, at pceresini@WilmingtonDE.gov. Responses to questions will be shared with all proposers. Questions will not be accepted within 7 days of the proposal due date.

GENERAL

The City of Wilmington, Delaware is seeking proposals from qualified firms to provide Professional Life and Health Insurance Brokerage Services in accordance with the specifications contained in this Request for Proposal. The process will result in the selection of one firm to provide future brokerage services.

The City has approximately 1,122 fulltime and 550 part-time and seasonal employees, serving a population of approximately 71,000 residents. The annual/budgeted payroll for fiscal year 2014 is $64,217,179. See Exhibit A hereto for a further Profile of the City.

The City is currently self-insured for medical costs. The City purchases Dental, Long-Term Disability, Group Life Insurance, and Medical Stop-Loss coverage.

It is the City's intention to engage in a comprehensive cost benefit analysis of the existing programs in an effort to achieve optimum efficiencies.

Note: A copy of the City of Wilmington Fiscal Year 2014 Comprehensive Annual Budget is available through our website:

http://www.wilmingtonde.gov/government/citybudget

Once selected, the successful firm will be responsible for assisting with the self-insured plans, and in the initial placement, renewals, and ongoing Life and Health insurance needs of the City of Wilmington. The services provided will include the development of underwriting guidelines, placement of all insurance coverages, periodic advice as to existing and renewal carriers, including financial solvency.

The City reserves the right to waive any formalities it deems appropriate and to reject any or all proposals. Failure to furnish the requested information will disqualify a broker candidate's proposal.

The City reserves the right to interview any, but not necessarily all, proposers.

Any contract for said services pursuant to this RFP must be approved by City Council before it will be effective.

SCOPE

The Contractor will market, present to the City, and place as directed by the City, insurance coverages for the City employees and retirees for Dental, Long-Term Disability, Short-term disability, Group Life Insurance, and Medical Stop-Loss coverage and other recommended and desired coverages. The Contractor will advise the City as to what coverages to seek and obtain, which carriers to choose, and what retentions, deductibles and limits are most suitable on a cost/benefit/risk basis. The Contractor will also market and present to the City proposals from vendors to contract for TPA services to manage the medical plans.

Table of Contents

I. Definitions
II. Overview
III. Special Provisions
    A. Issuing Office
    B. Scope of RFP
    C. Contract Term/Renewal/Extensions
    D. Basis of Award
    E. Incurring Costs
    F. Response Date
    G. Proposals
    H. Oral Presentations/Confidentiality
    I. Prime Responsibility/Subcontracting/Assignment
    J. Disclosure of Proposal Content
    K. Price
    L. Payment
    M. Addenda to the RFP
IV. Proposal Information
    A. Purpose
    B. Scope of Services
    C. Contractor Qualifications
    D. Insurance Requirements
V. Required Format for Submission of Proposals
    A. Compilation of Proposals (Format)
    B. Cover Letter
    C. Table of Contents/Page Numbering
    D. Description of Services and Staff to be provided
    E. Cost Proposal
    F. Exhibits
    G. Draft Form of Contract
    H. Conditions
    I. Submission of Proposal
VI. Criteria for Selection of Proposals/Review Process
    A. Proposal Review Committee
    B. Proposal Selection Criteria/Evaluation
VII. General Provisions
    A. Preparation of Proposal
    B. Withdrawal of Proposals
    C. Disqualification of Proposers
    D. Signing of Contract
    E. Performance of Work
    F. Contractor Responsibility/Independent Contractor
    G. Personnel
    H. Interest of Contractor
    I. Covenant Against Contigent Fees

J. Gratuities
K. Audit Access to Records
L. Laws to be Observed
M. Permits and Licenses
N. Appropriation of Funds
O. Non-Discrimination
P. Indemnification
Q. Contract Documents/Amendments
R. Assignment
S. Choice of Law
T. Notices

VIII. Proposal Reply Section
A. "No Proposal Reply" Form
B. Non-Collusion Statement and Acceptance

The definitions and general provisions apply and are part of this Request for Proposal. Should the general provisions conflict with the Special Provisions, the Special Provisions shall prevail.

I. DEFINITIONS

"AGENCY" means the City of Wilmington, Division of Procurement and Records, Department of Finance.

"CARRIER" means an insurance company authorized by the State of Delaware to sell insurance of the type to be issued..

"CITY" means the City of Wilmington, its elected and appointed officials, full and part-time and seasonal employees, and volunteers.

"CITY EMPLOYEE" means an employees and retirees of the City of Wilmington, including its elected and appointed officials, fulltime, part-time and seasonal employees, and volunteers.

"CLAIMS" means medical, dental, life and disability claims made by City employees during the initial term of the Contract, or any extension thereof.

"CONTRACT" means the written agreement between the City and the successful proposer for the furnishing and delivery of any material or work to be performed pursuant to this RFP, and any contract documents referenced in the said written agreement, including without limitation, this RFP and any proposal submitted by the contractor in response thereto.

"CONTRACTOR" means any individual, firm or corporation or other entity with whom a contract is made by the agency.

"COMMITTEE" means the Proposal Review Committee that shall screen and evaluate all proposals.

"DEPARTMENT" means the City of Wilmington, Division of Procurement and Records, Department of Finance.

"DISABILITY INSURANCE" means short or long term disability insurance covering city employees in the event of disability from any cause.

"GROUP LIFE INSURANCE" includes, but is not limited to, insurance coverage payable upon the death of the insured employee or retiree under a group life insureance policy. .

"GENERAL PROVISIONS" means the instructions pertaining to City contracts in general.

"INSURANCE PROGRAM" means the City of Wilmington program of risk retention, loss control, funding for self insured loss reserves and contingencies, and insurance of property and casualty and life and health related risks.

"OFFEROR" means a proposer or vendor.

"PROPOSAL" means the detailed offer of the proposer submitted in the required manner and setting forth the proposer's price(s) for performing the work or supplying the material(s) to be provided pursuant to the Request for Proposal.

"PROPOSER" OR **"VENDOR"** means an individual, firm or corporation or other entity formally submitting a proposal for the material or work contemplated, acting directly or through a duly authorized representative.

"REQUEST FOR PROPOSAL" OR **"RFP"** means this document and any other documents or materials provided to offerors upon request, including, but not limited to, the General, Scope, Definitions, Overview, Services, Special Provisions, Proposal Information, Required Format for Submission of Proposals, Criteria for Selection of Proposals/Review Process, General Provisions and Proposal Reply Sections.

"RISK MANAGEMENT" OR "RISK MANAGEMENT DIVISION" means the Risk Management and Employee Benefits division of the Department of Human Resources of the City of Wilmington.

"RISK MANAGER" means the Director of Risk Management and Employee Benefits of the City of Wilmington or his or her designee.

"SPECIAL PROVISIONS" means specific conditions or requirements particular to the contract under consideration, which supplement the general provisions. In the case of any conflict between general and special provisions, special provisions shall prevail.

II. OVERVIEW

The Agency seeks proposals for professional services to provide Life and Health Insurance Brokerage Services..

The proposed schedule of events is as follows:

	Date/Time
Public Notice	3-25-14 & 4-1-14
Deadline for Questions	4-8-14 at 5:00 p.m.
Deadline for the Receipt of Proposals	4-15-14 at 5:00 p.m.
Anticipated Contract Effective Date	7-1-14

Proposals must conform to the requirements set forth in this RFP. Each proposal must be accompanied by a cover letter briefly summarizing the proposer's interest in providing the required professional services and the name, address, and telephone number of a contact person or persons.

Any duly qualified private for-profit or non-profit corporation, partnership, sole proprietor, or other legal entity which has or can timely obtain, before commencing the Contract, and maintain licensure for the entity and its employees as required by the Department of Insurance and other

agencies of the State of Delaware, as well as State of Delaware and City of Wilmington business licenses ("qualified entity") is eligible to respond to this RFP, subject to the minimum requirements set forth herein. The successful applicant must provide proof of its qualification as part of its proposal.

III. SPECIAL PROVISIONS

A. ISSUING OFFICE

This RFP is issued by the City of Wilmington, Division of Procurement and Records, Department of Finance. The Department is the primary point of contact between the City and all proposers.

B. SCOPE OF RFP

This RFP contains instructions governing proposals to be submitted and the material to be included therein, a description of the services to be provided, requirements that must be met to be eligible for consideration and general evaluation criteria.

C. CONTRACT TERM/RENEWAL/EXTENSIONS

The term of the contract shall be for 12 months beginning July 1, 2014, or as soon thereafter as possible, and ending June 30, 2015, with the availability of three (3) extensions of one year each by mutual consent, to be reached at least ninety (90) days prior to the termination date of the Contract or extension thereof. Should no notice of desire to extend or terminate be transmitted in writing by either party to the other party prior to ninety (90) days prior to the said termination date, the Contract shall continue from month-to-month following the said termination date as before until an extension or termination agreement is reached. The Contract may be terminated for cause by either party upon thirty (30) days written notice, and by either party without cause upon 120 days written notice. The contractor shall be liable for the adjustment of all prior and new claims during the contract term, and to provide a full accounting and documentation of same in acceptable electronic and/or paper form in a timely manner upon termination thereof to any successive Contractor or the City, as directed.

D. BASIS OF AWARD

The City shall award this contract to the most responsible and responsive proposer who complies with the requirements of this RFP, best satisfies the criteria for selection, and meets the needs of the City. The award of a contract may be made upon criteria other than the lowest price. The City reserves the right to reject any or all proposals in whole or in part, to make partial awards, award by types, item by item, or lump sum total, whichever may be

most advantageous to the City of Wilmington. The intent though is to award this contract to one (1) proposer.

In the sole discretion of the City, proposers submitting conforming proposals may be afforded an opportunity for discussion and revision of proposals. Negotiations may be conducted with responsible proposers who submit proposals found to be reasonable likely to be selected for award. The contents of any proposal shall not be disclosed so as to be available to competing proposers during the negotiation process.

E. INCURRING COSTS

The City will not be responsible for any expenses or costs incurred by any proposer in preparing and submitting a proposal or prior to the issuance of a contract.

F. RESPONSE DATE

To be considered, proposals must be received by the Division of Procurement and Records, Department of Finance, City of Wilmington, no later than 5:00 p.m., April 15, 2014. **Proposals shall be addressed as follows:**

City of Wilmington
Attention: Philip Ceresini
Department of Finance
Division of Procurement and Records
800 North French Street, 5th Floor
Wilmington, Delaware 19801

Proposals shall be delivered in sealed envelopes with the name and address of the proposer, and shall be labeled **"Sealed Proposal Contract 15016HRPS, City of Wilmington – Life and Health Insurance Brokerage Services."** The proposer bears the risk of delays in delivery. Proposals received after the time set will be returned unopened.

G. PROPOSALS

To be considered, proposers must submit a complete response covering all of the work items outlined in this RFP, using the format required by the RFP. A proposal may be rejected if it is incomplete or conditional.

The proposer must submit five (5) copies of the proposal in a sealed envelope marked with the proposer's name and address, and labeled **"Sealed Proposal Contract 15016HRPS, City of Wilmington – Life and Health Insurance Brokerage Services."** One of the copies shall be marked "Master Copy," and will contain original signatures in all locations requiring a proposer's signature.

Proposals must be signed by an individual authorized to bind the proposer to its provisions. Proposals must remain valid until July 1, 2014.. Proposals should be prepared as simply and economically as reasonably possible, providing a straightforward, clear, and concise description of the proposer's ability to meet the requirements of the RFP. The selected proposal will become a part of the contract issued pursuant to the RFP. The Scope of Services and Contractor Qualifications paragraphs below should be responded specifically to by paragraph number in the proposal.

H. ORAL PRESENTATIONS/CONFIDENTIALITY

Proposers who submit proposals may be required to make oral presentations of proposals. Such presentations provide an opportunity to clarify proposals to ensure thorough mutual understanding. Presentations will be scheduled at the sole discretion of the Agency.
All reports, documentation, and material developed or acquired by the contractor as a direct requirement specified herein are confidential, and shall become and remain the exclusive property of the City. The contractor shall agree and understand that all discussions with the contractor and all information gained by the contractor as a result of the contractor's performance under the contract shall be confidential, and that no reports, documentation, or material prepared as required by the contract shall be released to the public without the prior written consent of the City.

I. PRIME RESPONSIBILITY/SUBCONTRACTING/ASSIGNMENT

The City will enter into a contract with the successful proposer. The successful proposer shall be responsible for all work required by this RFP and any contract issued pursuant thereto. Subcontractors, if any, must be clearly identified in the proposal. The City retains the right to approve any subcontractor.

Neither the successful proposer nor any approved subcontractor may assign or transfer any of its interest in its proposal or any subsequent contract issued pursuant to this RFP without the prior written consent of the City. Any such attempted assignment shall be void and constitute a breach of the requirements of this RFP and any contract subsequently issued pursuant thereto, and constitute cause for termination as described above.

J. DISCLOSURE OF PROPOSAL CONTENT

All materials submitted in connection with any proposal become the property of the City and may be returned only at the option of the City. Proposals may be reviewed and evaluated by any person other than competing proposers at the discretion of the City. Any information a proposer considers proprietary or otherwise not a "public record" should be so identified with a request that it not be disclosed to any third parties. Disclosure will then be controlled by

the Delaware Freedom of Information Act (FOIA) or other applicable statutes or regulations as interpreted in the sole discretion of the City.

K. PRICE

The proposal must clearly identify the price of all work to be performed and include:

- A pricing structure that is clear, accountable, and auditable;
- The full spectrum of services required; and
- Specify the price during any contact renewal terms.
- Specify the pricing for any extra services, as described above.

Prices and/or rates will remain firm for the term of the contract and any renewal term thereof.

L. PAYMENT

For insurance premiums, funds will be paid to the contractor in response to billings reflecting premiums from selected carriers, from which contractor will issue drafts to carriers. Such funds shall not be comingled with the contractor's general operating funds, rather maintained in a separate escrow-type account identified as City funds until disbursal.
For services rendered, payment shall be made by the City to the Contractor within thirty days after the satisfactory completion of all work specified herein and upon proper invoice to the City, or in such installments as shall be mutually agreed.

M. ADDENDA TO THE RFP

If it becomes necessary to revise any part of this RFP, revisions in writing will be provided to all potential proposers known to have received a copy of the RFP. Proposers shall acknowledge in writing receipt of all amendments, addenda, and changes in connection with this RFP by including a statement in the Proposal to that effect.

IV. PROPOSAL INFORMATION

A. PURPOSE

This Request for Proposal (RFP) seeks proposals for Life and Health Insurance Brokerage Services. The City is currently self-insured for coverages including, but not limited to, COBRA, Flexible Spending, Commuter Reimbursement administration, and employee medical. The City purchases Dental, Long-Term Disability, Medical Stop-Loss, and Group Life Insurance. It is the City's intention to review these coverages to assure cost-effectiveness among other criteria on an annual basis.

B. SCOPE OF SERVICES

The Contractor will:

1. Represent the City's interests in the marketplace when the purchase of insurance is necessary. Secure Dental, Long-Term Disability, Short-Term Disability, Group Life, and specific and aggregate stop-loss insurance coverages as appropriate. Functioning as the intermediary, negotiate with insurance companies and monitor the published financial information of the City's insurers and alert the City to changes in their status.

2. Prepare pre-renewal strategy prior to the insurance program anniversary date. Identify and quantify exposures to loss; procure necessary loss and exposure information; and complete any required applications.

3. Develop underwriting specifications including historical exposure and loss information; coverage requirements; program alternatives; and service requirements, which are to be reviewed with the City of Wilmington prior to submitting them to the insurance markets.

4. Receive quotations and prepare a recommendations report.

5. Procure vendor for self-insured programs through competitive process for TPA services with respect to management of the programs, including adding and deleting eligible City employees and retirees, sending all notices and updates, and providing for the printing, updates, revisions, deletions, additions and changes to employee benefits booklets, including obtaining from and delivery to the City Employee Benefits Division.

6. Work directly with the City's vendors/insurance carriers to ensure superior service; facilitating all strategic meetings with the City and insurance markets; and keep the City informed of significant changes and/or trends in the insurance industry that could have an impact on the City.

7. Provide monthly and annual summaries including a concise narrative of overall administrative and trends effectiveness and estimated future costs in an agreed upon format between City and vendor.

8. Track significant claims and provide the City with periodic reports.

9. Monitor and advise the City of Wilmington of any reduction or exhaustion of aggregate limits of any policy and advising the City of Wilmington on any limit reinstatement or additional purchase options available.

10. Check policies, endorsements, amendments, audits, rating adjustments, and billings for accuracy and request corrections, as needed.

11. Serve as advocate in the resolution of coverage issues (i.e., "reservations of rights" or coverage disclaimers, when an insurance carrier is involved).

12. Provide support for the City-sponsored benefit activities such as Benefit Fairs, Annual Passive and Mandatory Open Enrollment meetings, special enrollments or other employee benefits projects as needed.

13. Conduct benefit offering surveys on comparable organizations and prepare reports comparing each benefit and employee costs for such.

14. Provide the City a copy of your audited financial statements annually.

15. Assist with any claims audit conducted by an outside party.

16. Furnish the City with such Reports as the City may request pertaining to the work or services undertaken pursuant to this Agreement.

17. Withhold, as applicable, City of Wilmington wage taxes from the compensation of its officers, agents or employees as required by the City of Wilmington wage tax law.

C. CONTRACTOR QUALIFICATIONS.

The Contractor shall have, at a minimum, the following qualifications, subject to written waiver in the sole discretion of the City if the overall experience of the proposer, and anticipated enhancement actions warrant same:

1. Must be primarily engaged in the business of providing comprehensive Life and Health Insurance Brokerage Services, including to self-insured and Delaware clients, and must have actively provided this service for a period of no less than five (5) years, with available staff of at least two (2) qualified, licensed and bonded Life and Health insurance brokers who are, and are supervised by an individual familiar with all phases of Delaware health, life, disability, and welfare benefit and insurance laws as applicable, with at least seven (7) years experience for the supervisor and three (3) years experience for the brokers in the area (s) to which they are to be assigned. The firm must have been in existence and have had a substantial client base in Delaware for at least five (5) years.

2. The brokers and supervisors to be assigned to this contract shall provide resumes in which education and experience generally and in Delaware are listed, as well as initial and recurrent and ongoing planned continuing broker education in Delaware in health, life, disability, and welfare benefit and insurance laws and regulations, listing providers of the training received and planned, and listing hours spent and to be spent periodically going forward.

3. Delaware and City of Wilmington Business Licenses.

4. Licenses for all operational and supervisory personnel as required by DE law.

5. Have sufficient staff to complete the actions outlined here.

6. Three (3) business or government references of self-insured or insured clients served for at least two (2) years.

D. INSURANCE REQUIREMENTS

Workers' Compensation & Employer's Liability Insurance

Vendor shall purchase and keep in force and effect workers' compensation insurance that will provide the applicable statutory benefits for all of the vendor's employees who may or do suffer covered injuries or diseases while involved in the performance of their work for the Vendor; and, even if permitted to do so by statute, Vendor shall not reject any workers compensation insurance option that, in the absence of such a rejection, would be applicable to any of the said employees. The policy providing the workers' compensation insurance shall include: (1) broad form all-states coverage; (2) an endorsement that specifically waives any subrogation rights the insurer would otherwise have against the City of Wilmington, its officials or employees.

Vendor shall purchase, and keep in force and effect, Employers' Liability insurance with maximum limits for each employee of $1,000,000 for each bodily injury by accident, or occupational disease, and $1,000,000 aggregate maximum limits for all bodily injuries by accidents and occupational diseases within the coverage period, regardless of the number of employees who may sustain bodily injuries by accident or occupational disease.

Automobile and General Liability Insurance

Vendor shall purchase: (1) motor vehicle liability coverage, for owned, hired and non-owned vehicles, covering any and all claims for bodily injury and property damage that arise out of Vendor's performance of work for the City of Wilmington, (2) comprehensive Commercial General Liability (CGL) insurance with limits of no less than $1,000,000 each occurrence and $2,000,000 annual aggregate. The CGL policy shall be extended by endorsement or otherwise to also include (a) coverage for Contractual Liability assumed by Vendor, with defense provided in addition to and separate from policy limits for indemnities of the named insured, (b) coverage for Independent Contractor Liability providing coverage in connection with such portion of the Services being subcontracted prior to any of the Services being subcontracted, in accordance with the terms and conditions of this Agreement, (c) coverage for Broad Form Property Damage Liability, (d) coverage for Personal Injury and Advertisers Liability, (e) products and completed operations. (e) the City of Wilmington shall be named as an "Additional Insured" on the CGL coverage.

Professional Liability Insurance

Each vendor shall provide professional liability insurance with limits of at least $1,000,000 per occurrence and $3,000,000 annual aggregate.

All insurance required under this contract except workers' compensation, employers liability, and professional liability shall be provided on a policy(s) that specifically names the City of Wilmington, its officials and employees as additional insureds.

Each policy shall provide an endorsement that specifically waives any subrogation rights the insurer would otherwise have against the City of Wilmington, its officials or employees. Each policy shall be endorsed to require the insurer to give the City of Wilmington at least thirty (30) days' advance written notice of the insurer's intention to cancel, refuse to renew, or otherwise terminate the policy, suspend or terminate any coverage under the policy, or reduce any policy limits, increase any policy deductibles, or otherwise modify or alter any terms or conditions of the policy or renewal issued by the same insurer.

Each policy shall be written by a carrier licensed by the State of Delaware to do insurance business of the type involved in the State of Delaware, and which has, and maintains for the life of this contract, at least an "A" rating from the A.M. Best Agency with "Stable" outlook.

Any change in this rating or outlook must be related to the City of Wilmington by the Vendor or insurance carrier as soon as possible upon learning of same; and the Vendor shall use due diligence with its insurance broker or carrier to keep track of same.

All insurance required under this contract except workers' compensation, employer's liability and professional liability shall expressly provide that such insurance shall be primary insurance; and any similar insurance in the name of Vendor shall be excess and non-contributing.

Deductibles for insurance provided under this contract shall not exceed five percent (5%) of policy limits.

Contractor shall provide the City with a Certificate of Insurance evidencing the above-stated coverages and other requirements, indicating the waiver of subrogation, and naming the City as an additional insured.

V. REQUIRED FORMAT FOR SUBMISSION OF PROPOSALS

A. COMPILATION OF PROPOSALS (FORMAT)

Proposals must be submitted with labeled tabs or labeled colored divider sheets as described in the paragraphs below. Any other information thought to be relevant, but not applicable to these categories, should be provided as an appendix to the proposal. Paragraphs under Scope of Services and Contractor Qualifications should be responded to by numbered paragraph.

If a proposal contains material that a proposer considers to be exempt from the definition of a "public record" under the provisions of the Delaware Freedom of Information Act, it should be so marked and include a reference to the specific subsection of the Delaware Code under which the exemption is claimed. However, the Agency reserves the right to make a final determination as to whether any such material is a public record.

B. COVER LETTER

Each proposal will have a cover letter on the letterhead of the proposer submitting the proposal. The cover letter will briefly summarize the proposer's ability to provide the services specified in the RFP and any other value-added services not specifically requested.

The cover letter must be signed by a representative who has the legal capacity to enter into a formal contract with the City on behalf of the proposer.

C. TABLE OF CONTENTS/PAGE NUMBERING

Each proposal should have a table of contents, and tabs for sections identified therein. Pages should be numbered consecutively from beginning to end of the proposal, not within sections.

D. DESCRIPTION OF SERVICES AND STAFF TO BE PROVIDED

Include a detailed narrative description of the services to be provided, by whom and how in satisfaction of the requirements set forth in the SPECIAL PROVISIONS, GENERAL PROVISIONS, AND SCOPE OF SERVICES sections of this RFP, and following a logical order from the beginning of processing each claim to the end.

Describe in detail the proposer's experience and qualifications to implement the insurance program contemplated by this RFP. Provide evidence that the proposer has been in the business of providing L & H Insurance Brokerage services for not less than five (5) consecutive years immediately prior to submitting the proposal, as well as the other items listed under Contractor Qualifications above. Indicate the proposer's prior experience in implementing similar programs for other public entities describing any such experience in detail and providing names, addresses, telephone numbers and the job title of contact persons for each such public entity.

Describe the proposer's staff resources and their geographical location and state the proposer's present and/or proposed operations in Delaware with other government or self insured private or public entities. Indicate staff size and any special capabilities, particularly those relevant to this project, and profile your client mix by industry.

Identify the persons in your organization who will be involved in key activities implementing and managing the work to be done pursuant to this RFP; state their respective functions; and provide a brief resume of each individual's professional experience and other qualifications, as provided above. Identify one person who will ultimately be accountable for the development of the services to be provided pursuant to this RFP.

E. COST PROPOSAL

Proposals are to provide a fixed annual fee for the initial year (12 months) of the contract and each subsequent year.

Alternate cost proposals may also be included as additions, but only if accompanied by a detailed explanation.

F. EXHIBITS

The proposer must include specimen copies of reports described above. Other exhibits may also be included in this section.

G. DRAFT FORM OF CONTRACT

Attach a draft form of contract that complies with the requirements of this RFP.

H. CONDITIONS

State with specificity any conditions to the proposer's proposal.

VI. CRITERIA FOR SELECTION OF PROPOSALS/REVIEW PROCESS

A. PROPOSAL REVIEW COMMITTEE

The Proposal Review Committee (PRC) shall be composed of members selected by the City's HR Director. The PRC shall determine which proposers meet the minimum requirements pursuant to the selection criteria and shall interview at least one of those proposers. The PRC or Department may negotiate with one or more of the qualified proposers, and may, in its discretion, terminate negotiations with any or all proposers. The PRC shall make a recommendation to the HR Director regarding the award of a contract. Subject to the provisions of this RFP and any applicable laws, the Director of Human Resources shall have the final authority to award a contract to the successful proposer.

B. PROPOSAL SELECTION CRITERIA

1. MINIMUM REQUIREMENTS TO BE CONSIDERED

The following requirements must be met in order for a proposal to be considered:

a. The proposer must provide evidence that the proposer meets to requirements of section IV, C. above.

b. The proposer must provide evidence of insurance, or representation that such has been arranged for in the event the contract is award, as provided above.

c. The proposer must provide evidence that, at the time at which the proposal is filed, the proposer maintains available staff of qualified, licensed, bonded brokers as provided above, and the qualifications and background listed above.

d. The proposer must provide evidence that the proposer possesses valid State of Delaware and City Business, Insurance or other required Licenses, or a signed commitment to obtain same upon the award of this contract.

2. EVALUATION

Proposals that meet the foregoing minimum requirements will be evaluated by the PRC.

The proposals shall contain the essential information from which the award decision will be made. The information required to be submitted in response to this RFP has been determined by the HR Director to be essential for use by the committee in the proposal evaluation and award process. Therefore, all instructions in this RFP shall be met in order to qualify as a responsive and responsible proposer and participate in the PRC's consideration for award. Proposals that do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the committee.

The City reserves the right to:

a. Reject any and all proposals received in response to this RFP, or to make no award, or to issue a new RFP.

b. Waive, reject, or ignore any information, irregularity, or inconsistency in proposals received.

c. Request modifications to proposals from any or all proposers during review and negotiation.

d. Negotiate any aspect of the proposal with any proposer, and negotiate with more than one proposer at the same time.

e. Select for contract or for negotiation a proposal other than that with the lowest cost.

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be included, but not limited to, by the PRC to evaluate proposals:

a.Experience and demonstrated ability to comply with the requirements of a contract of the magnitude of that described in Section IVB- Scope of Services of this RFP.

b. Reputation in the insurance industry and among trade organizations and clients formerly and currently serviced.

c. Demonstrated experience, facilities and staff to perform the contract.

d. Proximity to the City.

e.Pricing for the services required by this RFP as submitted by the proposing firms.

SECTION VII. GENERAL PROVISIONS

A. PREPARATION OF PROPOSAL

The proposer's proposal shall be typewritten.

B. WITHDRAWAL OF PROPOSALS

A proposer may withdraw an unopened proposal after it has been deposited with the City, if such request is made in writing and received by the City prior to the time set for the opening of the proposal.

C. DISQUALIFICATION OF PROPOSERS

Any one or more of the following causes may be considered sufficient for the disqualification of a proposer and the rejection of a proposal.

1. More than one proposal for the same contract from an individual, firm, corporation, or other business entity under the same or different names.

2. Evidence of collusion among proposers.

3. Failure to return the Non-collusion Statement provided near the end of this package with the bid or proposal. The proposal marked "Master Copy" must have handwritten signature(s). Signature stamps or photocopies of signatures are not acceptable for the Master Copy. Photocopies of the Master Copy may be used for additional copies of the proposal.

4. Unsatisfactory Performance record as evidenced by documented past experience.

5. Failure to satisfy any minimum qualification in the RFP, except as waived as described above.

6. Filing an incomplete or unresponsive proposal.

7. Unauthorized additions, interlineations, conditional or alternate proposals or irregularities which make the proposal incomplete, indefinite or ambiguous as to its meaning.

D. SIGNING OF CONTRACT

The proposer to whom the award is made shall timely sign a formal contract. If the successful proposer fails to sign a formal contract as aforesaid, the City may revoke the award and proceed as if the proposer's proposal had been rejected.

E. PERFORMANCE OF WORK

All work described in this RFP must be completed with reasonable promptness in the judgment of the City.

F. CONTRACTOR RESPONSIBILITY

The contractor shall be responsible for all services required by this RFP. Subcontractors, if any, must be clearly identified in the proposal and are subject to the approval of the City. Notwithstanding any approval for the use of any subcontractor, the contractor shall continue to be fully responsible for all services required by this RFP.

G. PERSONNEL

The contractor represents that he has or will secure, at contractor's own expense, all personnel required to perform the services required under this contract, and will pay all costs and expenses incident thereto.

All of the services required hereunder shall be performed by the contractor or under its direct supervision, and all personnel, including subcontractors, engaged in the work shall be fully qualified and shall be authorized under State and local law to perform such services.

None of the work or services covered by the contract shall be subcontracted without the prior written approval of the City.

H. INTEREST OF CONTRACTOR/INDEPENDENT CONTRACTOR

The contractor (and its employees and agents) is an independent contractor and not an employee or agent of the City with respect to this RFP or any Agreement in connection therewith. The contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree in performing any services under the contract. The contractor further covenants that in the performance of this contract, no person having such interest shall be employed or subcontracted with.

I. COVENANT AGAINST CONTINGENT FEES

The contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach or violation of this warranty, the City shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

J. GRATUITIES

If it is found, after notice and hearing, by the City that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the contractor or any agent of the contractor to the City with a view toward securing a contract, or securing favorable treatment with respect to the awarding, amending or making of any determinations relating to the performance of the contract, the City may, by written notice to the contractor, terminate the right of the contractor to proceed under the contract and/or may pursue such other rights and remedies provided by law or under the contract.

K. AUDIT ACCESS TO RECORDS

The contractor shall maintain accounts and records, including personnel, property and financial records, books, documents, and other evidence pertaining to the contract adequate to identify and account for all costs pertaining to this Agreement, and such other records as may be deemed necessary by the City to assure proper accounting for all project funds, and to the extent and in such detail as shall adequately reflect performance hereunder. The

contractor agrees to preserve and make available to the City, upon request, such records for a period of ten (10) years from the date services were rendered by the contractor. Records involving matters in litigation shall be retained for ten (10) years following the termination of such litigation. The contractor agrees to make such records available for inspection, audit, or reproduction to any official City representative.

L. LAWS TO BE OBSERVED

The contractor is presumed to know and shall strictly comply with all national, state, county, and city laws, ordinances, and regulations in any manner affecting the work to be done pursuant to this RFP. The contractor shall defend, indemnify, and hold harmless the City of Wilmington, this agreement, and all officers, agents, and employees thereof against any claim, liability, or cost, including attorney's fees arising from or based upon the violation of any such laws, ordinances, or regulations, whether by the contractor or by its officers, agents, employees or subcontractors.

M. PERMITS AND LICENSES

All necessary permits, licenses, insurance policies, etc., required by local, state, or federal laws, shall be provided by the contractor at its own expense.

N. APPROPRIATION OF FUNDS

In the event that the City Council fails to approve any Agreement hereunder, or appropriate the specific funds necessary to initially fund or continue the contract, either in whole or in part, the contract shall be suspended pending appropriations, limited as appropriated for, or terminated as to any obligation of the City requiring the expenditure of money for which no specific appropriation is available at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds, whichever shall occur first. Notwithstanding, the contractor shall continue to service the contract during any such period upon mutual agreement for a reasonable time to assure that City insurance program is not compromised during such periods.

O. NON-DISCRIMINATION

In performing the services required by this RFP, the contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, sexual orientation, marital status, disability, age or veteran status. The contractor shall comply with all federal and state laws, regulations, and policies concerning the prevention of discriminatory employment practice. Failure to comply with these provisions is a material breach of the contract.

P. INDEMNIFICATION

The contractor agrees to indemnify and otherwise hold harmless the City of Wilmington, its agents and employees from any and all liability, suits, actions, damages, or claims, together with all costs, expenses and attorneys' fees, arising out of the contractor's, its agents, employees, subconsultants, and subcontractors' performance of work or services in connection with the contract.

Q. CONTRACT DOCUMENTS/AMENDMENTS

This RFP, the successful proposal, and contract shall be part of and constitute the entire Agreement entered into by the City and any proposer. Any contract or Agreement in connection herewith may not be changed orally, but only by an Agreement in writing and signed by both parties. Any Agreement hereunder shall be binding upon, and shall inure to the benefit of the City and Contractor, and their respective legal representatives, successors and assigns, as limited hereunder. In the event that there is a discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter:

- Contract
- RFP
- Proposal

R. ASSIGNMENT

Neither the contract, nor any part of it, may be assigned except with the prior written consent of the City, and any attempted such assignment shall be void and of no effect.

S. CHOICE OF LAW

The contract shall be governed by and interpreted under the laws of the State of Delaware and City of Wilmington, without regard to principles of conflicts of laws. The contractor consents and agrees that jurisdiction and venue shall lie in the courts of the State of Delaware for any litigation brought under the contract.

T.NOTICES

The RFP must provide the name and address to which any Notices to the Contractor under any Agreement in connection with the services provided for herein shall be sent.

VIII. PROPOSAL REPLY SECTION

If you do not desire to file a proposal in response to this RFP, please fill out the No Proposal Reply form and return it to the Division of Procurement and Records at the address set forth above by 5:00 p.m., on April 15, 2014. If you desire to file a proposal, please respond in accordance with the requirements of the RFP and submit a completed Non-Collusion Statement in the form, which follows. Failure to submit the form with your proposal will result in your proposal being disqualified from further consideration.

CITY OF WILMINGTON
DEPARTMENT OF FINANCE
800 NORTH FRENCH STREET, 5TH FLOOR
WILMINGTON, DELAWARE 19801

NO PROPOSAL REPLY FORM

Contract Title: RFP for L & H Insurance Brokerage Services

Contract No. 15016HRPS

To assist us in obtaining good competition on our Request for Proposals, we ask that each firm that has received an invitation, but does not wish to submit a proposal, state their reason(s) below and return in a clearly marked envelope displaying the contract number. This information will not preclude receipt of future invitations unless you request removal from the Vendor's List by so indicating below, or do not return this form or bona fide proposal.

Unfortunately, we must offer a "No Proposal" at this time because:

☐ 1. We do not wish to participate in the proposal process.

☐ 2. We do not wish to submit a proposal under the terms and conditions of the Request for Proposal document. Our objections are:

☐ 3. We do not feel we can be competitive.

☐ 4. We cannot submit a proposal because of the marketing or franchising policies of the company.

☐ 5. We do not wish to contract with the City. Our objections are: _____

_____

☐ 6. We do not provide the items/services on which proposals are requested.

☐ 7. Other:_____

_____ _____

FIRM NAME SIGNATURE

Contract Title: RFP for L & H Insurance Brokerage Services

Contract 15016HRPS **Proposal Due Date: April 15, 2014**

NON-COLLUSION STATEMENT

This is to certify that the undersigned offeror has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive proposals in connection with this proposal submitted this date to the City of Wilmington, Division of Procurement and Records.

It is agreed by the undersigned proposer that the signed delivery of this proposal represents the proposer's acceptance of the terms and conditions of this Invitation to Proposal including all specifications and special provisions.

NOTE: Signature of the authorized representative MUST be of an individual who legally may enter his/her organization into a formal contract with the City of Wilmington.

COMPANY NAME Willis of Delaware, Inc.

(Check one)

X	Corporation, State: DE
	Partnership/State:
	Individual
	Other (Specify)

NAME OF AUTHORIZED REPRESENTATIVE E. Kent Evans

SIGNATURE E. Kent Evans TITLE Senior Vice President

COMPANY ADDRESS 222 Delaware Avenue, Suite 1000, Wilmington, DE 19801

PHONE NUMBER 302-397-0171 FAX NUMBER 302-571-1876

EMAIL ADDRESS kent.evans@willis.com

FEDERAL E.I. NUMBER 51-0316153

STATE OF DELAWARE BUSINESS LICENSE NUMBER TBD

CITY OF WILMINGTON BUSINESS LICENSE NUMBER TBD

		(circle one)
COMPANY CLASSIFICATIONS: CERT. NO. _____	Disadvantaged Business Enterprise (DBE)	Yes (No)

[The above table is for information and statistical use only.]

FINANCIAL INFORMATION SHOULD BE SENT TO:

COMPANY NAME Same as above

ADDRESS _____

CONTACT _____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

AFFIRMATION: Within the past five years, has your firm, any affiliate, any predecessor company or entity, owner, director, officer, partner, or proprietor been the subject of a federal, state, local government suspension or debarment?

YES _____ NO X If yes, please explain _____

THIS PAGE SHALL BE SIGNED, NOTARIZED, AND RETURNED FOR YOUR PROPOSAL TO BE CONSIDERED

STATE OF Delaware

SS

COUNTY OF New Castle

SWORN TO AND SUBSCRIBED BEFORE ME this 11th day of April, 2014

Notary Public _____ Commission Expires 2-16-2016

GEORGE W. WAY JR.
NOTARY PUBLIC
STATE OF DELAWARE
My Commission Expires February 12, 2016

ACCOUNT PROFILE FOR CITIES AND COUNTIES (11/18/13)

City of Wilmington

800 North French Street
Wilmington, DE 19801

Contact: James A. Robb
302-576-2470
jarobb@wilmingtonde.gov

Population: 71,000
Budget: $146,926,834
Payroll: $ 64,217,179
Employees: 1,122

Bond Rating: Moody's- Aa2; S&P- AA-; Fitch-AA (a/o 11/15/13)

Website: www.wilmingtonde.gov

TPA (WC only until 01/15/13 +-, then AL/GL also; RFP pending):

Name of Firm: PMA Management Corp.
Contact Person: Michael J. Sharkey, Sr. Claims Service Manager
Michael_Sharkey@pmagroup.com
484-530-8224 (office)
Address: PMA Companies, Member of Old Republic Companies, One Tower Bridge, Suite 1200, W. Conshohocken, PA 19428
Type of Service: Adjusting, Reserve Setting, Loss Runs, Data Management
Onsite Claim Handling
Term of Service: Annual (currently in extension through January, 2014 pending RFP results.

Streets and Roads

Paved Miles: 199
Unpaved Miles: 0

Bridges: 0 City is responsible for.

Amusement Parks: 0

Beaches/Lakes: 0

Clinics

Type and Number of Locations: Medical Dispensary for City Employees
Total Outpatient Visits/yr.: 3151
Physicians/Nurses: Nurse-City Employee
Doctor-Independent Contractor-Own Insurance

Dams: 0

Daycare:	0
Exhibition /Convention Centers	0

Firefighters

Total:	172
Payroll:	$10,379,642
EMTs/Paramedics	130 EMTs (4 are Certified Paramedics)
Volunteers:	0
Training:	Provided

Firehouses

Number:	7
Apparatus:	2 at Stations 1,2,3,6 3 at Stations 4, 5 6 at Station 7 (watercraft-see below)
Size:	Stations 1-4, and 6- 9,116 Sq. Ft. each Station 5-12,000 sq. ft. Station 7 4,900 sq. ft.

Watercraft-Fire

Number:	6
Description:	Metalcraft Fire Storm 70' Boston Whaler 21' Zodiac 16' Grumman 16' Avon 10' Silvership 34'

Law Enforcement

Police Officers:	317
Payroll	$21,332,825
Reserves:	0
Accreditation:	Council on Accreditation for Law Enforcement
Ride-Along:	Waivers Signed

Jail:	0

Holding Facilities

Facilities:	1
Cells:	10
Length of Stays:	Up to 72 Hours
Sq. Footage	9- 80 Sq. Ft. each 1-400 Sq. Ft. Total: 1,120 Sq. Ft.
Security:	24/7

Housing: 0

Landfills: 0

Golf Courses:

Number of Courses: 2
Owner/Operator: City of Wilmington/Billy Casper Golf

Annual Receipts: $2,000,000 +-

Golfmobiles

Number: 57
Annual Receipts: $200,000 +-

Marinas: 0

Nursing Homes: 0

Recreational Facilities

Major Neighborhood Parks:	24
Playgrounds:	26
Parkways and Boulevards:	7
Triangles, Square Plazas, And Monuments:	19
Swimming Pools:	5
Recreation Centers:	1
Indemnification:	Yes-for large events

Schools: 0

Special Events

Various sports tournaments, Festivals, banquets, League sports and camps, First Night, July 4th, Jazz Festivals, Film Festival, Misc. Wellness and Fitness and Senior Days

Stadiums: 0 (One owned but leased to State)

Transportation

Public Transportation:	None
City Vehicles:	474 tagged, 42 not tagged
Monitoring of Drivers:	DMV Records checked once yearly All receive Defensive Driving Course
Maintenance:	Contracted to First Vehicle Services- Maintained to Manufacturer Specifications

Utilities

Sewer Lines:	200 miles
Water Lines:	550 miles
Zoos:	0 (One in City Park owned but leased to State and non-profit)

ADDENDUM # 1

15016HRPS
Life & Health Insurance Brokerage Services

In response to questions that have been received we offer the following supplemental information.

1. ***Current Insurance Carriers:*** The insurers or administrators by line of business that manage the program today are Dental, Life, LTD – Met Life; Medical – Highmark; Stop Loss-HM Life.
2. ***Current Broker:*** RM Associates, Inc.- Five years
3. ***Premium/Program Costs:*** Subject to FOIA Request.
4. ***Price:*** All bids should be for fixed fee only with no commissions.
5. ***Employee Data:*** All full time employees and retirees are eligible for coverage.
6. ***Renewal Dates:*** July 1 for all.
7. ***Stop Loss:*** See above; $100,000 attachment and aggregate attachment.
8. ***Collective Bargaining:*** Collective bargaining agreements currently exist with various contract expiration dates.
8. ***RFP Inquiry:*** An agreement with the successful Proposer may be negotiated to include COBRA services, FSA administration, Retiree Billing/Collection, Medicare Part D filing, or other specific services not mentioned in the scope section of the RFP at agreed upon pricing?
9. ***Finalist Presentations:*** Finalist presentations to further evaluate some or all of the proposals in person may be held as necessary once the Proposals are reviewed.

Issued April 04, 2014 by the
Procurement and Records Division, Department of Finance
Louis L. Redding City County Building, 800 French Street
Wilmington, DE 19801

ADDENDUM # 2

15016HRPS
Life & Health Insurance Brokerage Services

In response to additional questions that have been received we offer the *following supplemental information.*

1. Direct billing between the carriers and the City is acceptable.
2. Broker currently handles billing and the benefit administration system for City employees' benefits coverage in coordination with the City and the TPA/Insurer.
3. In serving as an "advocate in the resolution of coverage issues" the City expects that to mean on a client level/HR Department for any direct elevated concerns brought by the City, to include any employee and dependent enrolled in coverage as necessary to assist with the City's efforts.
4. The City will communicate with employees at open enrollment (ex: paper, electronic, email, social media, etc.) in consultation with the broker as to the best method.
5. Prescription drug coverage is also self-funded and is carved out from medical.
6. The Stop Loss coverage is separate from medical.
7. To obtain the current monthly premiums for the City's insured lines of coverage a FOIA request must be made.
8. The term "retirees" includes those who are pre- and post age 65.
9. The City has 296 retirees with medical coverage, 215 of whom are post age 65.
10. All lines of coverage are offered to retirees.
11. There are commissions in some of the current lines of coverage offered that would need to be removed.
12. The current broker is allowed to bid on this RFP?
13. The anticipated schedule for regularly scheduled meetings shall be at least quarterly.
14. The broker will be expected to participate in the open enrollment activities as needed.
15. This procurement does not require the City to award this contract to the lowest cost bidder.
16. Virtually all employees have e-mail access.

Issued April 08, 2014 by the
Procurement and Records Division, Department of Finance
Louis L. Redding City County Building, 800 French Street
Wilmington, DE 19801

E. KENT EVANS, CBC



POSITION Senior Vice President, Human Capital Practice

PROJECT ROLE Kent is responsible for the accurate and timely delivery of consulting services and is Human Capital Practice Leader for Willis of Delaware, Inc.

PROFESSIONAL EXPERIENCE

Areas of Expertise:

- Responsible for assisting with strategic planning and overall relationship and account management, including project management, vendor relations, communications, and compliance.
- Health Care Reform – With a passion for health care, Kent has been involved in the national political debate over *Universal Health Care* and has served on a federal *Universal Health Care* committee with former President George H. W. Bush and on the Medical Society of Delaware *Universal Health Care* task force as a technical specialist. He served on the National Association of Health Underwriters Broker Advisory Council to Washington, DC. He has also been invited to speak at national, state, and local Health Care Reform events, as well as been a guest on television and radio stations regarding the Patient Protection and Affordable Care Act (PPACA).
- Utilization of Consumer Driven benefit design and pricing (including Health Reimbursement Arrangements and Health Savings Accounts).

Beginning his career with John Hancock Financial Services, he has been a licensed insurance representative since 1990 and has been with the Delaware firm since 1994. Specializing in the representation of group benefit clients in the region, Kent has built a team with a niche in the Affinity/Association marketplace and his responsibilities have included managing the insurance operations for these joint ventures.

CREDENTIALS

Graduated from Kutztown University with a B.S. in Economics and a B.S. in Finance

Multiple-state Health, Life & Accident Licensed

Securities Licensed, Registered Representative in the qualified plan area

Chartered Benefits Consultant (CBC)

Disability Income Specialist (DIS)

Member of the National Association of Health Underwriters and the National Association of Insurance and Financial Advisors

Currently enrolled in the curriculum for the Chartered Healthcare Consultant (ChHC) professional designation at The American College

Willis

Willis of Delaware, Inc.
222 Delaware Avenue, Suite 1000 • P.O. Box 2287 • Wilmington, Delaware 19899
302-658-8000 • 800-441-9385 • *Fax* 302-571-1876 • www.willisofde.com • www.willis.com
Direct 302-397-0171 • *Mobile* 610-442-3895 • kent.evans@willis.com



PENNIE HINDS, CEBS

POSITION	Senior Vice President and Client Advocate, Human Capital Practice
PROJECT ROLE	Pennie is responsible for the accurate and timely delivery of consulting services.

PROFESSIONAL EXPERIENCE

Areas of Expertise:

- Establishment of multiple-year benefit business strategies, with action steps and timing, to meet each client's specific objectives in the areas of financial management, competitive positioning, employee awareness and engagement, and administrative effectiveness.
- Financial analysis of plans, including budget preparation for self-insured plans, underwriting, vendor selection and negotiation, and reserve calculations.
- Consumer Driven and Flexible benefit design and pricing, including Health Reimbursement and Health Savings Accounts.
- Utilization analysis of health care costs with substantial experience in prescription drug carve out, health promotion (wellness), disease and case management.
- Implementation and oversight of purchasing alliances, Consortium arrangements, and associations.

Pennie has over 35 years of experience serving the health and welfare needs of clients in the mid-Atlantic and nationally and is well versed in understanding the local, regional, and national delivery systems in the market. Prior to joining Willis, Pennie was Vice President and Sr. Consultant with Wachovia Insurance Services (acquired Palmer & Cay in 2005), Senior Manager with KPMG's Health and Welfare group in Baltimore, MD, and the head of the Baltimore benefits practice for Buck Consultants (acquired W F Corroon in 1996). Pennie also served as National Account Executive at CareFirst BCBSMD and began her career as a group underwriter with Monumental Life Insurance Company.

CREDENTIALS

Graduated Summa Cum Laude from Towson State University

Maryland Licensed Life, Health, Long Term Care, Property & Casualty

Certified Employee Benefits Specialist (CEBS)

Serves as Vice President for the Worldwide Employee Benefits (WEB) – Baltimore Chapter, Program Chair for Howard County Society of Human Resources Management, and is active in the Maryland Business Group on Health (MBGH)

Willis

MISCHELLE LINDSAY



POSITION Senior Client Manager, Human Capital Practice

PROJECT ROLE Mischelle is responsible for the accurate and timely delivery of consulting services for the Human Capital Practice, Willis of Delaware, Inc.

PROFESSIONAL EXPERIENCE

Areas of Expertise:

- Designs and manages all aspects of the placement and service of employee benefits for Willis Clients ranging in size from 100 to 3,000 covered lives.
- Communicates and directs all Willis resources for the benefit of Willis clients.
- Initiates RFP process for new and existing accounts, analyzes financial and contractual results, and proposes a course of action based upon the client's financial situation and goals.
- Develops client recommendations based upon cost control measures and group specific benchmarking data.
- Facilitates the coordination of project objectives between clients and insurance providers, assisting with vendor implementation, communication, open enrollment support, and general trouble shooting.
- Creates account reporting packages based upon claims data and client-specific requests to analyze current and future costs.
- Utilization of Consumer Driven benefit design and pricing (including Health Reimbursement Arrangements and Health Savings Accounts).

She started in the employee benefits field in 1991, has been a licensed representative since 2006, and has been with the Delaware firm since 2012. Beginning her career as a Claim Analyst, she became an Auditor within a year. She has experience working with both domestic and international clients, as well as a trainer and an installation specialist. She spent 10 years as an underwriter for two of the top five insurance carriers with a market segment of groups from 300 to 3,000 lives. Her focus was on fully insured and self-funded medical and dental underwriting, including stop loss. In 2006, she moved into the brokerage and consultant side of the insurance industry.

CREDENTIALS

Graduated from Goldey-Beacom College (Delaware) with a B.S. in Business Management

Multiple-state Health, Life & Accident Licensed

HIPAA certified

Willis

Willis of Delaware, Inc.
222 Delaware Avenue, Suite 1000 • P.O. Box 2287 • Wilmington, Delaware 19899
302-658-8000 • 800-441-9385 • *Fax* 302-571-1876 • www.willisofde.com • www.willis.com
Direct 302-397-0181 • *Mobile* 302-528-5846 • mischelle.lindsay@willis.com



TOYIN GEORGE

POSITION Senior Financial Client Manager , Human Capital Practice

PROJECT ROLE Toyin is responsible for providing financial, underwriting, analytical, and marketing-related services to clients.

PROFESSIONAL EXPERIENCE

Toyin has over 12 years of experience helping clients analyze complex technical data with regard to benefit plans in both self-funded and insured clients for both corporate and public sectors. She specializes in project management; preparing and analyzing vendor proposals, including health, stop loss, life and disability coverages, as well as evaluating budget projections/renewal analyses, and quarterly/annual financial reports and claim cost analyses.

Prior to joining Willis, Toyin was a Sr. Consultant at Aon Hewitt in Baltimore, MD, and a Health and Benefits Analyst at The Segal Company in Washington, DC.

CREDENTIALS

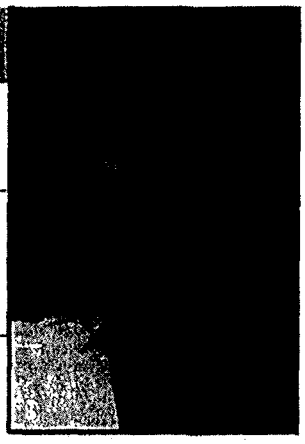
Graduated from Mount Holyoke College with a B.S. in Chemistry

Has been published in the Journal of Molecular Spectroscopy

Maryland Health, Life & Accident Licensed

Willis

TRACIE L. SCHLOER



POSITION Vice President and Client Services – Principal, Human Capital Practice

PROJECT ROLE Tracie is responsible for the accurate and timely delivery of consulting services and oversees all account management for the Human Capital Practice, Willis of Delaware, Inc.

PROFESSIONAL EXPERIENCE

Areas of Expertise:

- Responsible for assisting with strategic planning and overall relationship and account management, including vendor relations, communications, and compliance.
- Assists clients and client managers with data analysis and vendor selection and facilitates the internal professional development of her team of client managers.
- Oversees all compliance, audits, and training for Delaware's Human Capital Practice.
- Utilization of Consumer Driven benefit design and pricing (including Health Reimbursement Arrangements and Health Savings Accounts).

Beginning her career as a marketing administrative assistant working with the sales force and vendor suppliers, Tracie has been a licensed representative since 2000 and has been with the Delaware firm since 1995. She quickly moved onto customer service and then into account management, which are department positions she now trains and supervises. Tracie works closely and diligently with Human Resource Departments in resolving their challenges.

CREDENTIALS

Multiple-state Health Licensed

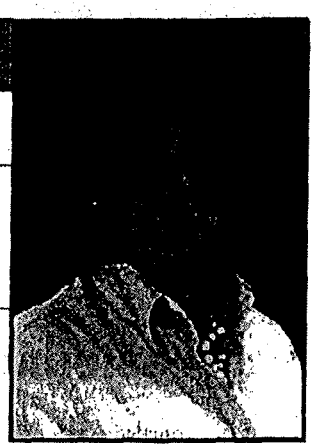
Securities, Non-Registered Associate in the qualified plan area

COBRA Certified

Willis

Willis of Delaware, Inc.
222 Delaware Avenue, Suite 1000 • P.O. Box 2287 • Wilmington, Delaware 19899
302-658-8000 • 800-441-9385 • *Fax* 302-571-1876 • www.willisofde.com • www.willis.com
Direct 302-397-0178 • *Mobile* 302-354-4466 • tracie.schloer@willis.com

JENNIFER BAGLEY



POSITION Consultant, Human Capital Practice

PROJECT ROLE Jennifer is responsible for the accurate and timely delivery of consulting services for the Human Capital Practice, Willis of Delaware, Inc.

PROFESSIONAL EXPERIENCE

Areas of Expertise:

- Works with clients in the middle market to strategically align corporate business initiatives with employee rewards programs.
- Specializes in the creation of customized strategies that integrate the right mix of voluntary benefits with core medical plans to achieve robust coverage for employees while meeting business objectives for cost and enrollment.
- Has made a study of fulfillment and communication tactics that maximize employee engagement in the enrollment process.
- Utilization of Consumer Driven benefit design and pricing (including Health Reimbursement Arrangements and Health Savings Accounts).

Jennifer has worked in the employee benefits arena since 2003, starting in retirement plan and flexible benefit consulting. She has developed expertise in designing multi-dimensional benefit programs for business leaders, financial executives, and human capital teams that help drive employee retention and recruitment initiatives. She has been a licensed representative since 2007 and has been with the Delaware firm since 2013.

CREDENTIALS

Graduated from Mary Washington University with a B.A. in Economics

Multiple-state Health, Life & Accident Licensed

Serves on the Leadership Council of the Board of Directors for Junior Achievement Delaware

Member of the Board of Directors for the Delaware Society of Human Resource Management

Was named to Delaware Today's Women in Business in 2011

Currently enrolled in the curriculum for the Chartered Healthcare Consultant (ChHC) professional designation at The American College

Willis

Willis of Delaware, Inc.
222 Delaware Avenue, Suite 1000 • P.O. Box 2287 • Wilmington, Delaware 19899
302-658-8000 • 800-441-9385 • *Fax* 302-571-1876 • www.willisofde.com • www.willis.com
Direct 302-397-0190 • *Mobile* 302-299-9601 • jennifer.bagley@willis.com

ANGEL REY PARTIE



POSITION Communications Specialist / Creative Services

PROJECT ROLE Angel is responsible for the accurate and timely delivery of communications deliverables for the Human Capital Practice, Willis of Delaware, Inc.

PROFESSIONAL EXPERIENCE

Areas of Expertise:

- Works with the sales department to develop and design marketing materials (corporate identity pieces, direct mail, flyers, brochures, posters, banners, ads, etc.), presentations, employee communications pieces, and open enrollment and benefit guides under demanding time constraints and with minimal guidance.
- Specializes in copywriting and print design but also has skills and experience in photography, digital illustration, interactive authoring, motion graphics, video production and editing, and web design.
- Is tasked with staying apprised of and knowledgeable about the global communication capabilities provided by Willis for our clients.
- Has skills that include the facility to adapt to shifting deadlines and project needs, keen problem-solving abilities, exceptional attention to detail, and a clean, professional design aesthetic.

Angel started in the Benefits department analyzing and comparing insurance plans and creating proposals in 2003. Eventually he took over all in-house communications and creative services for the Delaware operation. His benefits experience, advanced writing skills, and design training allow him to deliver the highest quality communications pieces for the Human Capital team and our clients.

CREDENTIALS

Graduated from Wilmington University with a B.S. in Interactive Multimedia Design, Summa Cum Laude, Delta Epsilon Rho Honor Society member, and the recipient of The Trustees' Award for Scholarship in Information Technology and Advanced Communications

Has taught three different college-level writing classes at Wilmington University as an adjunct instructor since 2008

Currently pursuing an M.F.A. in Creative Writing at Full Sail University

Willis

Willis of Delaware, Inc.
222 Delaware Avenue, Suite 1000 • P.O. Box 2287 • Wilmington, Delaware 19899
302-658-8000 • 800-441-9385 • *Fax* 302-571-1876 • www.willisofde.com • www.willis.com
Direct 302-397-0343 • angel.partie@willis.com

PROFESSIONAL PERSONNEL PROFILE

Executive



Larry is a Phi Beta Kappa graduate of Indiana University in 1968 and Yale Law School in 1971. He is also a retired Captain in the United States Army Reserve and a former professional golfer.

In 1973, Larry joined the respected Wilmington law firm of Bayard, Brill and Handelman. Then in 1975, he moved to a General Counsel and Executive role at The Zutz Insurance Group, which has preserved a proud family history since 1940.

In 1989, he was named President of The Zutz Insurance Group (now Willis of Delaware, Inc.) and has been responsible for much of the growth and success of the organization.

Among his professional memberships are the Delaware State Bar Association, the District of Columbia Bar Association, the Professional Liability Underwriting Society (PLUS), and the Independent Insurance Agents and Brokers of America.

Larry is currently active in a number of civic affairs, including the Wilmington Rotary Club, and over the years has served on the Boards of the Blood Bank of Delmarva, The First Tee Program, Blood Bank of Delmarva, Girls, Inc. and others.

Over the years, he has served in various Board positions for numerous other civic and professional associations, including United Way of Delaware and American Red Cross of Delaware.

Willis

Willis of Delaware, Inc.
222 Delaware Avenue, Suite 1000 • P.O. Box 2287 • Wilmington, Delaware 19899
302-658-6000 • 800-441-9385 • *Fax* 302-658-8879 • www.willisofde.com • www.willis.com
Direct 302-397-0180 • larry.zutz@willis.com

WILLIS HUMAN CAPITAL PRACTICE



ANTHONY ROOT

POSITION

Senior Consultant, Reporting & Analytics
Willis North America Human Capital Practice

PROFESSIONAL EXPERIENCE

Anthony joined Willis in October, 2013 as a part of the Reporting & Analytics consulting practice for Willis Human Capital. As a regional resource, Anthony is responsible for reporting and analytics support, guidance and oversight for our Northeast and Atlantic region offices.

Anthony has over fifteen years of experience in employee benefits and managed care industries with emphasis in data analytics including underwriting, financial funding alternatives, cost management, plan design, strategic contribution modeling and in-depth consulting related to the Affordable Care Act. Anthony has extensive experience building strong working relationships with clients of all sizes and industries with an emphasis on the strategic advantage that data analytics provides in today's ever changing environment.

CREDENTIALS

Anthony holds a Bachelor of Science in Business from the University of Arkansas.

WILLIS HUMAN CAPITAL PRACTICE



PAMELA MURRAY

POSITION Senior Human Resources Consultant, Willis Human Capital Practice

PROFESSIONAL EXPERIENCE

Pam joins the Willis Human Capital Practice as a Senior HR Consultant. She is a seasoned human resources professional and thought leader with more than 20 years of experience providing HR consultation and direction to executives, managers and employees for various organizations. She has depth and breadth of expertise in compensation, benefits, HR communications and systems implementation.

Pam's experience spans both the health care industry and the private, for-profit world where she most recently directed and consulted in the area of total compensation and HR best practices for a large, global entity marked as the 20th largest employer worldwide.

Her background includes leadership positions in human resources where she conducted total rewards gap assessments and implemented solutions related to employee engagement, performance management, FLSA and FMLA compliance, and work life challenges.

CREDENTIALS

Pam earned a Bachelor's Degree in Business Administration from Towson University, is an active member of both the Society for Human Resource Management (SHRM) and World at Work (WAW) and has done speaking engagements at several national forums, most recently at the annual Meeting of the Minds as a guest speaker for ADP.

WILLIS HUMAN CAPITAL PRACTICE



MARGIE KIDD

POSITION Senior Health Outcomes Consultant, Willis Human Capital Practice

PROFESSIONAL EXPERIENCE

Margie Kidd joined the Human Capital Practice for Willis North America in January, 2012 and serves as a consultant for the Health Outcomes Practice in the Atlantic Region, based out of the Knoxville office.

Margie provides consultative services to internal clients in the area of design, implementation and evaluation of employee wellness programs and services. She has expertise and best practice knowledge regarding all aspects of wellness program development and evaluation including data analysis, business planning, incentive design strategy, vendor selection, driving behavior change and evaluating outcomes.

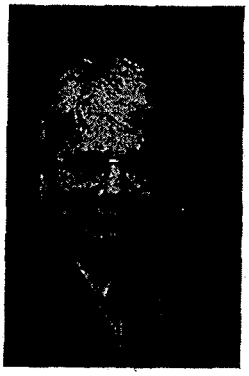
Margie has over 15 years of experience in Health and Wellness program design and execution in government, community and corporate settings. Prior to Willis she created, implemented and managed a nationally recognized comprehensive wellness program for a Willis client.

Margie's passion is working with organizations to identify and strategically plan worksite wellness solutions and improve the overall health of the employees, and create a culture of health.

CREDENTIALS

Ms. Kidd has a Bachelor of Science Degree in Exercise Science and an MBA from the University of Tennessee. She is a Board Member of IDEA, Fitness and Wellness Association, East Tennessee Children's Hospital Obesity Coalition, Tennessee Worksite Task Force, along with other wellness organizations.

WILLIS HUMAN CAPITAL PRACTICE



[redacted]

POSITION

Employee Benefits Attorney
Willis National Legal and Research Group

PROFESSIONAL EXPERIENCE

Jack has over 33 years of experience in a broad range of employee benefit matters including welfare benefit plans, qualified and non-qualified retirement plans and other employer-provided fringe benefits. Prior to joining Willis, Jack held human resources/benefits leadership positions at four different Fortune 500 companies.

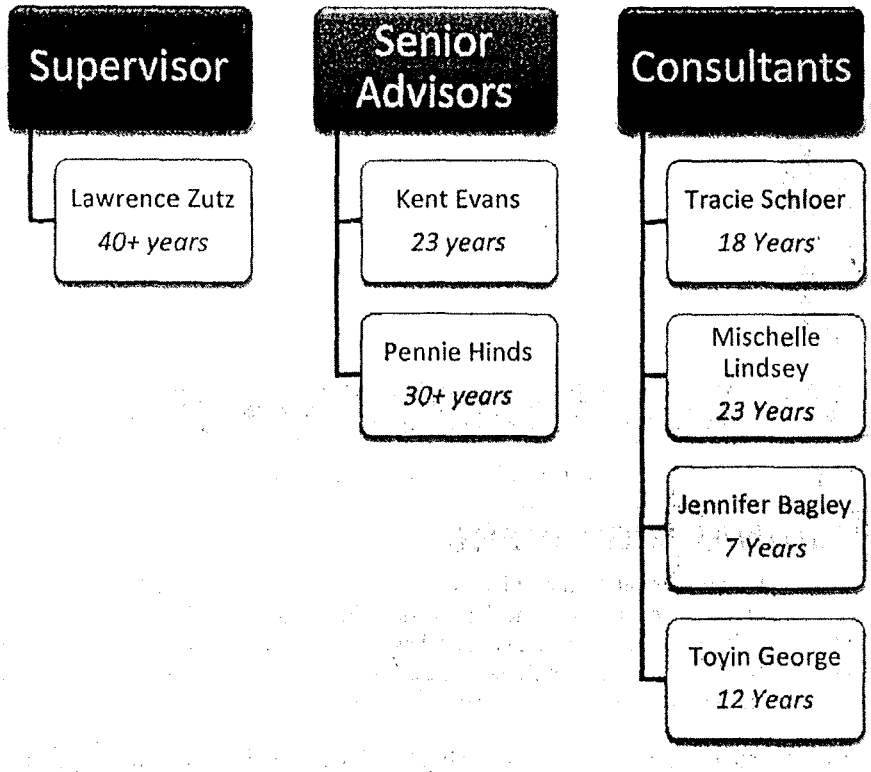
Jack received his LLM-Employee Benefits from John Marshall Law School, his JD from South Texas College of Law, and his MBA and BBA-Business Economics from Cleveland State.

Jack presents regularly in the Benefits/Human Resource community on various topics including Health Care Reform, Total Rewards Strategy, 401(k) Plans, Behavioral Economics, Paid Time Off and Retiree Healthcare.

Jack was appointed to the Department of Labor, Employee Benefits Security Administration's Advisory Council and completed his three year term in 2012. He currently serves on the Benefits Advisory Board for World at Work. Previously, he served in board positions for the Council on Employee Benefits, the American Benefits Council and the International Foundation of Employee Benefit Plans Corporate Board.

Jack has also been an instructor/lecturer in the business programs at The Ohio State University and other Ohio colleges and universities, and the CEBS program.

Exhibit B: TEAM EXPERIENCE AND BIOGRAPHIES

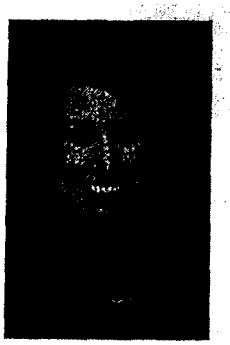


The City of Wilmington will have an experienced team of consultants working in collaboration on all strategic and tactical operations. The Wilmington office is supervised under the leadership of Lawrence Zutz, who has been working in the insurance field for over 40 years. Leading the Human Capital consulting team as senior advisors are Kent Evans and Pennie Hinds, with over 53 years of combined insurance experience. The four additional consultants have experience ranging from 7 to 23 years specifically in the insurance and employee benefits marketplace.

Collectively, this team brings over 155 years of consulting experience in human capital and employee benefits to the City of Wilmington.

Willis

WILLIS HUMAN CAPITAL PRACTICE



KRISTEN L. STRUYS

POSITION Communication Consultant, Willis Human Capital Practice

PROFESSIONAL EXPERIENCE

Kristen Struys is a Human Capital Communication Consultant at Willis. She has over 10 years of marketing and communication experience and has worked in a variety of industries prior to joining Willis in 2009. Kristen's body of work experience has provided her with a unique perspective of communicating and understanding the client's needs, especially as they relate to employee benefits and helping Willis clients' employees learn about their benefit offerings.

Kristen takes a consultative approach in working with clients, listening to their concerns, understanding the scope of projects and managing deadlines so the project is delivered successfully and on time. She also has experience with budgeting for and managing complex communication campaigns.

In her current position, Kristen consults with clients to develop strategic communication plans incorporating print materials, Adobe Presenter rich media presentations, Willis video postcards and other custom communications. In addition to her client facing role, Kristen's areas of interest include social media, innovative technology and researching new marketing communication techniques to apply to employee benefit communications.

Kristen previous positions include working at Drexel University College of Medicine as the corporate marketing communication specialist; Harris, Baio & McCullough, an advertising firm in Philadelphia, as the creative services traffic manager; and the Philadelphia Flyers, as a customer service manager, developing and executing marketing communication campaigns for season ticket holder benefits, events and general communications.

Kristen is one of seven members of the Willis Human Capital Communication Practice. She is located in the Radnor, PA office, a suburb of Philadelphia.

CREDENTIALS

Kristen is a graduate of York College of Pennsylvania with a Bachelor of Arts in Mass Communication. She also has a Project Management Certificate from Pennsylvania State University.

Willis

CLIENT NAME
ADDRESS

Willis of Delaware, Inc.

Note: Text in bold green contains internal Willis instructions and should be deleted before printing the final agreement. Text in non-bold green is either optional or is to be amended to suit the particular transaction. If such text is retained, you should change it to black font.

FEE AGREEMENT – HUMAN CAPITAL ACCOUNTS

This document records our mutual understanding regarding our professional relationship and the services we will provide to you.

_____ and Willis of _____, Inc. agree as follows:

1.0 Services and Responsibilities

1.1 Subject to all other terms and conditions of this Agreement, Willis shall provide the Services identified in Appendix A.

1.2 We are committed to acting in your best interests at all times in providing services to you.

1.3 The services we provide to you rely in significant part on the facts, information, and direction provided by you or your authorized representatives. Accordingly, you must provide us with complete and accurate information regarding your loss experience, risk exposures, changes in the analysis or scope of your risk exposures, and any other information reasonably required or requested by us or insurers. It is important to advise us of any changes in your business operations that may affect our services or your insurance coverages. Therefore, all information which is material to your coverage requirements or which might influence insurers in deciding to accept your business, finalizing the terms to apply and/or the cost of coverage or pay a claim, must be disclosed. Failure to fully disclose such information might allow insurers to avoid liability for a particular claim or to void the policy. This duty of disclosure applies equally at renewal of your existing coverage and upon placement of new lines of coverage. Willis is not responsible for any consequences arising from any delayed, inaccurate or incomplete information.

1.4 At the time of binding, we review the financial soundness of the insurers we recommend to provide your coverages based on publicly available information, including that produced by well-recognized rating agencies. Upon request, we will provide you with our analysis of such insurers. We do not guarantee or warrant the solvency of any insurer or any intermediary that we may use to place your coverage.

1.5 You will make all final decisions relating to your insurance coverages, risk management, and loss control needs. We will procure the insurance coverage chosen by you, including the limits you choose. We will review all binders, policies and endorsements to confirm their accuracy and conformity to negotiated specifications and your instructions. We

will advise you of any errors in, or recommended changes to, such documents. You agree to also review all such documents and promptly advise us of any questions you have or of any document or provision which you believe may not be in accordance with your instructions. Your coverage is defined by the terms and conditions detailed in your insurance policies and endorsements.

1.6 In our capacity as employee benefits professionals, we do not provide legal or tax advice. We encourage you to seek any such advice you want or need from competent legal counsel or tax professionals

2.0 Confidentiality

2.1 We treat information you provide us in the course of our professional relationship as confidential and use it only in performing services for you. We may share this information with third parties to provide the services to you. We may also disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. By providing us with data, you represent that you are fully authorized to possess that data and to provide it to us, and further that we are fully authorized to obtain, maintain, process and transfer such data in a commercially reasonable manner. We have implemented and maintain commercially reasonable and appropriate security measures to protect sensitive information from unauthorized use or disclosure. Records you provide us will remain your property and will be returned to you upon request. However, we will retain copies of such records to the extent required in the ordinary course of our business or by law. You will treat any information we provide to you, including data, recommendations, proposals, or reports, as confidential, and you will not disclose it to any third parties. You may disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. We retain the sole rights to all of our proprietary computer programs, systems, methods and procedures and to all files developed by us.

2.2 **Optional Provision: Include the following when Willis will receive personal information of a Massachusetts resident. If this section does not apply, delete it and replace it with: This Section intentionally left blank.** Willis represents and warrants that, with respect to the personal information of any Massachusetts resident (1) it has and is capable of maintaining appropriate security measures to protect Personal Information consistent with 201 CMR 17.00 and any applicable federal regulations; and (2) as of the Agreement Effective Date, it has and will at all times during the term of this Agreement, maintain a comprehensive written information security program that complies with applicable privacy and data security laws. Willis's information security program shall contain at least the following:

- Reasonable restrictions upon physical access to records containing personal information and storage of such records and data in locked facilities, storage areas or counters.

- Regular monitoring to ensure that the comprehensive information security program is operating in a manner reasonably calculated to prevent

unauthorized access to or unauthorized use of personal information; and upgrading information safeguards as necessary to limit risks.

- Reviewing the scope of the security measures at least annually or whenever there is a material change in business practices that may reasonably implicate the security or integrity of records containing personal information.

- Documenting responsive actions taken in connection with any incident involving a breach of security, and mandatory post-incident review of events and actions taken, if any, to make changes in business practices related to protection of personal information.

2.3 In the event that you or any of the benefit plans you sponsor need to enter into business associate agreements with Willis to satisfy the requirements of the Health Insurance Portability and Accountability Act, the regulations implementing that Act (the "Standards for Privacy of Individually Identifiable Health Information," codified at 45 C.F.R. parts 160 and 164), or any other similar law, you agree to work with Willis to execute an agreement in compliance with these requirements.

3.0 Compensation and Disclosure

3.1 Fee: _____

Optional Sentence: The Fee is in addition to the premium paid for the insurance policies set forth in Appendix A (the "Coverages") purchased by you through us as your insurance brokers and is payable in (monthly, quarterly, annual) installments commencing the ___ day of _____, 20__.

Optional Sentence: This Fee is in addition to the premium paid for the insurance policies set forth in Appendix A (the "Coverages"). If we receive any commissions for the Coverages purchased by you through us as your insurance brokers we will offset such commissions against the Fee to the fullest extent permitted by law. The premium is payable in [monthly] [quarterly] [annual] installments commencing the ___ day of _____, 20__. We will account to you quarterly during the term of the Agreement and at the termination of the Agreement for all commissions received during the preceding quarter and shall adjust the amount of the Fee owing as required.

Optional Provision: The following provision is required in the event the insured being charged a fee is domiciled in New Jersey or the policy is negotiated with the insured from its New Jersey location and the policy will be delivered to the client in New Jersey:

These fees may only be charged if you agree to the fees in writing by signing this Agreement.

Optional Provision: The following provision is required in the event the insured being charged a fee is domiciled in Ohio or the policy is negotiated with the insured from its Ohio location and the policy will be delivered to the client in Ohio:

Neither state law nor any insurance company requires Willis to charge a fee. Ohio law permits such fees but provides that the fees may not be refunded, forgiven, waived, offset or reduced by any commissions earned or received by Willis.

Optional Provision: The following provision is required in the event the insured being charged a fee is domiciled in Texas or the policy is negotiated with the insured from its Texas location and the policy will be delivered to the client in Texas:

The Texas Department of Insurance maintains a toll-free telephone number (1-800-252-3439) which you may call if you have complaints regarding fees charged by any insurance producer.

Optional sentence to be used in states in which we may receive fees in addition to commissions only if the fees are for services other than the ordinary placement and servicing of the policies: These commissions compensate us for the placement and routine servicing of the insurance polices. The Fee provided for above compensates us for the services set out in Appendix A which are in addition to the placement and routine servicing of the policies.

3.2 If Willis is compensated by commissions paid to us by insurers, they will be earned for the entire policy period at the time we place policies for you. We will be paid the commission percentage stated for the placement of your insurance as indicated, and will receive the same commission percentage for all subsequent renewals of this policy unless we negotiate a different commission percentage with you.

3.3 Commission schedules and other compensation arrangements related to out services on your behalf may change over time and may not always be congruent with your specific policy period. Willis will provide you with accurate information to the best of our knowledge when information is presented to you, but it is possible that compensation arrangements may change over time.

3.4 Willis is an insurance producer licensed to do business worldwide, including in all 50 states and the District of Columbia. Insurance producers are authorized by their license to work with insurance purchasers and discuss the benefits and terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of an insurance producer in any particular transaction involves one or more of these activities.

3.5 The compensation that will be paid to Willis will vary based on the insurance contract it sells. Depending on the insurer and insurance contract you select, compensation may be paid by the insurer selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract and insurer you select and will be in addition to the Fee. In some cases, other factors such as the volume of business Willis provides to the insurer or the profitability of insurance contracts Willis provides to the insurer also may affect compensation.

3.6 Upon request, Willis will provide you with additional information about the compensation Willis expects to receive based in whole or in part on your purchase of

insurance, and (if applicable) the compensation expected to be received based in whole or in part on any alternative quotes presented to you.

3.7 You may use a third party administrator, utilization review firm or other similar service provider in connection with the insurance coverages we place for you or the services we provide to you. If you elect to use a service provider from which we or our corporate parents, subsidiaries or affiliates will receive any compensation directly or indirectly relating to the services you purchase from the provider, we will disclose additional information regarding that compensation to you before you make a final decision to use the service provider.

3.8 Willis may place your insurance with members of a panel of insurers. Willis develops panels of insurers in certain market segments. Participating insurers are reviewed on a variety of factors. Commission rates on panel placements may be higher than rates paid on business placed outside of the panel process. Willis discloses its commission rates to clients on quotes obtained through the panel process prior to binding the coverage. In some instances, insurers pay an administration fee to participate in the panel process.

3.9 Some of our corporate parents, subsidiaries or affiliates are reinsurance brokers that provide reinsurance brokerage services to their insurance carrier clients. Their clients compensate them for those reinsurance brokerage services. Some of their insurance carrier clients may happen to be insurance carriers with whom we place your insurance coverages. The services we provide you and the reinsurance services our reinsurance affiliates provide their clients are separate and any compensation they may earn for the services they provide their clients are separate from and in addition to the compensation we earn for the services we provide you under this Agreement.

3.10 As an insurance intermediary, we normally act for you. However, for some insurance products, we or our corporate parents, subsidiaries or affiliates may provide services to insurers. These services may include (a) acting as a managing general agent, program manager or in other similar capacities which give us binding authority enabling us to accept business on their behalf and immediately provide coverage for a risk; (b) arranging lineslips or similar facilities which enable an insurer to bind business for itself and other insurers; or (c) managing lineslips for insurers. Contracts with these insurers may grant us certain rights or create certain obligations regarding the marketing of insurance products provided by the insurers. We may place your insurance business under such a managing general agent's agreement, binding authority, lineslip or similar facility when we reasonably consider that these match your insurance requirements/instructions. When we intend to do so, we shall inform you and disclose the compensation payable to Willis in connection with the placement of the insurance coverage.

3.11 Subsidiaries of Willis North America Inc are members of a major international group of companies. In addition to the commissions received by us from insurers for placement of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties (some of which may be owned in whole or in part by our corporate parents or affiliates), may earn and retain usual and customary commissions for their role in providing insurance products or services to you under their separate contracts with insurers or reinsurers.

3.12 The insurance market is complex, and there could be other relationships which are not described in this document which might create conflicts of interest. If a conflict arises for which there is no practicable way of complying with this commitment, we will promptly inform you and withdraw from the engagement, unless you wish us to continue to provide the services and will provide your written consent. Please let us know in writing if you have concerns or we will assume that you understand and consent to our providing our services pursuant to these terms.

3.13 Our compensation for the services does not include federal, state and local sales, use, excise, receipts, gross income and other similar taxes or governmental charges which may be imposed. You are responsible for paying any such taxes or charges (except for taxes imposed on the net income of Willis) now imposed or becoming effective during the Term. In addition to the premium and our compensation, Willis may invoice you for any federal, state and local sales, use, excise or other similar taxes, unless you provide us with a valid tax exemption acceptable to us.

3.14 We reserve the right to pass through to you any mutually agreed reasonable costs related to the printing of your employee communications material, WillisMed data scrubbing, or other out-of-pocket expenses.

4.0 Premium/Handling of Funds

4.1 You will provide immediately available funds for payment of premiums by the payment dates specified in the insurance policies, invoices or other payment documents. Failure to pay premium on time may prevent coverage from incepting or result in cancellation of coverage by the insurer. We are not responsible for any consequences arising from any delay or failure by you to pay the amount due by the indicated date.

4.2 In certain instances and where explicitly agreed upon in advance, Willis may collect insurance premium from you and remit the premium to the appropriate insurance company or intermediary. In doing so, we may also receive and retain interest on premiums you pay from the date we receive the funds until we pay them to the insurers or their intermediaries, or until we return them to you.

5.0 Term and Termination

5.1 The fee is earned in accordance with completion of work associated with the phases of services as set forth in Appendix A. The value of each phase of service as a percentage of the fee is as follows:

Strategic Planning	15%	Earned in equal monthly installments prior to the benefit plan effective date

Program Renewal / Placement Process	35%	Earned in equal monthly installments prior to the benefit plan effective date
Ongoing Service and Resources	50%	Earned in 12 equal monthly installments

The client will be billed for all services rendered for which the fee was earned as of the termination date.

5.2 **Optional Provision: Insert this provision if the Agreement will be for a set term only:** The Term of this Agreement shall be from _____ to _____ (the "Term").

Optional Provision: Insert this provision if the Agreement will be for an initial term with the option for automatic renewals on the same terms and conditions: The initial term of this Agreement shall be from _____ to _____. Thereafter, this Agreement shall automatically renew for successive renewal terms under the same terms and conditions as the initial term unless either party provides the other with written notice of nonrenewal at least sixty (60) days prior to the end of the initial term or of any renewal term. (The initial term and any subsequent term shall be referred to in this Agreement collectively as the "Term".)

Optional Provision: Insert this provision if the intent is to allow either party to terminate without cause by giving written notice to the other party: Either party may terminate this Agreement at any time by giving the other party sixty (60) days advance written notice of termination, with such termination to be effective immediately upon the expiration of the sixty (60) day notice period.

5.3 Our obligation to render the Services under this agreement ceases at the end of the Term or on termination of the Agreement, whichever is sooner. Nevertheless, we will take reasonable steps to assist in the orderly transition of matters to you or to a new insurance broker which you designate. Claims and premium or other issues may arise after our relationship ends. Such items are normally handled by the insurance broker or consultant serving you at the time the claim or other issue arises. However, we will consider providing services in these areas after the Term or termination of this Agreement for mutually agreed additional compensation.

6.0 Other Provisions

6.1 We do not tolerate unethical behavior either in our own activities or in those with whom we seek to do business. We will comply with all applicable laws, regulations, and rules.

6.2 In certain circumstances, the United States and other countries prohibit or restrict companies from conducting business in certain jurisdictions or with certain individuals or

entities and can fine or otherwise penalize companies who conduct such business. The way these sanctions programs may affect a given insurance transaction depends on a number of complex factors including your ownership structure, control, location, and the nationality of your employees. We cannot advise you or insurers on the applicability of sanctions programs nor can we guarantee or otherwise warrant the position of any insurer under existing or future sanctions programs. You should seek legal advice on the potential applicability of sanctions as you deem appropriate. We will comply with all applicable sanctions programs and, where required by law, may take certain actions, including freezing funds held on behalf of parties and individuals covered by applicable sanctions.

6.3 Willis owns and retains all right, title, and interest in and to the following Willis Property: (i) all software, hardware, technology, documentation, and information provided by Willis in connection with the Claim and Risk Control Services; (ii) all ideas, know-how, methodology, models and techniques that may be developed, conceived, or invented by Willis during its performance under this Agreement; and (iii) all worldwide patent, copyright, trade secret, trademark and other intellectual property rights in and to the property described in clauses (i) and (ii) above. We expressly reserve all rights in the Willis Property.

6.4 During the term of this agreement and for a reasonable period thereafter, you may audit the records and accounts of Willis related to this agreement, at your expense. You agree to give us reasonable advance written notice of any audit and to conduct the audit during normal business hours in a manner which is not unduly disruptive to our ongoing business.

6.5 We agree to communicate with each other from time to time by electronic mail, sometimes attaching further electronic data. By consenting to this method of communication you and we accept the inherent risks (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). We each agree, however, to employ reasonable virus checking procedures on our computer systems, and to check all electronic communications received for viruses. You will also check that messages received are complete. In the event of a dispute neither of us will challenge the legal evidentiary standing of an electronic document, and the Willis system is deemed the definitive record of electronic communications and documentation.

6.6 Please note that our system blocks certain file extensions for security reasons, including, but not limited to, .rar, .text, .vbs, .mpeg, .mp3, .cmd, .cpl, .wav, .exe, .bat, .scr, .mpq, .avi, .com, .pif, .wma, .mpa, .mpg, .jpeg. Emails with such files attached will not get through to us; and no message will be sent to tell you they have been blocked. If you intend to send us emails with attachments, please verify with us in advance that our system will accept the proposed form of attachment.

6.7 The Section headings in this Agreement are for convenience only and are not intended to define or limit the scope of the contents of such paragraphs. This Agreement may be executed in its original version or in any copy, counterpart, or other duplicate.

6.8 This Agreement supersedes any and all prior agreements between us regarding the insurance coverages and the services provided.

6.9 The provisions of this agreement are severable and, in the event any provision or portion of any provision is construed by any court of competent jurisdiction to be invalid, the same shall not invalidate any other provision of this agreement or the remainder of the enforceable portion of the provision.

6.10 This Agreement is governed by and construed in accordance with the laws of the state of _____ and any dispute shall be resolved in the appropriate court of such state or in any federal court with proper jurisdiction thereof.

7.0 Questions

7.1 If you have questions, please inform your Willis representative or call the head of our office. You may also call 1-866-704-5115, the toll-free number which Willis has established for client feedback.

_____	**Willis of Delaware, Inc.**
[Insert name of Client]	
By: _____	**By:** _____
Title: _____	**Title:** _____
Date: _____	**Date:** _____

Willis

APPENDIX A

Attach US HCP Scope of Services here.

(See Section 2 for our current proposed Scope of Services.)

BUSINESS ASSOCIATE AGREEMENT

This BUSINESS ASSOCIATE AGREEMENT (this "Agreement") is made as of **[Date]**, by and between **[LEGAL NAME OF CLIENT]** ("CLIENT") and **WILLIS OF DELAWARE, INC.** ("WILLIS").

RECITALS:

A. CLIENT and WILLIS have entered into an arrangement or arrangements pursuant to which WILLIS provides certain services for and on behalf of CLIENT (the "Arrangement");

B. Under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing regulations which include the Standards for the Privacy of Individually Identifiable Health Information (the "Privacy Rule") (45 C.F.R. Parts 160 and 164) and the Security Standards for the Protection of Electronic Protected Health Information (the "Security Rule") (45 C.F.R. Parts 160 and 164), as amended by applicable provisions of the Health Information Technology for Economic and Clinical Health Act (Title XIII, Subtitle D) and its implementing regulations (the "HITECH Act") as amended by the Final HIPAA regulations at 78 Final Register 5566 (January 25, 2013) ("Final Omnibus Rule") (collectively, the "HIPAA Rules"), CLIENT and WILLIS must enter into a business associate agreement to enable WILLIS to carry out its obligations under the Arrangement since CLIENT discloses to WILLIS, and/or WILLIS creates and receives on behalf of CLIENT Individually Identifiable Health Information, as such term is defined in 45 C.F.R. 160.103; and

C. CLIENT and WILLIS desire to make this Agreement to the Arrangement in order to enable CLIENT to satisfy its obligations under the HIPAA Rules.

NOW, THEREFORE, for and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. DEFINITIONS.

Capitalized terms used in this Agreement and not otherwise defined herein shall have that meaning given to them in the HIPAA Rules.

II. USE AND DISCLOSURE OF PROTECTED HEALTH INFORMATION BY WILLIS.

2.1 Confidentiality. WILLIS shall hold Protected Health Information confidentially, and shall not Use or Disclose it other than as permitted or required by this Agreement or as Required by Law. WILLIS may not use or disclose Protected Health Information in a manner that would violate the requirements of the HIPAA Rules, if done by the CLIENT, except for the purposes specified under 45 C.F.R. § 164.504(e)(2)(i)(A) or (B) if such uses or disclosures are permitted by the Arrangement.

2.2 Use or Disclosure to Provide Services Under the Arrangement. WILLIS may Use and Disclose Protected Health Information as necessary to perform its obligations under the Arrangement; provided, however, that WILLIS shall not, and shall ensure that its directors, officers, employees, contractors and agents (the "Representatives") do not, Use or Disclose Protected Health Information in any manner that would violate the Privacy Rule, as amended from time to time, if done by CLIENT.

2.3 Use or Disclosure for WILLIS' Management and Administration. Notwithstanding Section 2.2 above, WILLIS may Use or Disclose Protected Health Information for its proper management and administration provided that, before Disclosing Protected Health Information to a third party for WILLIS' proper management and administration, WILLIS must obtain reasonable assurances from the third party that: (i) the Protected Health Information will be held confidentially and subject to the same restrictions and conditions that apply to WILLIS under this Agreement and will only be Used or Disclosed as Required by Law or for the purposes for which it was Disclosed to the third party; and (ii) the third party will immediately notify WILLIS of any instances of which it is aware in which the confidentiality of the Protected Health Information Disclosed to it has been breached.

2.4 Use or Disclosure to Provide Data Aggregation Services. WILLIS may Use or Disclose Protected Health Information to provide Data Aggregation services relating to the Health Care Operations of CLIENT.

2.5 De-Identification of Protected Health Information. WILLIS may de-identify any and all Protected Health Information provided that the de-identification conforms to the requirements of the Privacy Rule. The parties acknowledge and agree that de-identified data does not constitute Protected Health Information and is not subject to the terms of this Agreement.

III. RESPONSIBILITIES OF WILLIS.

3.1 Safeguards Against Misuse of Information. WILLIS agrees that it will implement appropriate safeguards to prevent the Use or Disclosure of Protected Health Information other than pursuant to the terms and conditions of this Agreement.

3.2 Reporting Disclosures of Protected Health Information. WILLIS shall, within fifteen (15) business days of becoming aware of a Disclosure of Protected Health Information in violation of this Agreement by WILLIS or its Representatives, report such Disclosure to CLIENT. WILLIS agrees to have procedures in place for mitigating, to the extent practicable, any harmful effect known to WILLIS and arising from such Use or Disclosure.

3.3 Agreements by Third Parties. In accordance with 45 C.F.R. § 164.502(e)(1)(ii), WILLIS shall enter into an agreement with any agent or Subcontractor that will have access to Protected Health Information pursuant to which such agent or contractor agrees to be bound by the same or substantially similar restrictions, terms, and conditions of this Agreement that apply to WILLIS with respect to such Protected Health Information.

3.4 Access to Information. WILLIS shall provide access, at the request of CLIENT or an Individual, to Protected Health Information maintained by WILLIS in a Designated Record Set(s), to CLIENT, or as directed by CLIENT, to an Individual in order to meet the requirements of 45 C.F.R. § 164.524, including, without limitation with respect to an Individual's request for an electronic copy of PHI. WILLIS shall use commercially reasonable efforts to provide such access within fifteen (15) business days of receiving such request.

3.5 Availability of Protected Health Information for Amendment. WILLIS shall make any amendment to Protected Health Information maintained in a Designated Record Set by WILLIS that is requested by CLIENT, or as directed by CLIENT, that is requested by an Individual. WILLIS shall use its best efforts to make such amendments within twenty (20) business days of receiving such request.

3.6 Accounting of Disclosures. WILLIS shall document such Disclosures of Protected Health Information and information related to such Disclosures as would be required for CLIENT to respond to a request by an Individual for an accounting of Disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

WILLIS shall provide to CLIENT or, as directed by Client, to an Individual, information collected in accordance with the preceding paragraph to permit CLIENT to respond to a request by an Individual for an accounting of Disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528. WILLIS shall use commercially reasonable efforts to provide such information within twenty (20) days of receiving such written request.

3.7 Uses and Disclosures Required by Law. Except to the extent prohibited by law, WILLIS shall immediately notify CLIENT upon its receipt of a request for Use or Disclosure of Protected Health Information with which WILLIS believes it is Required by Law to comply. WILLIS shall provide CLIENT with a copy of such request, shall consult and cooperate with CLIENT concerning the proper response to such request and shall provide CLIENT with a copy of any information Disclosed pursuant to such request.

3.8 Availability of Books and Records. WILLIS hereby agrees to make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of Health and Human Services (the "Secretary") for purposes of determining CLIENT's or WILLIS' compliance with the HIPAA Rules. Notwithstanding the foregoing, nothing herein shall be deemed to require WILLIS to waive any attorney-client, accountant-client, or other legal privilege.

3.9 Security Obligations for Electronic Protected Health Information. WILLIS shall, in accordance with the Security Rule, implement Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic Protected Health Information it creates, receives, maintains, or transmits on behalf of CLIENT. Further, WILLIS shall ensure that any agent, Subcontractor, or other party to whom WILLIS provides Electronic Protected Health Information agrees to implement reasonable and appropriate safeguards to protect such Electronic Protected Health Information. WILLIS shall comply, where applicable, with 45 C.F.R. Subpart C of the Security Rule. If WILLIS becomes aware of any Successful Security Incidents, WILLIS shall report the same in writing to CLIENT within fifteen (15) business days of such Successful Security Incident, and WILLIS agrees to reasonably mitigate, to the extent practicable, any harmful effect resulting from such Successful Security Incidents. To avoid unnecessary burden on either party, WILLIS shall report to CLIENT any Unsuccessful Security Incidents of which it becomes aware of only upon request of the CLIENT. The frequency, content and the format of the report of Unsuccessful Security Incidents shall be mutually agreed upon by the parties. If the definition of "Security Incident" is amended under the Security Rule to remove the requirement for reporting "unsuccessful" attempts to use, disclose, modify or destroy Electronic Protected Health Information, then this Section shall be amended so that the provisions relating to "Unsuccessful Security Incidents" no longer apply as of the effective date of such change to the law.

For the purposes of this Agreement, "Successful Security Incidents" mean Security Incidents that result in unauthorized access, use, disclosure. modification or destruction of Electronic Protected Health Information and "Unsuccessful Security Incidents" mean Security

Incidents that do not result in unauthorized access, use, disclosure, modification or destruction of Electronic Protected Health Information.

In the event that WILLIS has Knowledge or a Reasonable Belief that a Breach of Unsecured Protected Health Information of CLIENT has occurred or may have occurred, WILLIS shall promptly (but in no event more than fifteen (15) business days of Knowledge of the Breach or Reasonable Belief that a Breach has occurred) notify CLIENT of the identification of each individual who has been or is reasonably believed to have been affected by the Breach, along with any other information that CLIENT as a Covered Entity will be required to include its notification of the individual under the HITECH Act or its implementing regulations, including, without limitation, a description of the breach, the date of the breach and its discovery, types of Unsecured PHI involved and description of the WILLIS investigation, mitigation and prevention efforts.

3.10 Agreed to Restrictions. WILLIS shall abide by any restrictions, of which WILLIS is aware, relating to the Disclosure of Protected Health Information which CLIENT has agreed upon pursuant to the HIPAA Rules.

3.11 Client Instructions. In addition, to the extent that CLIENT instructs WILLIS to take or not to take certain actions in connection with PHI, and as a result of Willis complying with such instructions Willis incurs losses, fines, penalties or damages in connection with a third party claim, then CLIENT shall indemnify and hold Willis and its affiliates and their respective directors, officers, employees and agents, including permitted Subcontractors, harmless from any such losses, fines, penalties or liabilities, including reasonable attorneys' fees.

3.12 Minimum Necessary. WILLIS shall request, use and/or disclose only the minimum amount of PHI necessary to accomplish the purpose of the applicable request, use and/or disclosure.

IV. RESPONSIBILITIES OF CLIENT.

4.1 Requests for Uses or Disclosures. CLIENT shall not request WILLIS to Use or Disclose Protected Health Information in any manner that would violate this Agreement or the HIPAA Rules.

4.2 Notice of Privacy Practices. CLIENT hereby agrees to provide, to the extent required by 45 C.F.R. § 164.520 (or any successor provision of the Privacy Rule), a notice of privacy practices (the "Notice") to Individuals (or their personal representatives) who are the subject of the Protected Health Information, which Notice shall be sufficiently broad so as to permit the Uses and Disclosures of Protected Health Information by WILLIS contemplated by this Agreement and the Arrangement. CLIENT shall not amend such Notice unless the amended Notice is sufficiently broad so as to permit the Uses and Disclosures of Protected Health Information contemplated by this Agreement and the Arrangement.

4.3 Written Permission. CLIENT hereby agrees to ensure that it obtains Individuals' permission or the permission of Individuals' personal representatives, to the extent required under the Privacy Rule and in the form required by the Privacy Rule, for WILLIS' Uses and Disclosures of Protected Health Information contemplated by this Agreement and the Arrangement and to inform WILLIS of any changes in, or withdrawal of, such written permission provided to CLIENT by Individuals or their personal representatives, including without limitation revocations of authorizations pursuant to 45 C.F.R. § 164.508.

4.4 Other Arrangements. CLIENT hereby agrees to promptly notify WILLIS, in writing and in a timely manner, of any arrangements permitted or required of CLIENT under the Privacy Rule that may impact in any manner the Use or Disclosure of Protected Health Information by WILLIS under this Agreement or the Arrangement, including without limitation restrictions on the Use or Disclosure of Protected Health Information agreed to by CLIENT, as provided for in 45 C.F.R. § 164.522 as amended by the HITECH ACT.

4.5 Compliance with HIPAA. To the extent required and at such time as required under applicable law, CLIENT agrees to comply with HIPAA, the Privacy Rule, Security Rule and HITECH Act.

V. TERMINATION.

5.1 Term. This Agreement shall become effective on the date on which CLIENT and WILLIS entered into the Arrangement and, unless otherwise terminated as provided herein, shall expire upon the expiration or termination of the Arrangement.

5.2 Termination by Either Party. The Arrangement may be terminated by either party, subject to the delivery of the written notice and the expiration of the cure period as may be provided in the Arrangement, in the event that a party breaches any material term of this Agreement.

5.3 Return or Destruction of Protected Health Information Upon Termination. Upon termination of the Arrangement, WILLIS shall, at the option of WILLIS, either return or destroy all Protected Health Information and Electronic Protected Health Information which WILLIS still maintains in any form, except for any such data that may be retained solely for archival purposes. WILLIS shall not retain any non-archival copies of such Protected Health Information or Electronic Protected Health Information. Notwithstanding the foregoing, to the extent that it is not feasible, in WILLIS' reasonable discretion, to return or destroy such Protected Health Information and

Electronic Protected Health Information (and including data retained for archival purposes), the terms and provisions of this Agreement shall survive the termination of the Arrangement with respect to such Protected Health Information and Electronic Protected Health Information, and such Protected Health Information and Electronic Protected Health Information shall be used or disclosed solely for such purpose or purposes which prevented its return or destruction.

VI. MODIFICATIONS TO COMPLY WITH STANDARDS.

In the event that additional standards are promulgated under the HIPAA Rules, or any existing standards are amended, the parties agree to enter into a mutually acceptable amendment to this Agreement to enable CLIENT to satisfy its obligations under such additional or amended standard(s).

VII. MISCELLANEOUS.

7.1 The parties agree and acknowledge that, as between CLIENT and WILLIS, CLIENT is the owner of the Protected Health Information and Electronic Protected Health Information. Nothing in this Agreement shall be construed to create (i) an agency relationship under federal common law, a partnership, joint venture or other joint business relationship between the parties or any of their affiliates, or (ii) a relationship of employer and employee between the parties.

7.2 In the event that a provision of this Agreement conflicts with a provision of the Arrangement, the provision of this Agreement shall control. Otherwise, this Agreement shall be construed under, and in accordance with, the terms of the Arrangement.

7.3This Agreement may be amended only by written agreement between the parties. This Agreement shall be interpreted by and construed in accordance with the laws of the State of [_____]. The headings of sections in this Agreement are for reference only and shall not affect the meaning of this Agreement.

7.4 Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors and assigns of the parties any rights, remedies, obligations, or liabilities whatsoever.

7.5Any ambiguity in this Agreement shall be resolved to permit the applicable party to comply with HIPAA, Privacy Rule, Security Rule, and the HITECH Act. The parties acknowledge that the HITECH Act requires the Secretary to promulgate regulations and interpretative guidance that is not available at the time of executing this Agreement. In the event a party determines in good faith that any such regulation or guidance adopted or amended after the execution of this Agreement shall cause any paragraph or provision of this Agreement to be invalid, void or in any manner unlawful or subject either party to penalty, then the parties agree modify and amend this Agreement in a manner that would eliminate any such risk.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

[NAME OF CLIENT]

By: _____

Title: _____

WILLIS OF DELAWARE, INC.

By: _____

Title: _____

Willis

VALUE CREDENTIALS/INDUSTRY 101
PUBLIC ENTITIES

HUMAN CAPITAL PRACTICE

SALES 2.0: FOR WILLIS INTERNAL USE ONLY

WHY HUMAN CAPITAL?

1. An organizations most valuable asset and greatest investment are the people they employ. As such, human capital represents the largest business risk – in many cases approaching 50% of revenues.

2. Our Human Capital Practice will assess, design and implement a comprehensive total rewards strategy aligned with your organizations' objectives. This strategy, focused on key human capital risk areas, will reduce costs and enable you to attract, retain and motivate the type of talent that drives business results.

EXPERIENCE IN THE INDUSTRY

3. We serve 270 Public Entity organizations in North America. We understand your business and your industry's unique needs. Our clients range from towns, cities, counties and states.

4. We have highly-valued relationships with the top Public Entity insurers. Within the last year we placed over $285 million premium equivalents on behalf of our Public Entity clients. We are proud to boast City of Escondido, METRO, San Diego Unified Port District, GeoEye and Resources for Human Development as long term Willis Clients.

5. Our specialized relationships with these insurers allow our brokers to design, negotiate and implement superior insurance programs for our Public Entity clients and create innovative solutions to address issues like unfavorable demographics, high dependent ratio, collectively bargained programs and expectations of rich benefit levels.

KEY INDUSTRY INFORMATION

6. Industry Risk Characteristics:
   - High participation (mitigates risk selection)
   - High dependent ratio (inflates cost/ee)
   - Poor age/gender (typically older distribution)
   - Cost per employee greater than the norm (poor risk, coupled with rich benefits produces high cost structure)
   - Trend greater than the norm (sub-sector inflation typically outpaces national inflation averages)
   - Rich benefits (historically driven expectations / over-utilization)
   - Low turnover issues (election choice and benefit richness are key features)

7. Sub-Sector Load Factors:
   - Legislative bodies: 1.075
   - City & town councils: 1.075
   - Elementary/Secondary schools: 1.00
   - Courts: 1.15
   - Police: 1.15
   - Correctional: 1.15
   - Fire Dept/other public order: 1.15
   - Administrative: 1.10

Industry loads are used by underwriters to determine the relative risk of a group vs. norm. In this case, 1.0 is the established baseline. Therefore, a 1.05 factor means the sector's risk is 5% worse than national averages.

ABILITY TO FUNCTION AS PART OF A CLIENT'S TEAM

8. We remain highly flexible to the full range of client needs. Our clients are able to operate more efficiently because we function as an extension of the organization; therefore we absorb most of your insurance-related administrative burden. The breadth of our knowledge and experience will allow you to formulate the best strategy and therefore make the best risk management decisions for your organization.

ABILITY TO LEVERAGE PROPERTY AND CASUALTY EXPERTISE

9. Willis provides "end to end" business risk solutions. An integrated approach utilizing both our property casualty and human capital expertise can uncover hidden risks and deliver greater advisor value.

GLOBAL PRESENCE

10. Clients with international exposures rely on our global resources in 162 countries to provide local services to their operations overseas. Your operations will remain fully compliant with country-specific regulations, as well as local and/or provincial requirements because of our localized expertise. We can also coordinate all communication and risk management work with your foreign entities.

TOTAL REWARDS SOLUTIONS

11. We understand optimizing Total Reward tactics are critical to an effective human capital strategy. Balancing investment in Benefits, Work/Life, Compensation, Rewards & Recognition and Learning and Career Development can significantly impact associate health, engagement and productivity.

    Reward mix is critical to maximizing productivity which may result in savings as much as $3,000/employee/year (vs. low performers). The Willis Human Capital Practice combines deep industry knowledge and complex subject matter expertise with robust practices in HR, ERISA Compliance, Wellness, Reporting & Analytics and Communications.

    The Willis Human Capital Practice utilizes proprietary diagnostic tools to identify and evaluate client issue areas including: 1) Prospect Diagnostic Tool, 2) Customized Risk Review, 3) Engagement Survey, and 4) Total Rewards Gap Assessment

    BENEFITS – 952 seasoned benefits professionals in 64 cities across the U.S., who design, build and deploy high performing benefit plans. Complimented by team of legal experts, Willis Benefits associates help clients construct benefit plans minimizing risk and the cost of insurance.

    - Program Transformation (earned benefit approach)
    - WillisMed (encounter data) / Dashboard Reporting (financial data)
    - RFP Creation / Vendor Selection / Carrier Liaison
    - Day to Day Service / Employee Communications / Open Enrollment
    - Cost / Contribution / Migration / Funding Models
    - Health Care Reform Calculator / Employer Guide / OE Toolkit
    - Ongoing Client Educational Web Cast Series
    - On-Line Compliance Manual and Regulatory Alerts
    - Benefit, Contribution and Cost Benchmarking

    WORK/LIFE – Due to a shrinking workforce (and increased demands on the worker), work/life balance has never been more important to the American employee. Forward thinking employers will devise strategies optimizing both employee health and engagement.

    - Winning with Willis
    - Virtual Health Fair
    - Willis WellBeing
    - Wellness Program Best Practices / Benchmarking
    - Vendor Selection Toolkit
    - PTO / Leave / Attendance Best Practices
    - Workplace flexibility programs
    - Childcare / Eldercare initiatives

COMPENSATION – Biggest single expense for most employers (and employees #1 benefit). Willis consultants can help you build a pay for performance scheme that is market competitive and balanced with your total reward strategy.

- Search Willis (salary center)
- U.S. Market Pricing
- International Market Pricing (57 countries / 150 common roles)
- Competitive Market Analysis
- Salary Administration Guidelines
- Pay for Performance Strategies
- Salary Structure Wizard
- Merit Increase Models / Benchmarking

REWARDS & RECOGNITION – Most employers understand the value of these programs, but do not have the staff or the budget to effectively deploy meaningful rewards and recognition plans. Studies indicate 64% of employees will actively seek another job as the recession subsides.

- Willis Rewards
- Employee Recognition Tool (ERT)
- Retail Discount Platform
- Employer Communication Toolkit (turnkey employee rollout)
- Best Practices
- Benchmarking

TRAINING & CAREER DEVELOPMENT – The single biggest reason employees leave organizations is the lack of opportunity. Willis consultants understand the need for structure in workplace practices around performance management and career development.

- Willis Training Solutions
- Search Willis (training library & job descriptions)
- Performance Management Tools & Resources
- Career Level Job Documentation
- Competency Banks
- Succession Planning Toolkit
- "How to" Guides on Mentoring & Coaching Programs

HUMAN CAPITAL PRACTICE

COMMUNICATION

When your employees understand the full value of their total rewards – including their benefits – you can maximize the dollars your organization spends on its human capital. Effective communication makes the difference.

WHAT WE DO

Our Willis Human Capital Practice Communication Consultants offer you creativity, innovation, technology and strategic thinking. We help you cut through information overload, create memorable messages and reach your employees where they live and work using the most appropriate media for the greatest impact. With each communication opportunity, we answer the key question for every employee, "What does this mean to me?"

ESTABLISHING A FOUNDATION

Our Communication Gap Assessment provides a road map detailing key priorities to help you develop effective communication strategies to meet your organizational goals. Once the report is complete, your Client Advocate and your communication consultant will review the results with you to help you find the right solutions to fill any gaps in communication.

CLOSING THE GAPS

Effective communication equips employees with the information they need to make educated decisions about their total rewards programs. Strategic communication goes one step beyond – sharing information to help engage your workforce, shift behavior and drive cultural change within an organization. The Communication team provides comprehensive solutions to support your strategic efforts.

STRATEGIC PLANNING

We begin by listening to your unique needs and challenges. Then we work with you to develop a strategic communication plan tailored to your situation, using messages that align with your objectives and media that will reach your employee audience – whether online or via video, print or social media – in any language.



You're always communicating – whether or not you do it consciously. Our consultants help you make deliberate, strategic choices around communication to help drive competitive advantage and increase employee engagement.

Willis



VISUAL IDENTITY: STRENGTHENING YOUR WORKFORCE ENGAGEMENT

Your organization makes a significant investment in its workforce every day. A visual identity designed for your HR, benefits or total rewards program can distinguish your organization from the competition, cut through the "communication clutter," reinforce the corporate brand, and help attract, engage and retain the best employees for your business.

A visual identity typically includes a unique image or symbol, type fonts, colors and other design elements that appear in every communication, leading to increased memorability and commanding employees' attention. Our communication consultants and graphic design partners will work with you to create a visual identity that is an extension of your brand.

EMPLOYER GUIDES AND TOOLS

Our employer guides and tools address a wide range of communication topics, provide best practices and recommendations for developing your own communication materials and include supporting templates and checklists. We offer guides on communicating consumerism, communicating wellness, on creative distribution and more.

CUSTOM SOLUTIONS

Our partner firms can provide a semi- or fully-customized approach to help you effectively communicate about benefits, open enrollment, consumer-driven health care, total rewards, wellness and more. The Willis Communication Practice will work with you to develop a strategic communication plan and will recommend an experienced communication partner to help you with the following services:

- Graphic design/visual identity
- Print and print fulfillment services
- Web and electronic communication services
- Total reward statements
- Translation services
- Communication measurement

HR AND BENEFITS PORTAL

WillisConnect is an intuitive HR and benefit communication web portal that helps you deliver company information in one secure, convenient location. The site is easily accessed and viewed by employees. With WillisConnect, you can promote employee benefit plan information, company vision and mission, and HR policies and procedures, all within a single website.

WILLIS ESSENTIALS

As a Willis client, you have access to communication tools and templates through Willis Essentials, our client web portal. Willis Essentials includes resources to help you elevate your employee communication, including:

- Communication strategies
- Wellness education (newsletters, posters and flyers)
- Benefits education
- Updates on health care reform – from the employee's perspective
- Newsletter series focusing on health and wellness
- Employee communication surveys

CONTACT

Please contact your Willis Client Advocate® to learn more about how the Willis Communication Practice can work with you to create a strategic communication plan for your organization.

HUMAN CAPITAL PRACTICE

NATIONAL LEGAL & RESEARCH GROUP

As employer requirements around ERISA, PPACA and the Internal Revenue Code become increasingly more complex, employers are challenged with maintaining compliant plans. The Willis National Legal & Research Group helps manage this critical aspect of plan administration through education, planning and strategy development around regulatory issues.

WHAT WE DO

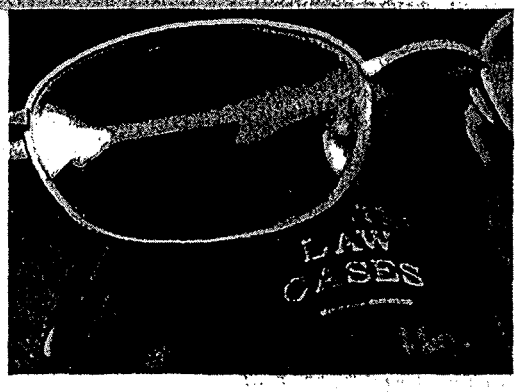
Willis' National Legal and Research Group (NLRG) is a team of attorneys and paralegals with specialized expertise and firsthand experience in ERISA, PPACA, the Internal Revenue Code and other laws, regulations and precedent-setting cases affecting employer sponsored benefit plans.

The NLRG team has years of practical experience and in-depth knowledge regarding the application of the laws and regulations that affect your plans. We provide advice to our clients, and are available to assist as questions arise around these applicable laws.

ESTABLISHING A FOUNDATION

Compliance is such a substantial issue that it can be difficult to identify where to begin evaluating your current plans. Our Compliance Gap Assessment can help you determine whether your benefits plans comply with legal requirements and guidelines related to plan design, administration, filing, communication and records maintenance.

NLRG and your Willis Client Service team review the results to identify and prioritize appropriate adjustments within your existing programs.



CLOSING THE GAPS

The NLRG team reviews, analyzes, interprets and disseminates an array of documents, tools and resources about employee benefits. This information keeps our clients apprised of current laws, policies, requirements and upcoming changes to help them maintain compliance within their current plan, and assist in future compliance strategies.

ACTIVE THOUGHT LEADERSHIP

NLRG tracks legislative and regulatory activity and highlights important topics through newsletters and alerts, as well as via

Willis



frequent live seminars and webinars to help educate our clients on a wide scope of regulatory topics.

We maintain active memberships in several key professional organizations, such as the American Benefits Council, Employee Benefits Research Institute, Council on Employee Benefits, Society for Human Resource Management and state and local organizations. This involvement helps us build strong relationships with industry leaders.

In addition, NLRG is in contact with legislators and federal agencies to discuss trends, clarify information and point out contradictory rules or confusing issues that may affect your programs.

HEALTH CARE REFORM

NLRG leads the Willis Human Capital Practice in a focused effort around the Patient Protection and Affordability Care Act (PPACA). We offer clients rich consulting expertise to assist in developing strategic and tactical approaches to mandates, taxes, penalties and potential plan design transitions.

Our comprehensive approach also includes the following tools and resources:

- Health Care Reform Impact Analysis
- Weekly Health Care Reform Updates
- Educational Webcasts
- Employer Health Care Reform Guides
- Publications and News Alerts
- Health Care Reform FAQs

HIPAA COMPLIANCE

Compliance with HIPAA privacy, security and breach notification requirements is technical, complex and confusing. Willis offers a range of options for assisting clients in their efforts to comply with HIPAA requirements.

EMPLOYER GUIDES

Our Employer Guides and Tools address plan requirements and provide checklists, tools and templates around ERISA, HIPPA, PPACA, Medicare, COBRA, reporting, disclosure and many other compliance topics facing employers.

REPORTING

The 5500 Filing Center is NLRG's internal compliance center for plans' annual reporting obligations. Using continually updated software, we produce signature-ready 5500 forms with instructions. We also can produce Summary Annual Reports. We track new developments with the IRS and DOL regarding 5500s and filing requirements.

PLAN DOCUMENTS

Creating and maintaining accurate and complete plan documents and Summary Plan Descriptions (SPDs) is critical. We assist clients with these materials through our partnerships with respected outside law firms.

WILLIS ESSENTIALS

As a Willis client you can directly access regulatory information and tools through Willis Essentials, our client-facing portal. Willis Essentials includes information on:

- Cafeteria Plans
- COBRA
- Employment Related Issues
- ERISA
- Federal Health Plan Mandates
- Group Term Life Insurance
- Health Care Reform
- HIPAA
- Medicare and Employer-Sponsored Health Plan Mandates
- State Law Issues

Willis Essentials also includes our Compliance Manual, a comprehensive, easy to read, reference tool to assist employers with meeting the regulatory requirements for the operation and administration of their plans.

CONTACT

Please contact your Willis Client Advocate® to learn more about how Willis can help you manage Human Capital risk.

HUMAN CAPITAL PRACTICE

HR PARTNER

Managing benefits is only one aspect of an HR Department's overall responsibility to attract, retain and motivate an engaged and productive workforce. To help our clients face multiple and often competing demands, Willis created HR Partner, a team of HR consultants.

WHAT WE DO

HR Partner's core deliverable is the development and maintenance of tools and resources to:

- Take work off our clients' desks
- Provide value beyond benefits
- Keep clients aligned with HR best practices and trends

We reserve our tools, and our HR Partner consultative guidance, for our Human Capital Practice clients.

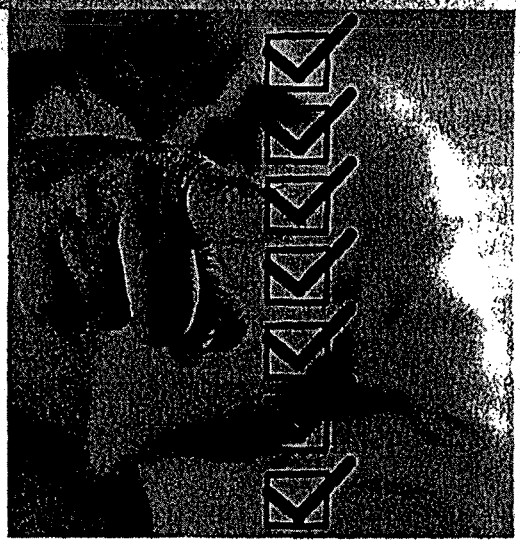
ESTABLISHING A FOUNDATION

Attracting and retaining top talent, and creating a high level of employee engagement, are critical to an organization's success. Our Gap Assessments work to establish strategies to balance both company and employee needs, and are enormously helpful in uncovering opportunities for improvement in your programs and practices across HR functions, Total Rewards and Performance Management.

The result is a roadmap with key priorities for change to guide your organization's HR programs to meet future business goals and performance objectives.

CLOSING THE GAPS

Following our discovery process, our consultants will have the information necessary to provide targeted guidance around our HR Partner deliverables. HR Partner works in conjunction with you and your local Willis client service team to deliver our tools and resources.



Our job is to facilitate your success with solutions that help you define and support your Human Resources strategy, drive employee engagement and maximize your investment in human capital. The tools and resources we offer provide clients with clear and actionable direction to support these key HR initiatives.

EMPLOYER GUIDES

Our Employer Guides and Tools address a wide scope of human resources challenges, providing best practices, recommendations, benchmarking, sample policies, checklists and tools.

Willis



Our guides include:

- Succession Planning
- Paid and Unpaid Time Off
- FMLA Administration

COMPENSATION

Compensation is one of an organization's greatest expenditures, so a well-designed plan is an important element of business success. Our HR Partner consultants provide compensation support through the following tools and services:

- Market Ready Reports
- Merit Matrix Modeling
- Pay Structure Design
- Compensation Administration Guidelines

In addition, we offer affordable project-based work to provide clients:

- Market Pricing
- Competitive Market Analysis

TRAINING AND DEVELOPMENT

Training is about promoting proper conduct, communicating rights and expectations and instilling an effective and ethical organizational culture. Willis can assist in your training through:

- *Willis Training Solutions*: an e-learning tool with interactive web-based training and tracking
- *Search Willis* Training Library: access to hundreds of complete training kits

WILLIS ESSENTIALS

As a Willis client, you and your HR team can directly access our tools and more through Willis Essentials, our client-facing portal. Willis Essentials includes information on topics such as:

- Total Rewards
- Performance Management
- Pay Structure Design
- Compensation Benchmarking Data
- Family Medical Leave
- High-Potential Employees (HIPOs)
- Paid Time Off

CONTACT

Please contact your Willis Client Advocate® to learn more about how Willis can help you manage Human Capital Risk.

HUMAN CAPITAL PRACTICE

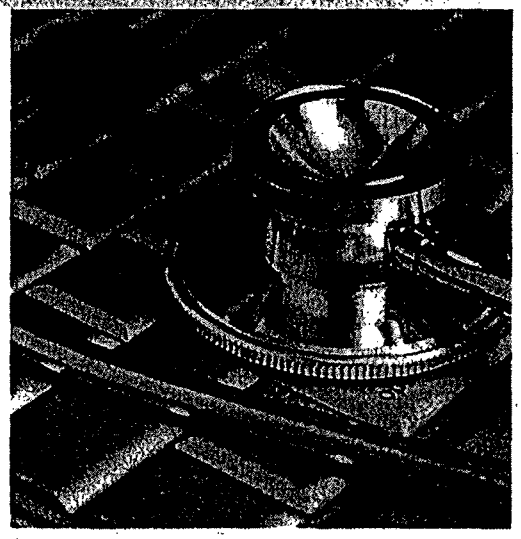
HEALTH OUTCOMES

Willis clients have a greater probability of impacting sustained reductions in health care trends and improving employee productivity through the integration of health management programs.

WHAT WE DO

Our role is to identify opportunities, resources and strategies to help employers build comprehensive health management programs that incorporate clinical data with traditional wellness program strategies, with the goal of reducing or containing rising health care costs.

Our Health Outcomes Consultants work in collaboration with you and your local Willis client service team to provide a holistic approach to building healthy organizations and improving health outcomes.



ESTABLISHING A FOUNDATION

Our process starts with the Health Outcomes Gap Assessment, which is a key step in uncovering gaps in your current programs and practices. Through this process we learn about your organization's culture, leadership and program components. Our assessment findings help to identify health management opportunities and enable our consultants to create a framework and establish an action plan that aligns appropriate solutions to your organization's needs and budget. The assessment also provides a reference point for annual program review and evaluation.

CLOSING THE GAPS

Following our discovery process, our consultants collaborate with you and your client service team to create a strategy to support program development or enhancement.

PROGRAM DESIGN

We help organizations define an ongoing program framework and provide best practice guidance around:

- Securing leadership support
- Creating a strategy and defining objectives
- Establishing a wellness committee
- Identifying effective program components
- Program funding strategies and incentive design
- Measuring program impact

Willis

VENDOR MARKET OVERVIEW AND SELECTION

One of the fastest growing outsourcing areas is wellness and health promotion. We continuously monitor the health management space and available solutions in order to provide an accurate overview of the marketplace and recommend key client considerations. Based on client needs, we identify vendor resources which reflect your program goals, budget, size and organizational demographics.

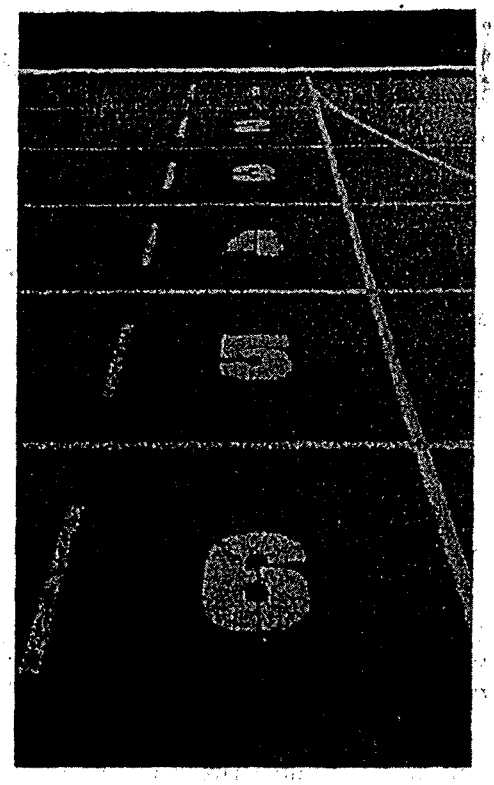
PROGRAM EVALUATION

Our consultants work in concert with your Willis service team to guide you in reviewing the most relevant data in order to measure the outcomes of a comprehensive health management program. This may include employee surveys, participation reports, claims and utilization data, pharmacy data, aggregate health assessments and health screening results.

BUDGET LIMITATIONS

The Health Outcomes team is dedicated to assisting organizations in achieving optimal results regardless of available resources. We have developed tools and resources that can stand alone or supplement an organization's current programs, including:

- Winning with Willis
- Employer Guides and Tools
- Communication materials and resources
- Maximizing medical carrier resources



WILLIS ESSENTIALS

As a Willis client, you and your HR team can directly access our tools and more through Willis Essentials, our client-facing portal, which includes our Health Outcomes Employer Guides. Each guide is accompanied by employer tools to address challenges and support your program initiatives.

CONTACT

Please contact your Willis Client Advocate® to learn more about how Willis can help you manage Human Capital risk.

Creating a Client Service Plan Instructions

Client Service Plans are recommended for all clients generating 50k or more in HCP revenue.

Save this document to your hard drive or a shared drive, enter in the data in the yellow boxes below. Once you have completed this the **Client Service Plan'** will automatically populate some basic information.

We have included sample dates in order to see a completed **'Client Service Plan.'** You may edit these dates in columns C and D, please note the following key points as you make such edits:

- You may either select the month in which the activity will occur, or the exact date if known. Either way the corresponding cell in the calendar will shade and include the date or month, depending on what you enter.
- In some cases you will find that the "Start Date" box has been shaded in grade, you may still enter a start date, but generally these are one time events, such as a specific meeting date or due date. In that case you would just select the appropriate target date.
- In some cases you will find the start and end date shaded in black and it will not allow you to edit the date. In this case the date may be firm, for example we have included all of the educational webcast date, as well as when a client can expect the HR Focus newsletter.

  In other situations, such as with WillisMed Reports, Dashboard Reports, Carrier Utilization Meetings and a few other places, you may edit the date directly on the calendar, because these are not continues activities but rather one off events that happen throughout the year.

Client Name	Test Company Inc.		
Client Revenue	$73,400	Funding Type	Fully Insured
Benefit Inception / Renewal Date		Next Benefit Renewal Date	
Willis Contract Inception / Renewal Date		Enrollement Start Date	
Producer	G. Wallace	HR Partner Consultant	T. Williams
Account Executive	H. Johnson	Communications Consultant	M. Clayboss
Client Manager	J. Smith	NLRG Consultant	J. Kirschbaum
Financial Client Manager	T. Jones	Reporting and Analytics Consultant	W. McLaurin
Placement Client Manager	B. Jackson	Health Outcomes Consultant	B. Stewart

2012 Client Service Plan for Test Company Inc.

Key Deliverables	Start Date	Target Date	Owner	Client Role	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Comments
Strategic Asset Mgmt and Planning																	
Strategic Planning Session		April	H. Johnson	Participate				Apr									Review goals and objectives of programs, carrier service issues, enrollment process and communication, current plans and plan designs, plan performance, workforce demographics
Facilitate *'Total Rewards Gap Assessment'*	February	March	H. Johnson	Participate		Feb	Mar										
Coordinate appropriate *'Excellence Reviews'*		February	J. Smith	Complete		Feb											
Review and present recommendations		5/5/2012	H. Johnson	Participate					May								
Marketplace Overview		3/31/2012	H. Johnson	Participate			Mar										Due to AE for incorporation into meeting
Funding Analysis Impact		3/31/2012	T. Jones	Participate			Mar										Due to AE for incorporation into meeting
Benchmarking Results		3/31/2012	J. Smith	Participate			Mar										Due to AE for incorporation into meeting
Deliver finalized *'Client Service Plan'*		5/5/2012	H. Johnson	Participate					May								
Renewal Marketing and Placement																	
Facilitate *'Pre-Renewal Meeting'*		August	T. Jones	Participate								Aug					
Update *'Client Service Plan'* with renewal schedule		July	J. Smith	NA							Jul						
Market Plans	March	June	B. Jackson				Mar	Apr	May	Jun							
Identify carrier / vendor selection criteria	2/13/2012	9/28/2012	B. Jackson	Participate		2/13		Apr	May	Jun	Jul	Aug	9/28				
Finalize requirements documents	April	June	B. Jackson	NA				Apr	May	Jun							
Develop and distribute Request for Proposal (RFP)	June	August	B. Jackson	NA						Jun	Jul	Aug					
Vendor RFP responses due to Willis		8/23/2012	B. Jackson	NA								Aug	9/15				
Review and summarize vendor responses	8/23/2012	9/15/2012	B. Jackson	NA								Aug	9/15				
Evaluate and negotiate renewal and /or marketing	August	September	B. Jackson	NA								Aug	Sep				
Present renewal and / or market results		September	B. Jackson	Participate									Sep				
Facilitate finalist interviews, as applicable	September	October	B. Jackson	Participate										Oct			
Finalize renewal and / or marketing with Client		October	B. Jackson	Participate										Oct			
Finalize renewal and / or marketing with carriers		October	B. Jackson	NA										Oct			
Provide Contribution Modeling		October	B. Jackson	Approval										Oct			

2012 Client Service Plan for Test Company Inc.

Key Deliverables	Start Date	Target Date	Owner	Client Role	Comments
Implementation and Enrollment					
Carrier and / or vendor implementation					
Facilitate implementation meeting with vendor		October			
Review electronic data transfer processes		October			
Conduct '*Communications Gap Assessment*'		June			
Review results of Gap Assessment and action plan		July			
Create open enrollment communications materials	June	September			
Email Announcement		10/6/2012			
2 page Benefit Guide		10/25/2012			
Adobe Presenter: Open Enrollment		9/1/2012			
Plan open enrollment meetings (includes coordination of communication materials from vendors and participation by vendors in enrollment meetings)	August	October			
Annual Required Notices Distributed to Employees (CHIPRA/Women's Cancer Rights, Medicare Creditable Coverage Part D Notice Provided to Employees etc.)					
Conduct enrollment meetings					
Dallas Location		11/5/2012			
Manager Webcast		11/1/2012			Medical carrier will be on the webcast, an
Employee Webcast		11/10/2012			
San Jose Location		12/1/2012			
Establish and / or update '*Willis Connect*' site	August	October			
Continuous Account Management					
SPD Review					
Request SPDs from Carrier					
Review SPDs Received from Carrier		February			
Provide SPDs to Employees		August			
Deliver '*Dashboard Report*'					
Conduct Quarterly Review Meetings					
Facilitate Carrier / Utilization Review					
Coordinate Subject Matter Experts, as needed	January	December			
Provide Signature Ready 5500s					
Provide Requested '*Data Form*' and '*Carrier Contact Sheet*'		4/15/2012			
Provide Requested "Schedule As"		4/15/2012			
Process Form 5500		4/15/2012			
Electronic Signature Completed		4/15/2012			
Present and Deliver '*Client Advocacy Report*' (CAR)		4/15/2012			

2012 Client Service Plan for Test Company Inc.

Key Deliverables	Start Date	Target Date	Owner	Client Role	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Comments
Subject Matter Experts' Updates and Education																	
Set up *'Willis Essentials'* Access		January															
Review *'Willis Essentials'* Resources		February															
Educational Webcast Series																	Invitation and registration within HR Focu
HR Focus Electronic Newsletter																	
Local Office Seminars																	Compensation; Benefit
HR Partner																	
HR Excellence Review (Gap Assessment)	February	May															
Assign Excellence Review		2/1/2012															
Complete Excellence Review Questionnaire	February	3/15/2012															
Review Responses and Prepare Report	3/18/2012	4/18/2012															
Transmit Excellence Review Report		4/18/2012															
Review Results and Recommendations		5/4/2012															
Review of Specific Employer Guides and Tools																	
Paid Time Off (Vacation and Sick)		May															
FMLA Administration Best Practices		June															
California Leave Administration Best Practices																	Not applicable, not in California
Compensation Administration		February															
Pay Structure Design		February															
Performance Management		September															
Succession Planning / Identification of HIPOs		July															
Career Level Guides		August															
Deploy applicable Solutions and Services																	
Review *'Market Ready Report'*		February															
Facilitate *'Willis Essentials'* Demo (HR Partner)		July															
Facilitate *'Search Willis'* Demo		January															
Review *Willis Training Solutions*		March															
Deploy applicable Scope Specific Projects																	
Performance Management Gap Assessment	June	September															
Total Rewards Gap Assessment	March	April															
Custom Market Pricing ($)																	
Competitive Market Analysis ($)	February	May															

2012 Client Service Plan for Test Company Inc.

Key Deliverables	Start Date	Target Date	Owner	Client Role	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Comments
Health Outcomes																	
Conduct '*Health Outcomes Gap Assessment*'	March	June					3/26			Jun							
Assign *'Health Outcomes Gap Assessment'*		3/4/2012	B. Stewart	N/A			3/4										
I. Complete 'Gap Assessment' Questionnaire		3/12/2012	Client	Complete			3/12										
II. Submit 'Data Request Form for Gap Assessment'		3/26/2012	H. Johnson	Complete			3/26										
Review responses and prepare report	3/26/2012	4/18/2012	B. Stewart	N/A			3/26	4/18									
Transmit 'Gap Assessment' results and report		4/18/2012	B. Stewart	Review				4/18									
Review results and recommendations with client		5/1/2012	B. Stewart	Attend					5/1								
III. Facilitate Programs and Policies Gap Review		5/1/2012	B. Stewart	Participate					5/1								
Facilitate Program Design and Strategy Discussion		June	B. Stewart							Jun							
Securing Leadership Support			B. Stewart	Attend													
Creating a Strategy and Objectives			B. Stewart	Attend													
Establishing and Running a Wellness Committee			B. Stewart	Attend													
Program Components			B. Stewart	Attend													
Operating Budget			B. Stewart	Attend													
Program Evaluation			B. Stewart	Attend													
Market Overview and Vendor Selection			B. Stewart														
Provide overview of market and vendor criteria		July	B. Stewart	Attend							Jul						
Complete '*Vendor Selection Criteria*'		7/28/2012	B. Stewart	Complete							7/28						
Present vendor options based on selection criteria		8/10/2012	B. Stewart	Attend								8/10					
Market and negotiate with applicable vendors	8/10/2012	9/10/2012	H. Johnson	N/A								8/10	9/10				
Coordinate in vendor finalist meetings		September	H. Johnson	Attend									Sept				
Facilitate Best Practice Guidelines for implementation		October	B. Stewart	Attend										Oct			
Manage implementation process	October	November	H. Johnson	Participate										Oct	Nov		
Review of Specific Employer Guides and Tools	No Edits - not applicable																
Organizational Readiness and Engagement		July	H. Johnson	Attend							Jul						
Establishing and Running a Wellness Committee		August	H. Johnson	Attend								Aug					
Program Design and Components		September	H. Johnson	Attend									Sep				
Planning and Hosting a Health Fair		October	H. Johnson	Attend										Oct			
Health Education and Support Resources		November	H. Johnson	Attend											Nov		
Program Evaluation		December	H. Johnson	Attend												Dec	
Review Communication Resources on Willis Essentials and training resources on Search Willis		February	H. Johnson	Attend		Feb											
Conduct 9 month check up of Programs		December	H. Johnson	Attend												Dec	

2012 Client Service Plan for Test Company Inc.

Key Deliverables	Start Date	Target Date	Owner	Client Role	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Comments
National Financial Resources Group																	
Conduct Appropriate Gap Assessment (s)																	
ERISA Gap Assessment	July	August															
COBRA Gap Assessment	September	October															
Group Health Plan Mandates Gap Assessment	March	June															
Cafetaria Plans Gap Assessment	February	April															
Review of Specific Employer Guides and Tools																	
COBRA		June															
Consumer Directed Plans		February															
ERISA Reporting and Disclosure		March															
Health Care Reform		May															
HIPAA		August															
USERRA		January															
Cafeteria Plans																	
Medicare (MSP, Part D, and Payer Reporting)																	
Deploy applicable Scope Specific Projects																	
Plan Compliance Audit ($)		January															
Plan Document Services ($)																	
HIPAA Compliance ($)																	

Client Advocacy Report

ABC International Inc.

For 2012

Table of Contents

I. Executive Summary

II. Annualized Human Capital Spend

III. Risk | Solutions | Value

a. Key Deliverables

V. Our Continued Partnership

a. Your Client Advocacy Team

b. Opportunities

Addendums

A. Dashboard Report

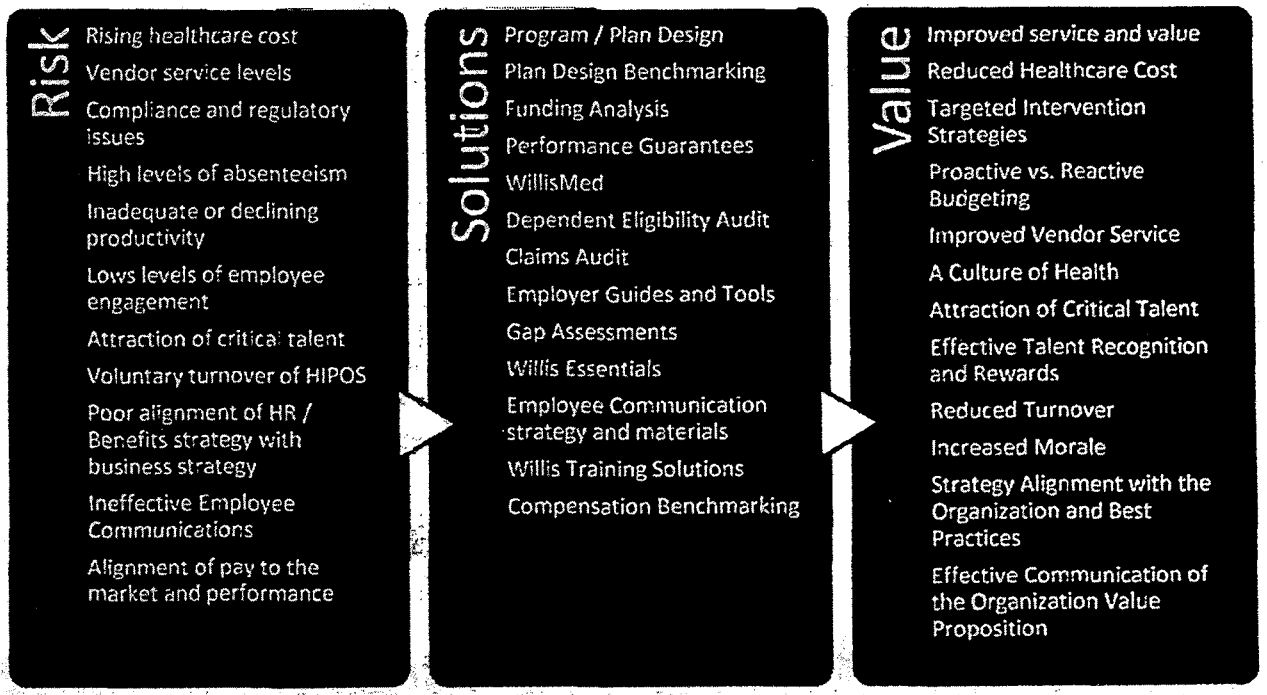
B. Scope of Services

C. Client Service Plan (Past Year)

D. Client Service Plan (Upcoming Year)

At Willis we understand the risk our clients face related to Human Capital, and we work in partnership to to design competitive, innovative and fiscally responsible benefit programs.

Our approach is unique - Willis recognizes Employee Benefits are just one tactic in a comprehensive Human Capital strategy. As such, our Client Advocates are armed with solutions to solve human capital risk - beyond benefits. The Willis business model is configured to deliver solutions in a "value added" - client centric - environment. We have eliminated the financial hurdles that traditionally exist between client problems and advisor solutions.



II. Annualized Human Capital Spend

Plan Type	Plan	Vendor	EEs	Gross Cost (000s)	EE Contr (000s)	Net Cost (000s)	% Net Cost	Gross Cost Per EE	Net Cost Per EE	Participation % by EEs
Medical	Medical (HMO)	BCBSMA	340	$ 3,951	$ 1,184	$ 2,767	4%	$ 11,622	$ 8,139	28%
Medical	Medical (PPO 500)	BCBSMA	353	3,289	907	2,382	3%	9,317	6,747	29%
Medical	Medical (PPO 100)	BCBSMA	268	2,821	854	1,967	3%	10,528	7,341	22%
Dental	Dental (Value DPPO)	BCBSMA	285	137	70	68	0%	482	238	24%
Dental	Dental (Enhanced DPPO)	BCBSMA	682	548	333	215	0%	803	315	57%
Vision	Vision (PPO)	EyeMed	638	66	66	-	0%	104	-	53%
Basic Life/AD&D	Basic Life/AD&D	Sun Life	1,203	67	-	67	0%	55	55	100%
Voluntary	Supplemental Life	Sun Life	467	131	131	-	0%	280	-	39%
Voluntary	Supplemental AD&D	Sun Life	89	6	6	-	0%	63	-	7%
Voluntary	Long Term Disability	Sun Life	1,203	181	1	180	0%	151	150	100%
Short Term Disability	Salary Continuation (Fee Only)	Sun Life	1,203	24	-	24	0%	20	20	100%
Short Term Disability	New York DBL	Sun Life	75	6	-	6	0%	77	77	6%
Short Term Disability	New Jersey TDB	Sun Life	85	22	-	22	0%	257	257	7%
Other	Flexible Spending Account	Sentinel	168	11	-	11	0%	66	66	14%
Other	COBRA Administration	Sentinel	30	13	-	13	0%	433	433	3%
Other	Leave Billing Services	Sentinel	27	2	-	2	0%	84	84	2%
Other	Employee Assistance Program	E4 Health	2,613	40	-	40	0%	15	15	217%
Wellness	HRA and Biometric Screenings		961	53		53	0%	55	55	80%
Wellness	Smoking Cessation	Alere	85	34		34	0%	400	400	7%
Wellness	Wellness Incentives		961	240		240	0%	250	250	80%
Workers Comp.	Workers Compensation	Travelers	1,203			-	0%	-	-	100%
Paid Time	Vacation		1,203	2,313	-	2,313	3%	1,923	1,923	100%
Paid Time	Sick		1,203	1,157	-	1,157	2%	962	962	100%
Paid Time	Paid Holidays		1,203	1,157		1,157	2%	962	962	100%
Compensation	Base Pay	Company	1,203	60,150	-	60,150	82%	50,000	50,000	100%
Compensation	Variable Pay	Company	80	800		800	1%	10,000	10,000	7%
			1,203	$ 77,220	$ 3,551	$ 73,669	100%	$ 64,190	$ 61,238	

Notes:

1) Percentages may not total 100% because of rounding

III. Risk | Solutions | Value - Key Deliverables

The combined efforts of what we do within our National Practice, and which is deployed locally to our clients, is what sets Willis apart. It is also key to managing your human capital risk beyond benefits, the following outlines our deliverables as well some opportunities:

Key Deliverables	Market Value[1]	Date
☑ **Willis Essentials:** Client portal with around-the-clock access to employer guides, templates and tools, covering topics such as HR, Health and Welfare Compliance, Health and Productivity, Employee Communications and Benchmarking.	$14,000	Web Portal
☑ **Market Ready Reports:** Competitive compensation data, compiled using 17 reputable survey sources and summarize market base pay and total cash compensation at the 25th, 50th, and 75th percentiles for over 700 benchmark jobs.	$210,000	Quarterly Reports
☑ **Search Willis:** Access to a comprehensive library of easy to understand HR best practice resources and compliance assistance, including sample policies, procedures, forms, letters, state-by-state employment law, comprehensive training toolkits and much more.	$2,500	Web Portal
☑ **Winning with Willis:** Direct access to a website rich in content designed to support healthy lifestyles. Creates a foundation for changing individual behaviors that drive employer costs.	$5,000	Web Portal (employees)
☑ **Dashboard Reporting:** Management report that focuses on identifying and measuring the key financial cost drivers for your medical plans, and how current trends will influence future costs.	$9,525	Monthly
WillisMed: Clinical and financial reporting at the member, population, and cohort level, combined with predictive modeling capabilities to project future plan costs based on the specific disease burdens which exist in your population. The reporting serves as the foundation for making educated decisions regarding plan design, wellness initiatives, and communication campaigns.	$80,000	
☑ **Subject Matter Expert Support:** On average our clients tap into directly or indirectly through Local Account Service Team an average of 20 hours per year of general questions around best practices and trends impacting human capital.	$9,000	As Needed

HR Partner	Market Value[2]	Date
☑ **HR Gap Assessment:** Identified gaps and provided recommendations for action related to the organizations practices around recruitment and selection, recordkeeping, FMLA , career development initiatives, training, compensation and terminations.	$8,000	2/18/2012
☑ **Winning Training Solutions ($):** Web-based content and Learning Management System (LMS) to deliver compliance and soft skill training to employees and managers. HR can assign, track, and report employee progress, in these interactive courses.	$60 / Course / Employee	As Needed
Total Rewards Gap Assessment: Facilitated Total Rewards Gap Assessment, in order to align employee value proposition to the business and marketplace.	$16,000	
☑ **Custom Market Pricing:** Using multiple survey sources provide market base pay and total cash compensation at the 25th, 50th, and 75th percentiles for jobs not included on our Market Ready Report and compare clients own positions against market place	$300 per job title	5/15/212
Competitive Market Analysis: Using multiple survey sources provide market base pay and total cash compensation at the 25th, 50th, and 75th percentiles for jobs not included on our Market Ready Report and compare clients own positions against market place	$600 per job title	
☑ **Performance Management Gap Assessment:** After completing an online policy / practice questionnaire and submitting current performance management forms, HR Partner will review against best practices, develop directional recommendations for change, and conduct a consultative call with client to discuss.	$16,000	7/8/2012

III. Risk | Solutions | Value - Key Deliverables

Health Outcomes Consultant	Market Value[1]	Date
☑ **Health Outcomes Gap Assessment:** The Health Outcomes Gap Assessment is comprised of three steps. (1) On-line Questionnaire (2) Data Collection and Review (3) Facilitated discussion by our Health Outcomes Consultants around specific policies and programs that organizations has in place and the effectiveness of each, as well as the results of the data collection and review. The deliverable is a action plan / strategy for next steps.	$16,000	Feb-12
☑ **Facilitate Program Design and Strategy Discussion:** Depending on where you are today and wehere the organization wants to be in the future, these planning session(s) will begin to close the gaps identified from your Health Outcomes Gap Assessment, and may include: Securing Leadership Support Creating a Wellness Strategy and Objectives (including your budget) Establishing a Wellness Committee Understanding and Selecting Potential Program Components Continued Program Evaluation	$9,500 to $41,000	March to May 2012
Market Overview and Vendor Selection: Provide(ed) review of market and vendor criteria options; presented applicable vendors based on selected criteria; and provided guidance / best practices around implementation.	$18,000	

Employee Communication	Market Value[1]	Date
Communications Gap Assessment: Conduct(ed) a Gap Assessment to review your organizations current employee communications practices, and outline a ***communications strategy*** aligned to goals and objectives, as well as the organizations budget and workforce needs. Program	$2,500	
☑ **Employee Communications Material**		
12 Page Benefit Guide	$8,000	1/17/2012
Open Enrollment Email / Letter Announcement	$500	2/21/2012
Open Enrollment Flyer	$2,000	3/20/2012
Open Enrollment Poster with QR code	$2,500	4/17/2012
Open Enrollment *Adobe Presenter*	$10,000	5/15/2012
Live Well, Work Well Series (*newsletters*)	$3,000	8/21/2012
Total Reward Statements	$3.00 to $12.85	9/18/2012
☑ **Willis Connect:** A customized web portal that provides employees with access to company and employee communication information benefit plan, forms, policies and other content related to health and wellness.	$5,000	Web Portal (employees)

National and Legal Research Group (NLRG)	Market Value[1]	Date
☑ **5500s Filing:** Annually prepares signature ready 5500s and Summary Annual Reports (SAR) including those that are Delinquent (DFVC Program) and those requiring amended returns.	$825	Annual
☑ **Benefit Gap Assessment**		
COBRA Gap Assessment	$2,500	3/5/2012

III. Risk | Solutions | Value - Key Deliverables

ERISA Gap Assessment	$2,500	
Cafeteria Plans Gap Assessment	$2,500	6/6/2012
Group Plan Mandates Gap Assessment	$2,500	

Updates and Education	Market Value[1]	Date

A key function of our subject matter experts is to keep you educated and updated around the trends and issues impacting your organization through our seminars, educational webcast and our newsletters and alerts. The following is a listing of the updates and education we have provided for your organization this past year.

☑	**Educational Webcast Series**		
	Federal Agencies on the Prowl: Best Practices to Dealing with Increased Federal Audit Activity	$295	1/17/2012
	Employee Mobility	$295	2/21/2012
	Annual Health and Productivity Survey Findings: Theme Work / Life Balance	$295	3/20/2012
	Legislative and Regulatory Update	$295	4/17/2012
	Understanding and Managing FMLA Administration and Compliance	$295	5/15/2012
	Health Care Reform - Regulatory Update, Supreme Court Update (if Court issues its opinion)	$295	6/19/2012
	Communicating at Open Enrollment	$295	7/17/2012
	Social Media - How Employers Need to Respond to Social Networking Policies	$295	8/21/2012
	Aligning Your Compensation Program with Business Priorities	$295	9/18/2012
	Drowning in a sea of acronyms--HDHP, HSA, FSA, LTC, LTD, etc.--how these benefits work together	$295	10/16/2012
	Communicating Consumerism	$295	11/20/2012
	Effect of Presidential Election on Benefits	$295	12/18/2012
☑	**HR Focus:** Electronic newsletter offering the latest industry insights on HR, Compliance and Benefits trends.	$350	Monthly
☑	**Alerts:** Notifications distributed on an as needed basis with practical, employer oriented, federal updates.	$350	As Needed
☑	**Willis Seminars**		
	Building Employee Engagement through Effective Total Rewards	$1,000	2/15/2012
	Compensation Plan Design	$1,000	6/8/2012
	Benefits Boot Camp	$1,000	9/12/2012

** Based on average cost of webcast and presentation materials from BNA, WorldatWork, BLR, Thompson, IOMA, Lorman and the Conference Board.*

[1] All "Market Values" are estimates and will vary based on needs and services, geography and other factors including vendors.

[2] Based on market research, we have used the following estimates for hourly consultative services. - Senior Principal $450.00/hour; Principal $350.00/hour; Senior Consultant $300.00/hour; Consultant $300.00/hour; Analyst $275.00/hour; Administrative $85.00/hour.

V. Our Continued Partnership

Your Willis Service Team

Human Capital Practice Leader
Jim Jones

Client Advocate
Alex Smith

Financial Client Manager
Sarah White

Placement Client Manager
Frank Apple

Senior HR Consultant
Kim Harrell, PHR
Kimberly.Harrell@Willis.com

Health Outcomes Consultant
Margie Kidd
Margie.Kidd@Willis.com

Employee Communications Consultant
Kristen Canterbury
Kristen.Canterbury@Willis.com

Reporting and Analytics Consultant
Will McLarian
Will.McClarian@Willis.com

NRLG Attorney
Frances Horn
Frances.Horn@Willis.com

Through careful review of your current programs and initiatives, we recommend the following to maximize the value for your organization and its human capital:

Date	Opportunity	Resources	Key Deliverables
March-13	Plan Migration Analysis	Alex Smith, Sarah White and Frank Apple	Conduct plan migration analysis for to anticpate where people will enroll by tier, when new plan designs rolled out.
February-13	PBM Contract Review	Deep View	
January-13	Contribution Modeling	Alex Smith, Sarah White and Frank Apple	
April-13	Market Medical Plan	Alex Smith, Sarah White and Frank Apple	
June-13	Accrual Gap Analysis		

We truly appreciate your business and the trust you place in our partnership. Willis is committed to delivering the Human Capital expertise and solutions your organization needs, with the passion that consistently defines our commitment to service excellence.

Willis

(Verisk Sample Report – Standard Deck)

Acme Corp.

October 2008 through September 2010

Full Cycle, Paid

Presented By:

Willis

Willis

Table of Contents

1. SUMMARY OF FINDINGS 4
2. POPULATION CHARACTERISTICS 5
2.1 Demographics 6
2.2 Aggregate Economics 8
2.2.1 Monthly Comparison of Paid Claims 9
2.2.2 Expense Distribution by Percent Spending Band 10
2.3 Clinical Disease Fingerprint 11
3. ECONOMIC FINDINGS AND OPPORTUNITIES 15
3.1 Medical Economics 16
3.1.1 Network utilization and contract discounts 18
3.1.2 Specialty procedures/consultations 20
3.1.3 Diagnostic Testing 22
3.1.4 Place of service - Inpatient and high acuity 24
3.1.5 Place of service - Outpatient and low acuity (excluding office visits) 26
3.2 Pharmacy Economics 28
3.2.1 Non-PBM Drug Spend 29
3.2.2 PBM drug spend 31
3.2.3 Selected prescription cost avoidance opportunities 33
4 CLINICAL DEEP DIVES 35
4.1 General Clinical Quality Performance and Economic Opportunity 35
4.2 Case Management Opportunities 37
4.3 Disease Management Opportunities 38
4.4 Wellness Management Opportunities 39
5 APPENDIX 40
5.1 Demographics 40
5.2 Financial Analyses 41
5.3 Disease Fingerprint 46
5.4 "Top 10" Analysis 47
5.4.1 Providers 47
5.4.2 Places of Service 48
5.4.3 Diagnostic groups 49
5.4.4 Procedure groups 50
5.4.5 Therapeutic classes 51
5.5 Clinical Quality Performance and Measures 52

Introduction

Financial metrics are calculated on a paid basis during the time frame October 2008 through September 2010. Utilization metrics are calculated from claims incurred from October 2008 to September 2010.

Period-over-period comparisons are performed on selected reports within this package. The two periods selected for financial measures are:

1. Paid basis
    a. From October 2008 through September 2009
    b. To October 2009 through September 2010

All reported analyses reflect the financial time frame unless otherwise specified on the graphic, reflecting the utilization time frame. The periods selected for utilization measures are:

1. Incurred basis
    a. From October 2008 through September 2009
    b. To October 2009 through September 2010

Please Note:

1. This report displays Plan Paid Amounts unless otherwise specified.
2. Medical Plan Paid amount does not include any Dental, Vision or Lab specific claims.
3. Many dollar values are rounded to the nearest dollar for increased readability. However, calculated values (such as total sums) are calculated precisely and then rounded afterwards. This produces more accurate results, but may occasionally cause calculated fields to appear inexact.
4. This report requires at least 24 months of data in order to display a good comparative analysis for the reported population. Not having claims experience in the first 12 months will result in an incomplete report.
5. Some sections in the Appendix are dependent on previous sections. If the underlying previous sections are not requested, then the corresponding sections in the Appendix will not be populated.
6. The information contained in report has been produced from data provided to Verisk Health, which has not been independently verified by Verisk Health for accuracy or completeness. Additional information, including, but not limited to, any claims that have been incurred but not paid as of the date of this report, or claims that were subject to subsequent adjustment, should be considered before any action is taken on the basis of the contents of this report. This report does not constitute the provision of medical or legal advice by Verisk Health to any party.

1. SUMMARY OF FINDINGS

This report provides an analysis of the healthcare information for Acme Corp.. The information is based on eligibility, medical claims, and pharmacy claims data for employees and their families during the reporting period October 2008 through September 2010 on a paid basis. The cost figures below reflect the time frame specified.

Summary of Expenses Paid by Plan

Medical Claims	$31,932,026.59
Pharmacy Claims	$4,775,825.91
Total Claims	**$36,707,852.50**
PMPM Medical Expenses	$197.09
PMPM Pharmacy Expenses	$29.48
Total PMPM Expenses	**$226.57**

2. POPULATION CHARACTERISTICS

This section explores the aggregate demographic, economic and clinical characteristics of this population.

Section 2.1 contains the population's demographic characteristics, including the change in total and current membership levels; and age and gender breakouts with associated economics.

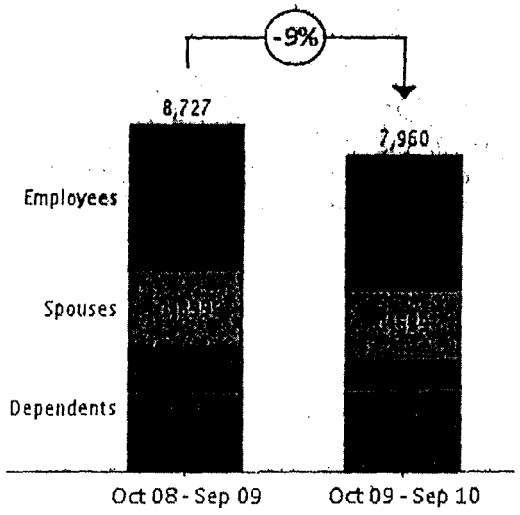
Section 2.2 details the population's high-level economic characteristics. This includes an assessment of the drivers of cost growth, such as change in member volume, change in PMPM, and medical versus pharmaceutical PMPM. Trends in total and PMPM costs over time - both medical and pharmaceutical - are calculated. Finally, cost distribution by spending band is explored. Deeper economic analyses into the drivers of pharmaceutical and medical expenses are detailed in *Section 3: Economic Findings and Opportunities.*

Section 2.3 analyzes the population's high-level clinical characteristics. The first breakout shows the relationship between age and disease burden (as quantified by the Relative Risk Score (RRS)) and the related Care Gap Index (CGI). These are analyzed both relative to each other and relative to the Verisk Health book of business benchmark. The second relationship describes the distribution of diseases across the population - identifying what is large or growing rapidly from a prevalence standpoint. The prevalence of high-frequency diseases is then shown relative to benchmarks.

2.1 Demographics

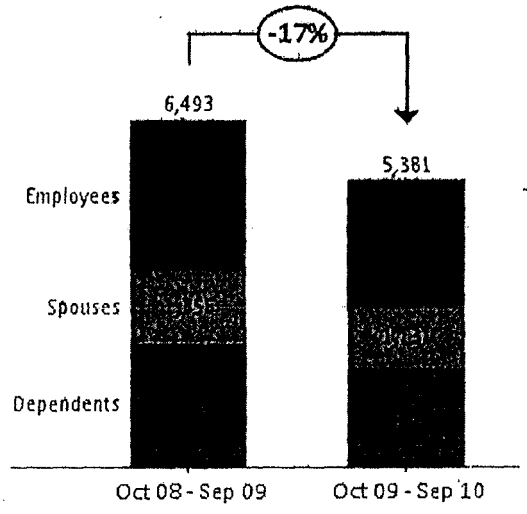
Figure 2.1.1 presents total membership change, by relationship status, from period one to period two. The percentage changes are also provided so that period-over-period trends can be evaluated. Figure 2.1.2 presents the distribution of current members in that specific period. For both total and current members, average PMPM is provided, where dependents typically spend the least amount per month. Finally, Figure 2.1.3 and Table 2.1.1 show the total claims paid and membership profile by age group and gender; in absolute terms employees and spouses typically constitute proportionally more spend than dependents.

Figure 2.1.1 Total Member Count by relationship status [1]



	Member Growth	Average PMPM Oct 08 - Sep 09	Average PMPM Oct 09 - Sep 10	PMPM Growth
	-6.9%	$270.62	$306.58	13.3%
	-11.1%	$230.38	$328.69	42.7%
	-9.6%	$107.84	$139.08	29.0%

Figure 2.1.2 Current Members



	Member Growth	Average PMPM Oct 08 - Sep 09	Average PMPM Oct 09 - Sep 10	PMPM Growth
	-15.1%	$262.92	$287.26	9.3%
	-16.6%	$230.30	$252.45	9.6%
	-19.9%	$107.64	$145.87	35.5%

[1] Refer to Appendix 5.1 for more information on member expenses by relationship status.

Figure 2.1.3 Claims Paid by Gender and Age [2]

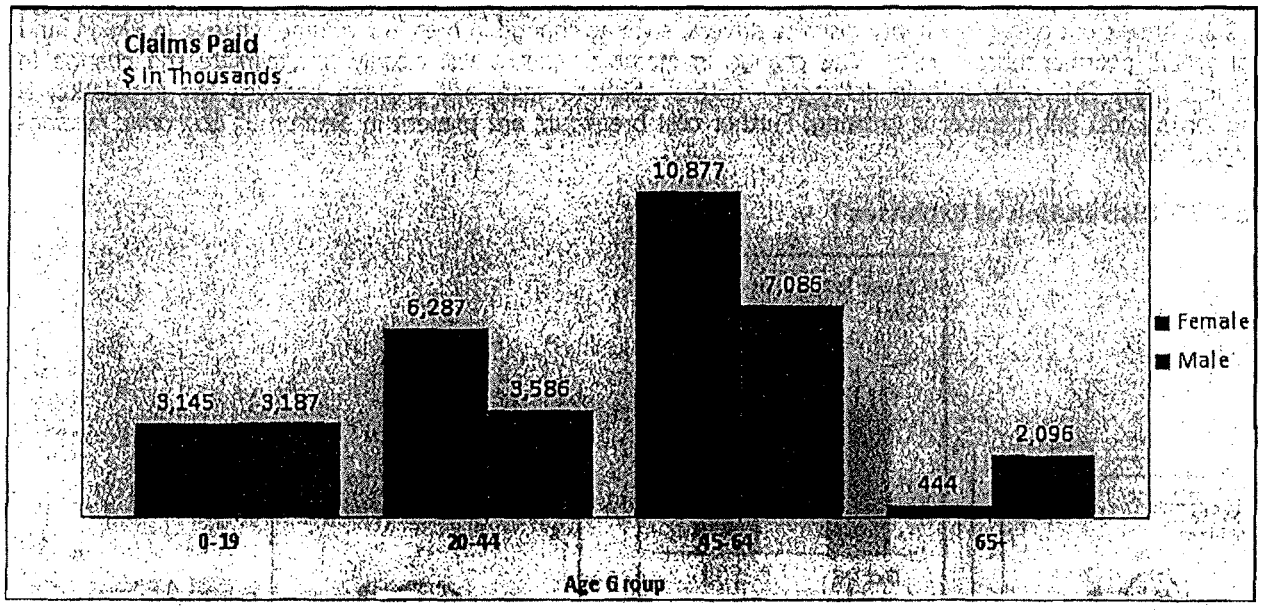


Table 2.1.1 Membership Profile [3]

Employee	1,836	19.0%	2,269	23.5%	4,105	42.6%
Spouse	1,344	13.9%	721	7.5%	2,065	21.4%
Dependent	1,669	17.3%	1,804	18.7%	3,473	36.0%

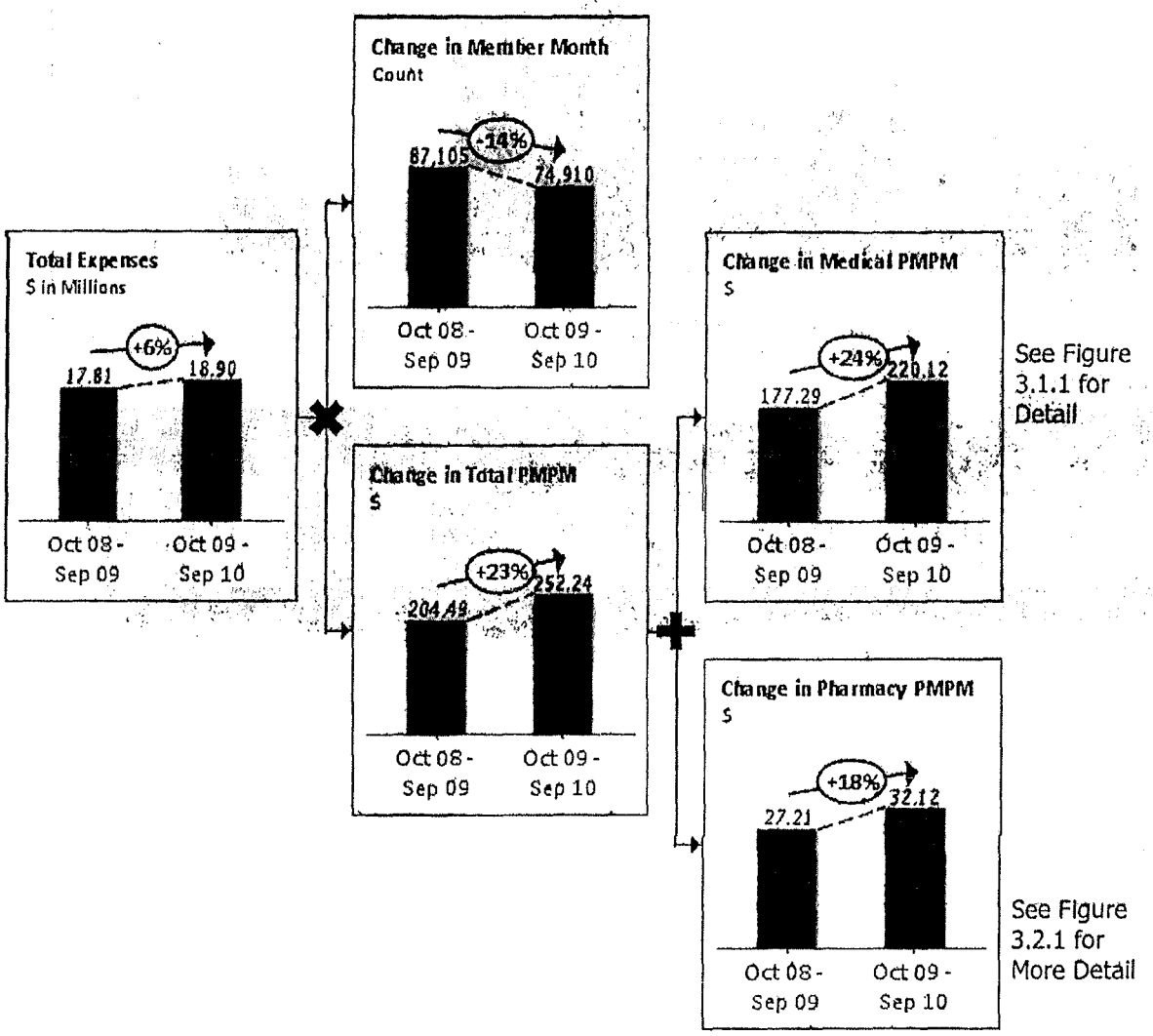
[2] ***Note:*** Average age for males is 32.7. Average age for females is 33.3.
Source: Explorer: Age groups in Demography module

[3] Source: Explorer - Gender and relationship flag on individuals module

2.2 Aggregate Economics

Figure 2.2.1 breaks out cost growth into discrete drivers, such as change in member volume, change in PMPM, and medical versus pharmaceutical PMPM. The change in Member Months will closely approximate the change in current members. This analysis help delineate whether absolute costs are growing because the population is growing, or the cost per member is growing. Further cost breakouts are present in *Section 3: Economic Findings and Opportunities.*

Figure 2.2.1 Distribution of Expenses [4]



[4] Source: Explorer - Custom time frames from claims module for medical and pharmacy expenses. The distribution by employee and plan is calculated by Verisk Health.

Note: Medical PMPM includes Non-PBM drug spend

2.2.1 Monthly Comparison of Paid Claims

Figures 2.2.2 and 2.2.3 track monthly claim paid amounts for the most recent 24 months. Seasonality in claims paid (in terms of date incurred) is expected, with the highest monthly claims generally occurring in the winter. Claim volumes may also rise just before or after installation of a new health plan. Claims are presented both as total and PMPM calculations.

Figure 2.2.2 Medical and Pharmacy Claims- Total

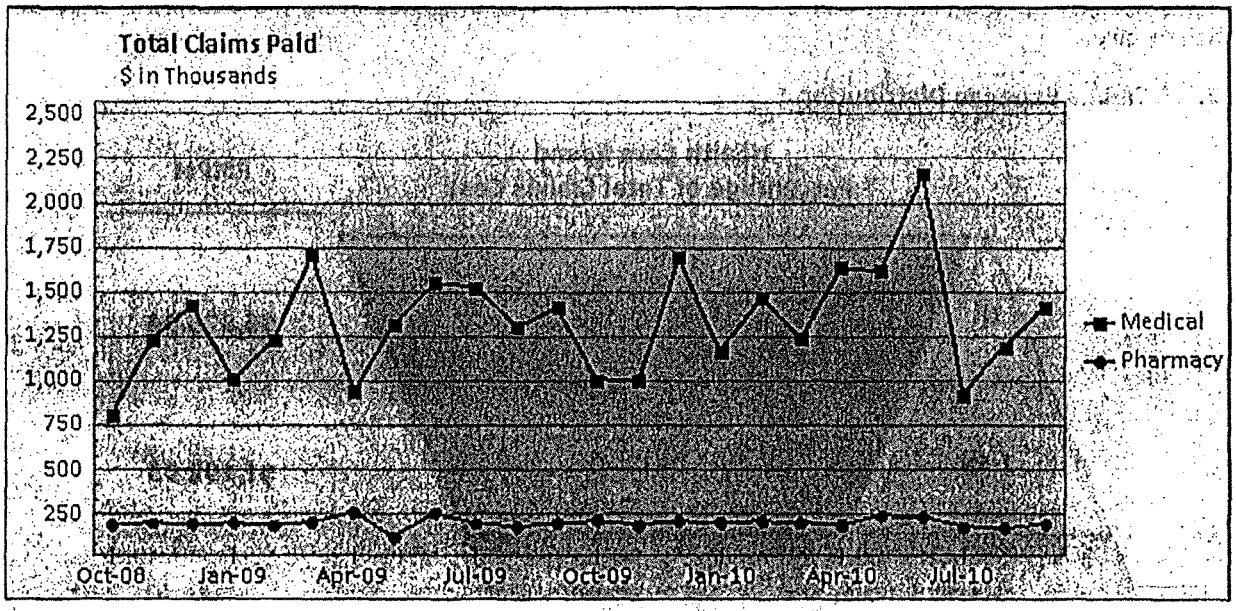
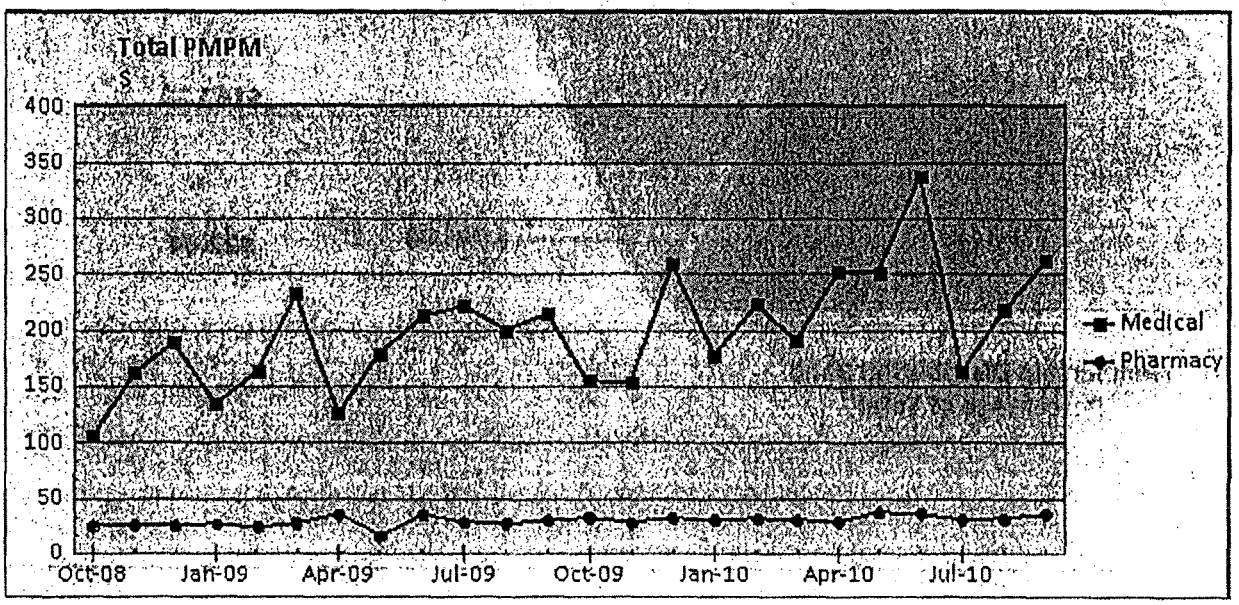


Figure 2.2.3 Medical and Pharmacy Claims-PMPM [5]



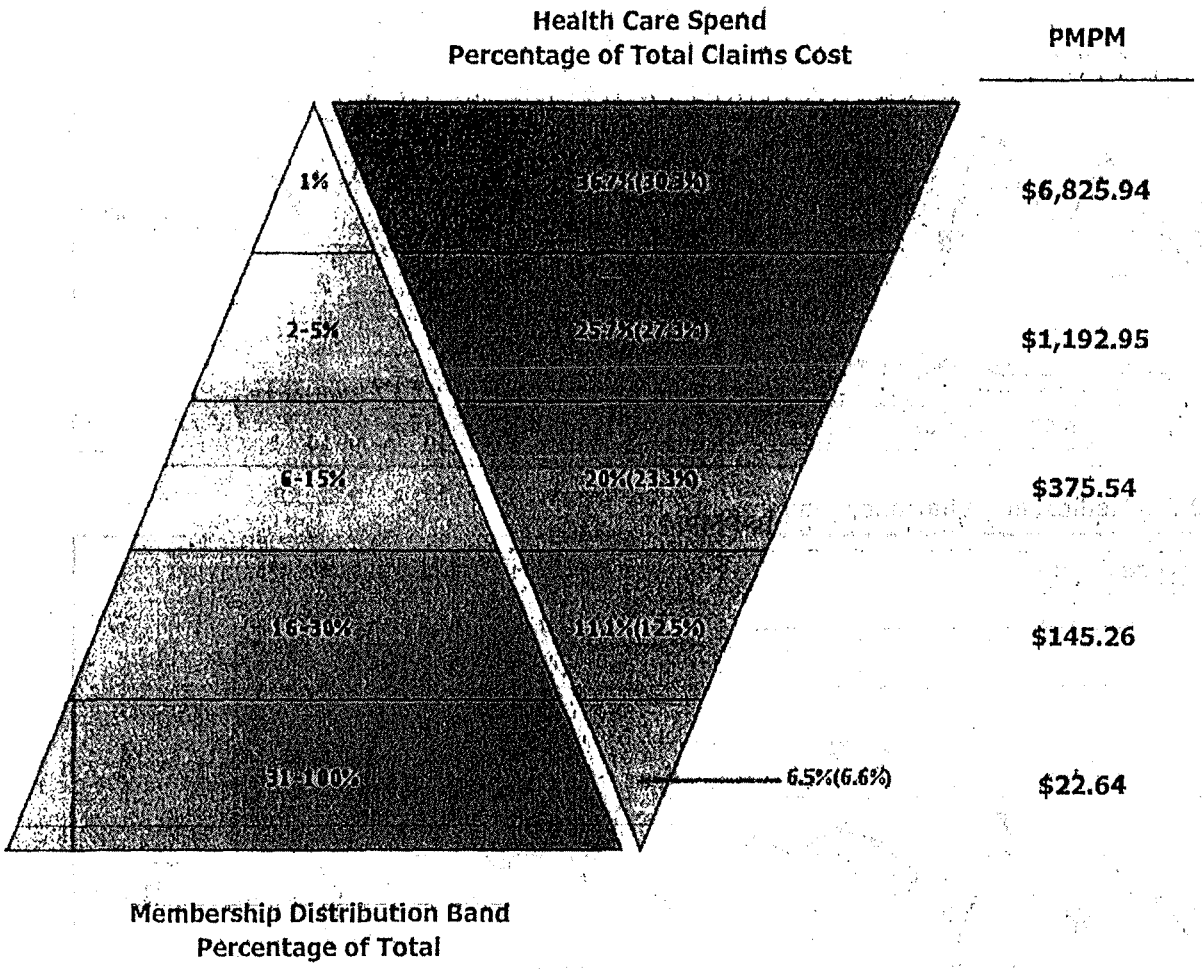
[5] Source: Explorer - PMPM calculated by dividing total paid by Member Month

Note: Refer to Table 5.2.1 and 5.2.2 in Appendix 5.2 for monthly detail.

2.2.2 Expense Distribution by Percent Spending Band

Figure 2.2.4 shows claim payments for 5 different population bands including both current and termed members. Members are ranked by total claims for purposes of creating the bands. For example, the band representing 1% of the population consists of the most expensive 1% of members; approximately one-third of the total claims expense is generally accounted for by this group. These members have extremely high claims expense and should be reviewed to verify their case management status. A significant number of members in the next two bands will be high risk members, often with multiple chronic conditions. The risk associated with these members, many of whom to date have not generated significant claims expense, can be further evaluated using the D2Explorer Expense Distribution module.

Figure 2.2.4 Claims Expense Distribution [6]



[6] Refer to Table 5.2.3 in Appendix 5.2 for further detail.

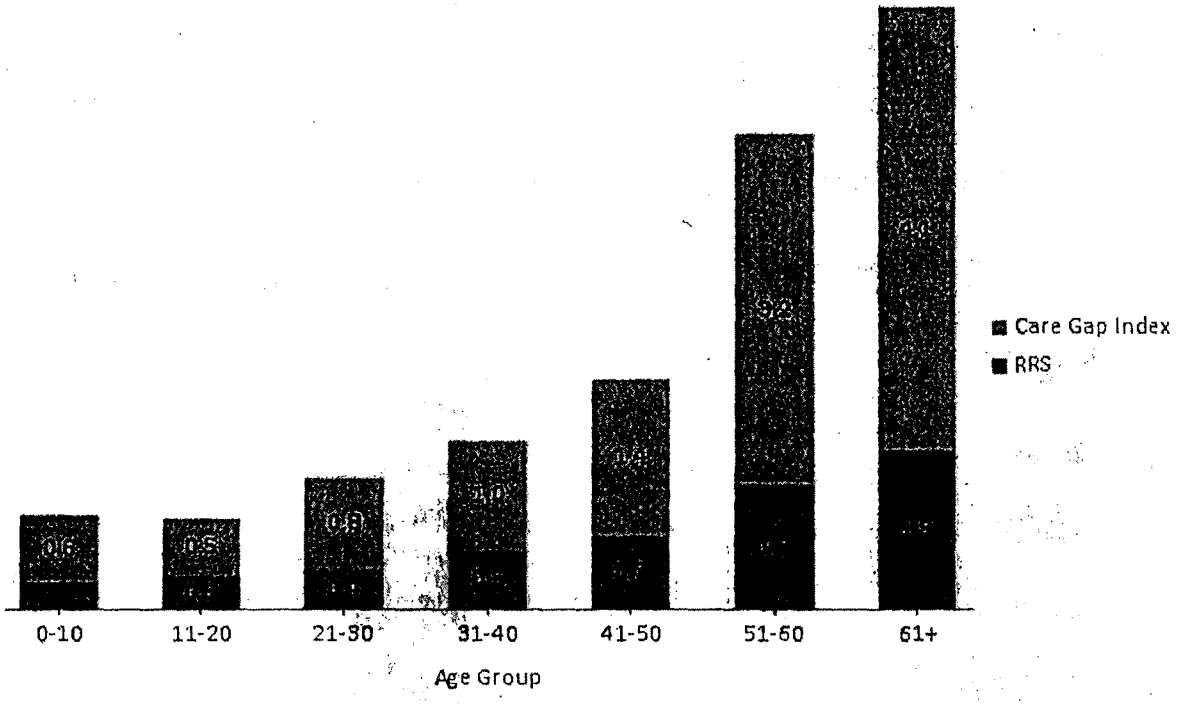
Source: Explorer - Expense Distribution module.

2.3 Clinical Disease Fingerprint

The RRS quantifies the disease burden of an individual member, while the Care Gap Index (CGI) quantifies the gaps in appropriate medical care that a member is receiving. Depending on the diseases that a member has, the extent of care gaps present serves as one assessment of the quality of care they receive.

Figures 2.3.1 show the relationship between the RRS and the CGI. As age increases, RRS and CGI usually increase proportionally. Figure 2.3.2 shows the RRS and CGI relative to benchmark performance and discusses how to determine the extent to which your CGI is driven by high disease burden or poor quality care.

Figure 2.3.1 Average Care Gap and RRS [7]



[7] Source: Explorer - Average of RRS and CGI fields, grouping members by age in the individuals module

Figure 2.3.2 shows the RRS and CGI relative to the VH Norm. Four scenarios are possible:

1. The population has a **higher RRS but a lower CGI** relative to the norm. This is a positive finding. The population has a higher disease burden, yet compliance with evidence-based medicine generates CGI lower than the norm.

2. The population has a **higher RRS and a higher CGI** relative to the norm. This is a mixed finding. The population is sicker than the VH norm. Because it is sicker, we expect gaps in care to be more prevalent as well. This population presents an opportunity to reduce care gaps and claims cost through disease management.

3. The population has a **lower RRS and a lower CGI** relative to the norm. This is a positive finding. The population is healthier than the VH norm and also enjoys correspondingly fewer gaps in care.

4. The population has a **lower RRS but a higher CGI** relative to the norm. This is a negative finding. Although the illness burden is low for this population, there exist disproportionate gaps in compliance with evidence-based care guidelines - either through member non-compliance or poor provider quality.

Figure 2.3.2 Spread of disease burden and gaps in care by age groups.

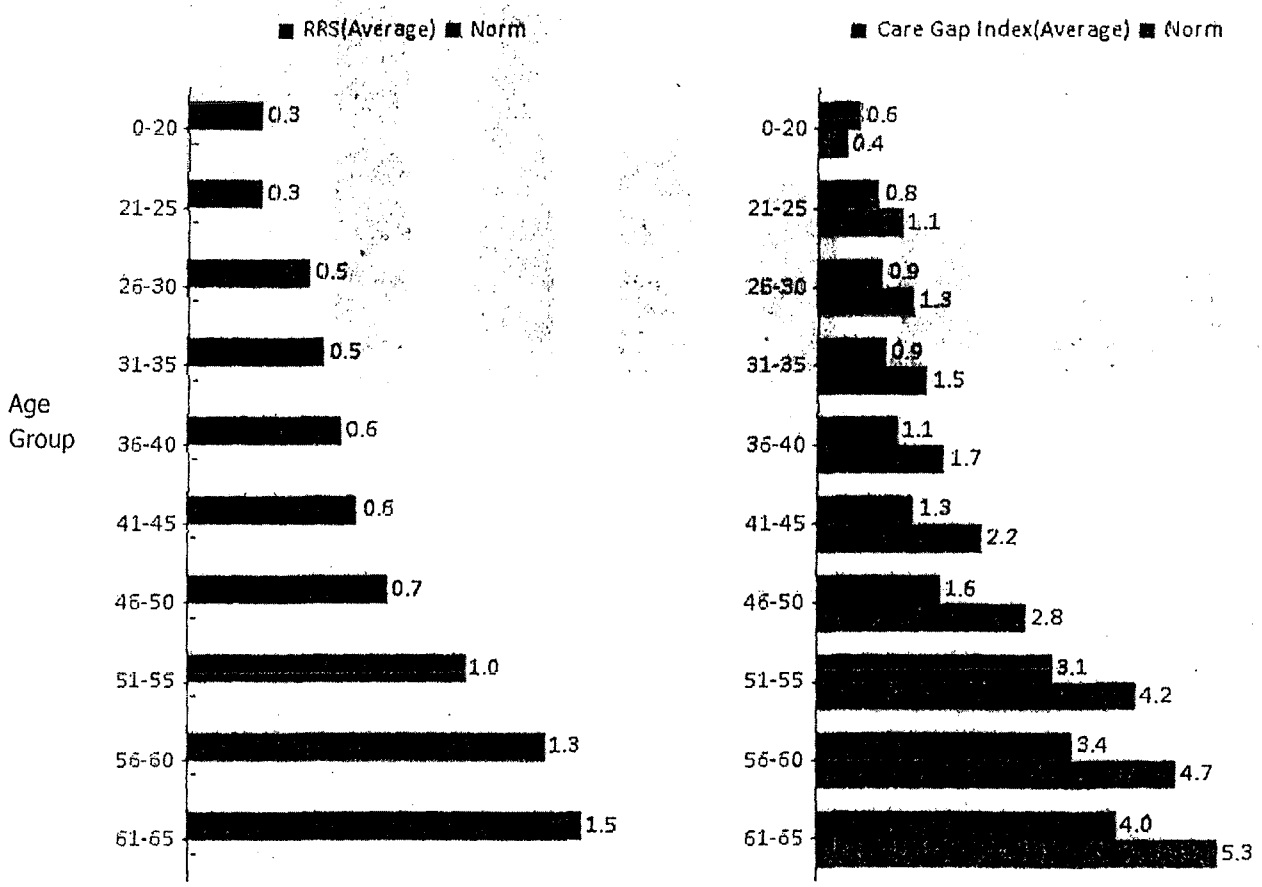
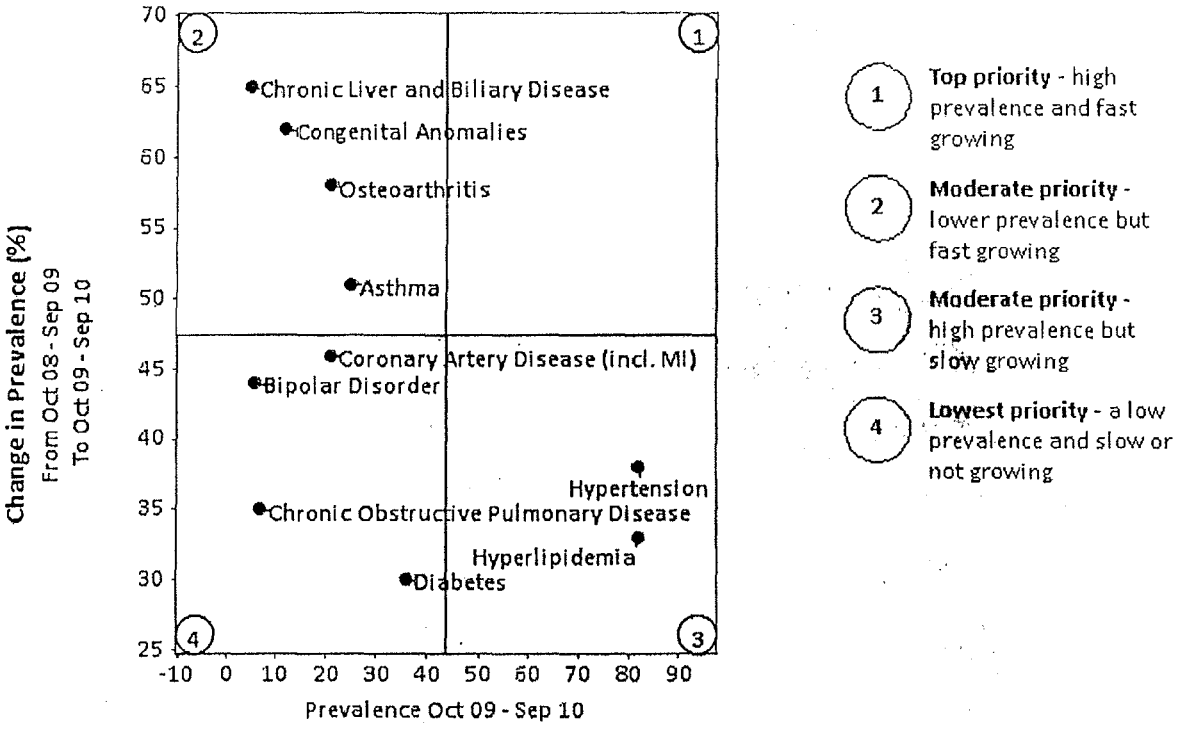


Figure 2.3.3 presents the top ten chronic diseases using the VH Disease classification scheme - this is the population's "disease fingerprint". Reducing the cost associated with these diseases is typically achieved with Disease Management programs; Disease management program typically reduce absolute utilization, and shift utilization from high cost setting to low cost settings.

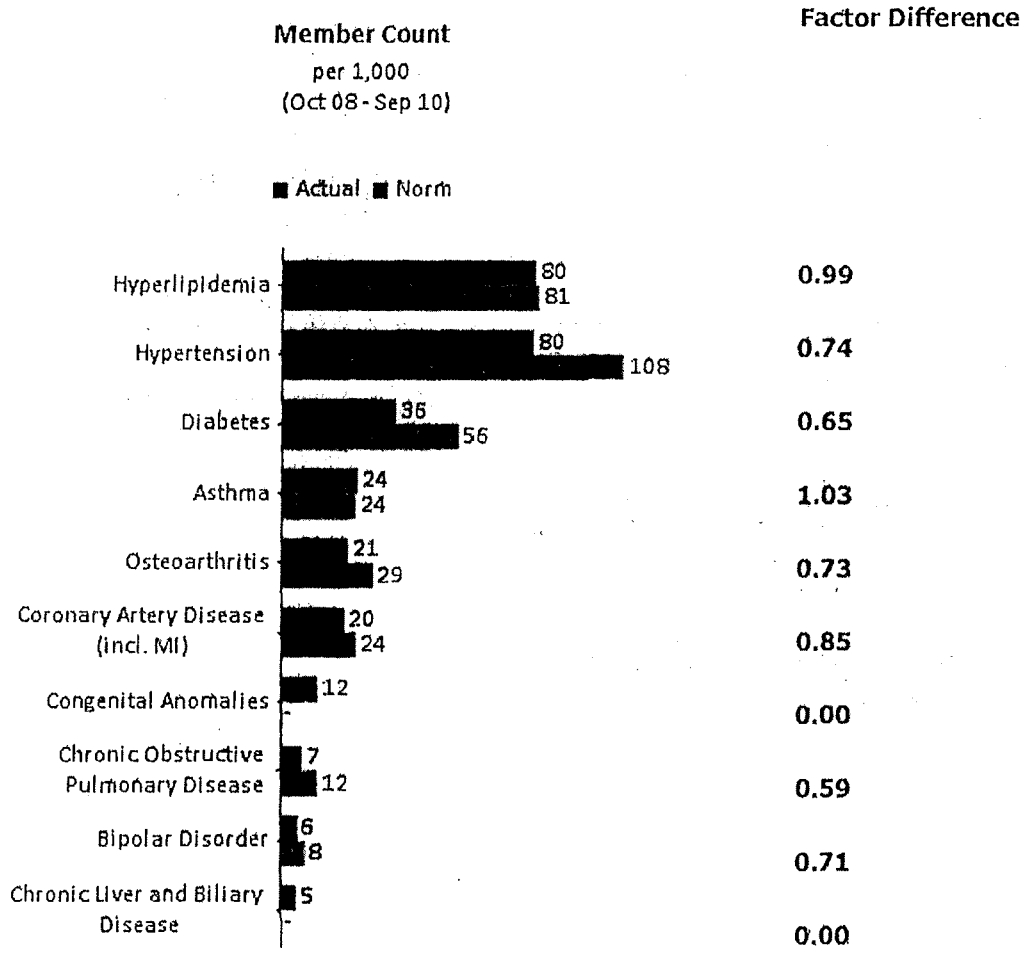
Figure 2.3.3 Prevalence and Growth of Top 10 Chronic Diseases [8]



[8] Source: Explorer - Disease Registry module: explore diagnostic group in medical claim type and sort by member per 1000

Figure 2.3.4 shows the prevalence of the population's top 10 chronic diseases relative to the Verisk Health Commercial Norm benchmark values. Diseases with a factor difference less than 1, labeled in green, have lower prevalence than the VH norm, while diseases labeled in red have higher prevalence. A high prevalence relative to the norm means that the high cost in claims is in part driven by intrinsic population disease burden, which can be addressed by Disease and Wellness Management programs.

Figure 2.3.4 Prevalence View of top 10 Chronic Diseases. [9]



[9] Refer to Appendix 5.3 for further details on utilization patterns.
Source: Explorer - Disease Registry for client values.

3. ECONOMIC FINDINGS AND OPPORTUNITIES

Economic findings are broken out into Medical and Pharmaceutical subsections.

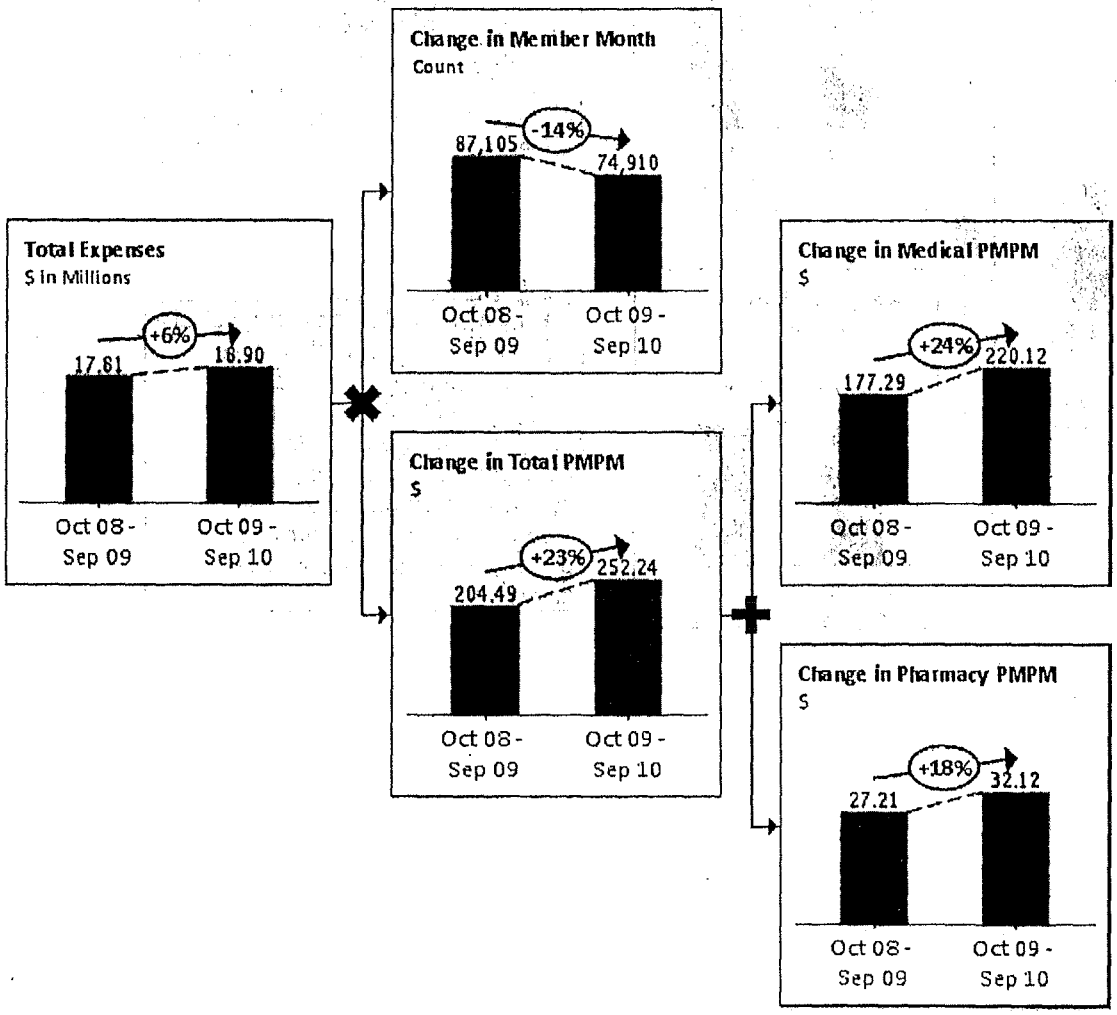
In section 3.1 - the Medical Economics subsection- this report examines:

- Factors that primarily impact *unit pricing,* including contract discount power and in versus out-of-network utilization rates. We also examine which geographic areas are associated with the most out-of-network spend.
- Factors that drive *utilization,* including specialty procedures and consultations, diagnostic testing, and the place of service. For these utilization-based drivers, we assess both changes in utilization and cost.

In section 3.2 - the Pharmaceutical section - this report examines:

- Drug classes that affect PBM drug spend, and whether the change in this spend is due to pricing growth or utilization growth. This section also details the highest cost drugs and opportunities for generic and branded switching.
- Overall Non-PBM drug spend: because this spend is a "medical" cost - not a PBM cost - the impact of these high-cost drugs is often hidden.

Figure 3.1 Expense Drivers

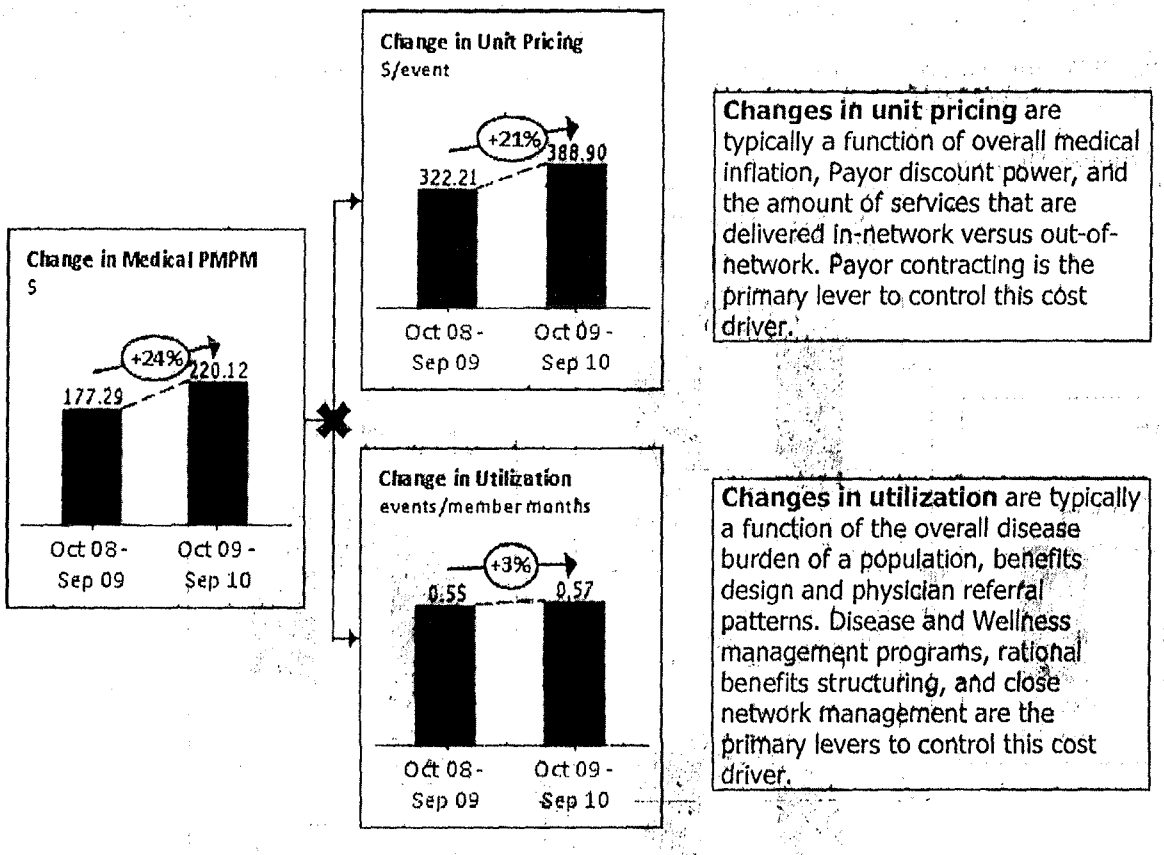


3.1 Medical Economics

Section 3.1 assesses medical economics - where cost increases are occurring, what is driving them, and how they can be controlled. While the areas and opportunities assessed are not additive, they are complementary. For example, managing Coronary Artery Disease more effectively can be expected to reduce the number of cardiac catheterizations, reduce the overall number of cardiology consultations, and move cardiology consultations from the inpatient setting to the lower-cost office setting.

Figure 3.1.1 shows the change in Medical expenses over time. This chart is related to chart 2.2.1 from our assessment of aggregate economics.

Figure 3.1.1 Medical Expense Growth over Time (Refer to Figure 3.1) [10]



[10] ***Note:*** Events are a distinct count of Member ID and Date of Service for the reported population and reporting period. Source: Explorer - Claims module with custom time frames

Section 3.1 will analyze the five areas listed directly below.

	What the analysis assesses	How excessive costs are incurred
Contract discount power	• The percent discount that a payor is able to achieve from provider	• Payors with weaker networks - and lower network discount rates - will pay higher per-unit costs
Network utilization	• The percentage and location of out-of-network claims occurrences	• On a per-unit basis, out-of-network costs are generally higher than in-network costs
Specialty procedures & consultations Diagnostic testing Place of service	• Costs are prioritized by total amount and growth rate • Cost growth drivers are disaggregated into change-in-utilization and change-in-price drivers	• High rates of utilization will drive excessive costs; utilization is typically driven by excessive specialty procedures or diagnostic testing • Excessive costs can also be driven by inappropriate location of care; for example, if a disease is treated in the ER instead of clinic

3.1.1 Network utilization and contract discounts

Table 3.1.1 details in-network (Par) and out-of-network (Non-Par) costs, ranked by plan paid, for the various networks used by your plan participants. This analysis also provides a comparison of discounts for the top ten participating networks. Most benefit plans utilize a provider network where providers have agreed to accept lower reimbursements in return for inclusion on a preferred provider list. Some out-of-network utilization is expected; examples are members seeing a provider while away from home (out-of-area claims), or seeing an out-of-network provider for an urgent or emergent healthcare condition. Out-of-network claims result in higher than expected claims expense for the service provided. A high incidence of out-of-network provider visits is usually an indication that there are access issues. These access issues can be impacted through network restructuring. Improved in-network usage can be accomplished by limiting coverage for out-of-network services.

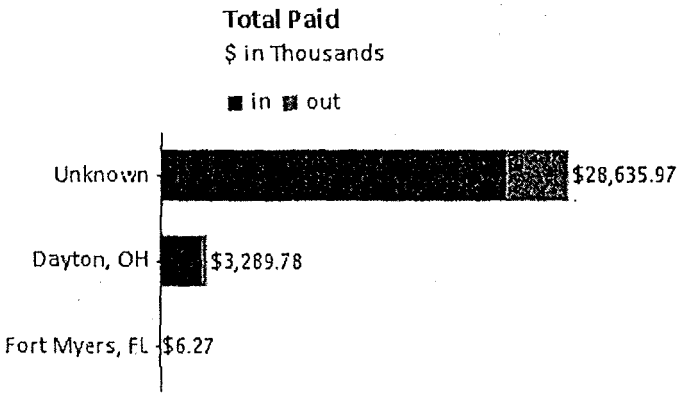
Table 3.1.1 Carrier Discounts and Network Utilization [11]

Network - 002975	$37,410,324	$25,120,880	$20,346,607	$3,505,238	$12,289,444	32.9%
Network - 017444	$12,516,521	$7,500,554	$6,261,215	$1,073,977	$5,015,966	40.1%
Network - 020412	$814,500	$425,480	$424,057	$0	$389,020	47.8%
Network - 006685	$319,403	$221,315	$183,710	$36,480	$98,088	30.7%
Network - 009653	$163,788	$117,612	$111,482	$5,476	$46,176	28.2%
Network - 015589	$34,112	$22,059	$18,228	$3,592	$12,053	35.3%
Network - 001862	$45,064	$24,256	$16,398	$5,303	$20,808	46.2%
Network - 020041	$9,158	$1,783	$966	$817	$7,375	80.5%

[11] Source: Explorer - Network Utilization module
Refer to Table 5.2.6 in Appendix 5.2 for network summary.

Figure 3.1.2 shows where out-of-network spend is being incurred. Efforts to move utilization in-network should begin with an understanding why members are seeing out-of-network (OON) providers in these areas.

Figure 3.1.2 Top 10 Cities for Out-of-Network Claims Paid [12]



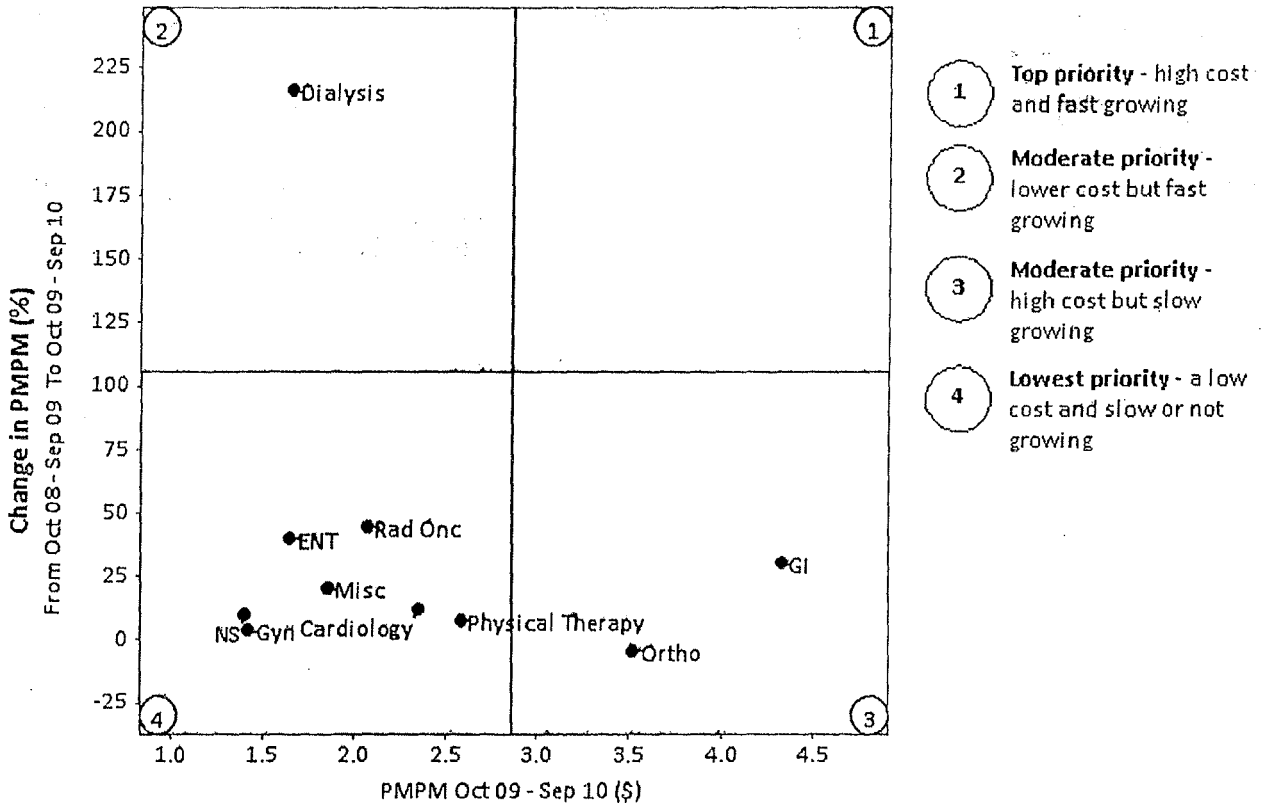
	OON Spend $ in Thousands	OON Spend	all OON Spend
Unknown	$4,281.54	15.0%	13.4%
Dayton, OH	$287.46	8.7%	0.9%
Fort Myers, FL	$0.36	5.8%	0.0%
	Total = $4.57 M		

[12] Source: Explorer - "All-Zip" in Network utilization module sorted by greatest total paid

3.1.2 Specialty procedures/consultations

Specialty procedures, and the consultations that lead to those procedures, are a common driver of excess utilization. The chart below shows what procedures are large and are growing fast. Moving left to right on the horizontal axis, total costs incurred get larger. Moving bottom to top on the vertical axis, year-on-year growth in costs increases. Therefore, specialties in the upper right corner are both large and growing fast.

Figure 3.1.3 Cost drivers: Areas of cost and cost growth for specialty procedures and consultations [13]



[13] Source: Explorer – Drill by Unit & Specialty

ost driver for each category analyzed in the prior chart. This allows you to understand whether the changes in cost are change in utilization. Also displayed is the average cost from the Verisk Health Normative Database, and the population's

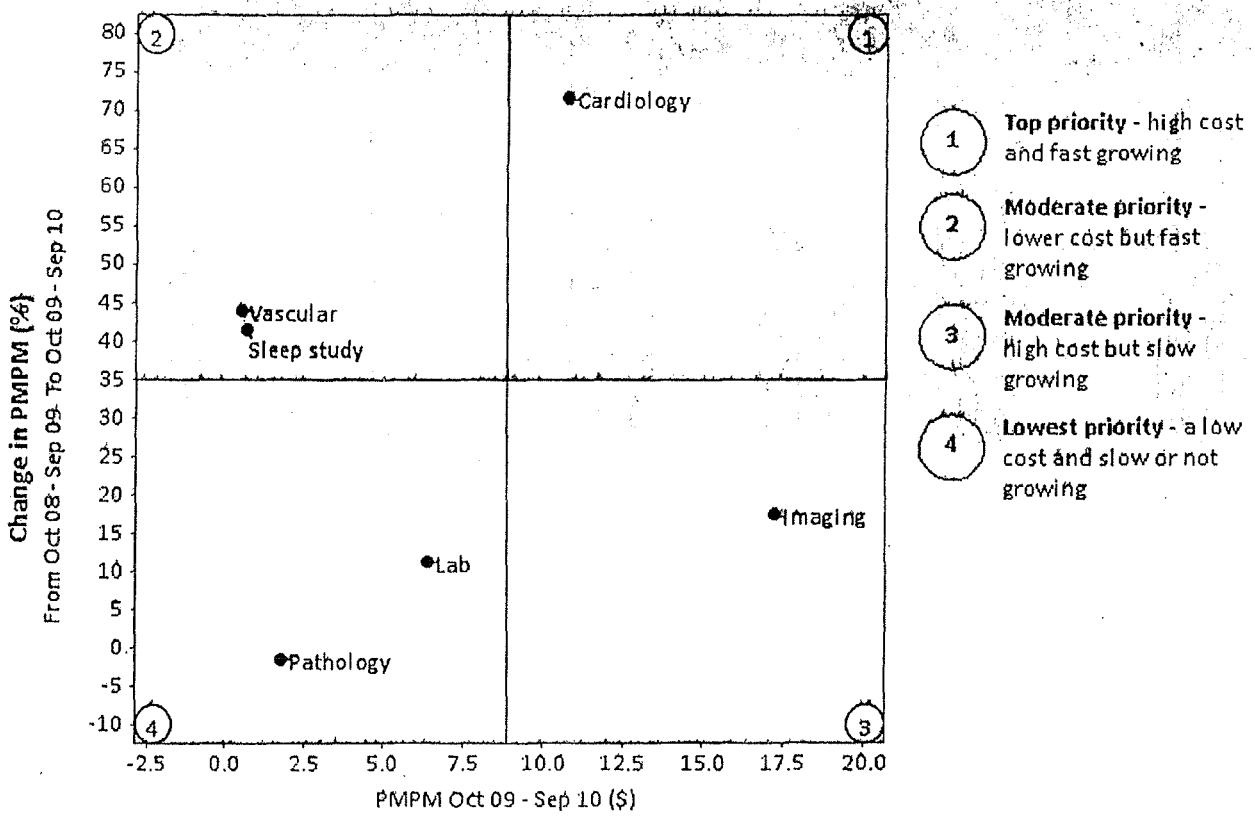
ıge in unit price and change in utilization breakout for specialty procedures and consultations

$4.32	30.3%	12.3%	16.1%	-	-
$3.52	-4.1%	-2.8%	-1.3%	-	-
$2.58	8.1%	1.2%	6.8%	-	-
$2.35	12.3%	-2.2%	14.8%	-	-
$2.07	45.0%	25.8%	15.2%	-	-
$1.85	20.6%	16.5%	3.5%	-	-
$1.66	215.9%	162.8%	20.2%	-	-
$1.65	40.6%	3.2%	36.2%	-	-
$1.43	3.9%	1.0%	2.9%	-	-
$1.41	10.3%	14.0%	-3.2%	-	-

3.1.3 Diagnostic Testing

The chart below shows what diagnostic tests are large and are growing fast. Moving left to right on the horizontal axis, total costs incurred get larger. Moving bottom to top on the vertical axis, year-on-year growth in costs increases. Therefore, tests in the upper right corner are both large and growing fast.

Figure 3.1.4 Cost drivers: Areas of cost and cost growth for diagnostic tests [14]



[14] Source: Explorer - Drill by procedure group

ost driver for each category analyzed in the prior chart. This allows you to understand whether the changes in cost are anges in utilization. Also displayed is the average cost from the Verisk Health Normative Database, and the population's

ıge in unit price and change in utilization breakout for diagnostic tests

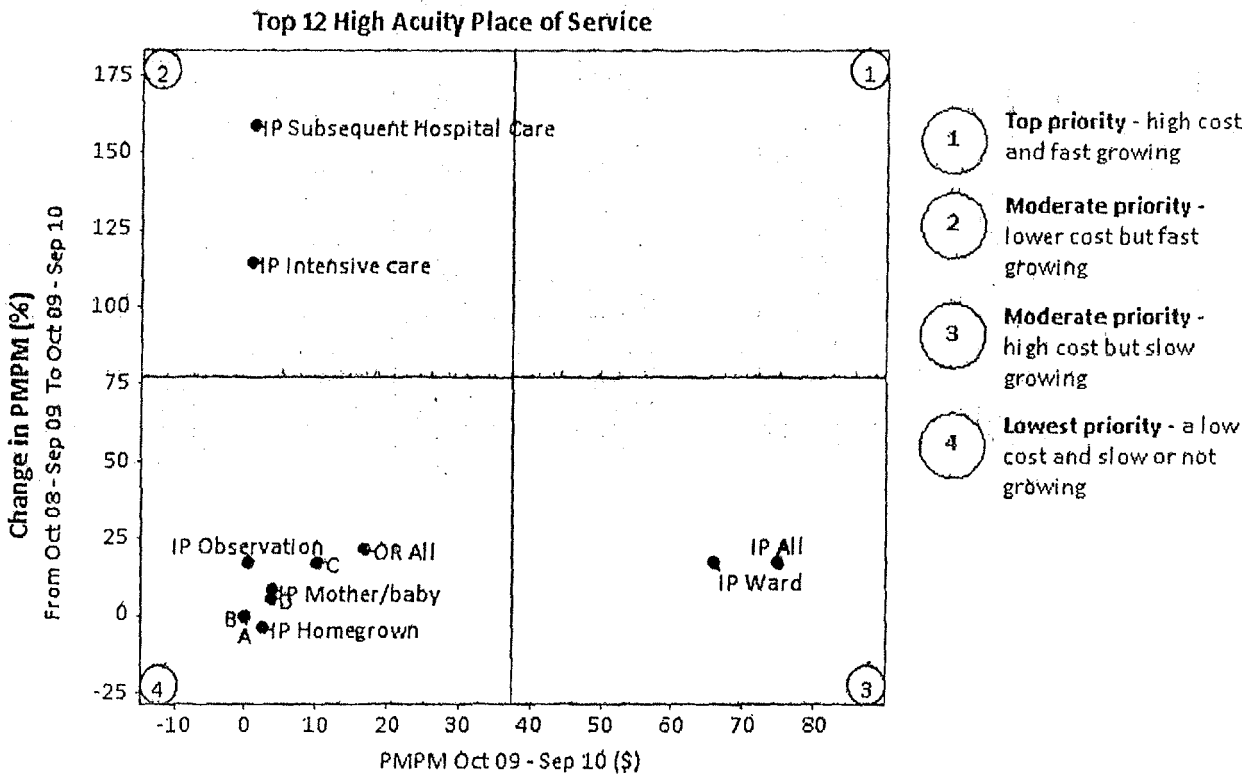
	$10.77	71.6%	13.0%	24.7%		
ıler	$9.85	81.6%	16.3%	56.2%		
	$0.82	10.3%	12.3%	-1.8%		
y	$0.09	-12.4%	-12.8%	0.4%		
e Imaging	$0.00	0.0%	0.0%	0.0%		
	$17.24	17.4%	13.8%	-0.4%		
	$4.88	25.7%	24.8%	0.7%		
	$4.42	13.6%	16.8%	-2.7%		
	$2.49	20.8%	3.6%	16.6%		
	$1.96	4.3%	1.9%	2.4%		
	$1.82	20.5%	43.9%	-16.3%		
	$1.66	14.7%	16.0%	-1.2%		
	$6.41	11.3%	3.7%	7.3%		
	$1.75	-1.5%	-11.3%	11.1%		
	$0.63	41.5%	35.7%	4.3%		
	$0.44	44.0%	20.0%	19.9%		

3.1.4 Place of service - Inpatient and high acuity

Monitoring the utilization patterns for chronic conditions offers valuable insight into benefit design and/or case and disease management program performance. In general, high utilization rates for such measures as inpatient admissions and emergency room services in these conditions bring into question the adequacy of outpatient care, plan design incentives to encourage outpatient care, and medical management performance.

The chart below shows which inpatient and high acuity places of service are large and are growing fast. Moving left to right on the horizontal axis, total costs incurred get larger. Moving bottom to top on the vertical axis, year-on-year growth in costs increases. Therefore, locations in the upper right corner are both large and growing fast.

Figure 3.1.5 Cost drivers: Areas of cost and cost growth for hospital and ASC based utilization [15]



A. OP Hospital All B. IP Psychiatry C. ER All D. ASC All

[15] Source: Explorer - Drill by unit & service

st driver for each category analyzed in the prior chart. This allows you to understand whether the changes in cost are change in utilization. Also displayed is the average cost from the VH Normative Database, and the population's cost rank

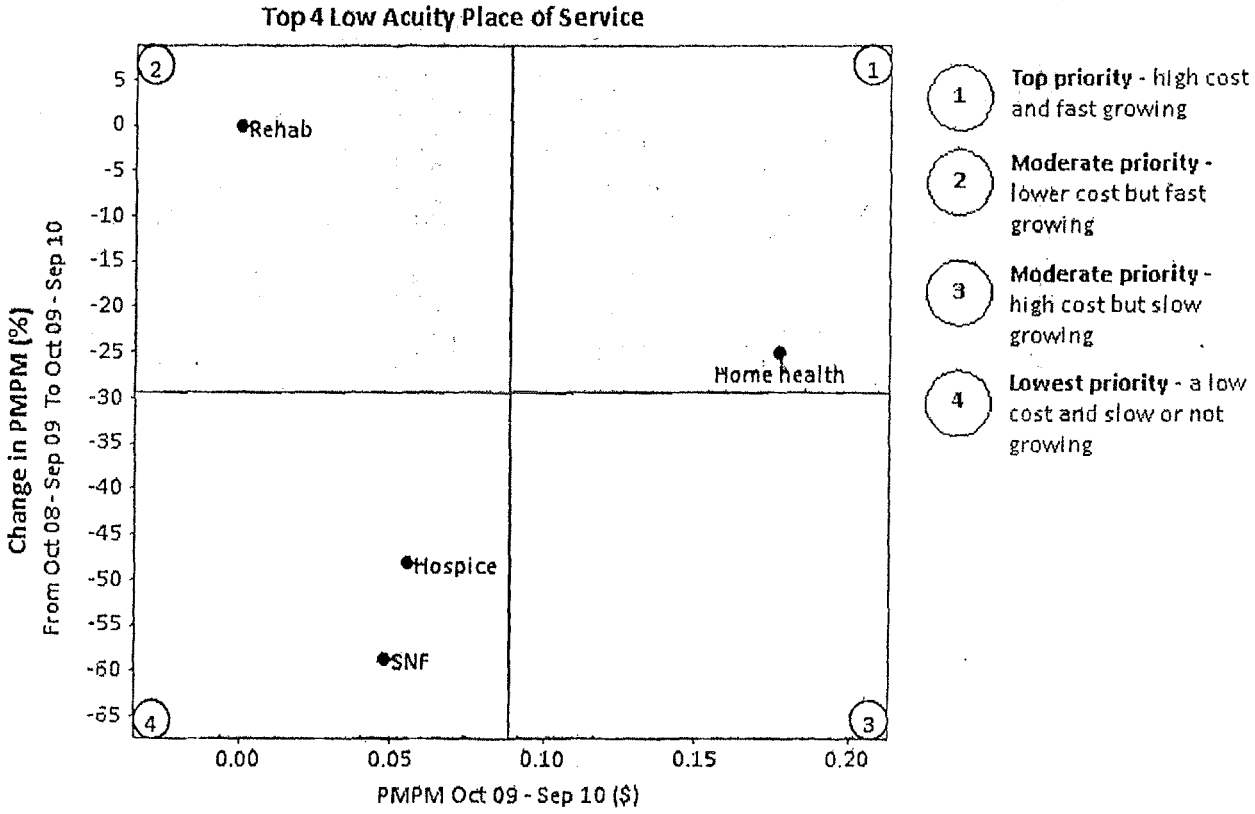
ıge in unit price and change in utilization breakout for Inpatient and high acuity locations of care

	$3.77	5.6%	-7.1%	13.6%	-	-
	$10.33	17.4%	2.4%	14.6%	-	-
	$74.91	17.4%	2.4%	11.8%	-	-
	$66.10	17.2%	8.7%	7.8%	-	-
	$3.80	8.2%	-18.0%	32.0%	-	-
	$2.65	-4.1%	-31.7%	40.5%	-	-
pital Care	$1.10	158.6%	74.9%	47.9%	-	-
	$0.89	114.6%	108.4%	3.0%	-	-
	$0.36	17.4%	47.6%	-20.4%	-	-
	$0.00	0.0%	0.0%	0.0%	-	-
	$0.00	0.0%	0.0%	0.0%	-	-
	$16.89	21.4%	2.5%	18.5%	-	-

3.1.5 Place of service - Outpatient and low acuity (excluding office visits)

The chart below shows which outpatient and low-acuity places of service are large and are growing fast. Moving left to right on the horizontal axis, costs incurred by location get larger. Moving bottom to top on the vertical axis, year-on-year growth in costs increases. Therefore, locations in the upper right corner are both large and growing fast.

Figure 3.1.6 Cost drivers: Areas of cost and cost growth for outpatient and community based utilization (excluding office visits)



st driver for each category analyzed in the prior chart. This allows you to understand whether the change in cost seen in unit price or a change in utilization. Also displayed is the average cost from the VH Normative Database and the Norm.

ınge in unit price and change in utilization breakout for Outpatient and low acuity care (excluding office

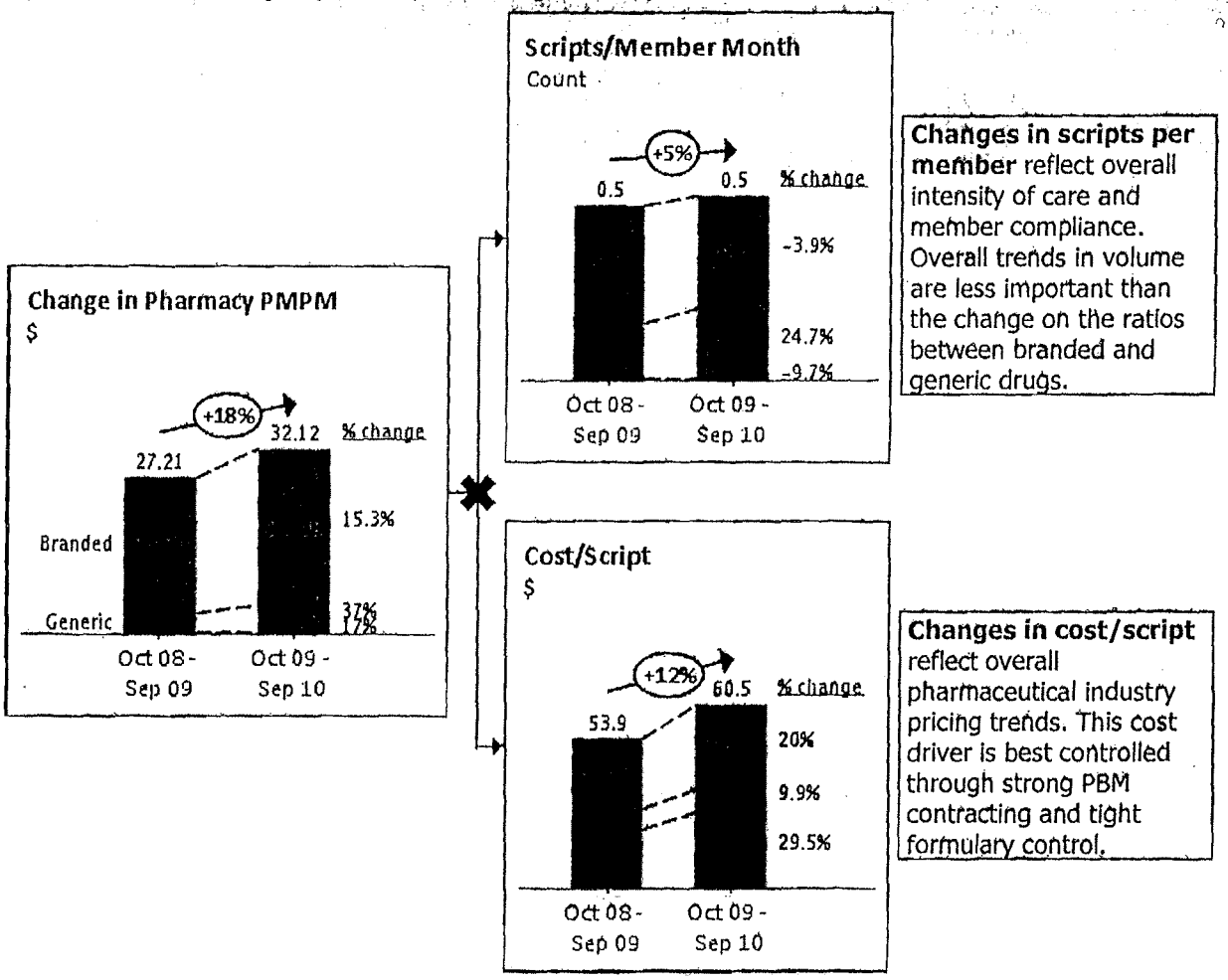
$0.18	-25.0%	129.2%	-67.3%	-	-
$0.06	-48.0%	-41.9%	-10.6%	-	-
$0.05	-58.7%	-54.4%	-9.5%	-	-
$0.00	0.0%	0.0%	0.0%	-	-

3.2 Pharmacy Economics

Year-on-year growth in pharmacy expenses can be attributed to changes in Member Months and pharmacy PMPM cost, as shown in chart 2.2.1.

Increase or decrease of pharmacy PMPM is caused by changes in the number of prescriptions written per Member Month and changes in the cost per prescription.

Figure 3.2.1 Pharmacy Expenses (Refer to Figure 2.2.1) [16]



[16] Source: Explorer - Pharmacy claim type in claims module. Scripts/Member Months and cost/script are calculated by Verisk Health.

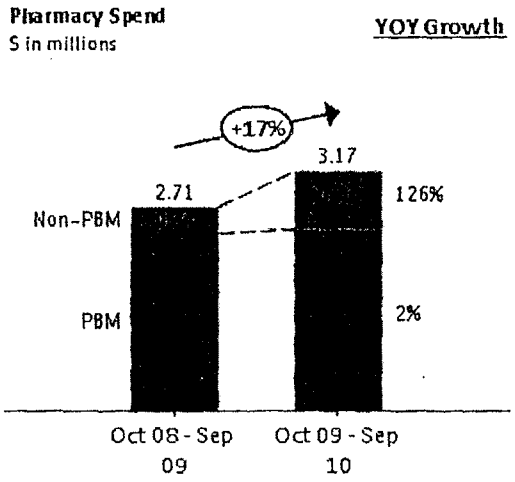
Note: 1) Pharmacy PMPM totals reflect branded, generic and non drug costs. Non drug costs include items like diabetic supplies and syringes which are generally negligible costs. Within the Medical Intelligence application, non- drug charges are located within the non-generic category.

3.2.1 Non-PBM Drug Spend

Non-PBM spend on pharmaceuticals is paid by Health Plan, not the PBM. It is therefore included in medical expenses and usually includes the J-Codes. However, many non-PBM drugs are exceptionally expensive and deserve special attention. Non-PBM drug spend is often best controlled through the use of contracting Specialty Pharmacy networks.

Figure 3.2.2 shows the total pharmacy spend as seen in chart 3.2.1, now with the non-PBM spend added in.

Figure 3.2.2 Distribution of Pharmacy Spend (Refer to Figure 3.2.1) [17]



The top 10 drugs driving non-PBM spend are listed in table 3.2.1, with unit price and utilization values broken out.

Table 3.2.1 Top 10 drugs driving non-PBM spend

Drugs Requiring Detail Codes	$2.36	242.8%	37.0%	115.3%	-	-
Trastuzumab	$2.10	1,099.5%	360.0%	124.2%	-	-
Injection Darbepoetin Alfa 5 Mcg	$0.85	694.5%	327.3%	59.9%	-	-
Pharmacy-R250	$0.61	16.0%	-15.9%	18.6%	-	-
Drugs - Epo Under 10,000 Units	$0.36	324.1%	148.5%	46.8%	-	-
Infliximab Injection	$0.32	-20.4%	-27.3%	-5.8%	-	-
Injection, Oxaliplatin, 0.5 Mg	$0.32	0.0%	0.0%	0.0%	-	-
Injection, Pegfilgrastim, 6 Mg-J2505	$0.30	0.0%	0.0%	0.0%	-	-

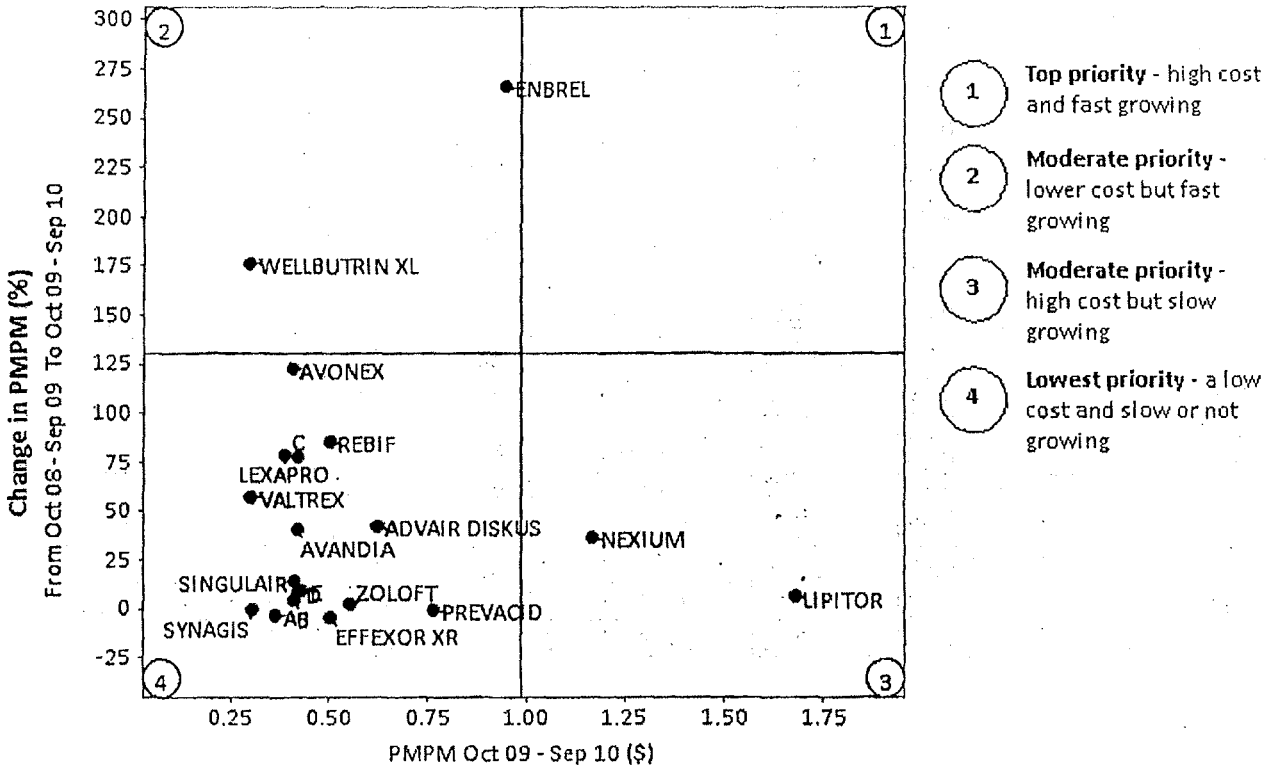
[17] Source: Explorer - Claims module

Drugs Unclassified Injecti	$0.23	213.8%	41.7%	90.5%	-	-
Pharmacy - Incident to Radiolo	$0.21	3.2%	-5.4%	-6.2%	-	-

3.2.2 PBM drug spend

The chart below shows which drugs are large and are growing fast. Moving left to right on the horizontal axis, total costs incurred by drug get larger. Moving bottom to top on the vertical axis, year-on-year growth in costs increases. Therefore, locations in the upper right corner are both large and growing fast. In general, drugs that do not have generic or branded substitutes will typically have the highest rates of cost inflation, but lower overall absolute costs.

Figure 3.2.3 Cost drivers: Areas of cost and cost growth by drug [18]



A. ALLEGRA B. CELEBREX C. ZOCOR D. ACTOS E. IMITREX

[18] Source: Explorer - Claims module

Table 3.2.2 Top 20 Drugs [19]

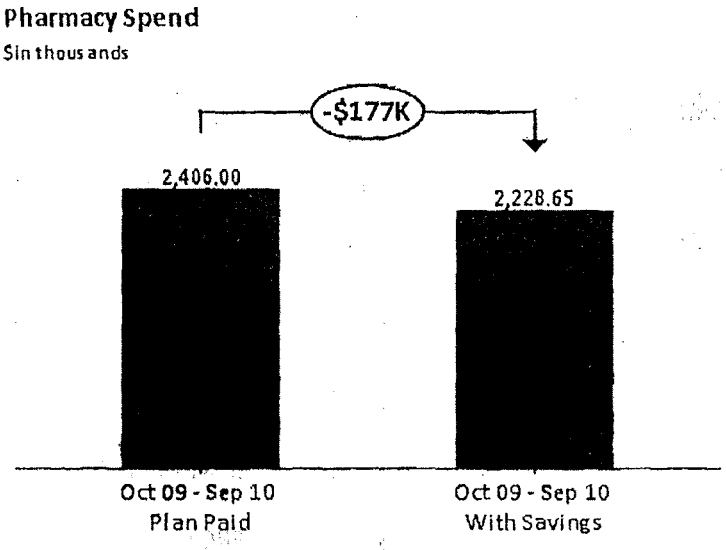
LIPITOR	0.00	$1.68	6.0%	-16.8%	9.6%		-
NEXIUM	0.00	$1.17	36.5%	10.7%	6.0%		-
ENBREL	0.00	$0.95	266.1%	410.0%	-38.3%		-
PREVACID	0.00	$0.76	-0.4%	-14.2%	-0.2%		-
ADVAIR DISKUS	0.00	$0.62	42.4%	7.8%	13.7%		-
ZOLOFT	0.00	$0.56	2.5%	-9.2%	-2.9%		-
EFFEXOR XR	0.00	$0.51	-4.5%	-24.3%	8.4%		-
REBIF	0.00	$0.50	85.2%	123.1%	-28.6%		-
IMITREX	0.00	$0.43	9.6%	-6.8%	1.1%		-
ACTOS	0.00	$0.42	8.6%	-14.3%	8.9%		-
ZOCOR	0.00	$0.42	77.3%	41.7%	7.6%		-
AVANDIA	0.00	$0.42	40.5%	13.0%	6.9%		-
SINGULAIR	0.00	$0.41	14.5%	-5.3%	4.0%		-
CELEBREX	0.00	$0.41	4.9%	-12.6%	3.2%		-
AVONEX	0.00	$0.40	122.8%	75.0%	9.5%		-
LEXAPRO	0.00	$0.39	79.2%	42.9%	7.8%		-
ALLEGRA	0.00	$0.36	-3.0%	-26.4%	13.3%		-
SYNAGIS	0.00	$0.30	0.0%	0.0%	0.0%		-
VALTREX	0.00	$0.30	57.5%	14.4%	18.5%		-
WELLBUTRIN XL	2.08	$0.30	176.8%	202.7%	-21.4%		-

[19] Source: Explorer - Claims module

3.2.3 Selected prescription cost avoidance opportunities

This cost avoidance analysis is a cost comparison between two therapeutically equivalent drugs. Substantial cost differences can exist between therapeutically equivalent drugs, regardless of whether they are brand or generic. In practice, physician prescribing patterns, consumer demand, and formulary benefit design drive drug utilization. If a less expensive alternative is identified, substitution or formulary design change should be approved by appropriate clinicians.

Figure 3.2.4 Pharmacy spend [20]

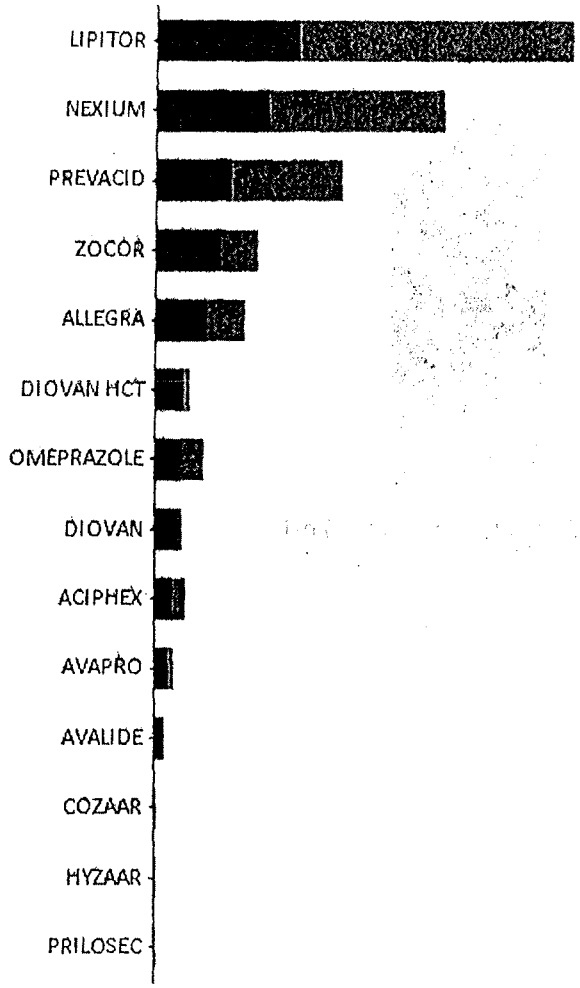


We estimate that savings of $177,343 in pharmaceutical spend from Oct 09 - Sep 10 exist.

[20] Source: VH identified savings – sum of positive potential savings in conversion analyzer module of Explorer Pharmacy plan paid – pharmacy claim type in claims module of Explorer

Our drug Conversion Analyzer feature compares the cost that a company pays for a drug, at the company level, to the average cost of a clinically equivalent substitute, at the portfolio level. The conversion opportunities we assess are non-controversial, clinically acceptable substitutions.

Figure 3.2.5 Savings opportunity through Conversion Analyzer [21]



	Plan Paid Pharmacy Expense $ in K	Alternate Drug	Conversion Savings	Expense With Savings $ in K
LIPITOR	$126.37	CRESTOR	34.5%	$82.76
NEXIUM	$87.75	PROTONIX	39.7%	$52.94
PREVACID	$56.83	PROTONIX	41.1%	$33.50
ZOCOR	$31.26	CRESTOR	63.4%	$11.43
ALLEGRA	$27.31	ZYRTEC	58.0%	$11.46
DIOVAN HCT	$10.80	BENICAR HCT	86.5%	$1.46
OMEPRAZOLE	$15.00	PROTONIX	52.1%	$7.19
DIOVAN	$8.60	BENICAR	85.5%	$1.25
ACIPHEX	$9.67	PROTONIX	62.0%	$3.68
AVAPRO	$6.12	BENICAR	77.0%	$1.41
AVALIDE	$3.42	BENICAR HCT	81.0%	$0.65
COZAAR	$1.20	BENICAR	61.2%	$0.46
HYZAAR	$1.13	BENICAR HCT	59.6%	$0.46
PRILOSEC	$1.01	PROTONIX	51.6%	$0.49
			Total =	**$209.13K**

[21] ***Note:***

1. The Potential Savings are calculated by comparing the Current Drug average cost for Acme Corp. to the average cost of the Alternate Drug derived from the selected group(s). This can occasionally lead to there being a cost avoidance opportunity from switching both to and from a drug and its substitute
2. Verisk Health does not take into consideration any pharmacy rebate information
3. Statin conversion opportunities account for differential drug potencies and dose sizes
4. Plavix and Celebrex opportunity calculations exclude members that meet standard prescribing indications for those drugs
5. Conversion savings refers to the percent of the plan paid pharmacy expense that can potentially be saved.

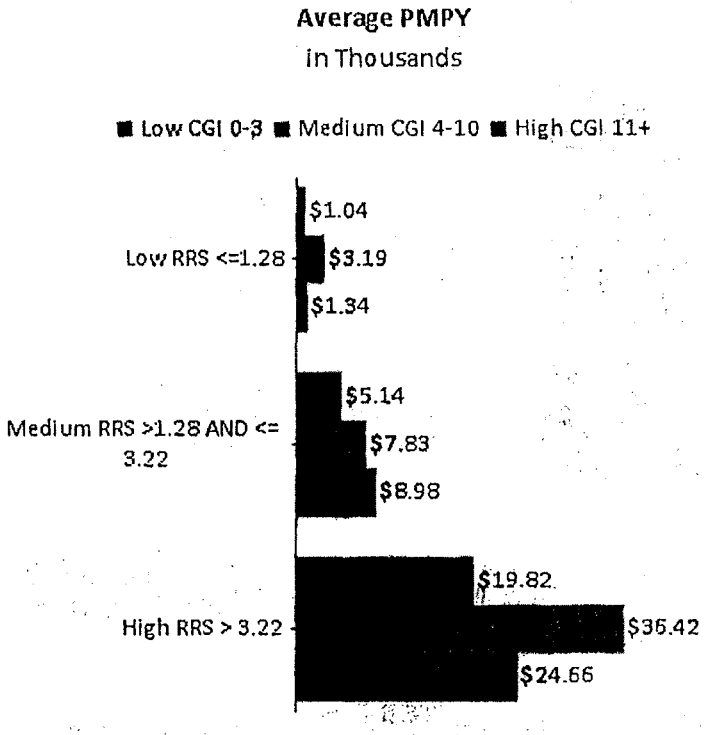
4 CLINICAL DEEP DIVES

4.1 General Clinical Quality Performance and Economic Opportunity

The RRS is a quantitative assessment of disease and risk burden at a population level. The Care Gap Index (CGI) quantifies the gaps identified for a population. Verisk Health utilizes these two factors to understand the association between disease burden, quality, and cost.

In figure 4.1.1, members are grouped by RRS, and then by CGI. Members with a high risk index generally incur higher costs and have more gaps in care. However, for each RRS bucket, corresponding decreases in care gaps (and the CGI) are associated with decreases in the total medical spend.

Figure 4.1.1 Member costs by Risk and CGI buckets [22]



	Members Count	Total Spend $ in Millions
Low RRS <=1.28	4,194	7.49
	327	1.91
	4	0.01
Medium RRS >1.28 AND <= 3.22	466	4.55
	242	3.64
	11	0.19
High RRS > 3.22	46	1.72
	53	3.82
	4	0.19
	5,347	**23.52**

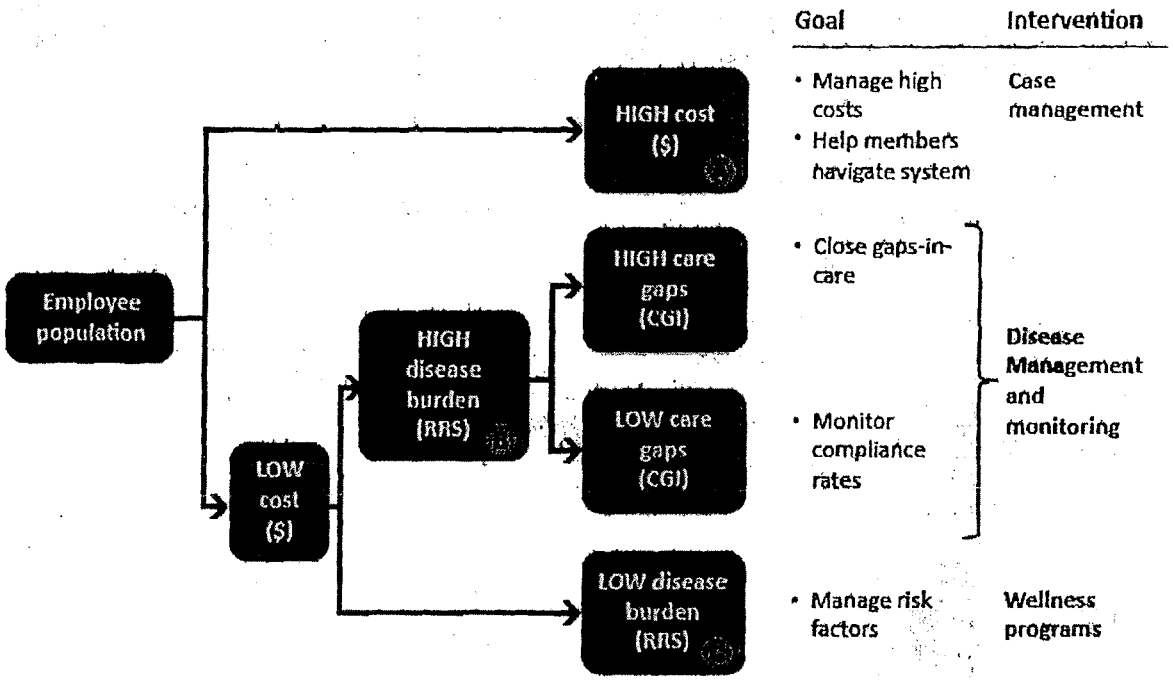
[22] Refer to Table 5.5.1 in Appendix 5.5 for further detail about RRS buckets.
Gautam Ph.D., Shiva, and Surya Singh, M.D. "Predicting Overall and Impactable Future Cost with the Verisk Health Risk Modeling System".
Note:

1. The ranges for risk index/relative risk score and care gap index are calculated based on an approximate distribution of 80%, 15%, and 5% of members for low, medium, and high groups respectively from the Verisk Health Normative database.

2. Members Count totals in the graph may vary from Total Current Members based on eligibility dates on the last month of the report period.

To stratify a total population for health management, we use the RRS (disease burden), the Care Gap Index (gaps in clinical care), and cost. Using these factors, any population can be comprehensively categorized into the mutually exclusive categories, each with specific interventions. Below is a graphical representation of the Verisk Health recommended classification approach. Sections 4.2 through 4.4 correspond to the recommended category-based interventions.

Figure 4.1.2 Framework for Population based Health Management [23]



A: Case Management opportunities:
Members with annual total spend greater than $25,000 are considered high cost and should be managed closely. The cut-off value of $25,000 can be modified while doing stratification within D2Explorer; we recommend choosing a cutoff point that is consistent with ones individual reinsurance threshold.

B: Disease Management opportunities:
Members with annual spending less than $25,000 are considered low cost. Of the low cost members, those with a disease burden greater than 95% of the population are considered high disease burden, and should be addressed through Disease Management monitoring and intervention. (As with the total cost cutoff, the disease burden cutoff that is chosen can be modified in D2Explorer).

Those with a high disease burden and numerous gaps in care (a high CGI) require disease management to reduce gaps and prevent high cost claims. On the other hand, members with high compliance rates - as manifest by a low care gap index should be monitored for continued compliance.

C: Wellness opportunities:
Members with low cost and low disease burden should be primarily addressed through Wellness Programs that reduce the risk factors for developing chronic diseases.

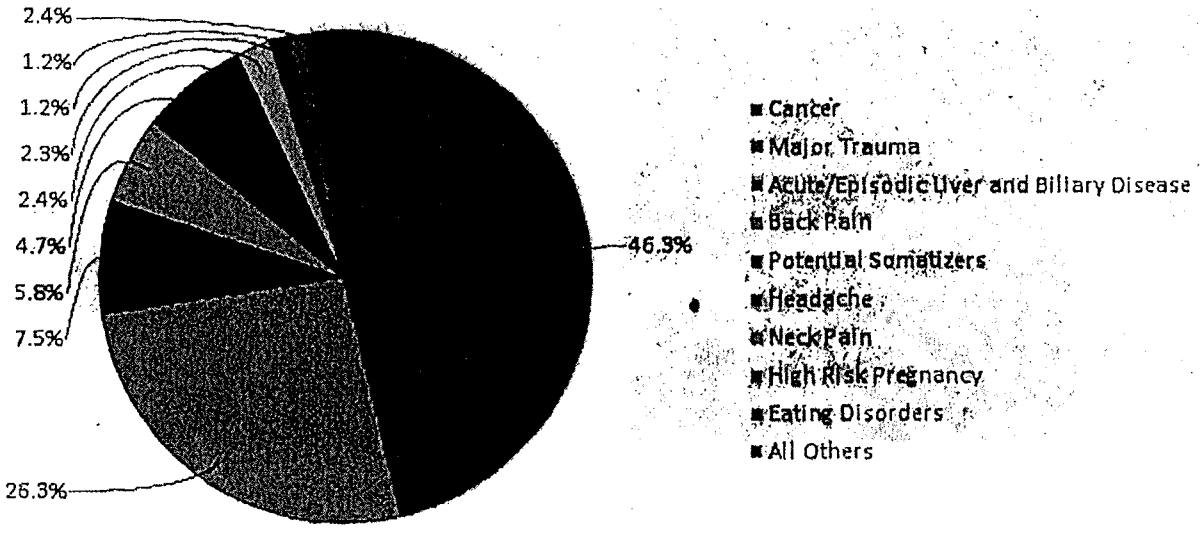
[23] Source: Explorer - Individual Module: stratify by RI, CGI, and cost

4.2 Case Management Opportunities

As discussed in Figure 4.1.2, Verisk Health uses the RRS, Care Gap Index (CGI) and total cost to stratify a population for Disease Management. Patients who have incurred a high total spend (>$25,000 PMPY) will generally benefit from Case Management. This corresponds to Category "A" in Figure 4.1.2. If the data is sent to Verisk Health, Sightlines Medical Intelligence can be used to assess what proportion of high-cost members is currently enrolled in Case Management.

Figure 4.2.1 displays the highest paid diagnoses for members of this population.

Figure 4.2.1 Frequency of primary diagnosis of high cost members (>$25,000 PMPY)

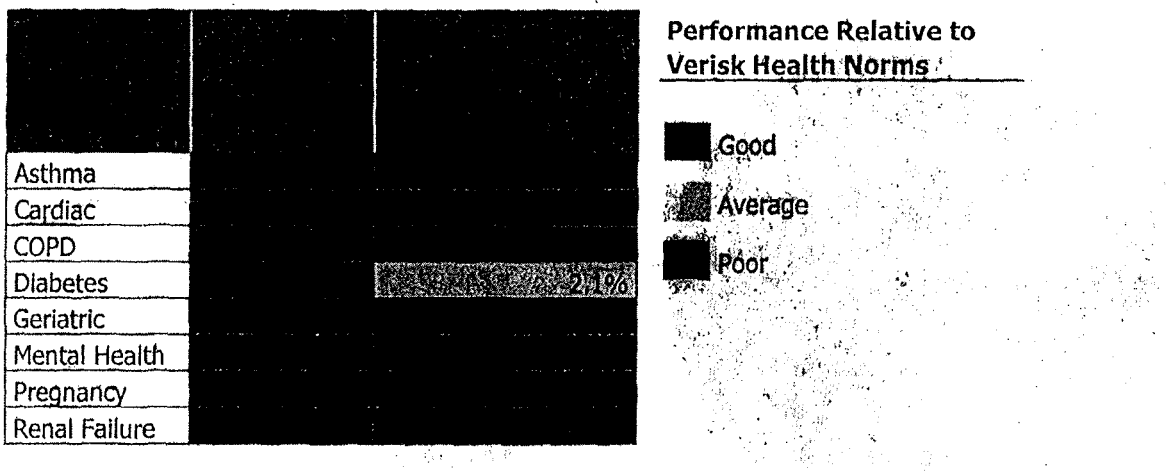


4.3 Disease Management Opportunities

As discussed in Figure 4.1.2, Verisk Health uses the RRS, Care Gap Index (CGI) and total cost to stratify a population for Disease management. Patients who are low cost, have a high RRS, and have a numerous addressable gaps in care (i.e., have a high CGI) will generally benefit from Disease Management. This corresponds to Category "B" in Figure 4.1.2.

Table 4.3.1 synthesizes the 'clinical condition'/disease severity and the associated Care Gap Index for the entire population across key 'clinical condition'/disease categories into a "heat map". Focused intervention (e.g. an initiative to increase compliance with ace-inhibitors and beta-blockers in patients with heart failure) based on this information can significantly improve health plan performance over time. These Quality & Risk Measures can become the basis for identification and stratification of plan participants for disease management and case management program participation.

Table 4.3.1 Verisk Health Quality & Risk Measures [24]



Please Note: If the underlying CPT codes for each laboratory test or panel are not submitted to Verisk Health in the medical claims then the compliance in the Quality and Risk Measures will appear lower than they actually are.

[24] Refer to Table 5.5.3 and 5.5.4 in Appendix 5.5 for further detail.
Note:

1. This analysis is based upon the full cycle period of data within D2Explorer; this is typically a 24 month period.
2. The results displayed in this table are based on current members.
3. COPD: Chronic Obstructive Pulmonary Disease

4.4 Wellness Management Opportunities

As discussed in Figure 4.1.2, Verisk Health uses the RRS, Care Gap Index (CGI) and total cost to stratify a population for Disease management. Patients who are well are most efficiently addressed through Wellness Programs. This corresponds to Category "C" in Figure 4.1.2.

Table 4.4.1 details screening and preventative tests - and the associated compliance with these tests - for the entire population. These data are benchmarked against the Verisk Health Commercial Norm. Wellness programs (e.g. an initiative to increase mammogram compliance rates) based on this information can significantly improve health plan performance on these measures.

Table 4.4.1 Preventative Measures [25]

Performance Relative to Verisk Health Norms

Good

Average

Poor

Both	>=50 years old	Patients without any colorectal cancer screening in the analysis period.	-2.4%
	>= 51 years old	Patients without long office visit in the last 2 years.	0.3%
Male	Men >50 years old	Men without PSA level in the last 2 years (controversial test).	
Female	Women >20 y/o	Women without pap smear in the last two years.	-2.4%
	Women between 40 and 49 y/o	Women without a mammogram performed at least every two years.	-0.3%
	Women between 21 and 65 y/o	Women without pap smear in the analysis period.	-1.6%
	Women >=49 y/o	Women without mammogram in last 12 months.	0.8%
	Women between 40 and 49 y/o	Women without mammogram in the analysis period.	-0.3%
	Women between 49 and 69 y/o	Women without mammogram in the last 18 months.	0.4%

Please Note: If the underlying CPT codes for each laboratory test or panel are not submitted to Verisk Health in the medical claims then the compliance in the Quality and Risk Measures will appear lower than they actually are.

[25] Refer to Table 5.5.2 in Appendix 5.5 for further detail.
Note:

1. This analysis is based upon the full cycle period of data within D2Explorer; this is typically a 24 month period.
2. The results displayed in this table are based on current members.

5 APPENDIX

5.1 Demographics

Table 5.1.1 Breakdown of membership by relationship

Employee	43.8	4,105	2,396	$34,126,878	$4,567,984	$20,181,233	55.0%
Spouse	45.9	2,065	1,131	$19,152,200	$2,284,945	$9,542,963	26.0%
Dependent	12.5	3,473	1,854	$12,378,500	$1,734,801	$6,983,657	19.0%

ns by Month (Oct 08 - Sep 09)

21,874	$1,010,211	$1,229,067	$1,705,589	$931,594	$1,313,336	$1,552,361	$1,522,349	$1,302,464	$1,412,596	$15,442,706
$189	$134	$164	$232	$126	$180	$213	$222	$200	$215	$2,142
91,575	$200,927	$183,602	$202,560	$257,591	$117,293	$256,713	$195,515	$180,439	$199,044	$2,369,829
$25	$27	$24	$26	$35	$16	$35	$28	$28	$30	$327
13,449	$1,211,139	$1,412,669	$1,908,149	$1,189,185	$1,430,629	$1,809,075	$1,717,864	$1,482,902	$1,611,640	$17,812,535
$214	$161	$188	$260	$161	$196	$248	$250	$228	$245	$2,469

aims by Month (Oct 09 - Sep 10)

90,491	$1,167,602	$1,463,050	$1,239,727	$1,632,940	$1,612,138	$2,158,009	$917,864	$1,187,276	$1,415,636	$16,489,321
$259	$178	$223	$190	$253	$251	$338	$164	$219	$262	$2,644
10,167	$201,667	$207,485	$197,273	$189,027	$237,809	$231,903	$171,748	$170,231	$192,659	$2,405,996
$32	$31	$32	$30	$29	$37	$36	$31	$31	$36	$386
00,658	$1,369,269	$1,670,535	$1,436,999	$1,821,967	$1,849,946	$2,389,912	$1,089,613	$1,357,507	$1,608,294	$18,895,318
91	$209	$255	$221	$282	$288	$374	$195	$250	$298	$3,029

Table 5.2.3 Expense Distribution

1%	96	$13,474,407	$140,358	36.7%	30.3%
1-5%	386	$9,445,791	$24,471	25.7%	27.3%
6-15%	964	$7,358,759	$7,634	20.0%	23.3%
16-30%	1,447	$4,060,946	$2,806	11.1%	12.5%
31-60%	2,893	$2,137,624	$739	5.8%	6.2%
61-100%	3,857	$230,326	$60	0.6%	0.4%

elation to the date when the claims were incurred (date of service). The table is useful for developing completion factors whicl
ts and for estimating incurred but not reported (IBNR) claims.

t 26

											$1,005,162
73											$999,428
39	$98,192										$1,690,491
50	$495,634	$84,198									$1,167,602
39	$299,205	$629,384	$130,614								$1,463,050
40	$85,381	$259,750	$527,028	$107,658							$1,239,727
57	$45,754	$135,254	$520,426	$629,294	$57,793						$1,632,940
09	$98,315	$67,374	$187,296	$475,057	$586,554	$89,982					$1,612,138
03	$45,871	$113,566	$105,290	$384,432	$749,169	$597,112	$75,269				$2,158,009
24	$6,517	$16,176	$19,760	$32,483	$53,590	$253,207	$459,893	$23,057			$917,864
03	$85,815	$2,441	$10,419	$40,704	$110,481	$163,133	$462,312	$272,910	$18,122		$1,187,276
34	$26,314	$8,241	$24,290	$18,242	$75,322	$85,514	$193,818	$456,056	$440,825	$65,625	$1,415,636

n an incurred basis.
will show decreased values due to 'claims lag', and should be interpreted with caution.

rt and IBNR

									$1,005,162	$61,900		2.88	
									$999,428	$523,727		2.35	
									$1,690,491	$1,226,171		2.99	2.79
									$1,167,602	$1,049,810		1.96	
$67,920									$1,463,050	$1,298,263		2.45	
$49,440	$27,006								$1,239,727	$1,056,263		2.66	2.37
$45,754	$47,957	$15,366							$1,632,940	$1,451,844		2.68	
$67,374	$98,315	$40,809	$42,233						$1,612,138	$1,587,621		2.26	
$105,290	$113,566	$45,871	$15,203	$30,651					$2,158,009	$2,116,562		2.47	2.47
$32,483	$19,760	$16,176	$6,517	$31,224	$3,947				$917,864	$899,854		2.17	
$110,481	$40,704	$10,419	$2,441	$85,815	$11,903	$2,209			$1,187,276	$1,180,449		2.79	
$85,514	$75,322	$18,242	$24,290	$8,241	$26,314	$4,224	$706		$1,415,636	$1,398,685		2.46	2.50

$13,851,149	$13,851,149	$13,851,149
2.46	2.50	2.52
0.79	0.79	0.79
$17,430,359	$17,487,796	$17,539,130
$3,579,211	$3,636,647	$3,687,981

Table 5.2.6 Network Utilization and Contract Discount Summary

All In Network	$51,312,870	$33,433,939	$27,362,665	$4,630,884	$17,878,931	34.8%
All Out-of-Network	$9,564,487	$6,847,543	$4,569,362	$2,147,822	$2,716,944	28.4%

5.3 Disease Fingerprint

Table 5.3.1 presents utilization patterns of members with chronic conditions, ranked by number of members, for total office visits, emergency room visits and hospital admissions.

Table 5.3.1 Chronic Conditions Utilization Summary

Hyperlipidemia	540	80.0	6,276.1	197.4	108.0	$6,107.62
Hypertension	537	79.5	6,630.1	258.8	157.8	$9,392.36
Diabetes	244	36.1	6,954.5	264.8	202.2	$9,950.91
Asthma	163	24.1	7,588.5	272.3	112.6	$4,687.08
Osteoarthritis	144	21.3	8,669.1	281.6	217.2	$10,277.60
Coronary Artery Disease (Incl. MI)	137	20.3	8,066.9	497.4	359.5	$15,542.75
Congenital Anomalies	79	11.7	7,337.4	292.3	270.4	$11,626.07
Chronic Obstructive Pulmonary Disease	47	7.0	9,660.7	556.4	493.2	$20,121.68
Bipolar Disorder	38	5.6	14,650.0	550.0	333.3	$5,451.58
Chronic Liver and Billary Disease	36	5.3	9,756.7	476.3	368.8	$17,820.83
Rheumatoid Arthritis	32	4.7	8,544.2	339.2	254.4	$11,631.46
Cerebrovascular Disease	32	4.7	10,685.2	629.6	500.0	$20,214.64
Atrial Fibrillation	22	3.3	10,533.6	513.2	464.4	$44,582.51
Inflammatory Bowel Diseases	21	3.1	9,678.8	547.8	339.1	$9,816.14
Congestive Heart Failure	20	3.0	9,953.3	672.9	757.0	$37,044.80
Osteoporosis	19	2.8	5,388.9	222.2	83.3	$11,570.93
Coagulopathy	17	2.5	10,747.3	461.5	560.4	$37,107.64
Demyelinating Diseases	17	2.5	6,949.3	822.4	0.0	$10,851.12
Chronic Renal Failure	12	1.8	15,604.6	730.0	1,095.1	$68,882.00
Immune Disorders	11	1.6	16,980.2	948.6	996.0	$62,615.90
Major Organ Transplant	7	1.0	19,680.0	1,120.0	1,760.0	$105,368.58
Ulcerative Colitis	7	1.0	12,560.0	240.0	320.0	$10,184.17
HIV/Aids	5	0.7	6,117.6	352.9	235.3	$18,062.15
Cirrhosis	4	0.6	8,553.2	1,276.6	1,531.9	$36,185.91
Parkinson's Disease	4	0.6	18,875.0	375.0	125.0	$14,990.16
Schizophrenia	1	0.1	14,285.7	571.4	571.4	$4,837.75
Gaucher's Disease	1	0.1	14,000.0	1,500.0	1,500.0	$33,616.50

Note:

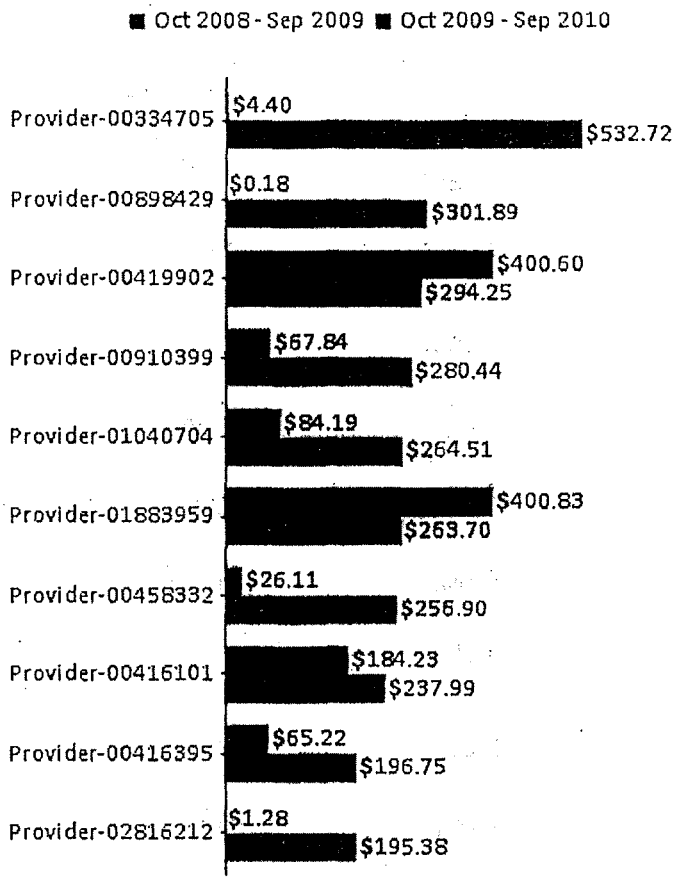
1. In this table a member can have multiple chronic conditions.
2. The results displayed in this table are based on claims incurred.

5.4 "Top 10" Analysis

5.4.1 Providers

Table 5.4.1 shows the top 10 providers, based on medical claim expenses, providing services to the members of your population. The providers generating the most claim expenses are usually institutional. Network changes or changes in provider reimbursement strategy may cause period-over-period percentage changes.

Table 5.4.1 Total Plan Paid ($K) by Providers

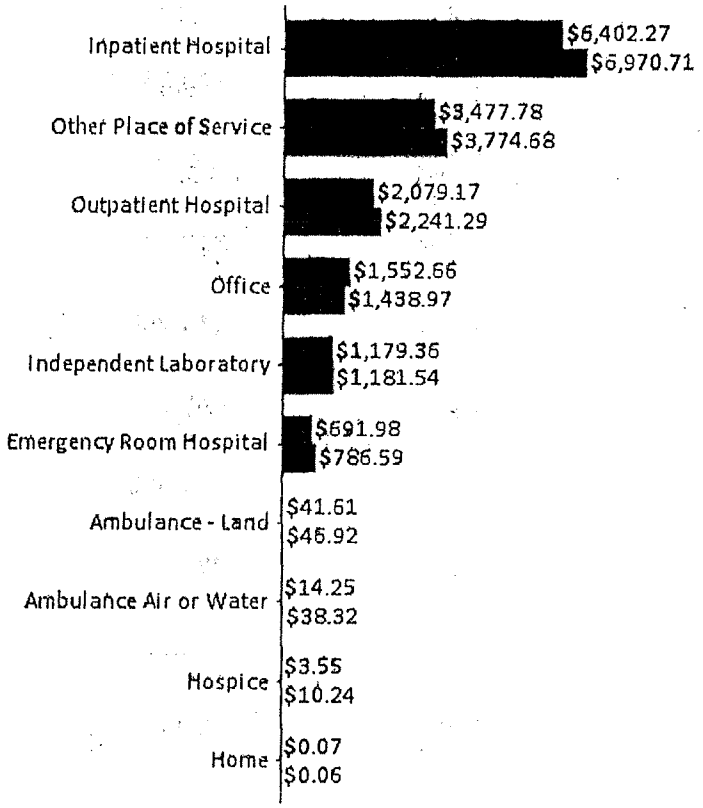


					% of Total Plan Paid Oct 2009 - Sep 2010	% Change in Plan Paid
Subtotal	$1,234,877	8.0%	$2,824,532	17.1%	3.2%	11,997.2%
All Others	$14,207,829	92.0%	$13,664,789	82.9%	1.8%	170,237.1%
Total	$15,442,706	100.0%	$16,489,321	100.0%	1.8%	-26.5%
					1.7%	313.4%
					1.6%	214.2%
					1.6%	-34.2%
					1.6%	884.0%
					1.4%	29.2%
					1.2%	201.7%
					1.2%	15,110.0%

5.4.2 Places of Service

Table 5.4.2 shows places of service ranked according to medical claim expenses. Period-over-period percentage changes in Place of Service can be helpful when investigating changes in utilization patterns or when trying to understand the impact of plan design change. Increases in some categories may be appropriate. For example, outpatient hospital experience and office visits may increase as inpatient hospital services are more efficiently provided in the outpatient setting. Places of service experiencing large increases for many employers are Emergency Room, Outpatient Hospital, and Laboratory services.

Table 5.4.2 Total Plan Paid ($K) by Place of Service



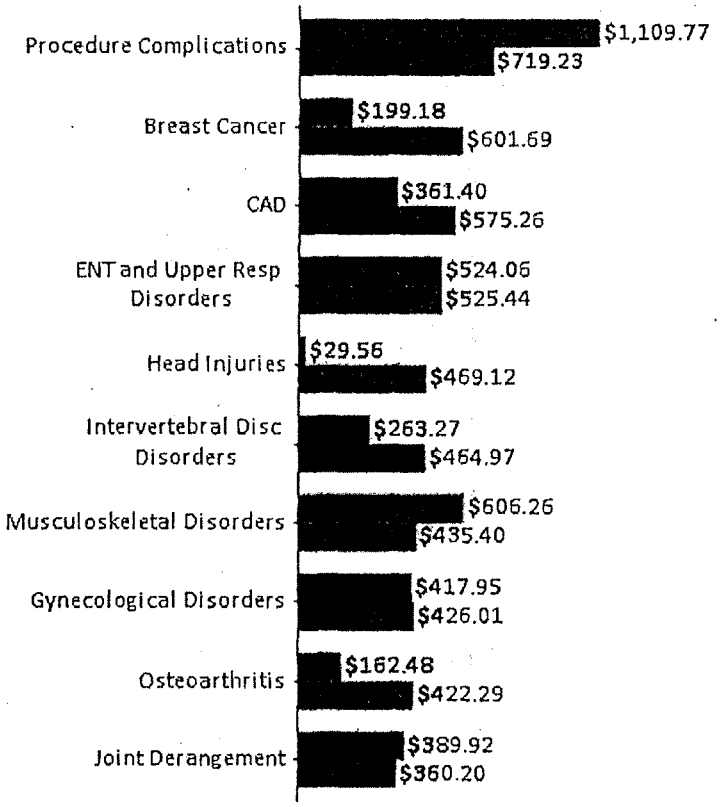
	% of Total Plan Paid Oct 2009 - Sep 2010	% Change in Plan Paid
Inpatient Hospital	42.3%	8.9%
Other Place of Service	22.9%	8.5%
Outpatient Hospital	13.6%	7.8%
Office	8.7%	-7.3%
Independent Laboratory	7.2%	0.2%
Emergency Room Hospital	4.8%	13.7%
Ambulance - Land	0.3%	12.8%
Ambulance Air or Water	0.2%	168.9%
Hospice	0.1%	188.1%
Home	0.0%	-14.4%

Subtotal	$15,442,706	100.0%	$16,489,321	100.0%	6.8%
All Others	$0.00	0.0%	$0.00	0.0%	0.0%
Total	$15,442,706	100.0%	$16,489,321	100.0%	6.8%

5.4.3 Diagnostic groups

Table 5.4.3 shows the top 10 diagnostic groups ranked according to medical claim expenses. Grouping of data into broad diagnostic categories assists in the identification of illness patterns that are unique to your population. Diagnostic groups with significant period-over-period increases should be examined in more detail. The distribution will be different depending on whether the group in question is Medicaid, Medicare or commercial. For a commercial population, diagnostic groups usually at or near the top of the list include ENT and upper respiratory disorders, gynecological disorders, and musculoskeletal conditions.

Table 5.4.3 Total Plan Paid ($K) by Diagnostic Groups



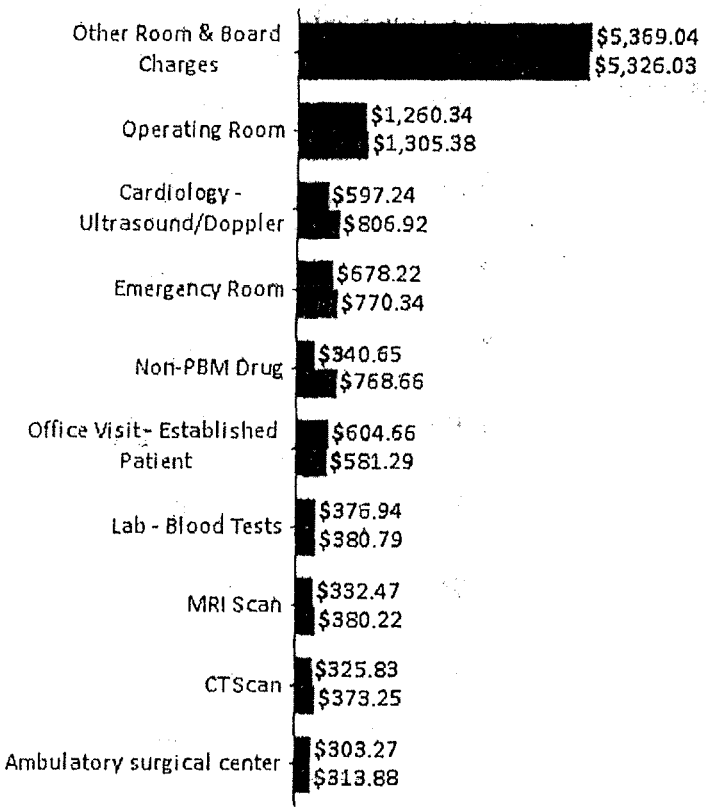
	% of Total Plan Paid Oct 2009 - Sep 2010	% Change in Plan Paid
Procedure Complications	4.4%	-35.2%
Breast Cancer	3.6%	202.1%
CAD	3.5%	59.2%
ENT and Upper Resp Disorders	3.2%	0.3%
Head Injuries	2.8%	1,487.2%
Intervertebral Disc Disorders	2.8%	76.6%
Musculoskeletal Disorders	2.6%	-28.2%
Gynecological Disorders	2.6%	1.9%
Osteoarthritis	2.6%	159.9%
Joint Derangement	2.2%	-7.6%

Subtotal	$4,063,836	26.3%	$4,999,605	30.3%	23%
All Others	$11,378,870	73.7%	$11,489,716	69.7%	1%
Total	$15,442,706	100.0%	$16,489,321	100.0%	6.8%

5.4.4 Procedure groups

Table 5.4.4 shows the top 10 procedures, ranked according to medical claim expenses. For purposes of health plan analysis, period-over-period percentage changes may be more important than absolute dollars. Changes in membership must be considered when any such analysis is performed. Many employers are considering contracting with free-standing lab/x-ray facilities to better manage the growth in these areas.

Table 5.4.4 Total Plan Paid ($K) by Procedure Groups



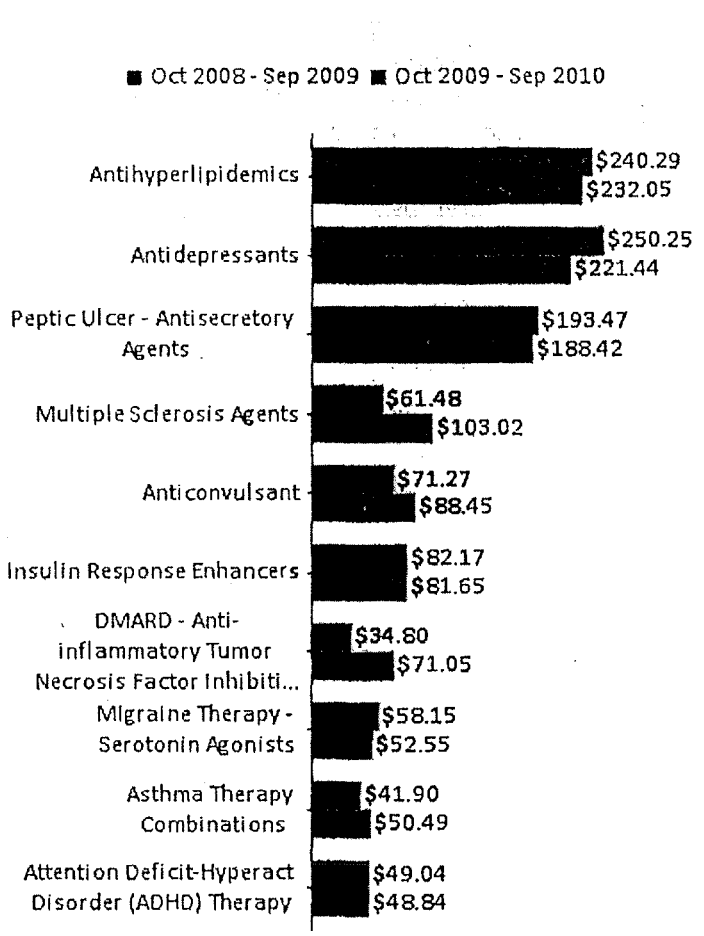
	% of Total Plan Paid Oct 2009 - Sep 2010	% Change in Plan Paid
Other Room & Board Charges	32.3%	-0.8%
Operating Room	7.9%	3.6%
Cardiology - Ultrasound/Doppler	4.9%	35.1%
Emergency Room	4.7%	13.6%
Non-PBM Drug	4.7%	125.6%
Office Visit- Established Patient	3.5%	-3.9%
Lab - Blood Tests	2.3%	1.0%
MRI Scan	2.3%	14.4%
CTScan	2.3%	14.6%
Ambulatory surgical center	1.9%	3.5%

Subtotal	$10,188,649	66.0%	$11,006,765	66.8%	8.0%
All Others	$5,254,057	34.0%	$5,482,556	33.2%	4.3%
Total	$15,442,706	100.0%	$16,489,321	100.0%	6.8%

5.4.5 Therapeutic classes

Table 5.4.5 shows the top 10 therapeutic drug classes ranked according to pharmacy claim expenses. For a commercial population, antihyperlipidemics, antidepressants, and gastrointestinal drugs are usually the three most expensive therapeutic classes. The anticonvulsants class is of particular interest because of the increasing use of certain anticonvulsants for pain control. If the anticonvulsants fall in the top 10, institution of a drug utilization review program should be considered.

Table 5.4.5 Total Plan Paid ($K) by Therapeutic Class



	% of Total Plan Paid Oct 2009 - Sep 2010	% Change in Plan Paid
Antihyperlipidemics	9.6%	-3.4%
Antidepressants	9.2%	-11.5%
Peptic Ulcer - Antisecretory Agents	7.8%	-2.6%
Multiple Sclerosis Agents	4.3%	67.6%
Anticonvulsant	3.7%	24.1%
Insulin Response Enhancers	3.4%	-0.6%
DMARD - Anti-inflammatory Tumor Necrosis Factor Inhibiti...	3.0%	104.1%
Migraine Therapy - Serotonin Agonists	2.2%	-9.6%
Asthma Therapy Combinations	2.1%	20.5%
Attention Deficit-Hyperact Disorder (ADHD) Therapy	2.0%	-0.4%

Subtotal	$1,082,818	45.7%	$1,137,964	47.3%	5.1%
All Others	$1,287,011	54.3%	$1,268,033	52.7%	-1.5%
Total	$2,369,829	100.0%	$2,405,996	100.0%	1.5%

5.5 Clinical Quality Performance and Measures

Table 5.5.1 RRS bucket characteristics

Low	<=1.28	84.6%	31.31	Need screening tests only
Medium	>1.28 AND <= 3.22	13.4%	48.98	May or has a chronic disease and needs screening or recommended diagnostic testing/therapy
High	> 3.22	1.9%	51.3	Have chronic disease with complications, may also have some acute issues, and need more recommended diagnostic testing and/or therapy

Please Note: If the underlying CPT codes for each laboratory test or panel are not submitted to Verisk Health in the medical claims then the compliance in the Quality and Risk Measures will appear lower than they actually are.

Table 5.5.2 Wellness Measures

Both	>= 51 years old	1,130	Patients without long office visit in the last 2 years.	26.2%	26.0%
	>=50 years old	1,244	Patients without any colorectal cancer screening in the analysis period.	70.4%	73.8%
Male	Men >50 years old	615	Men without PSA level in the last 2 years (controversial test).	61.3%	57.8%
Female	Women >20 y/o	1,872	Women without pap smear in the last two years.	45.6%	49.6%
	Women >=49 y/o	662	Women without mammogram in last 12 months.	58.9%	54.7%
	Women between 21 and 65 y/o	1,820	Women without pap smear in the analysis period.	44.9%	47.6%
	Women between 40 and 49 y/o	653	Women without mammogram in the analysis period.	51.9%	53.5%
		653	Women without a mammogram performed at least every two years.	51.9%	53.5%
	Women between 49 and 69 y/o	654	Women without mammogram in the last 18 months.	50.5%	48.5%

Table 5.5.3 Gaps in Care

Asthma	Asthma	102	Patients without inhaled corticosteroids or leukotriene inhibitors in the analysis period.	40.2%	31.6%
		102	Patients without flu vaccination in the last 12 months.	80.4%	73.9%
		102	Patients without office visit in the analysis period.	0.0%	0.9%
		102	Patients without long office visit in the last 12 months.	18.6%	13.8%
		102	Patients without flu vaccination in the analysis period.	67.6%	65.6%
Cardiac	Anti-Hyperlipidemic Agents	507	Patients without laboratory tests in the last 12 months.	19.7%	17.9%

	Atrial fibrillation	18	Patients without anticoagulant drugs in the analysis period.	50.0%	45.4%
	Atrial fibrillation on coumadin	9	Patients with prescription refill gaps of more than six months.	0.0%	80.1%
	Atrial Fibrillation on coumadin	9	Patients with more than sixty days between protimes.	11.1%	52.2%
	CAD	104	Patients without office visit in the analysis period.	1.0%	0.7%
		104	Patients without office visit in the last 12 months.	5.8%	2.2%
		104	Patients without antihyperlipidemic drugs in the analysis period.	26.9%	29.2%
		104	Patients without lipid profile test in the last 12 months.	30.8%	38.8%
		104	Patients without flu vaccination in the last 12 months.	93.3%	77.0%
		104	Patients without flu vaccination in the analysis period.	80.8%	70.0%
		104	Patients without long office visit in the last 12 months.	22.1%	9.4%
	CAD and Hypertension	41	Patients without antihypertensive drugs in the analysis period.	19.5%	13.6%
	CHF	14	Patients without beta-blocker drugs in the analysis period.	35.7%	33.6%
		14	Patients without annual LDL-C or lipid profile test in the analysis period.	42.9%	53.0%
		14	Patients without long office visit in the last 12 months.	14.3%	9.2%
		14	Patients without flu vaccination in the analysis period.	92.9%	62.9%
		14	Patients without ACE inhibitors or ARBs or vasodilator drugs in the analysis period.	28.6%	28.4%
		14	Patients without office visit in the analysis period.	0.0%	1.3%
	Digoxin	1	Patients without digoxin level in the last 12 months.	0.0%	75.4%
	Females < 55 years old	2,397	Women with diagnosis of CAD or MI who should be a candidate for genetic testing to evaluate for the LDLR (low density lipoprotein receptor) genetic variant.	0.3%	0.4%
	Hypertension	391	Patients without flu vaccination in the analysis period.	88.0%	75.8%

		391	Patients without office visit in the last 12 months.	3.6%	2.6%
	Males < 45 years old	1,765	Men with diagnosis of CAD or MI who should be a candidate for genetic testing to evaluate for the LDLR (low density lipoprotein receptor) genetic variant.	0.4%	0.2%
	MI	9	Patients without beta-blocker drugs in the analysis period.	55.6%	23.2%
		9	Patients without statin drugs in the analysis period.	0.0%	25.7%
COPD	COPD	31	Patients without flu vaccination in the analysis period.	77.4%	63.9%
		31	Patients without COPD-related long office visit in the last 12 months.	61.3%	58.0%
		31	Patients without office visit in the analysis period.	0.0%	1.5%
Diabetes	Diabetes	165	Patients without flu vaccination in the analysis period.	79.4%	70.5%
		165	Patients without HbA1c test in the last 12 months.	20.6%	26.6%
		165	Patients without retinal eye exam in the last 12 months.	61.2%	69.4%
		165	Patients without lipid profile test in the last 12 months.	26.7%	32.5%
		165	Patients without ACE inhibitor or ARB drugs in the analysis period.	52.7%	42.3%
		165	Patients with insulin in the analysis period .	21.2%	23.2%
		165	Patients without statin drugs in the analysis period.	52.1%	47.5%
		165	Patients without long office visit in the last 12 months.	17.6%	13.4%
		165	Patients without serum creatinine in the last 12 months.	26.7%	27.0%
		165	Patients without micro or macroalbumin screening test in the last 12 months.	22.4%	21.3%
		165	Patients with oral antidiabetic agents in the analysis period.	69.1%	64.8%
		165	Patients with insulin and oral antidiabetic agents in the analysis period.	12.1%	13.8%
		165	Patients without office visit in the last 12 months.	1.8%	2.9%

		165	Patients without semiannual HbA1c test.	77.0%	51.1%
General	All individuals	5,381	Patients with prescriptions for more than 15 drug classes in the analysis period.	1.0%	3.6%
	Opiates	508	Patients with more than six Oxycontin prescriptions in the analysis period.	1.8%	0.3%
Geriatric	>= 65 years old	79	Patients without long office visit in the last 12 months.	39.2%	31.7%
Mental Health	Depakote / Depakene	9	Patients without valproic acid level in the last six months.	77.8%	72.7%
	Depression	181	Patients without office visit in the last 12 months.	3.9%	9.0%
	Depression-related admission	6	Patients without mental health office visit within 14 days of discharge.	83.3%	93.8%
	Dilantin	7	Patients without dilantin level in the last 12 months.	71.4%	51.2%
	Lithium	4	Patients without lithium level in the last 6 months.	75.0%	62.5%
		4	Patients without serum creatinine test in the last 6 months.	50.0%	52.5%
Misc.	Demyelinating Disease	14	Patients without office visit in the last 12 months.	14.3%	2.9%
		14	Patients without office visit in the analysis period.	7.1%	1.2%
		14	Patients without flu vaccination in the analysis period.	92.9%	80.1%
	Inflammatory Bowel Disease	16	Patients without vaccination in the analysis period.	93.8%	79.2%
	Migraine/ Headache	46	Patients without office visit in the analysis period.	0.0%	0.6%
		46	Patients without office visit in the last 12 months.	2.2%	2.7%
	Rheumatoid Arthritis	20	Patients without flu vaccination in the analysis period.	80.0%	70.8%
		20	Patients without office visit in the last 12 months.	0.0%	1.7%
Osteoarthritis	Osteoarthritis	104	Patients with continuous use of opiates across the last 12 months.	2.9%	19.6%
Pregnancy	Pregnancy	96	Women with oral antidiabetic agents in the analysis period.	1.0%	0.5%
Renal Failure	Renal Failure/ESRD	9	Patients without lipid profile test in the last 12 months.	33.3%	58.1%

		9	Patients without serum creatinine test in the last 12 months.	0.0%	41.7%
		9	Patients without office visit in the last 12 months.	0.0%	2.3%
		9	Patients without urinalysis in the last 12 months.	22.2%	40.2%
		9	Patients without flu vaccination in the analysis period.	55.6%	56.3%
	Renal Failure/ESRD-not on Dialysis	7	Patients without serum albumin test every three months.	85.7%	72.0%
	Renal Failure/ESRD-on Dialysis	2	Patients without annual serum albumin test.	0.0%	35.8%

Table 5.5.4 Risk Measures

Asthma	>60 years old with ER visits	60	Patients with asthma-related ER visit in the analysis period.	1.7%	0.2%
	Asthma	102	Patients with asthma-related ER visit in the analysis period.	13.7%	14.7%
		102	Patients with more than one hospitalization in the analysis period.	1.0%	5.2%
		102	Patients with asthma-related hospitalization in the analysis period.	1.0%	4.0%
Cancer	Cancer	103	Patients with melanoma.	7.8%	3.5%
		103	Patients with pancreatic cancer.	0.0%	0.5%
		103	Patients with liver or biliary cancers.	1.0%	0.5%
		103	Patients with lung cancer.	5.8%	3.4%
		103	Patients with colorectal cancer.	1.0%	5.8%
		103	Patients with lymphoma and lymphosarcoma.	5.8%	4.8%
		103	Patients with secondary malignancy.	3.9%	4.7%
		103	Patients with leukemia.	1.9%	2.5%
		103	Patients with urinary tract cancer.	5.8%	4.9%
		103	Patients with ENT cancer.	4.9%	2.0%
		103	Patients with upper GI cancer.	0.0%	0.9%
		103	Patients with skin cancer (excludes melanoma).	20.4%	28.1%
		103	Patients with breast cancer.	26.2%	22.1%

		103	Patients with infusions for oncology and hematology in the analysis period.	14.6%	13.6%
		103	Patients with cancer therapies in the last 12 months.	4.9%	14.1%
		103	Patients with miscellaneous cancer.	7.8%	9.1%
Cardiac	All individuals	5,381	Patients with chest pain-related ER visit in the analysis period.	1.2%	1.8%
		5,381	Patients with chest pain-related hospitalization in the analysis period.	0.3%	0.3%
	CAD	104	Patients with CABG in the analysis period.	2.9%	4.9%
		104	Patients on both antiarrhythmic and antiplatelet agents in the analysis period.	1.0%	1.8%
		104	Patients with peripheral vascular disease (PVD).	3.8%	4.7%
		104	Patients with cerebrovascular disease (CVD).	5.8%	6.2%
		104	Patients with hypertension.	31.7%	43.2%
		104	Patients with obesity.	0.0%	1.5%
		104	Patients with CAD-related hospitalization in the analysis period.	20.2%	17.7%
		104	Patients with MI-related hospitalization in the analysis period.	1.9%	6.2%
		104	Patients with antiplatelet or anticoagulants in the analysis period.	33.7%	40.4%
		104	Patients with depression.	5.8%	5.1%
		104	Patients with hyperlipidemia.	52.9%	38.3%
		104	Patients with nitrate class drugs in the analysis period.	18.3%	23.8%
		104	Patients with erythropoietin in the analysis period.	1.9%	1.8%
		104	Patients with cardiac catheterization in the analysis period.	37.5%	35.8%
		104	Patients with cardiac stenting in the analysis period.	18.3%	12.8%
		104	Patients with antidepressants in the analysis period.	17.3%	25.0%
		104	Patients with CAD-related ER visit in the analysis period.	6.7%	10.3%
		104	Patients with more than one hospitalization in the analysis period.	12.5%	14.8%
		104	Patients with complicated lipid disorders.	26.9%	19.4%

	CHF	14	Patients with CHF or pulmonary edema-related ER visit in the analysis period.	7.1%	17.3%
		14	Patients with renal failure.	7.1%	25.3%
		14	Patients with more than one hospitalization in the analysis period.	21.4%	34.1%
		14	Patients with CHF or pulmonary edema-related hospitalization in the analysis period.	14.3%	20.6%
	CHF-related admission	2	Patients with readmission within 30 days of CHF-related hospital discharge.	0.0%	6.7%
	MI	9	Patients with subsequent cardiac-related hospitalization in the analysis period.	44.4%	65.5%
COPD	COPD	31	Patients with more than one hospitalization in the analysis period.	9.7%	17.0%
		31	Patients with COPD-related ER visit in the analysis period.	9.7%	11.3%
		31	Patients with home oxygen in the analysis period.	16.1%	20.2%
		31	Patients with COPD-related hospitalization in the analysis period.	3.2%	10.3%
		31	Patients with tobacco use disorder.	3.2%	2.9%
	COPD-related admission	1	Patients with readmission within 30 days of COPD-related hospital discharge.	0.0%	14.0%
Diabetes	Diabetes	165	Patients with diabetes-related ER visit in the analysis period.	1.2%	3.9%
		165	Patients with diabetes-related hospitalization in the analysis period.	2.4%	2.4%
		165	Patients with more than one hospitalization in the analysis period.	4.8%	6.2%
		165	Patients without claims for home glucose testing supplies in the last 12 months.	51.5%	48.9%
		165	Patients with antiplatelet agent in the analysis period.	6.7%	8.3%
		165	Patients with drug augmented stress test in the analysis period.	3.6%	4.2%
		165	Patients with peripheral vascular disease (PVD).	1.8%	3.4%
		165	Patients with renal failure.	1.2%	6.2%
		165	Patients with amputation in the analysis period.	0.0%	0.3%
		165	Patients with ulcer or open wound.	6.1%	0.4%

		165	Patients with drugs for a serious, or potentially very high risk, cardiac condition in the analysis period.	2.4%	5.2%
		165	Patients with hyperlipidemia.	37.6%	26.1%
		165	Patients with CAD.	13.3%	12.4%
		165	Patients with depression.	6.1%	4.4%
		165	Patients with dialysis in the analysis period.	0.0%	0.9%
		165	Patients with erythropoietin in the analysis period.	0.0%	1.3%
		165	Patients with hypertension.	63.6%	71.2%
		165	Patients with obesity.	1.2%	2.2%
		165	Patients with complicated lipid disorders.	10.9%	13.0%
		165	Patients with test for creatinine clearance in the analysis period.	38.8%	37.8%
		165	Patients with retinopathy.	3.0%	2.8%
	Diabetes + Hypertension + Obesity	1	Patients without antihyperlipidemic drugs in the analysis period.	0.0%	34.9%
	Men > 60 years old	159	Patients with diabetes.	16.4%	17.4%
General	<10 years old with ER visits	155	Patients with two or more ER visits in the last 12 months.	9.0%	26.1%
	> $1,000 in ambulatory cost	1,559	Patients without office visit in the last 12 months.	4.9%	7.6%
	> 1 ER visit	270	Patients without office visit in the last 12 months.	8.9%	8.7%
	> 3 visits for Pain	131	Patients without pain management consultation in the analysis period.	0.0%	65.2%
	>10 years old with ER visits	855	Patients with two or more ER visits in the last 12 months.	12.0%	27.0%
	All individuals	5,381	Patients with hospice care claims in the analysis period.	0.0%	0.0%
		5,381	Individuals without any claim in the analysis period.	10.7%	15.7%
	ER Visits	1,010	Patients with ER visits on Saturday and/or Sunday.	35.6%	39.0%
	Home Health	22	Patients with home health cost of at least $10K in the analysis period.	0.0%	5.4%
	Home infusion	14	Patients with more than $5,000 paid in home infusion claims in the analysis period.	0.0%	14.3%
	Hospitalization	446	Patients without office visit within 7	68.2%	68.6%

			days after discharge.		
	Hypertension	391	Patients with more than one hospitalization in the analysis period.	3.8%	4.7%
	Individuals 16 to 50 y/o with $5,000 to $25,000 spend in the last 12 months	208	Patients identified as potential somatizers.	12.5%	2.1%
	Medical Cost > $1000	2,012	Patients with pharmacy costs >50% of their medical cost.	18.9%	19.7%
	Migraine/ Headache	46	Patients with migraine/ headache-related ER visit in the analysis period.	13.0%	19.2%
	Multiple Hospitalizations	69	Patients with more than two hospitalizations in the last six months.	2.9%	4.8%
	Office Visits	4,404	Patients with office visits to more than two types of specialists every three months.	0.0%	9.1%
	Pain Syndrome related ER visit	90	Patients without prior office visit(s) in the analysis period.	53.3%	31.5%
	Potential Somatizers	2	Patients with disease-related ER visit in the analysis period.	0.0%	55.7%
Geriatric	>= 65 years old	79	Patients with an ER visit in the last 12 months.	13.9%	18.7%
		79	Patients with antidepressants in the analysis period.	16.5%	15.6%
Mental Health	Depression	181	Patients with depression-related hospitalization in the analysis period.	3.3%	4.6%
		181	Patients with depression-related ER visit in the analysis period.	2.8%	4.9%
		181	Patients with more than one hospitalization in the analysis period.	5.5%	5.9%
	Depression-related admission	6	Patients without prior outpatient mental health office visit(s) in the analysis period.	50.0%	84.4%
	Depression-related ER visit	5	Patients without prior mental health-related office visit(s) in the analysis period.	40.0%	71.9%
Misc.	All individuals	5,381	Patients with gastric stapling, bypass, or banding procedures in the analysis period.	0.1%	0.1%
		5,381	Patients with Gaucher disease, with injections for the disease in the analysis period.	0.0%	0.0%
	Demyelinating	14	Patients with more than one	0.0%	5.8%

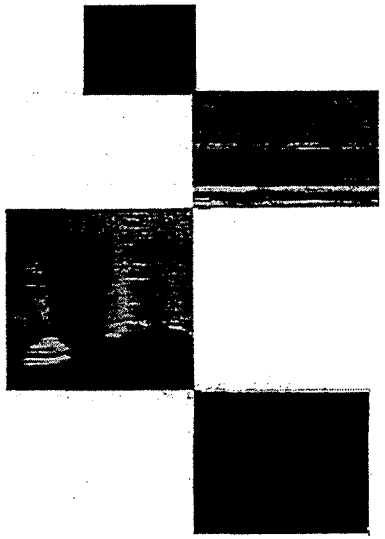
	Disease		hospitalization in the analysis period.		
	Female with cancer	62	Patients with female genital organ cancer.	11.3%	10.9%
	Inflammatory Bowel Disease	16	Patients with more than one hospitalization in the analysis period.	18.8%	9.4%
	Rheumatoid Arthritis	20	Patients with TNF drugs in the analysis period.	15.0%	20.6%
	Sleep Apnea	38	Patients with polysomnography study and CPAP in the analysis period.	50.0%	48.2%
	Women <40 y/o	1,452	Women with menopause before age 40.	0.0%	0.0%
Osteoarthritis	Osteoarthritis	104	Patients with hylan injections in the analysis period.	6.7%	0.6%
Pregnancy	Pregnancy	96	Women with high-risk pregnancy.	27.1%	7.2%
		96	Women with hospitalization for pregnancy-related diagnosis other than delivery.	3.1%	4.9%
		96	Pregnant women delivered with more than 15 prenatal visits.	0.0%	0.3%
		96	Pregnant women delivered with fewer than six prenatal visits.	0.0%	43.7%
		96	Women with pregnancy-related ER visit in the analysis period.	9.4%	10.1%
		96	Women with pregnancy or delivery complications.	89.6%	61.0%
Renal Failure	Renal Failure/ESRD	9	Patients with renal failure/ESRD-related hospitalization in the analysis period.	44.4%	8.6%
		9	Patients with renal failure/ESRD-related ER visit in the last 12 months.	0.0%	3.6%

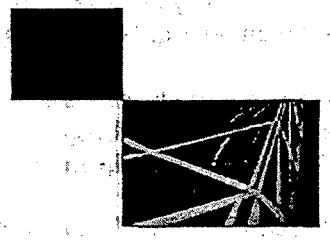
Willis

Rolling 12-Month Dashboard Report

April 1, 2011 - March 31, 2012

***The* ABC**
Company, Inc.





ABC Company

Executive Summary

For the first 9 months of the 2011/2012 plan year, the plan is running at a total cost of $622 PEPM compared to $580 PEPM for the 2010/2011 plan year. Net plan cost has increased from $410 PEPM to $431 PEPM, an increase of 5.1%.

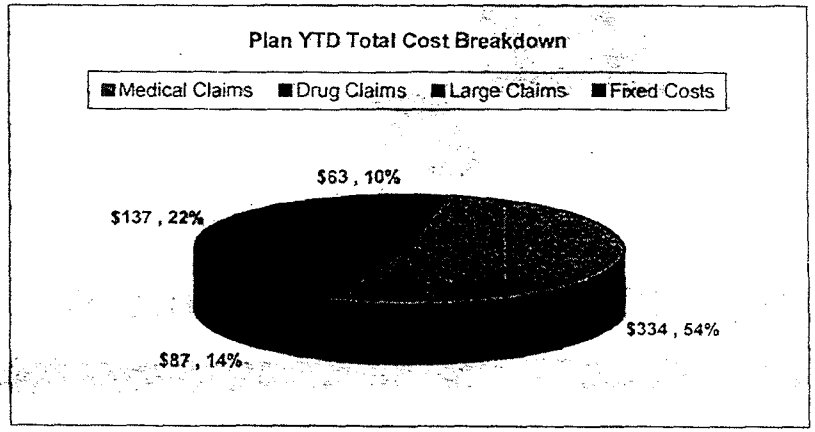
COBRA claims for the first 9 months represent approximately 7.5% of total paid claims compared to 9.5% in the prior plan year (medical & drug). Net COBRA cost has increased from $1,302 PEPM to $1,350 PEPM. COBRA participants account for 10.5% of large claimants and 14.4% of large claims (2.2% of total enrollment, 7.5% of total claims).

For the first 9 months, the medical plan is running at 95.6% of budgeted accrual (Expected Claims + Fixed Costs), resulting in a positive YTD variance of $1,258,674.

There are currently 57 individuals with total paid claims exceeding $50,000 in the first 9 months of the 2011/2012 plan year. 6 individuals have exceeded the $250,000 ISL deductible by a YTD total of $345,233.

Contribution Summary - Medical

Enrollment Tier	Enrollment	EE Cost	Total Cost	EE %
EE	25,271			
EE + SP	5,926			
EE + CH	4,996			
Family	7,555			
Total	43,748	$8,350,607	$27,195,531	30.7%



Willis

ABC Company

Year-Over-Year Performance Comparisons (July - March)

Total Cost Summary Plan Year-to-Date

	Cost Summary (Total Dollars)			Cost Summary (Dollars PEPM)			
	2011-2012	2010-2011	% Change	2011-2012	2010-2011	% Change	
Total Enrollment	43,748	41,845		43,748	41,845		
Average Enrollment	4,861	4,649	4.55%	4,861	4,649	4.55%	
Medical Claims	$19,122,835	$16,797,554	13.84%	$437.11	$401.42	8.89%	A
Rx Claims	$3,826,986	$3,187,747	20.05%	$87.48	$76.18	14.83%	B
COBRA Claims	$1,834,969	$2,286,323	(19.74%)	$41.94	$54.64	(23.23%)	C
Admin Costs	$1,806,643	$1,619,820	11.53%	$41.30	$38.71	6.68%	
Stop Loss Premium	$949,332	$698,812	35.85%	$21.70	$16.70	29.94%	
ISL Adjustments	($345,233)	($620,527)	(44.36%)	($7.89)	($14.83)	(46.78%)	D
Total Cost	$27,195,531	$23,969,728	13.46%	$621.64	$572.82	8.52%	
Employee Contribution	($8,350,607)	($7,145,147)	16.87%	($190.88)	($170.75)	11.79%	
Net Plan Cost	$18,844,924	$16,824,581	12.01%	$430.76	$402.07	7.14%	

YTD Accrual
$650.41
-4.4% Lower vs. Accrual

Claims Detail Plan Year-to-Date

	2011-2012	2010-2011
Enrollment		
Employees	43,748	41,845
Total Claims	$24,439,557	$21,651,097
PEPM (A+B+C+D)	$558.64	$517.41
% Change	8.0%	
Claims < $50k	$14,611,784	$12,968,132
PEPM	$334.00	$309.91
% Change	7.8%	
Large Claims > $50k	$6,000,786	$5,495,218
PEPM	$137.17	$131.32
% of Total Claims	24.6%	25.4%
% Change	4.5%	
Rx Claims	$3,826,986	$3,187,747
PEPM	$87.48	$76.18
% Change	14.8%	

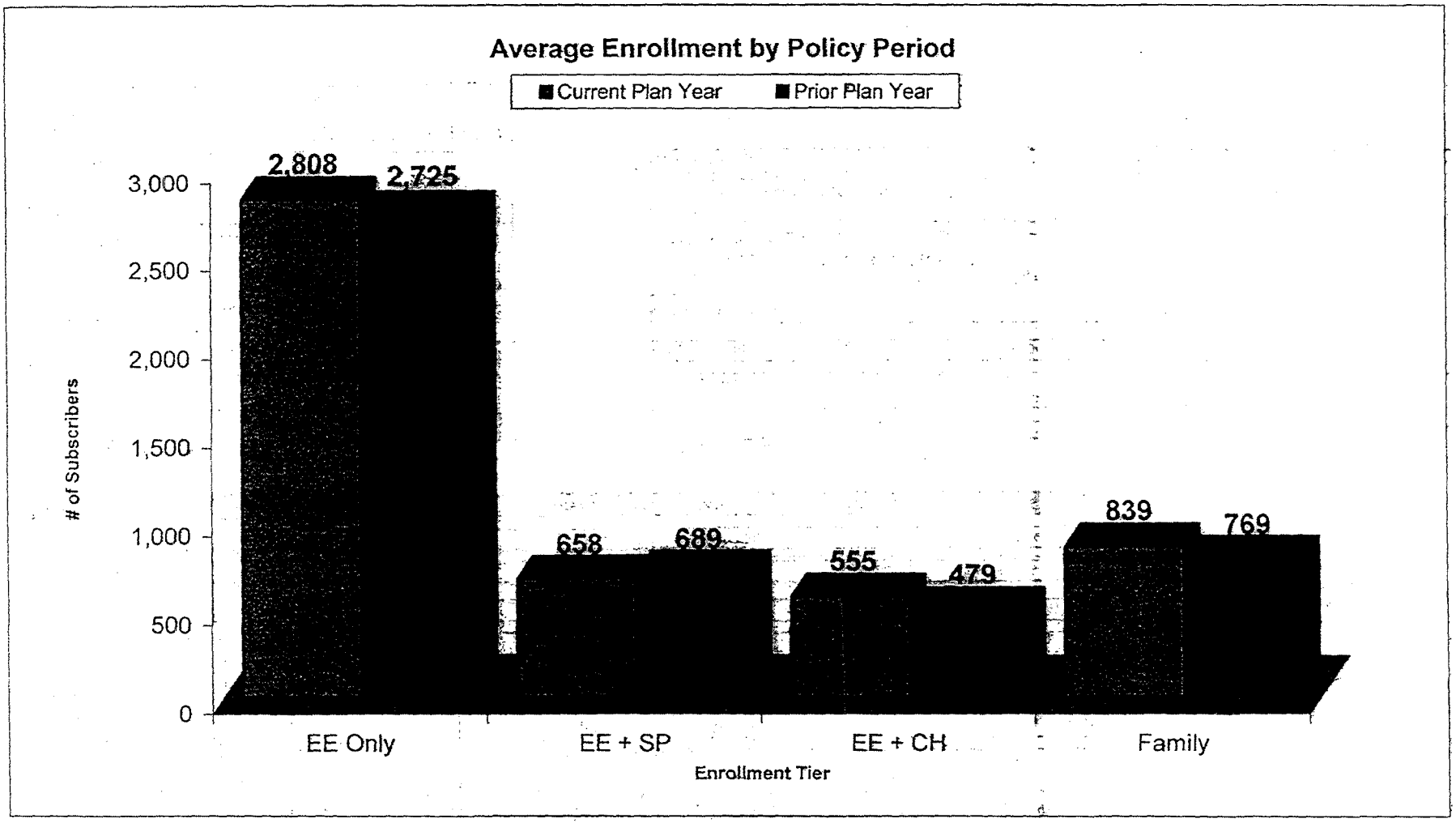
Large Claims Plan Year-to-Date

	2011-2012	2010-2011	Variance B / (W)	
Large Claims	$6,000,786	$5,495,218	($505,569)	
No. of Claimants	57	50	(7)	
Cost/Claimant	$105,277	$109,904	$4,627	
Variance Explanation			($505,569)	Severity + Volume
Severity				
[2010-2011 Cost/Claimant] - [2011-2012 Cost/Claimant] =			$4,627	Lower Cost per Claimant
2011-2012 Large Claimants Year-to-Date			57	
Severity Variance			$263,762	
Volume				
[2010-2011 Claimants] - [2011-2012 Claimants] =			(7)	Difference in # of Claimants
2010-2011 Cost/Claimant			$109,904	
Volume Variance			($769,330)	

Willis

ABC Company

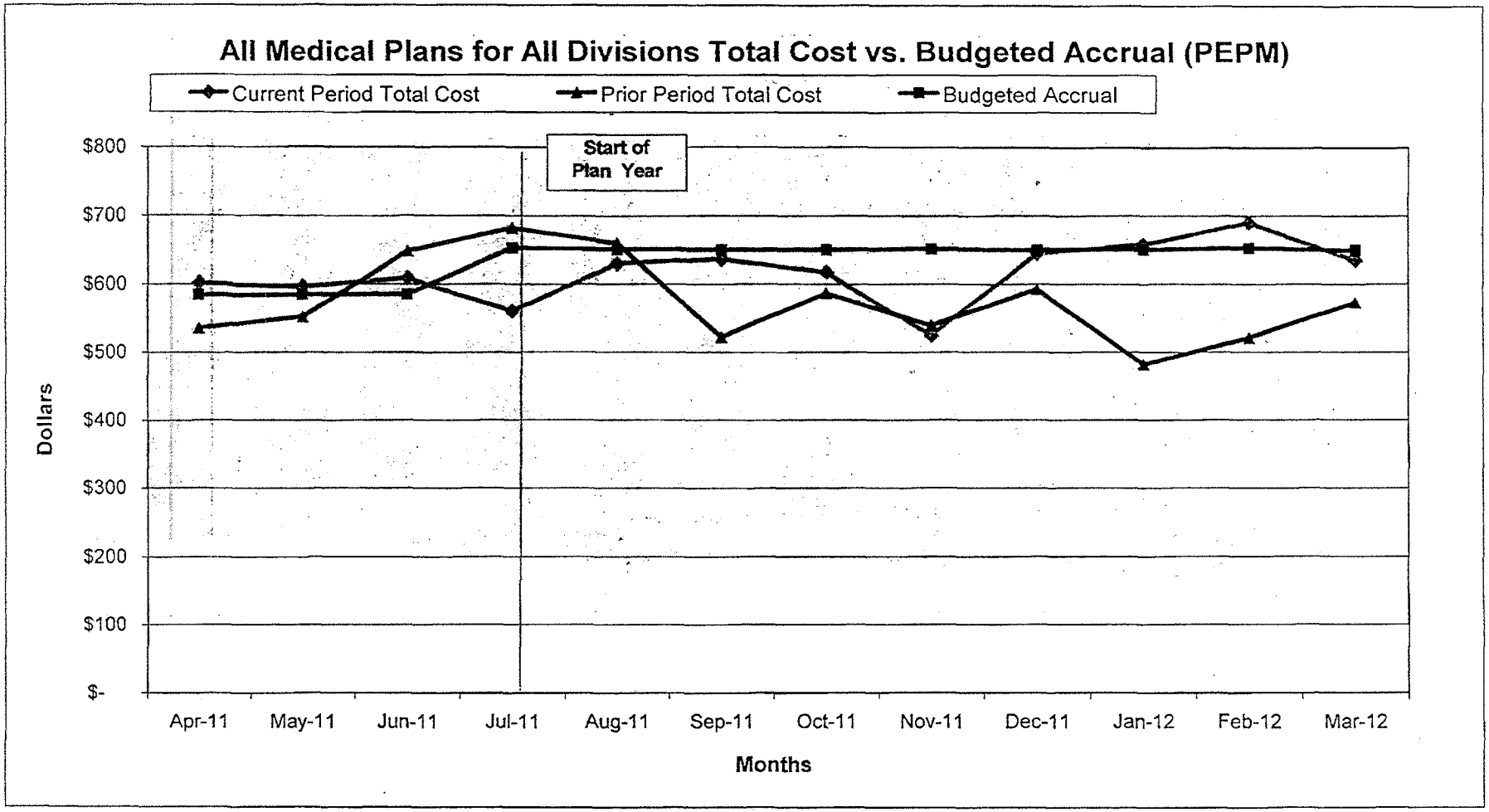
Enrollment Summary



Willis

ABC Company

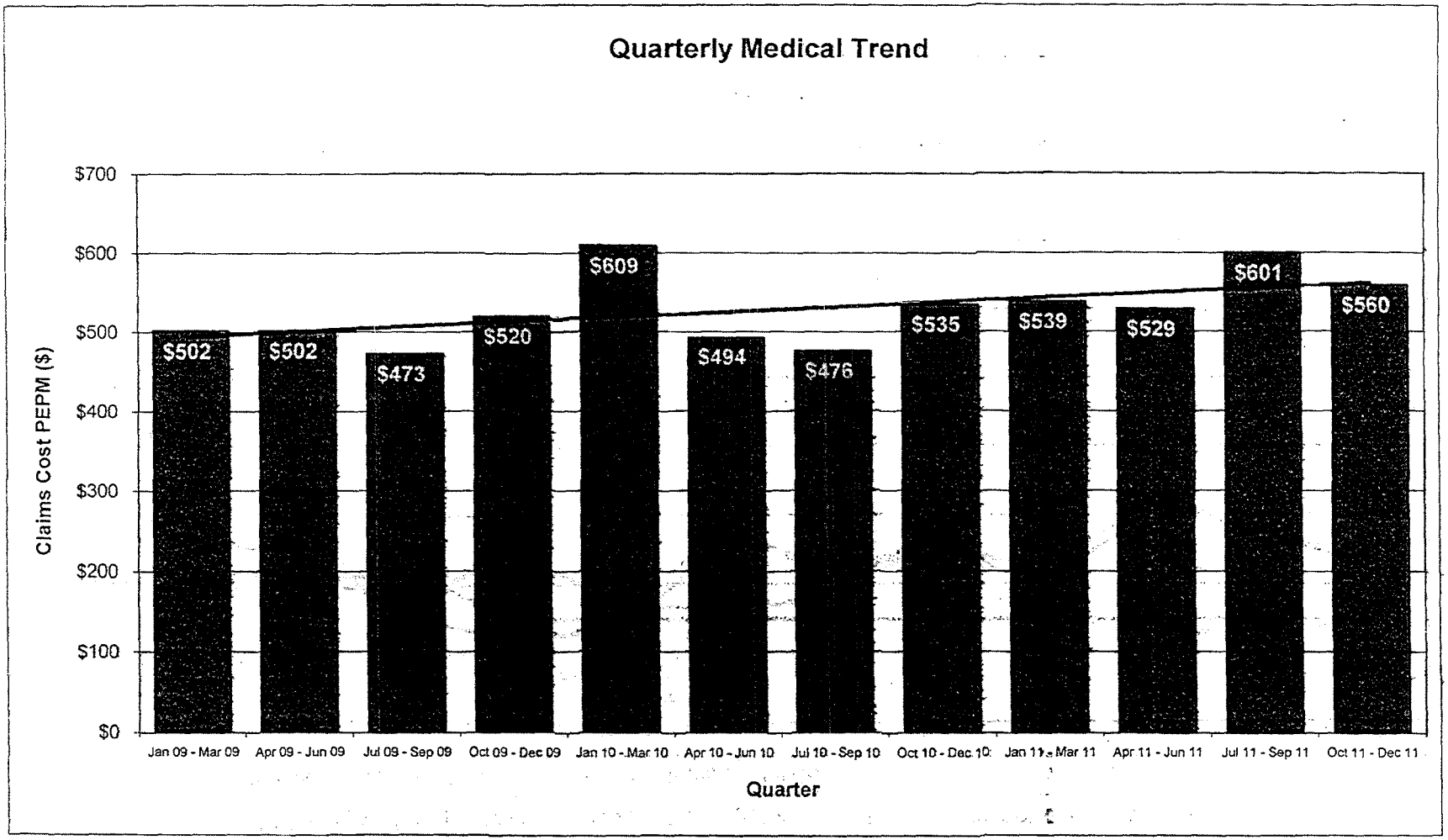
All Medical Plans for All Divisions - Rolling 12-Month Medical Cost Summary



Willis

ABC Company

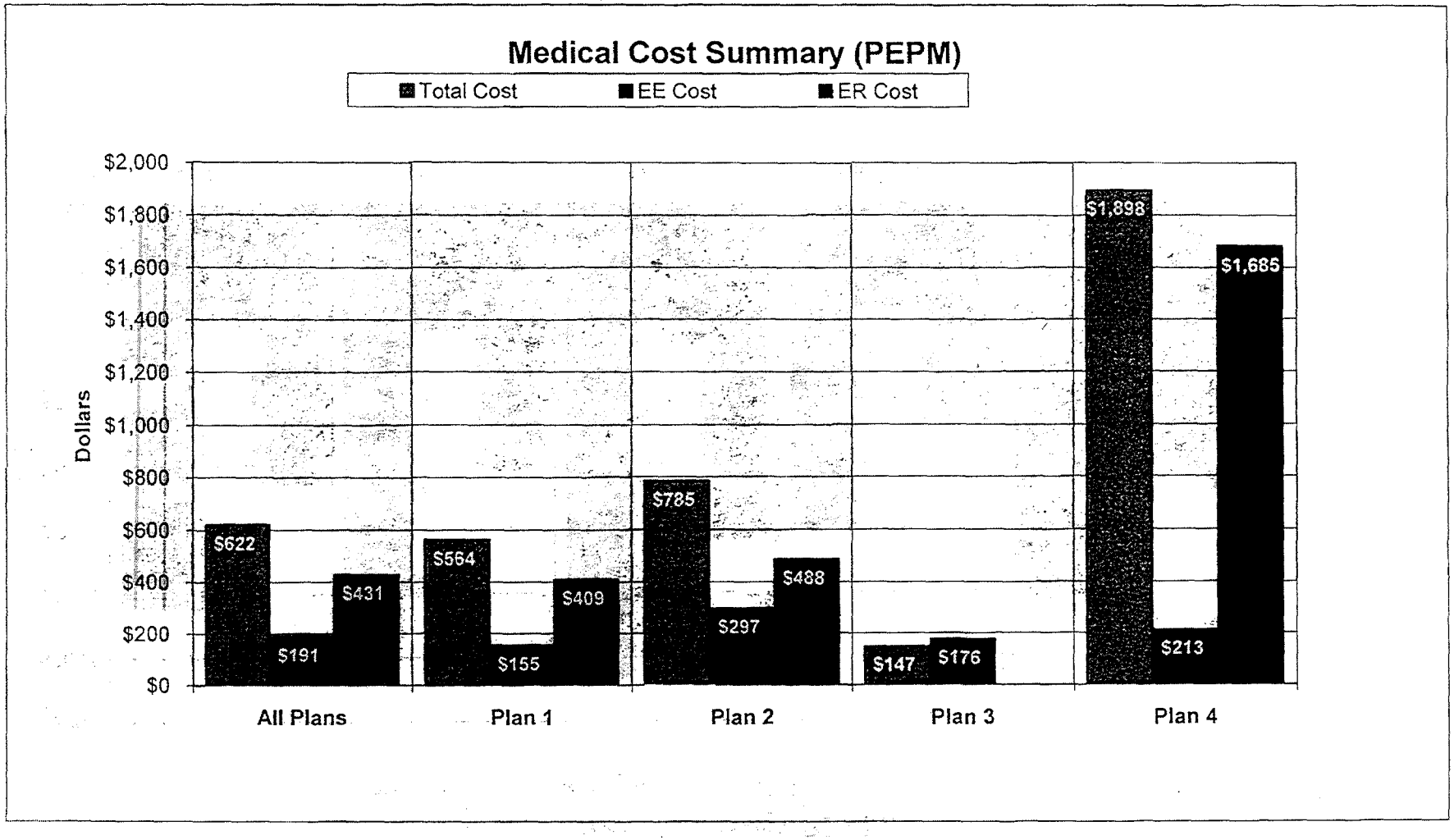
Quarterly Medical/Rx Claims PEPM



Willis

ABC Company

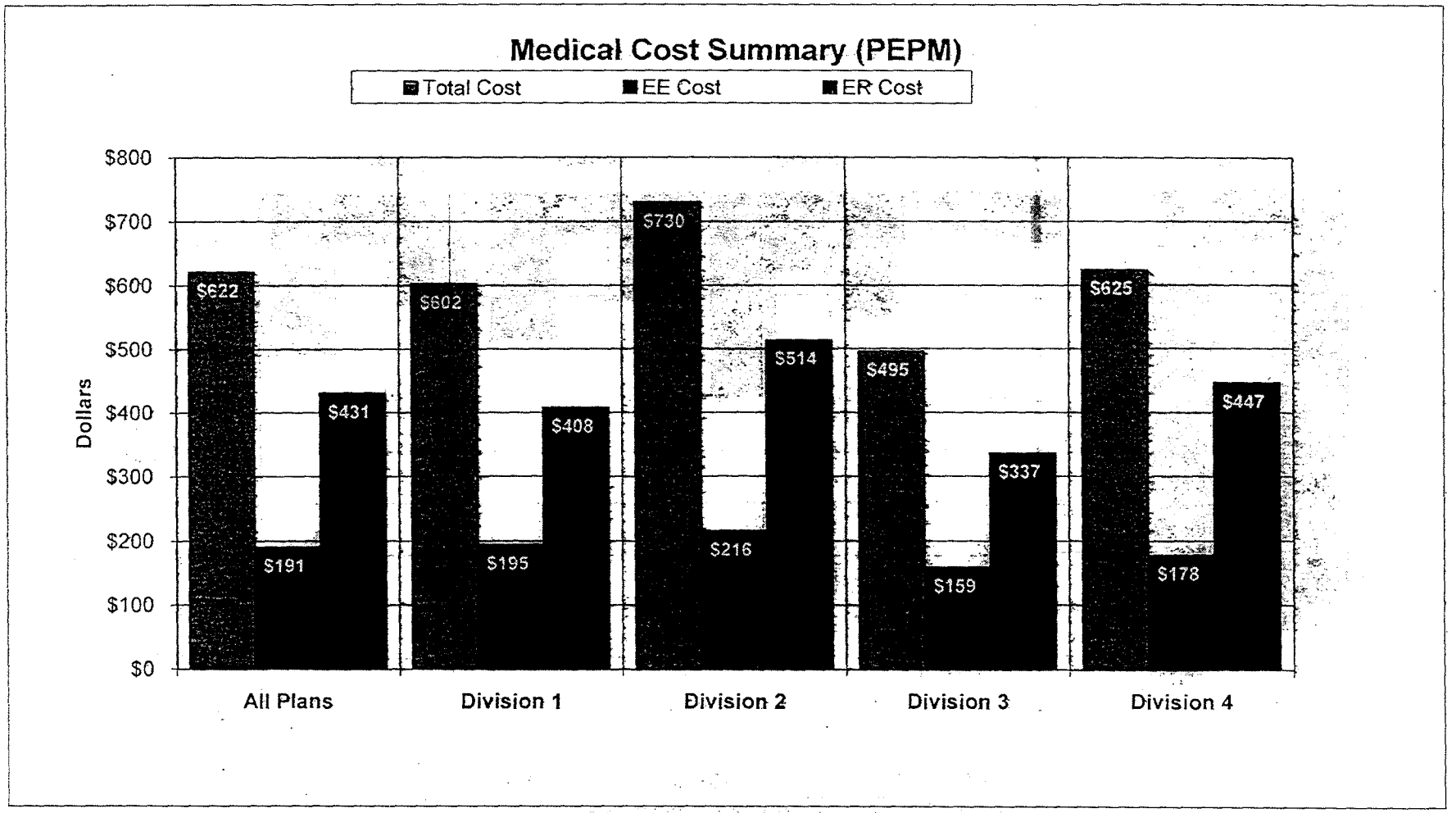
Medical Cost Comparison



Willis

ABC Company

Medical Cost Comparison



Willis

Willis

Summary of Medical Plans

Enrollment, Claims & Plan Cost Recap

The ABC Company, Inc.



ABC Company

Medical Plan Summary - All Plans

Rolling 12 Months	No. of Employees	Medical Claims	Prescription Drug Claims	COBRA Paid Claims	Claims over ISL	Total Claims	Total Claims PEPM	Admin Fees	Stop Loss Fees	Total Cost	Total Cost PEPM	EE Cost	EE Cost PEPM	ER Cost	ER Cost PEPM
April-11	4,705	$2,104,610	$328,405	$189,986	($51,860)	$2,571,141	$546	$182,131	$78,574	$2,831,845	$602	$799,080	$170	$2,032,765	$432
May-11	4,700	$2,138,304	$340,179	$227,315	($165,595)	$2,540,203	$540	$181,937	$78,490	$2,800,630	$596	$796,507	$169	$2,004,123	$426
June-11	4,698	$1,994,842	$532,203	$313,821	($240,493)	$2,600,373	$554	$181,860	$78,457	$2,860,690	$609	$799,296	$170	$2,061,393	$439
July-11	4,804	$2,018,255	$358,477	$123,084	($12,213)	$2,487,603	$518	$186,387	$104,247	$2,778,236	$578	$825,171	$172	$1,953,065	$407
August-11	4,795	$2,023,700	$337,526	$267,714	($27,420)	$2,601,520	$543	$186,016	$104,052	$2,891,588	$603	$817,618	$171	$2,073,970	$432
September-11	4,784	$2,107,453	$360,824	$220,057	$0	$2,688,334	$562	$185,816	$103,942	$2,978,092	$622	$818,624	$171	$2,159,468	$451
October-11	4,802	$2,120,425	$388,630	$150,270	$0	$2,659,325	$554	$186,305	$104,205	$2,949,835	$614	$815,455	$170	$2,134,380	$444
November-11	4,810	$1,799,555	$397,653	$90,548	($19,454)	$2,268,302	$472	$186,637	$104,391	$2,559,330	$532	$816,986	$170	$1,742,344	$362
December-11	4,923	$2,135,042	$365,104	$104,050	($7,665)	$2,596,531	$528	$186,304	$104,205	$2,887,040	$587	$834,490	$170	$2,052,550	$417
January-12	4,953	$2,402,711	$385,105	$133,552	($26,437)	$2,894,930	$584	$184,343	$103,110	$3,182,383	$643	$840,536	$170	$2,341,847	$473
February-12	4,902	$2,330,407	$440,866	$303,777	($16,379)	$3,058,703	$624	$182,436	$102,086	$3,343,225	$682	$839,635	$171	$2,503,590	$511
March-12	4,963	$2,748,770	$453,057	$224,347	($72,412)	$3,353,762	$676	$185,199	$103,548	$3,642,509	$734	$850,857	$171	$2,791,652	$563
Current Period YTD	43,748	$19,122,834	$3,821,564	$1,834,968	($345,233)	$24,434,133	$559	$1,836,843	$949,312	$27,220,287	$622	$8,360,807	$191	$18,844,924	$431
Prior Period YTD	41,845	$16,797,854	$3,197,707	$2,274,224	($20,221)	$22,249,564	$532	$1,813,220	$939,612	$25,002,396	$598	$7,145,141	$171	$16,824,582	$402
Rolling 12 Months	57,851	$25,360,591	$5,027,773	$2,566,091	($803,181)	$32,151,274	$556	$2,362,570	$1,184,852	$35,688,695	$617	$10,745,491	$186	$24,943,205	$431
Prior Policy Period	55,945	$23,235,310	$4,348,634	$3,017,445	($1,079,473)	$29,521,916	$528	$2,345,472	$1,174,532	$33,041,920	$591	$9,540,650	$171	$22,922,863	$410

Represents current policy period 7/1/2011 through 3/31/2012
Represents prior policy period 7/1/2010 through 3/31/2011
Represents prior policy period 7/1/2010 through 6/30/2011

Willis

ABC Company

Medical Plan Summary - Plan 1

Rolling 12 Months	No. of Employees	Medical Claims	Prescription Drug Claims	COBRA Paid Claims	Claims over ISL	Total Claims	Total Claims PEPM	Admin Fees	Stop Loss Fees	Total Cost	Total Cost PEPM	EE Cost	EE Cost PEPM	ER Cost	ER Cost PEPM
April-11	3,472	$1,274,310	$185,954	$42,656	($6,445)	$1,496,475	$431	$134,401	$57,982	$1,688,859	$486	$477,024	$137	$1,211,835	$349
May-11	3,468	$1,483,677	$206,145	$94,520	($154,921)	$1,629,421	$470	$134,246	$57,916	$1,821,583	$525	$474,078	$137	$1,347,505	$389
June-11	3,460	$1,441,027	$314,923	$23,501	($240,417)	$1,539,034	$445	$133,937	$57,782	$1,730,753	$500	$474,268	$137	$1,256,484	$363
July-11	3,585	$1,602,119	$209,043	$29,660	($112,173)	$1,728,749	$484	$147,235	$77,361	$1,953,344	$547	$558,082	$157	$1,392,261	$391
August-11	3,585	$1,518,577	$212,066	$109,268	($417,42)	$1,678,189	$527	$147,235	$77,361	$2,102,784	$590	$554,877	$156	$1,547,906	$434
September-11	3,546	$1,508,704	$228,564	$75,054	$20	$1,823,784	$514	$140,450	$76,848	$2,047,182	$577	$551,086	$155	$1,496,096	$422
October-11	3,561	$1,520,629	$240,491	$33,353	$0	$1,794,503	$504	$147,895	$77,706	$2,020,105	$564	$556,705	$155	$1,463,401	$409
November-11	3,586	$1,226,928	$259,200	$34,246	$0	$1,519,424	$424	$148,102	$77,816	$1,745,342	$487	$565,602	$155	$1,189,740	$332
December-11	3,681	$1,408,450	$418,869	$34,857	($37,771)	$1,824,878	$496	$152,028	$79,878	$2,056,781	$559	$568,630	$154	$1,488,151	$404
January-12	3,701	$1,404,899	$241,078	$20,458	($35,180)	$1,631,245	$441	$152,851	$80,312	$1,864,408	$504	$569,787	$154	$1,294,621	$350
February-12	3,665	$1,766,236	$305,628	$31,070	($17,034)	$2,105,900	$575	$161,365	$79,531	$2,346,795	$640	$569,119	$155	$1,767,676	$482
March-12	3,740	$1,673,585	$264,892	$60,740	($47,18)	$1,951,238	$522	$154,462	$81,158	$2,186,909	$585	$576,832	$154	$1,623,078	$434
Current Period YTD	32,830	$15,730,127	$2,391,020	$526,903	($770,110)	$18,387,940	$502	$1,347,619	$708,073	$18,423,630	$565	$5,060,703	$155	$13,362,927	$410
Prior Period YTD	31,691	$13,341,261	$1,881,247	$1,226,700	($430,788)	$16,018,419	$482	$1,203,847	$618,133	$18,787,649	$507	$4,389,502	$140	$11,408,147	$367
Rolling 12 Months	43,030	$17,929,141	$3,098,042	$686,680	($680,893)	$21,032,870	$489	$1,760,203	$881,751	$23,664,824	$550	$6,486,074	$151	$17,178,750	$399
Prior Policy Period	41,491	$15,340,471	$2,169,240	$1,461,334	($532,640)	$18,438,344	$444	$1,564,705	$783,633	$21,006,843	$506	$5,784,972	$139	$15,221,871	$367

Represents current policy period 7/1/2011 through 3/31/2012

Represents prior policy period 7/1/2010 through 6/30/2011

Represents prior policy period 7/1/2010 through 6/30/2011

Willis

ABC Company

Medical Plan Summary - Plan 2

Rolling 12 Months	No. of Employees	Medical Claims	Prescription Drug Claims	COBRA Paid Claims	Claims over ISL	Total Claims	Total Claims PEPM	Admin Fees	Stop Loss Fees	Total Cost	Total Cost PEPM	EE Cost	EE Cost PEPM	ER Cost	ER Cost PEPM
April-11	1,218	$829,767	$141,943	$147,088	($45,415)	$1,073,383	$881	$47,149	$20,341	$1,140,872	$937	$319,500	$262	$821,372	$674
May-11	1,218	$653,189	$133,742	$132,554	($10,674)	$908,811	$746	$47,149	$20,341	$976,300	$802	$320,026	$263	$656,275	$539
June-11	1,224	$553,748	$216,970	$290,161	($76)	$1,060,803	$867	$47,381	$20,441	$1,128,625	$922	$322,625	$264	$806,001	$658
July-11	1,223	$416,182	$145,255	$97,604	$0	$659,041	$539	$50,510	$28,639	$738,190	$604	$364,238	$298	$371,922	$304
August-11	1,214	$497,268	$124,782	$206,945	$0	$829,005	$683	$50,133	$28,344	$907,480	$748	$360,059	$297	$545,399	$449
September-11	1,205	$536,367	$151,231	$157,950	$0	$845,529	$701	$49,767	$28,148	$923,443	$766	$357,555	$297	$623,888	$518
October-11	1,205	$564,636	$147,480	$116,687	$0	$828,861	$688	$49,580	$28,214	$906,655	$752	$356,962	$296	$578,013	$479
November-11	1,210	$506,564	$157,540	$154,191	($16,454)	$801,841	$663	$49,973	$28,259	$879,773	$727	$358,687	$296	$521,086	$431
December-11	1,220	$702,241	$249,701	$258,800	($10,283)	$1,200,459	$984	$50,780	$28,600	$1,279,839	$1,049	$362,942	$298	$916,897	$751
January-12	1,236	$621,572	$143,667	$173,103	($120)	$938,222	$759	$51,122	$28,865	$1,018,209	$824	$367,423	$297	$650,786	$527
February-12	1,223	$542,772	$145,953	$257,784	($345)	$946,164	$774	$50,510	$28,537	$1,025,211	$838	$368,190	$301	$657,021	$537
March-12	1,239	$574,153	$187,880	$165,382	($7,694)	$919,721	$742	$51,171	$28,899	$999,791	$807	$370,699	$299	$629,092	$508
Current Period YTD	10,649	$5,257,806	$1,451,615	$1,307,791	($85,123)	$7,931,091	$745	$445,344	$251,481	$8,627,916	$810	$3,264,474	$307	$4,862,617	$457
Prior Period YTD	10,603	$5,435,737	$1,324,478	$1,543,865	($37,710)	$8,266,370	$780	$440,442	$247,870	$8,954,682	$845	$3,274,644	$309	$5,679,738	$536
Rolling 12 Months	14,649	$7,294,312	$1,924,268	$1,877,402	($122,288)	$10,973,694	$749	$595,624	$299,583	$11,868,901	$810	$4,226,625	$289	$7,642,177	$522
Prior Policy Period	14,185	$7,102,441	$1,770,555	$1,744,853	($29,515)	$10,588,334	$746	$574,171	$288,172	$11,450,677	$807	$3,994,844	$282	$7,455,833	$525

Represents current policy period 7/1/2011 through 3/31/2012

Represents prior policy period 7/1/2010 through 3/31/2011

Represents prior policy period 7/1/2010 through 6/30/2011

Willis

ABC Company

Medical Plan Summary - Plan 3

Rolling 12 Months	No. of Employees	Medical Claims	Prescription Drug Claims	COBRA Paid Claims	Claims over ISL	Total Claims	Total Claims PEPM	Admin Fees	Stop Loss Fees	Total Cost	Total Cost PEPM	EE Cost	EE Cost PEPM	ER Cost	ER Cost PEPM
April-11	7	$0	$314	$242	$0	$556	$79	$271	$117	$944	$135	$1,559	$223	($615)	($88)
May-11	6	$527	$116	$241	$0	$884	$147	$232	$100	$1,216	$203	$1,406	$234	($190)	($32)
June-11	6	$67	$129	$159	$0	$355	$59	$232	$100	$687	$115	$1,406	$234	($719)	($120)
July-11	7	$630	$98	$130	$0	$858	$123	$269	$152	$1,299	$186	$1,637	$234	($338)	($48)
August-11	7	$408	$112	$155	$0	$675	$96	$289	$152	$1,116	$159	$1,637	$234	($521)	($74)
September-11	6	$165	$10	$64	$0	$239	$40	$248	$130	$817	$103	$789	$132	($172)	($29)
October-11	6	$149	$104	$0	$0	$252	$42	$248	$130	$830	$106	$789	$132	($159)	($27)
November-11	6	$205	$526	$165	$0	$896	$149	$248	$130	$1,273	$212	$789	$132	$484	$81
December-11	5	$46	$12	$268	$0	$761	$152	$307	$109	$1,078	$215	$732	$142	$364	$73
January-12	6	$189	$310	$72	$0	$571	$95	$248	$130	$949	$158	$1,116	$186	($167)	($28)
February-12	6	$83	$56	$231	$0	$370	$62	$248	$130	$540	$90	$1,116	$186	($576)	($96)
March-12	6	$10	($6)	$225	$0	$229	$38	$248	$130	$607	$101	$1,116	$186	($509)	($85)
Current Period YTD	63	$2,230	$1,221	$1,122	$0	$4,844	$84	$2,473	$1,194	$9,107	$147	$9,702	$178	($1,595)	($29)
Prior Period YTD	70	$3,963	$1,442	$1,314	$0	$6,720	$141	$2,745	$1,156	$21,503	$303	$13,068	$184	$8,417	$119
Rolling 12 Months	74	$2,893	$1,780	$1,764	$0	$6,437	$87	$3,007	$1,511	$10,955	$148	$14,073	$190	($3,118)	($42)
Prior Policy Period	70	$7,447	$3,431	$1,376	$0	$12,254	$175	$3,244	$1,353	$24,351	$348	$17,456	$194	$6,893	$77

Represents current policy period 7/1/2011 through 3/31/2012

Represents prior policy period 7/1/2010 through 3/31/2011

Represents prior policy period 7/1/2010 through 6/30/2011

Willis

ABC Company

Medical Plan Summary - Plan 4

Rolling 12 Months	No. of Employees	Medical Claims	Prescription Drug Claims	COBRA Paid Claims	Claims over ISL	Total Claims	Total Claims PEPM	Admin Fees	Stop Loss Fees	Total Cost	Total Cost PEPM	EE Cost	EE Cost PEPM	ER Cost	ER Cost PEPM
April-11	8	$524	$194	$0	$0	$718	$90	$310	$134	$1,161	$145	$997	$125	$164	$21
May-11	8	$914	$176	$0	$0	$1,090	$136	$310	$134	$1,533	$192	$997	$125	$536	$67
June-11	8	$0	$181	$0	$0	$181	$23	$310	$134	$624	$78	$997	$125	($373)	($47)
July-11	9	$324	$191	$0	$0	$515	$57	$354	$186	$1,054	$118	$1,214	$135	($150)	($17)
August-11	9	$5,717	$556	$0	$0	$6,433	$817	$354	$195	$7,022	$878	$1,214	$135	$5,686	$743
September-11	9	$1,117	$299	$0	$0	$1,416	$157	$364	$195	$1,955	$218	$1,214	$135	$751	$83
October-11	9	$5,153	$647	$0	$0	$5,710	$810	$275	$152	$6,137	$877	$1,038	$148	$5,099	$728
November-11	9	$2,856	$202	$0	$0	$3,059	$386	$314	$174	$3,547	$447	$2,210	$278	$1,368	$171
December-11	9	$24,787	$435	$0	$0	$25,222	$3,153	$314	$174	$25,710	$3,214	$2,210	$276	$23,500	$2,938
January-12	9	$39,431	$0	$0	$0	$39,431	$4,931	$314	$174	$30,019	$3,752	$2,210	$276	$37,809	$4,726
February-12	9	$21,103	$291	$0	$0	$21,977	$2,497	$314	$174	$22,065	$2,758	$2,210	$276	$19,855	$2,482
March-12	9	$1,028	$491	$0	$0	$1,519	$190	$314	$174	$2,007	$251	$2,210	$276	($203)	($25)
Current Period YTD	74	$132,861	$3,113	$0	$0	$135,653	$1,837	$2,907	$1,705	$140,445	$1,899	$16,726	$213	$124,717	$1,686
Prior Period YTD	72	$11,024	$1,316	$0	$0	$12,339	$171	$2,907	$1,705	$16,951	$235	$4,014	$111	$8,324	$120
Rolling 12 Months	98	$134,239	$3,583	$0	$0	$137,922	$1,407	$3,836	$2,007	$143,764	$1,467	$18,719	$191	$125,045	$1,276
Prior Policy Period	96	$12,402	$2,107	$0	$0	$14,509	$151	$3,704	$1,975	$17,488	$182	$15,005	$156	$2,483	$26

Represents current policy period 7/1/2011 through 3/31/2012

Represents prior policy period 7/1/2010 through 3/31/2011

Represents prior policy period 7/1/2010 through 6/30/2011

Willis

ABC Company

Large Claims Summary (through March 2012) - $50k+

Rank	Identifier	Division	Plan	Status	Current Month	YTD Claims	Claims Over ISL ($250k)	Net Paid Claims	Prior Year Lrg Claims
1	A	Division 1	Plan 1	Active	$0	$403,896	($153,896)	$250,000	No
2	D	Division 1	Plan 1	Active	$33,630	$337,493	($87,493)	$250,000	Yes
3	S	Division 2	Plan 2	Active	$37,581	$316,010	($66,010)	$250,000	No
4	J	Division 4	Plan 1	Active	$590	$285,484	($35,484)	$250,000	No
5	E	Division 2	Plan 1	Active	$499	$252,238	($2,238)	$250,000	No
6	AQ	Division 1	Plan 2	COBRA	$4,919	$250,113	($113)	$250,000	No
7	AG	Division 4	Plan 1	Active	$85,586	$244,383	$0	$244,383	No
8	AT	Division 1	Plan 1	Active	$679	$205,323	$0	$205,323	No
9	T	Division 1	Plan 1	Active	$9,324	$183,476	$0	$183,476	No
10	AX	Division 1	Plan 2	COBRA	$180,592	$180,592	$0	$180,592	No
11	V	Division 4	Plan 1	Active	$17	$179,615	$0	$179,615	No
12	AD	Division 1	Plan 1	Active	$707	$176,529	$0	$176,529	No
13	M	Division 2	Plan 2	Active	$11,081	$162,671	$0	$162,671	Yes
14	F	Division 1	Plan 1	COBRA	$0	$162,447	$0	$162,447	No
15	R	Division 4	Plan 1	Active	$19,285	$153,528	$0	$153,528	Yes
16	AE	Division 1	Plan 2	Active	($73)	$142,951	$0	$142,951	No
17	W	Division 1	Plan 1	Active	$10,355	$138,715	$0	$138,715	Yes
18	AF	Division 2	Plan 1	Active	$11,653	$132,814	$0	$132,814	No
19	G	Division 2	Plan 2	COBRA	$147	$127,343	$0	$127,343	Yes
20	N	Division 1	Plan 2	COBRA	$503	$126,409	$0	$126,409	Yes
21	AY	Division 4	Plan 1	Active	$117,326	$117,326	$0	$117,326	No
22	AH	Division 1	Plan 4	Active	$0	$114,566	$0	$114,566	No
23	X	Division 4	Plan 1	Active	$6,099	$114,024	$0	$114,024	Yes
24	O	Division 1	Plan 1	Active	$293	$104,143	$0	$104,143	No
25	B	Division 1	Plan 1	Active	$0	$100,652	$0	$100,652	No
26	C	Division 1	Plan 1	Active	$259	$96,701	$0	$96,701	Yes
27	AZ	Division 2	Plan 1	Active	$93,832	$93,832	$0	$93,832	No
28	H	Division 1	Plan 1	Active	$2,288	$93,122	$0	$93,122	No

Willis

ABC Company

Large Claims Summary (through March 2012) - $50k+

Rank	Identifier	Division	Plan	Status	Current Month	YTD Claims	Claims Over ISL ($250k)	Net Paid Claims	Prior Year Lrg Claims
29	L	Division 1	Plan 2	COBRA	$0	$92,864	$0	$92,864	Yes
30	Z	Division 4	Plan 1	Active	$105	$91,365	$0	$91,365	No
31	AL	Division 4	Plan 1	Active	$3,857	$86,517	$0	$86,517	No
32	AA	Division 2	Plan 2	Active	$0	$80,619	$0	$80,619	No
33	AI	Division 1	Plan 1	Active	$598	$77,062	$0	$77,062	No
34	P	Division 2	Plan 1	Active	$116	$73,552	$0	$73,552	No
35	AV	Division 1	Plan 1	Active	$13,506	$72,064	$0	$72,064	No
36	AJ	Division 1	Plan 2	Active	$911	$70,386	$0	$70,386	No
37	AU	Division 1	Plan 1	Active	$282	$68,529	$0	$68,529	No
38	BA	Division 4	Plan 1	Active	$67,174	$67,174	$0	$67,174	No
39	AK	Division 2	Plan 2	Active	$0	$66,594	$0	$66,594	No
40	U	Division 4	Plan 1	Active	$1,672	$66,593	$0	$66,593	No
41	Q	Division 1	Plan 1	Active	$0	$64,862	$0	$64,862	Yes
42	AO	Division 1	Plan 1	Active	$3,032	$64,201	$0	$64,201	No
43	AR	Division 2	Plan 1	Active	$4,695	$63,166	$0	$63,166	Yes
44	I	Division 4	Plan 2	Active	$0	$61,497	$0	$61,497	No
45	AN	Division 2	Plan 2	Active	$13	$61,425	$0	$61,425	No
46	AB	Division 4	Plan 1	Active	$0	$61,129	$0	$61,129	No
47	BB	Division 2	Plan 1	Active	$59,935	$59,935	$0	$59,935	No

Total Large Claims [redacted]

Willis

ABC Company

Self-Funded Medical Gap Analysis - Expected (through March 2012)

Plan 1	Accrual Rates*	x	Head Count	=	Budgeted Accruals	Actual Claims	Actual Expenses	
EE Only	$404.00		18,136		$7,326,944			
EE + SP	$848.40		4,246		$3,602,306			
EE + CH	$727.20		4,155		$3,021,516			
Family	$1,171.61		6,093		$7,138,620			
Totals			32,630		$21,089,386	$16,367,940	$2,055,690	
Claims + Expenses			$18,423,630	=	87.36%		Mar 12 vs. Accrual	92.4%
Accrual Premium			$21,089,386				YTD Accrual PEPM	$646.32

Plan 2	Accrual Rates*	x	Head Count	=	Budgeted Accruals	Actual Claims	Actual Expenses	
EE Only	$449.08		7,031		$3,157,481			
EE + SP	$943.07		1,669		$1,573,984			
EE + CH	$808.34		841		$679,814			
Family	$1,302.34		1,448		$1,885,788			
Totals			10,989		$7,297,068	$7,930,697	$692,307	
Claims + Expenses			$8,623,004	=	118.17%		Mar 12 vs. Accrual	121.4%
Accrual Premium			$7,297,068				YTD Accrual PEPM	$664.03

Plan 3	Accrual Rates*	x	Head Count	=	Budgeted Accruals	Actual Claims	Actual Expenses	
EE Only	$404.00		53		$21,412			
EE + SP	$848.40		2		$1,697			
EE + CH	$727.20		0		$0			
Family	$1,171.61		0		$0			
Totals			55		$23,109	$4,642	$3,465	
Claims + Expenses			$8,107	=	35.08%		Mar 12 vs. Accrual	29.8%
Accrual Premium			$23,109				YTD Accrual PEPM	$420.16

Plan 4	Accrual Rates*	x	Head Count	=	Budgeted Accruals	Actual Claims	Actual Expenses	
EE Only	$404.00		51		$20,604			
EE + SP	$848.40		9		$7,636			
EE + CH	$727.20		0		$0			
Family	$1,171.61		14		$16,403			
Totals			74		$44,642	$135,933	$4,513	
Claims + Expenses			$140,446	=	314.60%		Mar 12 vs. Accrual	48.2%
Accrual Premium			$44,642				YTD Accrual PEPM	$603.27

Claims Runout						$345	$0	

Summary (All Groups)			43,748		$28,454,205	$24,439,557	$2,755,975	
Claims + Expenses			$27,195,531	=	95.58%		Mar 12 vs. Accrual	99.2%
Accrual Premium			$28,454,205				YTD Accrual PEPM	$650.41

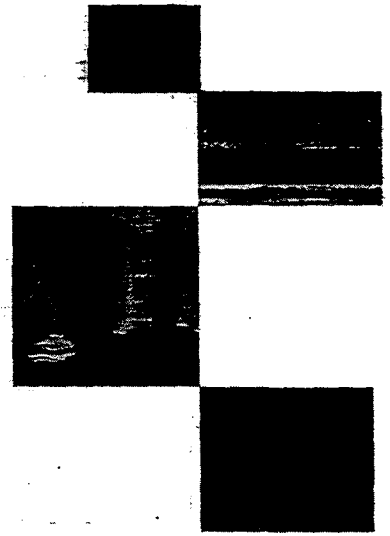
Willis

Willis

Appendix: Summary of Divisions

Enrollment, Claims & Plan Cost Recap

The ABC Company, Inc.





ABC Company

Medical Plan Summary - Division 1

Rolling 12 Months	No. of Employees	Medical Claims	Prescription Drug Claims	Claims over ISL	Total Claims	Total Claims PEPM	Admin Fees	Stop Loss Fees	Total Cost	Total Cost PEPM	EE Cost	EE Cost PEPM	ER Cost	ER Cost PEPM
April-11	2,101	$841,040	$172,795	($5,882)	$1,007,953	$480	$81,330	$35,087	$1,124,369	$535	$369,711	$176	$754,658	$359
May-11	2,096	$1,113,376	$189,438	($154,921)	$1,147,893	$548	$81,136	$35,003	$1,264,032	$603	$363,907	$174	$900,125	$429
June-11	2,091	$1,063,538	$276,008	($240,941)	$1,098,605	$525	$80,943	$34,920	$1,214,467	$581	$365,735	$175	$848,732	$406
July-11	2,101	$1,187,831	$190,292	($112,173)	$1,265,950	$603	$89,231	$46,894	$1,402,074	$668	$422,864	$198	$979,210	$453
August-11	2,147	$892,167	$178,288	($41,742)	$1,028,713	$479	$88,553	$46,590	$1,163,955	$542	$418,251	$195	$745,704	$347
September-11	2,124	$998,077	$202,856	$20	$1,200,933	$565	$87,703	$46,091	$1,334,728	$628	$414,085	$195	$920,641	$433
October-11	2,111	$863,140	$203,024	$0	$1,066,264	$505	$87,170	$45,809	$1,199,243	$568	$410,697	$195	$787,546	$373
November-11	2,121	$833,761	$208,158	$0	$841,918	$397	$87,581	$46,028	$975,528	$460	$411,243	$194	$564,283	$266
December-11	2,163	$773,796	$323,959	($19,205)	$1,078,550	$499	$89,316	$46,937	$1,214,803	$562	$416,403	$193	$798,400	$369
January-12	2,177	$1,184,545	$207,784	($16,183)	$1,384,169	$636	$89,894	$47,241	$1,521,301	$699	$421,804	$194	$1,099,497	$505
February-12	2,128	$1,206,103	$237,174	($16,495)	$1,426,782	$670	$87,870	$46,178	$1,560,830	$733	$416,077	$196	$1,144,753	$538
March-12	2,105	$885,531	$233,000	($38,743)	$1,084,791	$515	$86,920	$45,679	$1,217,390	$578	$412,363	$196	$805,027	$382
Current Period YTD	19,237	$9,634,951	$1,993,618	($416,602)	$11,207,967	$583	$794,351	$417,453	$11,568,848	$602	$3,743,787	$195	$7,845,061	$408
Prior Period YTD	19,428	$7,422,792	$1,788,078	($156,826)	$8,952,045	$461	$782,059	$324,448	$10,058,646	$518	$3,389,170	$174	$6,669,373	$343
Rolling 12 Months	25,525	$11,652,905	$2,621,859	($843,246)	$13,631,518	$534	$1,037,747	$622,453	$15,191,717	$595	$4,843,140	$190	$10,348,577	$405
Prior Policy Period	25,740	$10,440,974	$2,444,317	($5,857)	$12,879,434	$500	$1,037,747	$622,453	$14,561,418	$565	$4,488,624	$174	$9,172,891	$357

Represents current policy period 7/1/2011 through 3/31/2012
Represents prior policy period 7/1/2010 through 3/31/2011
Represents prior policy period 7/1/2010 through 6/30/2011

Willis

ABC Company

Medical Plan Summary - Division 2

Rolling 12 Months	No. of Employees	Medical Claims	Prescription Drug Claims	Claims over ISL	Total Claims	Total Claims PEPM	Admin Fees	Stop Loss Fees	Total Cost	Total Cost PEPM	EE Cost	EE Cost PEPM	ER Cost	ER Cost PEPM
April-11	957	$763,082	$78,277	($45,415)	$795,944	$832	$37,045	$15,982	$848,971	$887	$181,282	$189	$667,689	$698
May-11	967	$547,032	$69,582	($10,674)	$605,940	$627	$37,433	$16,149	$659,521	$682	$185,135	$191	$474,386	$491
June-11	965	$545,369	$103,830	($76)	$649,123	$673	$37,355	$16,116	$702,594	$728	$184,640	$191	$517,954	$537
July-11	982	$368,874	$79,895	$0	$448,769	$457	$40,551	$21,309	$510,629	$520	$214,613	$219	$296,022	$301
August-11	978	$765,277	$242,774	$0	$821,104	$840	$40,381	$21,225	$882,710	$903	$209,755	$214	$672,963	$688
September-11	970	$607,933	$220,176	$0	$688,949	$709	$40,185	$21,114	$751,248	$772	$209,475	$215	$541,773	$557
October-11	970	$573,206	$72,153	$0	$765,518	$781	$40,433	$21,244	$807,151	$824	$212,617	$217	$594,314	$607
November-11	985	$426,863	$70,163	($16,456)	$480,574	$488	$40,650	$21,375	$542,599	$551	$212,448	$216	$329,780	$335
December-11	1,005	$368,962	$139,200	($18,234)	$490,178	$488	$41,507	$21,808	$553,494	$551	$216,034	$215	$571,480	$569
January-12	1,017	$369,125	$80,120	($2,310)	$507,131	$499	$42,000	$22,067	$571,197	$562	$214,142	$211	$512,990	$504
February-12	1,013	$407,483	$75,204	($417)	$572,704	$565	$41,837	$21,983	$636,513	$628	$219,027	$216	$417,568	$412
March-12	1,023	$457,077	$90,611	($9,978)	$718,903	$703	$42,204	$22,177	$783,284	$766	$220,431	$216	$562,857	$550
Current Period YTD	5,954	$3,290,756	$749,218	($52,249)	$3,970,758	$667	$368,906	$194,302	$4,533,966	$762	$1,936,163	$216	$4,690,706	$514
Prior Period YTD	5,858	$4,227,453	$668,978	($18,770)	$4,877,661	$833	$316,711	$166,206	$5,360,577	$915	$1,540,787	$197	$3,568,614	$440
Rolling 12 Months	11,843	$7,146,269	$1,000,907	($124,412)	$8,022,764	$677	$481,833	$242,548	$8,746,945	$739	$2,486,210	$210	$8,260,735	$529
Prior Policy Period	11,645	$8,081,922	$1,151,477	($240,504)	$9,076,894	$780	$427,852	$214,462	$9,719,208	$835	$2,120,625	$182	$7,599,583	$653

Represents current policy period 7/1/2011 through 3/31/2012
Represents prior policy period 7/1/2010 through 3/31/2011
Represents prior policy period 7/1/2010 through 6/30/2011

Willis

ABC Company

Medical Plan Summary - Division 3

Rolling 12 Months	No. of Employees	Medical Claims	Prescription Drug Claims	Claims over ISL	Total Claims	Total Claims PEPM	Admin Fees	Stop Loss Fees	Total Cost	Total Cost PEPM	EE Cost	EE Cost PEPM	ER Cost	ER Cost PEPM
April-11	563	$199,460	$38,060	$0	$237,520	$422	$21,794	$9,402	$268,716	$477	$79,563	$141	$189,153	$336
May-11	547	$193,635	$34,593	$0	$228,228	$417	$21,174	$9,135	$258,537	$473	$77,829	$142	$180,708	$330
June-11	533	$228,588	$72,433	$0	$301,021	$565	$20,632	$8,901	$330,555	$620	$76,512	$144	$254,043	$477
July-11	531	$173,508	$39,316	$0	$212,824	$401	$21,930	$11,523	$246,277	$464	$87,341	$164	$158,936	$299
August-11	530	$142,047	$35,146	$0	$177,193	$335	$21,889	$11,501	$210,583	$398	$85,968	$162	$125,215	$236
September-11	532	$190,248	$42,013	$0	$232,261	$437	$21,972	$11,544	$265,777	$500	$84,821	$159	$180,956	$340
October-11	552	$205,584	$49,816	$0	$255,400	$463	$22,734	$11,948	$290,082	$526	$87,048	$158	$203,034	$368
November-11	544	$167,317	$37,293	$0	$204,610	$376	$22,487	$11,820	$238,917	$439	$88,723	$163	$150,194	$276
December-11	557	$188,598	$71,419	$0	$260,017	$467	$23,417	$12,304	$295,738	$531	$89,148	$160	$206,590	$371
January-12	562	$227,887	$31,714	$0	$259,601	$462	$23,211	$12,198	$294,937	$525	$87,788	$156	$207,149	$369
February-12	555	$294,316	$37,134	$0	$331,450	$597	$22,922	$12,044	$366,416	$660	$87,430	$158	$279,985	$504
March-12	539	$162,998	$40,491	$0	$203,490	$378	$22,381	$11,766	$263,147	$488	$98,508	$183	$164,639	$305
Current Period YTD	2,012	$1,132,401	$374,776	$0	$1,507,176	$749	$89,934	$47,266	$1,644,392	$817	$351,466	$175	$1,155,894	$574
Prior Period YTD	2,453	$2,110,908	$381,240	$0	$2,492,148	$1,016	$177,376	$93,233	$2,762,757	$1,126	$642,125	$262	$2,120,632	$864
Rolling 12 Months	6,655	$2,414,284	$519,861	$0	$2,934,145	$441	$270,596	$136,199	$3,340,940	$502	$1,028,677	$155	$2,312,263	$347
Prior Policy Period	6,086	$2,732,263	$498,324	$0	$3,230,587	$531	$253,176	$127,413	$3,611,176	$593	$976,030	$160	$2,635,146	$433

Represents current policy period 7/1/2011 through 3/31/2012

Represents prior policy period 7/1/2010 through 3/31/2011

Represents prior policy period 7/1/2010 through 6/30/2011

Willis

ABC Company

Medical Plan Summary - Division 4

Rolling 12 Months	No. of Employees	Medical Claims	Prescription Drug Claims	Claims over ISL	Total Claims	Total Claims PEPM	Admin Fees	Stop Loss Fees	Total Cost	Total Cost PEPM	EE Cost	EE Cost PEPM	ER Cost	ER Cost PEPM
April-11	1,084	$466,679	$63,608	($563)	$529,724	$489	$41,962	$18,103	$589,788	$544	$168,523	$155	$421,265	$389
May-11	1,090	$488,336	$69,806	$0	$558,142	$512	$42,194	$18,203	$618,539	$567	$169,635	$156	$448,903	$412
June-11	1,109	$438,670	$112,430	$525	$551,625	$497	$42,929	$18,520	$613,075	$553	$172,409	$155	$440,666	$397
July-11	1,130	$393,484	$83,200	$0	$476,680	$422	$44,668	$24,521	$529,869	$469	$200,354	$177	$329,528	$292
August-11	1140	$500,053	$79,600	$0	$579,653	$508	$47,002	$24,739	$651,394	$571	$205,833	$180	$445,561	$391
September-11	1137	$423,908	$102,233	$0	$526,141	$463	$46,863	$24,673	$597,677	$526	$202,243	$178	$395,434	$348
October-11	1160	$501,158	$92,201	$0	$593,359	$512	$47,004	$25,072	$665,435	$574	$204,923	$177	$460,512	$397
November-11	1180	$502,870	$106,726	$0	$609,596	$517	$47,004	$25,072	$681,672	$578	$206,174	$175	$475,498	$403
December-11	1187	$472,510	$72,054	($1,000)	$543,564	$458	$47,004	$25,072	$615,640	$519	$210,906	$178	$404,734	$341
January-12	1197	$547,763	$101,866	($1,000)	$648,629	$542	$47,004	$25,072	$720,705	$602	$212,904	$178	$507,801	$424
February-12	1200	$520,656	$127,000	($1,000)	$646,656	$539	$47,004	$25,072	$718,732	$599	$216,101	$180	$502,631	$419
March-12	1222	$472,436	$102,366	($530)	$574,272	$470	$47,004	$25,072	$646,348	$529	$219,455	$180	$426,893	$349
Current Period YTD	10,453	$5,031,726	$1,277,115	($3,093)	$6,305,747	$603	$465,309	$248,972	$7,020,028	$672	$1,978,885	$189	$4,710,797	$451
Prior Period YTD	9,506	$4,074,410	$1,040,540	($2,530)	$5,112,420	$538	$379,004	$203,744	$5,695,168	$599	$1,644,004	$173	$4,501,930	$474
Rolling 12 Months	13,828	$6,425,411	$1,172,959	($35,522)	$7,562,848	$547	$562,593	$283,653	$8,409,094	$608	$2,387,463	$173	$6,021,631	$435
Prior Policy Period	13,031	$5,481,204	$1,060,708	($23,565)	$6,518,347	$500	$506,793	$255,530	$7,280,670	$559	$2,054,652	$158	$5,812,784	$446

Represents current policy period 7/1/2011 through 3/31/2012

Represents prior policy period 7/1/2010 through 3/31/2011

Represents prior policy period 7/1/2010 through 6/30/2011

Willis

ABC Company

Medical Plan Summary - Active Employee Summary

Rolling 12 Months	No. of Employees	Medical Claims	Prescription Drug Claims	Claims over ISL	Total Claims	Total Claims PEPM	Admin Fees	Stop Loss Fees	Total Cost	Total Cost PEPM	EE Cost	EE Cost PEPM	ER Cost	ER Cost PEPM
April-11	4,583	$2,104,610	$328,405	($51,297)	$2,381,718	$520	$177,408	$76,536	$2,635,662	$575	$732,217	$160	$1,903,445	$415
May-11	4,581	$2,138,304	$340,179	($165,595)	$2,312,888	$505	$177,331	$76,503	$2,566,721	$560	$731,082	$160	$1,835,639	$401
June-11	4,579	$1,994,842	$532,203	($241,018)	$2,286,027	$499	$177,253	$76,469	$2,539,750	$555	$732,090	$160	$1,807,660	$395
July-11	4,666	$2,019,255	$355,497	($112,478)	$2,262,579	$485	$183,614	$101,686	$2,557,778	$548	$852,094	$182	$1,705,684	$365
August-11	4,664	$2,022,970	$337,628	($41,742)	$2,318,854	$498	$183,431	$101,643	$2,613,927	$560	$846,641	$181	$1,767,086	$377
September-11	4,658	$2,007,853	$380,624	$201	$2,387,677	$513	$182,357	$101,078	$2,791,332	$599	$841,456	$181	$1,949,876	$419
October-11	4,652	$2,120,426	$368,630	$0	$2,489,056	$535	$183,785	$101,816	$2,804,638	$603	$850,184	$183	$1,954,454	$420
November-11	4,705	$1,739,555	$387,553	($16,954)	$2,110,154	$450	$184,302	$102,089	$2,413,053	$513	$854,107	$182	$1,558,946	$331
December-11	4,619	$2,135,942	$569,106	($47,555)	$2,757,493	$572	$159,011	$104,572	$3,060,976	$635	$872,057	$181	$2,188,919	$454
January-12	4,655	$2,402,141	$385,105	($34,437)	$2,752,809	$574	$200,497	$105,354	$3,056,660	$830	$878,581	$181	$2,177,079	$448
February-12	4,600	$2,330,417	$443,668	($19,379)	$2,761,926	$578	$199,226	$104,160	$3,064,312	$638	$871,152	$181	$2,193,160	$457
March-12	4,600	$2,246,776	$453,057	($72,412)	$2,629,421	$538	$201,943	$105,713	$2,937,476	$601	$882,431	$180	$2,055,045	$420
Current Period YTD	42,789	$19,122,838	$3,626,906	($345,233)	$22,604,560	$528	$1,767,046	$920,521	$25,900,155	$591	$7,745,693	$181	$17,550,262	$410
Prior Period YTD	40,867	$16,787,554	$3,187,747	($366,597)	$19,608,704	$482	$1,674,220	$879,139	$21,862,062	$537	$6,476,801	$159	$15,373,261	$378
Rolling 12 Months	56,532	$25,360,591	$5,027,773	($803,143)	$29,585,221	$523	$2,299,038	$1,158,029	$33,042,288	$584	$9,945,282	$176	$23,097,006	$409
Prior Policy Period	54,410	$23,041,310	$4,538,154	($544,607)	$26,978,357	$496	$2,100,211	$1,056,847	$30,134,195	$554	$8,674,100	$159	$20,920,009	$384

Represents current policy period 7/1/2011 through 3/31/2012

Represents prior policy period 7/1/2010 through 3/31/2011

Represents prior policy period 7/1/2010 through 6/30/2011

Willis

ABC Company

Medical Plan Summary - COBRA Summary

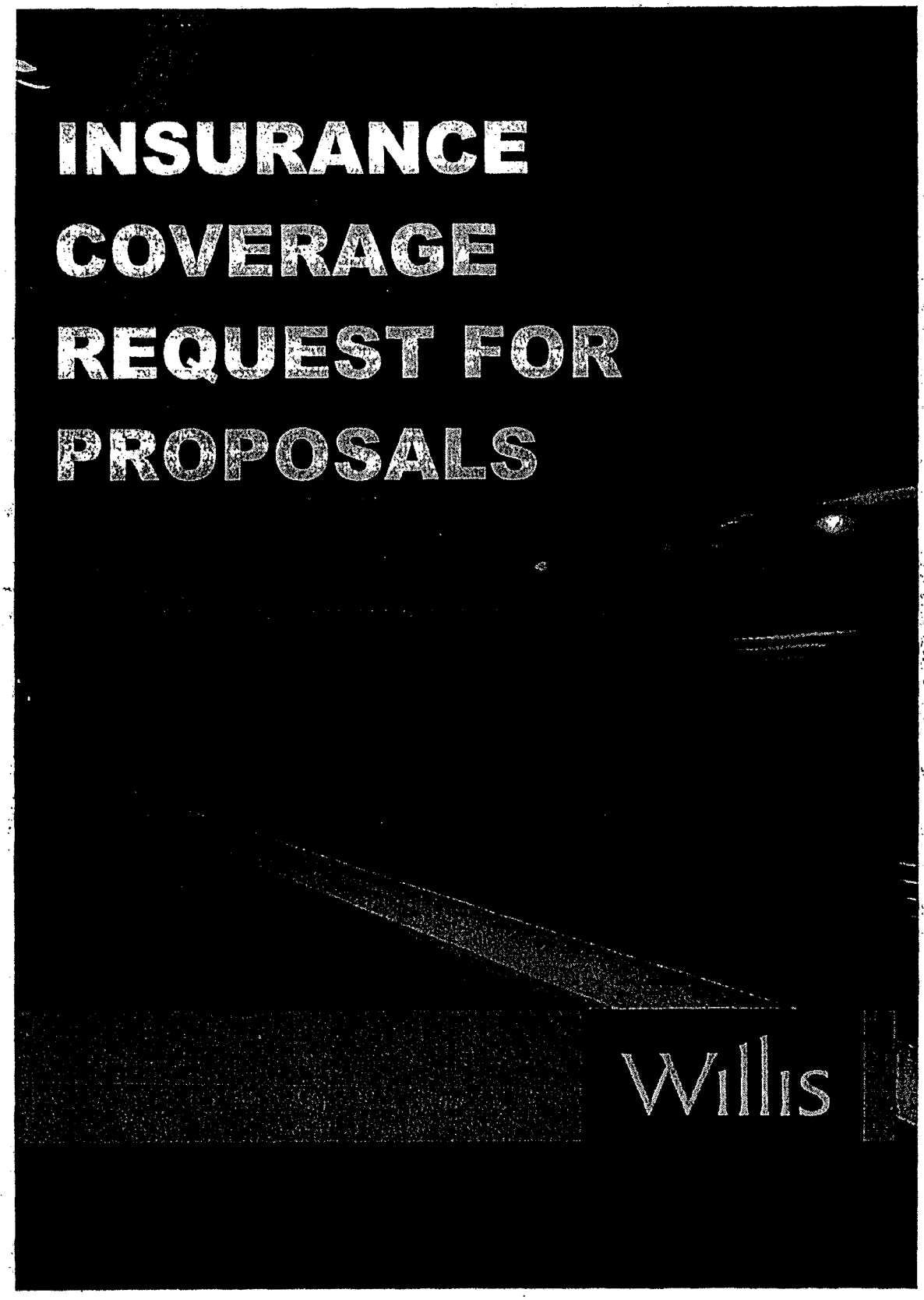
Rolling 12 Months	No. of Employees	Medical Claims	Prescription Drug Claims	Claims over ISL	Total Claims	Total Claims PEPM	Admin Fees	Stop Loss Fees	Total Cost	Total Cost PEPM	EE Cost	EE Cost PEPM	ER Cost	ER Cost PEPM
April-11	122	$165,651	$24,335	($563)	$189,423	$1,553	$4,723	$2,037	$196,183	$1,608	$66,863	$548	$129,320	$1,060
May-11	119	$204,075	$23,240	$0	$227,315	$1,910	$4,606	$1,987	$233,909	$1,966	$65,425	$550	$168,484	$1,416
June-11	119	$281,323	$32,498	$525	$314,346	$2,642	$4,606	$1,987	$320,940	$2,697	$67,206	$565	$253,734	$2,132
July-11	118	$104,442	$19,212	$0	$123,654	$1,048	$4,873	$2,561	$131,088	$1,111	$73,087	$619	$58,001	$492
August-11	111	$376,770	$18,535	$0	$395,714	$3,564	$4,564	$2,409	$403,707	$3,637	$70,977	$639	$332,730	$2,996
September-11	109	$214,413	$18,637	$0	$233,050	$2,138	$4,480	$2,344	$239,854	$2,201	$69,168	$640	$170,686	$1,580
October-11	110	$128,552	$21,718	$0	$150,270	$1,366	$4,543	$2,387	$157,200	$1,429	$55,301	$547	$101,899	$935
November-11	105	$74,756	$24,788	$0	$99,544	$948	$4,434	$2,329	$106,161	$1,011	$62,881	$599	$43,280	$412
December-11	104	$85,924	$18,126	$0	$104,050	$1,000	$4,583	$2,257	$110,890	$1,063	$62,436	$600	$48,454	$463
January-12	96	$171,281	$22,276	$0	$193,558	$1,975	$4,045	$2,127	$199,730	$2,038	$60,955	$622	$138,776	$1,416
February-12	102	$288,121	$21,656	$0	$309,777	$3,037	$4,217	$2,213	$316,207	$3,100	$67,483	$662	$248,718	$2,438
March-12	103	$201,558	$22,780	$0	$224,347	$2,178	$4,252	$2,233	$230,834	$2,241	$68,426	$664	$162,408	$1,577
Current Period YTD	959	$1,627,223	$207,740	$0	$1,834,963	$1,913	$39,857	$20,910	$1,895,730	$1,976	$600,714	$626	$1,294,662	$1,350
Prior Period YTD	1,178	$2,039,102	$240,221	($225)	$2,279,098	$1,935	$45,600	$23,948	$2,348,646	$1,994	$666,346	$566	$1,681,321	$1,427
Rolling 12 Months	1,319	$2,278,278	$287,813	($38)	$2,566,053	$1,945	$53,532	$26,822	$2,646,408	$2,006	$800,209	$607	$1,846,199	$1,400
Prior Policy Period	1,535	$2,490,151	$327,240	($225)	$2,817,166	$1,835	$57,540	$28,830	$2,903,536	$1,892	$900,640	$587	$2,002,858	$1,305

Represents current policy period 7/1/2011 through 3/31/2012

Represents prior policy period 7/1/2010 through 6/30/2011

Willis

INSURANCE COVERAGE REQUEST FOR PROPOSALS



RFP - INTRODUCTION

Willis

Today's Date *Thursday, June 21, 2012*

Submission Deadline **Friday, 7/6/2012 3pm**

CONTACT INFORMATION	*Name*	*Email*	*Phone*
Sr Client Manager	Mischelle Lindsay	mischelle.lindsay@willis.com	302-397-0181
Sr Client Manager	Tracie Schloer	tracie.schloer@willis.com	302-397-0178
VP Benefits Division	Kent Evans	kent.evans@willis.com	302-397-0171

PLEASE SEND ELECTRONIC PROPOSALS. NO PAPER PROPOSALS ARE INVITED AT THIS TIME. ANY AND ALL QUESTIONS REGARDING THIS REQUEST FOR PROPOSAL SHOULD BE DIRECTED TO ONE OF THE ASSOCIATES LISTED ABOVE. PLEASE DO NOT CONTACT THE CLIENT DIRECTLY.

CLIENT	
NAME OF COMPANY	**ABC Management, LLC**
REQUIRED RESPONSE	YOUR RESPONSE MUST INCLUDE THE COMPLETED COLORED TABS WITH THE PROPOSAL SUBMISSION. FEEL FREE TO SEND ANY OF YOUR MARKETING MATERIAL FOR SUPPORTING DOCUMENTATION IF NEEDED.

ENCLOSURES & ATTACHMENTS	
Coverages Marketed	Medical, Dental, Life/AD&D with EAP, STD, LTD, Vision, Vol Life/AD&D, Worksite Voluntary
Benefit Summaries/Plan Documents	All summaries are included as separate documents.
Rate History/Renewals	Sent as separate documents.
Census	Sent as separate documents.
Experience	Not available outside of the experience on some of the renewals. This is due to the factual that there are 7 smaller companies forming this large company. We will NOT be able to obtain more info than what is in the renewals provided. Please do not request.
Questionnaire	See "Questionnaire" tabs.
Hospital Provider Disruption	GEO Access Reports

RFP - CLIENT INFORMATION

Willis

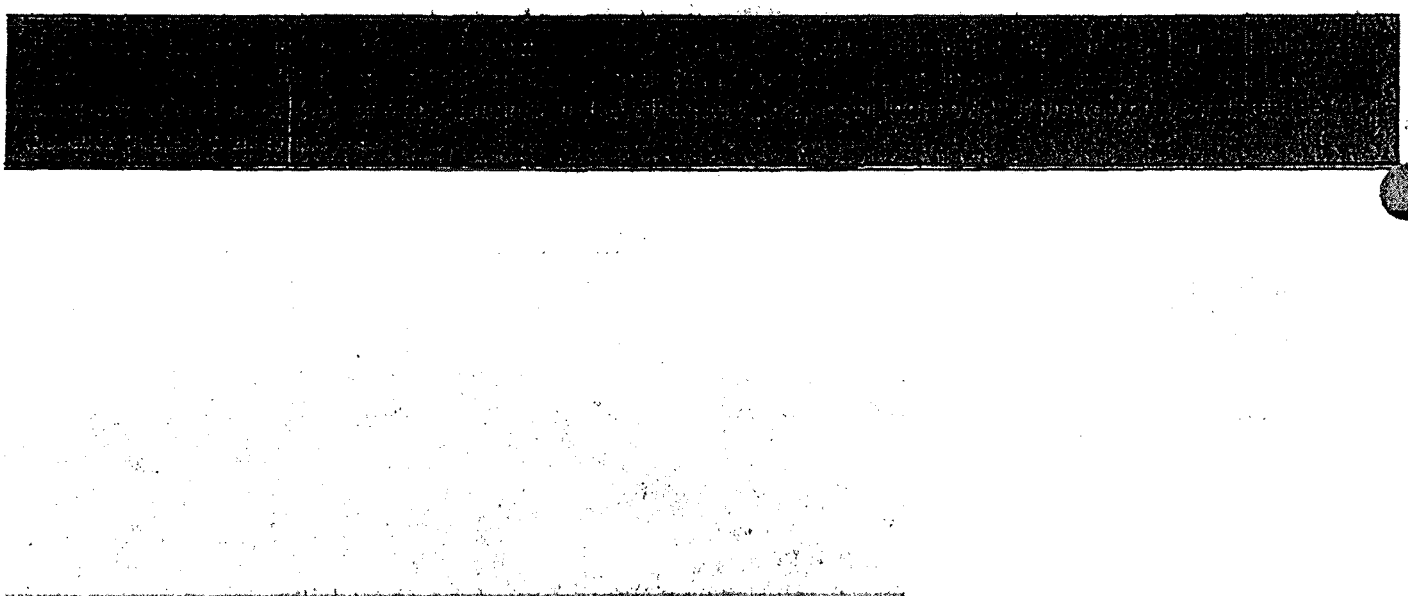
Today's Date Thursday, June 21, 2012

Bid Deadline Friday, 7/6/2012 3pm

CLIENT INFORMATION			
Name of Company	ABC Management, LLC	Website	
Headquarters	[redacted]		
Multi-Locations			
Contract Situs State			
Nature of Business			
In Business Since			
Number of required reporting / billing divisions			
Method of Enrollment Transfer			
Definition of Eligible Employee			
Waiting Period			
Termination of Employment			
Dependent Age			
Domestic Partners			
Part - Time Employees			
Retirees			
Number of COBRA Employees			
Number of Eligible Employees			
Explanation of significant population changes			

MARKETING OBJECTIVES & GOALS

Client Info



RFP - MEDICAL INSTRUCTIONS

Willis

Today's Date: Thursday, June 21, 2012

Bid Deadline: Friday, 7/6/2012 3pm

CURRENT MEDICAL INFORMATION	
Name of Company	ABC Management, LLC
Plan Effective Date	[redacted]
Funding	
Current Employer Contributions by Plan - Employee / Dependent	
Participation	
Current Carrier	
Carrier History - # in last 5 years	
Current Plan(s)	
Grandfathered Status	
HSA / HRA funding	
Current Broker Commissions	
PROPOSAL INSTRUCTIONS	
Requested Medical Plans	[redacted]
Requested Broker Commissions	
Rate Tiers	
Discounted Rates	
Wellness	
Communications	
Performance Guarantee	
Rate Guarantees/Rate Caps	
Reporting	
ADDITIONAL INFORMATION	
Required Exhibits	Please include the following with your response:
Network Access Report	[redacted]
Banking Info	

RFP - MEDICAL ASO & STOP LOSS INSTRUCTIONS

Willis

Today's Date	Thursday, June 21, 2012
Bid Deadline	Friday, 7/6/2012 3pm

CURRENT MEDICAL INFORMATION	
Name of Company	ABC Management, LLC
Plan Effective Date	[redacted]
Funding	
Current Employer Contributions by Plan - Employee / Dependent	
Participation	
Current Administrator, Network & Stop Loss Provider	
Administrator, Network & Stop Loss Provider History	
Current Plan(s)	
Current Stop Loss Program	
Grandfathered Status	
HSA / HRA funding	
Current Broker Commissions	

PROPOSAL INSTRUCTIONS	
Requested Medical Plans	[redacted]
Requested Stop Loss Program	

RFP - MEDICAL ASO & STOP LOSS INSTRUCTIONS

Willis

Today's Date	Thursday, June 21, 2012
Bid Deadline	Friday, 7/6/2012 3pm

Requested Stop Loss Broker Commissions	[redacted]
Specific Rate Tiers	
Aggregate Rate Tier	
Monthly Aggregate Attachment Factor	
Requested Administrative Services Program	
Rate Guarantees/Rate Caps	
Terminal Administration Fees	
Requested ASO Broker Commissions	
Discount Guarantee	
eporting	

ADDITIONAL INFORMATION	
Required Exhibits	**Please include the following with your response:**
Network Access Report	[redacted]
Banking Info	

ABC Management, LLC
MEDICAL - CARRIER RESPONSE NEEDED
Enter your Company Name Here

This sheet is designed for you to answer specific questions regarding the employee benefits you are proposing. Please respond to these questions and provide a complete schedule of benefits for the proposed plans. Thank you for your cooperation and assistance.

Topic	Question	Your Response
Commissions	Please confirm you have excluded the commission level as per the instruction page for this coverage type.	
Underwriting (Insuring) Carrier	Please provide the legal name and NAIC code of the insuring Entity	
Participation Requirements	What are the participation requirements (including spousal waivers)?	
Employer Contribution Requirement	What is the employer contribution requirement?	
Dual / Triple Choice / Multiple Carrier	Do your rates increase if two plans or more are offered by either the same or competing carriers? If yes, please provide the increment of the increase and advise if the premium load is included in the rates provided.	
Renewal Timing	For this client we are requesting renewals be provided no later than 120 prior to effective date. Please confirm if you will be able to comply with this request.	
Actively-at-Work	Confirm all employees not actively at work on coverage effective will be covered to the same extent that they would have been under the prior carrier.	
Pre-existing Condition Limitation	Define pre-ex as it applies to current and newly eligible members	
Account Management	List dedicated account team roles and or actual names. (names not necessary at this time if not available) Please indicate if you are willing to commit a dedicated account management professional to be on-site at the client for open enrollment meeting, renewal meetings and quarterly claim reports.	
Customer Service	List customer service center hours.	
Claims Office	Out of which office will claims be paid?	
Implementation	Please describe your implementation process and include a timeline.	
Enrollment Support	Please describe the open enrollment support offered with this proposal.	
Pre-Enrollment Hotline	Will you offer a pre-enrollment hotline or access to customer service during open enrollment and prior to the effective date?	
Onsite Enrollment Meeting Support	Please also confirm your willingness to attend onsite enrollment meetings and any requirements for your attendance on-site.	
ID Cards	Please address the following: How long does it typically take for ID cards to be issued? Will you offer ID cards to each participating member of the family?	

Willis

ABC Management, LLC
MEDICAL - CARRIER RESPONSE NEEDED
Enter Your Company Name Here

This sheet is designed for you to answer specific questions regarding the employee benefits you are proposing. Please respond to these questions and provide a complete schedule of benefits for the proposed plans. Thank you for your cooperation and assistance.

Topics	Question	Your Answers
	Can temporary ID cards be printed off your website?	
	Confirm that social security numbers are not utilized?	
	Do you use a third party to distribute ID cards? If so, where are they located?	
	Can the client's logo be included on the ID card?	
Enrollment and Eligibility Data	Please confirm your ability to accept enrollment and eligibility data in an electronic format at no additional charge.	
Eligibility Review	Can the client perform real time eligibility updates, view status of claims and access the reporting system?	
Over-Age Dependents	Do you provide over-age dependent verification? Describe the process. Do you have the ability to suppress this function? Do you have the ability to notify parents of dependents who are approaching the age limit?	
Experience Reporting	Please confirm whether you will be able to provide the following at no charge: 1. Monthly premium (or equivalent) vs. claims 2. Monthly enrollment by family status tier 3. Rolling 12-months and plan year-to-date large claims including diagnosis 4. Quarterly Utilization reporting	If no, what frequency is available?
Broker Access to Reporting System	Please confirm if Willis has direct access to reporting system.	
Billing	Can you provide bills in both electronic and paper format? Are all bills provided in one document or separately by lines of coverage? Can bills be run by multiple codes, include locations, departments etc.?	
Grace Period	What is the grace period for premium and/or fee remittance?	
Retroactivity	What are your retroactivity rules for additions, cancellations and terminations? Please confirm that you can accommodate a 30 or 60 day window for retro changes.	
Claim Reimbursement	What is the method of claim reimbursement for claim payments (i.e. wire transfer, ACH)?	
Provider Reimbursement	Does provider reimbursement differ depending on whether funding is insured or self-insured?	
Network Issues	Are there presently any notable network issues or concerns (major remigrations in process) within the regions where employees of this prospect reside?	
nters and Specialty Care rangements	Describe any special arrangements you have with recognized centers for specialty care (for transplants, NICU and/or other High Cost/Low Volume procedures.)	

Willis

ABC Management, LLC
MEDICAL - CARRIER RESPONSE NEEDED

This sheet is designed for you to answer specific questions regarding the employee benefits you are proposing. Please respond to these questions and provide a complete schedule of benefits for the proposed plans. Thank you for your cooperation and assistance.

Topic	Questions	Your Answers
Transition of Care	Describe the transitional rules for an employee or dependent with an on-going condition such as cancer or pregnancy, currently under the care of a provider who is not in your network.	
Debit Cards - HSA/HRA	Do you offer debit cards that deduct from the HSA/HRA?	
Automatic Rollover	Do you have an automatic rollover feature (claim applied against deductible can be automatically filed with HSA/HRA for reimbursement).	
HDHP - HSA Data Integration	Does your website integrate information between HDHP and HSA, or do separate websites need to be accessed (with different log-in etc.)	
HSA Interest	Please describe how interest will be earned and allocated and the options available to employers.	
HSA Statements	How do members access account balance and related information? If statements are mailed, please indicate frequency.	
HRA Admin Fees	Do the rates include the admin fees for HRAs?	
HRA Integration	Is the HRA integrated for the medical and Rx plans?	
HRA Fund Information	Can the HRA fund information be accessed online via the carrier website?	
HRA Fund Proration - New Hire	How are HRA funds prorated for new hires?	
HRA Fund Proration - Status Change	How are HRA funds prorated for employees who change status during the year? (i.e. Employee to Family status)	
HRA distribution	Do you have the flexibility to offer employer funding of the HRA in different ways? Such as: employee pays first, then employer funding, employer pays 50% of the claim and the employee pays 50% of the deductible as a coinsurance share, sandwhich deductible option.	
Plan Variances	Please identify any plan discrepencies on what is requested on Medical Plan tab versus what you have quoted.	
References	Please provide references for 3 existing similarly situated customers and for 3 customers recently lost.	Please be prepared to provide this should you be chosen as a finalist, it is not necessary for the initial quote.

Willis

ABC Management, LLC
ASO and STOP LOSS - CARRIER RESPONSE NEEDED
Enter Your Company Name Here

This sheet is designed for you to answer specific questions regarding the stop loss coverage offered by your organization. Thank you for your cooperation and assistance.

Commissions	Please confirm you have excluded the commission level as per the instruction page for this coverage type.	
Binding - Updated Data	Do you require updated data before binding coverage and if so, by when and what info will be required?	
Network and Administrator	Is the underlying network and third party administrator assumed in the stop loss proposal the actual network and administrator that is being utilized?	
Participation Requirements	What are the participation requirements (including spousal waivers)?	
Employer Contribution Requirement	What is the employer contribution requirement?	
Dual / Triple Choice / Multiple Carrier	Do your rates increase if two plans or more are offered by either the same or competing carriers? If yes, please provide the increment of the increase and advise if the premium load is included in the rates provided.	
Renewal Timing	For this client we are requesting renewals be provided no later than 120 prior to effective date. Please confirm if you will be able to comply with this request.	
Actively-at-Work	Confirm all employee not actively at work on coverage effective will be covered to the same extent that they would have been under the prior carrier.	
Pre-existing Condition Limitation	Define pre-ex as it applies to current and newly eligible members	
Account Management	List dedicated account team roles and or actual names. (names not necessary at this time if not available) Please indicate if you are willing to commit a dedicated account management professional to be on-site at the client for open enrollment meeting, renewal meetings and quarterly claim reports.	
Customer Service	List customer service center hours.	
Claims Office	Out of which office will claims be paid?	
Implementation	Please describe your implementation process and include a timeline.	
Enrollment Support	Please describe the open enrollment support offered with this proposal.	
Pre-Enrollment Hotline	Will you offer a pre-enrollment hotline or access to customer service during open enrollment and prior to the effective date?	
Onsite Enrollment Meeting Support	Please also confirm your willingness to attend onsite enrollment meetings and any requirements for your attendance on-site.	
ID Cards	Please address the following: How long does it typically take for ID cards to be issued? Will you offer ID cards to each participating member of the family? Can temporary ID cards be printed off your website? Confirm that social security numbers are not utilized? Do you use a third party to distribute ID cards? If so, where are they located? *Can the client's logo be included on the ID card?*	
Enrollment and Eligibility Data	Please confirm your ability to accept enrollment and eligibility data in an electronic format at no additional charge.	

Willis

ABC Management, LLC
ASO and STOP LOSS - CARRIER RESPONSE NEEDED

This sheet is designed for you to answer specific questions regarding the stop loss coverage offered by your organization. Thank you for your cooperation and assistance.

Eligibility Review	Can the client perform real time eligibility updates, view status of claims and access the reporting system?	
Over-Age Dependents	Do you provide over-age dependent verification? Describe the process. Do you have the ability to suppress this function? Do you have the ability to notify parents of dependents who are approaching the age limit?	
Experience Reporting	Please confirm whether you will be able to provide the following at no charge: 1. Monthly premium (or equivalent) vs. claims 2. Monthly enrollment by family status tier 3. Rolling 12-months and plan year-to-date large claims including diagnosis 4. Quarterly Utilization reporting	If no, what frequency is available?
Broker Access to Reporting System	Please confirm if Willis has direct access to reporting system.	
Billing	Can you provide bills in both electronic and paper format? Are all bills provided in one document or separately by lines of coverage? Can bills be run by multiple codes, include locations, departments etc.?	
Grace Period	What is the grace period for premium and/or fee remittance?	
Retroactivity	What are your retroactivity rules for additions, cancellations and terminations? Please confirm that you can accommodate a 30 or 60 day window for retro changes.	
Banking Info	Describe your banking arrangements including the following: Name of bank used for master account. Timing for funding and fixed costs requests (i.e. how often) Basis for funding (issued or cleared) Funding method (ACH Draft or transfer, wire, check) Requirement for zero balance Need for a compensating balance deposit by client? If yes, indicate amount.	
Working Deposit	Please provide the detail as to whether you require a working deposit. Is a working deposit required? How is the amount calculated? When is it payable? Are mid-year adjustments expected? What are the rights upon terminations?	
Claim Reimbursement	What is the method of claim reimbursement for claim payments (i.e. wire transfer, ACH)?	
Network Issues	Are there presently any notable network issues or concerns (major remigrations in process) within the regions where employees of this prospect reside?	
Provider Reimbursement	Does provider reimbursement differ depending on whether funding is insured or self-insured?	

Willis

ABC Management, LLC
ASO and STOP LOSS - CARRIER RESPONSE NEEDED
[Enter your Company Name Here]

This sheet is designed for you to answer specific questions regarding the stop loss coverage offered by your organization. Thank you for your cooperation and assistance.

Debit Cards - HSA/HRA	Do you offer debit cards that deduct from the HSA/HRA?	
Automatic Rollover	Do you have an automatic rollover feature (claim applied against deductible can be automatically filed with HSA/HRA for reimbursement).	
HDHP - HSA Data Integration	Does your website integrate information between HDHP and HSA, or do separate websites need to be accessed (with different log-in etc.)	
HSA Interest	Please describe how interest will be earned and allocated and the options available to employers.	
HSA Statements	How do members access account balance and related information? If statements are mailed, please indicate frequency.	
HRA Admin Fees	Do the rates include the admin fees for HRAs?	
HRA Integration	Is the HRA integrated for the medical and Rx plans?	
HRA Fund Information	Can the HRA fund information be accessed online via the carrier website?	
HRA Fund Proration - New Hire	How are HRA funds prorated for new hires?	
HRA Fund Proration - Status Change	How are HRA funds prorated for employees who change status during the year? (i.e. Employee to Family status)	
HRA distribution	Do you have the flexibility to offer employer funding of the HRA in different ways? Such as: employee pays first, then employer funding, employer pays 50% of the claim and the employee pays 50% of the deductible as a coinsurance share, sandwhich deductible option.	
ters and Specialty Care ngements	Describe any special arrangements you have with recognized centers for specialty care (for transplants, NICU and/or other High Cost/Low Volume procedures.)	
Transplant Coverage	Are there special caveats for transplant coverage?	
Transplant Networks	Are there special transplant networks required and if so, are they consistent with the network coverage or the underlying network?	
Transplant - Travel	Are there payment restrictions for transplant related travel?	
Transition of Care	Describe the transitional rules for an employee or dependent with an on-going condition such as cancer or pregnancy, currently under the care of a provider who is not in your network.	
Plan Document - Stop Loss Contract	Is the determination for eligibility, covered expenses, etc. consistent between the plan document and the stop loss contract?	
Actively at Work	Does the stop loss contract include an actively at work requirement? Dependent non-confinement requirement? Other limits to initial eligibility for coverage?	
Caveats/Contingencies	Are there any caveats/contingencies? <i.e. laser?>	
Plan Disclosure	Is a plan disclosure form required? If so, what is the timeframe and are both the client and the administrator required to complete the disclosure?	
Contract Guarantee	Does the contract guarantee a non-laser at renewal? If not, what is the maximum renewal cap guaranteed?	
sfer of Data	When will the transfer of data between the administrator, prior insurer and the new stop loss insurer occur and for which data sharing components? Who is responsible? Are there any fees for the data transfer?	
Format for Transfer of Data	What format of data sharing do you require?	

Willis

ABC Management, LLC
ASO and STOP LOSS - CARRIER RESPONSE NEEDED

This sheet is designed for you to answer specific questions regarding the stop loss coverage offered by your organization. Thank you for your cooperation and assistance.

Aggregating Specific	Is there an aggregating specific?	
Premium Rates/Factors	When is a change to the premium rates/factors allowed during the contract period?	
Advancement Feature	Is there a specific advancement feature included in the agreement?	
Claims Administration	Please describe how you will administer the following claim scenarios?	
	Claims spanning multiple policy periods.	
	Pended claims?	
	Adjudicated but not paid claims?	
	Bundled hospital claims?	
	Audited claims?	
	Subrogation claims?	
Stop Loss Bids	How many stop loss reinsurance carriers will be bid each year for renewal?	
Administration Fees	Are claim admin fees mature or immature?	
Plan Variances	Please identify any plan discrepencies on what is requested on Medical Plan tab versus what you have quoted.	
References	Please provide references for 3 existing similarly situated customers and for 3 customers recently lost.	Please be prepared to provide this should you be chosen as a finalist, it is not necessary for the initial quote.

Willis

ABC Management, LLC
WELLNESS - CARRIER RESPONSE NEEDED
Enter Your Company Name Here

This sheet is designed for you to answer specific questions regarding the wellness services offered by your organization. Thank you for your cooperation and assistance.

Commissions	Please confirm you have excluded the commission level as per the instruction page for this coverage type.	
Health Risk Assessment (HRA)	Do you have a health risk assessment tool (survey) on your Web site for members to complete?	
	Can employees not currently enrolled in the medical plan complete the HRA and have their results included with the client's group?	
	Was the HRA tool developed by your organization or do you utilize another vendor's tool? Please provide the vendor name if tool is outsourced.	
	The client may want to offer basic screenings (cholesterol, blood pressure, blood sugar, weight) as part of the HRA process. The client may offer on-site screenings for employees. Please confirm if your organization can provide on-site screenings at multiple locations? How will you facilitate this process, including, scheduling, staffing, etc. Are there a minimum number of participants per location? What is the fee for these screenings?	
HRA Reporting	How will you report aggregate results to the client? Please provide a sample report.	
	How will you report specific feedback to participants? Please provide delivery options and a sample report of results. What is your commitment for turnaround times?	
Lifestyle Change Support	Please list any specific lifestyle change based modules available.	
	Does your web site have information on seasonally appropriate issues (i.e., benefits of using sunscreen, how to avoid Lyme Disease, etc.)? If yes, please describe.	
	Do you provide enrollees with literature to enhance health awareness (i.e., quarterly newsletter, magazines, etc.)? Please note frequency and type of communication. Please confirm that there are no additional costs associated with the distribution of these materials.	
	Please outline the smoking cessation assistance available to the client's members and any associated costs. Your response should include formal classes, Web-based tools, community resources, prescriptions, etc.	
	Please outline the healthy eating/weight loss assistance available to the client's members. Your response should include formal classes, Web-based tools, community resources, prescriptions, etc.	
	Please outline the physical exercise assistance available to employees? Your response should include formal classes, Web-based tools, community resources, etc.	
	Please list any other key programs (in addition to smoking cessation, healthy eating/weight loss and physical exercise) available to members and outline any associated costs.	
	Does your organization offer discounted fitness center memberships? If yes, what is the name of the network?	
	Please indicate if your plan tracks preventive care compliance. If yes, please outline criteria and tracking method.	

Willis

ABC Management, LLC
WELLNESS - CARRIER RESPONSE NEEDED

This sheet is designed for you to answer specific questions regarding the wellness services offered by your organization. Thank you for your cooperation and assistance.

	Do you proactively outreach to members? If so, what are your criteria for identifying participants? What methods of outreach do you use and under what circumstances do they vary? How do you measure participation and at what frequency?	
	Indicate if your plan directly contacts patients to improve compliance with treatment protocols: Woman > 50 Mammogram, Man or Woman > 55 Cholesterol check, Children Immunizations, Elderly Flu shot, Elderly Colon cancer, Diabetics Eye exam	
	Do you offer interactive Web-tools such as online chats with a wellness counselor, nurse, etc.?	

ABC Management, LLC

2012 Marketing

Plan Cost Summary with TLO		
Administration Fees	$0	$0
Stop Loss Premium	$0	$0
Aggregating Specific Liability	$0	$0
Expected Claims (including any TLO)	$0	$0
Maximum Claims (including any TLO)	$0	$0
Total Expected Plan Costs (including any TLO)	$0	$0
Total Maximum Plan Costs (including any TLO)	$0	$0

Willis

ABC Management, LLC

2012 Marketing

Carrier	ENROLLED	PROPOSED	PROPOSED
Administration Fee			
Medical Fee		$0.00	$0.00
Pharmacy Fee		$0.00	$0.00
Network Fee			
Network Access		$0.00	$0.00
Additional Fees			
Utilization Review		$0.00	$0.00
Disease Management		$0.00	$0.00
Maternity Management		$0.00	$0.00
Wellness Management		$0.00	$0.00
Claim Fiduciary		$0.00	$0.00
Broker Fees		$0.00	$0.00
Monthly Fee		$0.00	$0.00
Total Monthly Admin		$0	$0
Annual Administration Cost		$0	$0
Administration Fee Guarantee			
Disease Management Services			
Wellness/Communication Budget:			
Notes:			

Reinsurance Contract Provisions			
Maximum Reimbursement			
ISL - Lifetime			
ISL - Annual			
Aggregate - Annual			
Covered Benefits			
ISL -			
Aggregate			
ISL Contract			
Deductible			
Aggregating Specific Liability		$0	$0
Contract Type			

Rates			
Composite	0	$0.00	$0.00
Single	0	$0.00	$0.00
Family	0	$0.00	$0.00
Estimated Annual Premium		**$0**	**$0**
Aggregate Contract			
Contract Type			
Premium Rate - Composite	0	$0.00	$0.00
Annual Aggregate Premium		**$0**	**$0**
Annual SL Insurance Premium (Including Aggregating Specific Liability)		**$0**	**$0**
Maximum Claims Exposure			
Risk Corridor		125%	125%
Aggregate Minimum %		100%	
Aggregate Factors			
Composite	0	$0.00	$0.00
Single	0	$0.00	$0.00
Family	0	$0.00	$0.00
Estimated Annual Expected Claims		**$0**	**$0**
Estimated Annual Aggregate Loss Fund		**$0**	**$0**
Total Annual Administration Cost		**$0**	**$0**
Total Annual Stop Loss Prem. (Incl. Agg Spec Liab)		**$0**	**$0**
Total Annual Expected Plan Costs		**$0**	**$0**
Total Annual Maximum Plan Costs		**$0**	**$0**
Participation			
Contingencies Apply			
Notes:			

Willis

ABC Management, LLC

2012 Stop Loss Terminal Liability Marketing

	CURRENT	PROPOSED	PROPOSED
ISL Contract			
Deductible			
Contract Type			
Terminal Liability			
ISL PEPM		$0.00	$0.00
ASL PEPM		$0.00	$0.00
Total Fixed Costs		$0.00	$0.00
Annuall Fixed Cost		$0	$0
Terminal Aggregate Attachment Factor PEPM		$0.00	$0.00
Terminal Expected Claims PEPM		$0.00	$0.00
Total Maximum ISL Claims Liability		$0	$0
Total Expected ISL Claims Liability		$0	$0
Notes:			

Requested Plan Designs						
	In Network	*Out of Network*	*In Network*	*Out of Network*	*In Network*	*Out of Network*
	None	None	None	None	None	None
le? Y/N	Yes HRA	Yes HRA	No	No	No	No
	$3,000	Not Covered	None	Not Covered	None	$500
	$6,000	Not Covered	None	Not Covered	None	$1,000
	100% after ded	Not Covered	80%	Not Covered	100%	80%
	$3,000	Not Covered	$3,000	Not Covered	None	$3,000
	$6,000	Not Covered	$9,000	Not Covered	None	$6,000
	deductible	Not Covered	coinsurance only (no copays)	Not Covered	Not Applicable	deductible
	None	Not Covered	None	Not Covered	None	None
	100% after ded	Not Covered	$30 copay	Not Covered	$30	80% after ded
	100% after ded	Not Covered	$40 copay	Not Covered	$40	80% after ded
copay or deductible as outlined by healthcare reform please provide your						
	no cost share	Not Covered	no cost share	Not Covered	no cost share	80% after ded
n	no cost share	Not Covered	no cost share	Not Covered	no cost share	80% after ded
	no cost share	Not Covered	no cost share	Not Covered	no cost share	80% after ded
ery 24 months	no cost share	Not Covered	no cost share	Not Covered	no cost share	80% after ded
	no cost share	Not Covered	no cost share	Not Covered	no cost share	80% after ded
	100% after ded	Not Covered	80%	Not Covered	$300	80% after ded
	100% after ded	Not Covered	80%	Not Covered	$100	80% after ded
urgery Center	100% after ded	Not Covered	$50 copay	Not Covered	$50	80% after ded
	100% after ded	Not Covered	80%	Not Covered	$100	$100 copay
	100% after ded	Not Covered	$40	Not Covered	$40	80% after ded
	100% after ded	Not Covered	$30	Not Covered	$30	80% after ded
	100% after ded	Not Covered	$30	Not Covered	$30	80% after ded
s, MRI, CT Scans	100% after ded	Not Covered	80%	Not Covered	$50	80% after ded

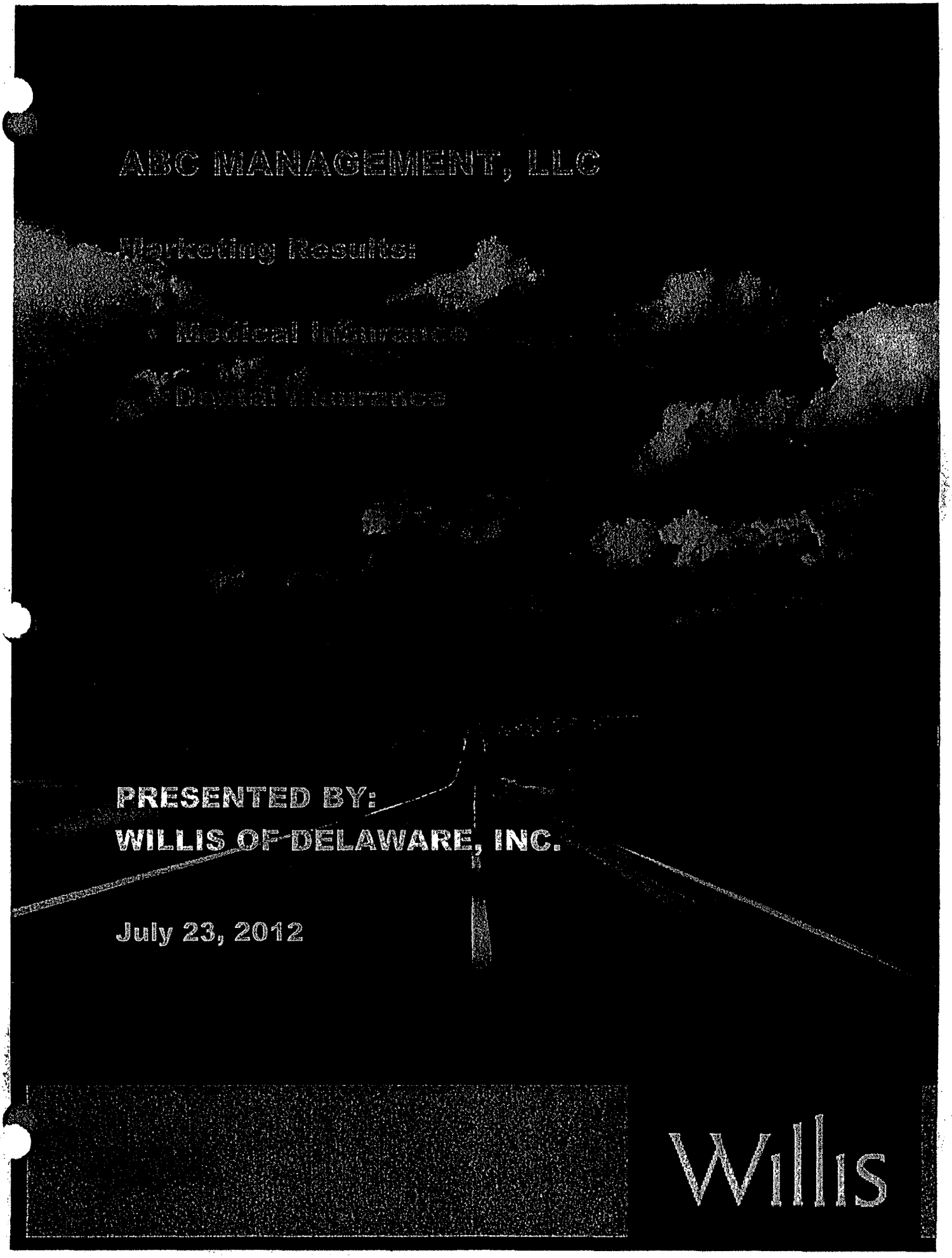
Willis

Requested Plan Designs						
e Abuse						
	same as medical	Not Covered	same as medical	Not Covered	same as medical	same as medical
	same as medical	Not Covered	same as medical	Not Covered	same as medical	same as medical
ech Therapy Frequency	60 visits per year	Not Covered	60 visits per year	Not Covered	60 visits per year	60 visits per year
	100% after ded	Not Covered	80%	Not Covered	100%	80% after ded
ary	$20	Not Covered	$15	Not Covered	$10	Not Covered
	$60	Not Covered	$35	Not Covered	$20	Not Covered
	$80	Not Covered	$60	Not Covered	$45	Not Covered
	2x retail copay	Not Covered	2X retail copay	Not Covered	2x retail	Not Covered

Wells

Requested Plan Designs						
ons	$15 tier one, tier two & three $50 or 50% whichever is greater		$20/$60/$80		$15/$35/$60	
	Plans are based on a plan year 09/01-08/31					

Willis


ABC MANAGEMENT, LLC
Marketing Results:
• Medical Insurance
• Dental Insurance
PRESENTED BY:
WILLIS OF DELAWARE, INC.
July 23, 2012
Willis

ABC Management, LLC

Table of Contents

Marketing Results

Medical
Dental

Section 1	Executive Summary
Section 2	Vendor Information
Section 3	Medical Marketing Results
Section 4	Dental Marketing Results
Section 5	Budget/Contribution Considerations

Willis

Executive Summary and Recommendations

Telephone: (302) 658 8000
Toll Free: (800) 441 9365
Fax: (302) 658 8879
Website: www.willis.com / www.subzgroup.com

Employer Group Medical and Optional Voluntary Dental

This proposal is presented in conjunction with the Standard Terms and Conditions for Employee Benefit Accounts which is enclosed.

MEDICAL

We approached six (6) medical carriers to respond to our request for proposal. Coventry and Highmark of DE produced the most competitive offers on both premiums and benefit structure. We blended your current various plans of coverage and requested benefits to match those particular offerings.

ABC Management, LLC currently provides employer sponsored medical insurance and voluntary dental insurance to all of its locations and we are suggesting we maintain that platform for the whole organization.

In keeping in line with the majority of the divisions, we are suggesting a triple medical option to offer choice to all ABC employees. This will enable each employee to pick the level of medical coverage that is needed for their own personal situation. For those that use less medical care or desire to have less of a premium share deducted from payroll there will be the Plan 1 HRA Base option. The HRA will provide for some cost share from ABC in assisting employees with the higher deductible on the HRA. For those that would like to have a first dollar plan there is Plan 2 Mid option which will have a copay at the office visit level and a coinsurance share for other levels of benefits. Then for those that would like a richer plan with lower cost share there is the Plan 3 High option. All three plans will have prescription copays or coinsurance outside of any medical deductibles to allow for first dollar prescription coverage.

We are recommending ABC Management, LLC place its medical coverage with Highmark of Delaware under the downgraded prescription plan designs. Highmark of Delaware would provide a long term strategy basis for a strong network and service. Coventry would be the lowest financial option. The reasons for these choices follow below:

PROS Highmark of Delaware

1. Highmark offers the Blue Card on all three plan options. This gives any employee the ability to see any National BCBS provider. There is no referral or out of area work around as long as they are a BCBS provider.
2. Long term the addition of any other divisions to ABC Management, LLC will be easy to set up with the national network.

3. If self funding is a part of the future for ABC Management, LLC, the national discounts with Highmark of Delaware on average will be stronger.

CONS Highmark of Delaware

1. With no change in the prescription coverage copays, the cost of Highmark of Delaware is not as competitive.

PROS Coventry

1. With no change the prescription coverage copays utilized by 75% of the divisions today, consolidation of coverage will bring an overall premium reduction compared to the separate divisions.

CONS Coventry

1. Coventry limits provider access to the Coventry of MD and DE networks. Emergencies that occur out of network will be covered to treat and stabilize the patient. There are eleven (11) employees' home zip codes that are outside of the Coventry of MD and DE networks. Coventry will offer these employees the ability to use their Passport Program and utilize the national wrap network.
2. Additions of other divisions to ABC Management, LLC will be more difficult to set up if they are outside of the MD and DE Coventry network.
3. The prescription copay offerings can not be downgraded more then the $20/$40/$80 offering.

DENTAL

We approached nine (9) dental carriers to respond to our request for proposal. Guardian and Metlife produced the most competitive offers on both premiums and benefit structure.

The proposals for Guardian and Metlife are very similar. They also have a very similar sized network for your population. We are favoring Guardian for less disruption for current employees on the current Guardian program. However, Metlife offers a larger national network and great service that may better serve you as you grow.

The current dental options varied greatly by division. A low and high option was designed to offer choice to all employees. A low option with a smaller calendar year maximum, lower coinsurance as well as no orthodontic coverage for lower utilizers that are looking for a more economical option is available. A high option is presented with a higher calendar year maximum and orthodontic coverage.

Wilk of Delaware, Inc.
300 Delaware Avenue, Ste. 1400
P.O. Box 2207
Wilmington, DE 19899

PROS Guardian

1. All current employees enrolled in the Guardian plan will be able to keep any rollover balances they have accumulated.

CONS Guardian

1. White resin fillings are not covered on posterior molars. If the patient prefers to have them on posterior teeth, then the difference in price will be the insured's responsibility.

PROS Metlife

1. The calendar year maximums on the low and high plan are $250 per calendar year higher then what was offered by Guardian to make up for the rollover balances for current employees that would be lost if they left Guardian
2. Guardian has extended a second year rate cap of 8%. The renewal for 09/01/2013 can not exceed 8%
3. White resin fillings will be covered on all teeth including molars without a penalty reduction to the benefits for molars.

CONS Metlife

1. Intraoral complete x-rays are covered under Type B services subject to the deductible and coinsurance as a less used benefit to be in line with the recommendation from the American Dental Association since they recommended as needed. Guardian covers them under Type A services not subject to the deductible once every 60 months.

Wilks of Delaware, Inc.
300 Delaware Avenue, Ste. 1600
P. O. Box 2287
Wilmington, DE 19899

STRATEGIC TIMELINE

2012	2013	2014	2015
Objective: Bring the organization onto one benefit platform.	**Objective:** Have at least 9 months of controlled claims data, allowing improved underwriting negotiations.	**Objective:** Obtain self-funding proposals using full claims data and underwriting leverage.	**Objective:** Be on a self-funding insurance platform to maximize cost savings.



ABC Management, LLC

Vendor Information
Medical Coverage

Thank you for the opportunity to market your insurance requirements for your Medical insurance programs. We are pleased to provide the results of those efforts. We approached six (6) carriers.

We have listed for you below the six (6) carriers that we solicited and their responses in the following Summary Table:

Carrier Name	Response	Funding	Analysis
Coventry	Quoted	Fully Insured & Self Funded	Shown
Highmark of DE	Quoted	Fully Insured & Self Funded	Shown
Aetna	Declined to Quote	Fully Insured & Self Funded	Not Competitive
United Health Care	Declined to Quote	Fully Insured & Self Funded	Not Competitive
CIGNA	Declined to Quote	Fully Insured & Self Funded	Not Competitive
Coresource	Declined to Quote	Self Funded	Not Competitive

To assist you with reviewing your options and our recommendations, we are pleased to attach for your consideration a side-by-side evaluation of the quotes secured along with a financial analysis of the two carriers Coventry and Highmark of Delaware.

All quote proposals are based on the census information you provided to us and this information has been relied upon by Willis and insurers. If the information you provided is inaccurate or incomplete, it may allow insurers to re-rate the group or withdrawal their proposal entirely. All quotes are subject to and will be governed by the terms, recommendations, please contact us immediately.

If you would like a copy of any quote or declination listed above, please let us know and we will be glad to provide it to you. Please be aware that the quoted rates and factors are preliminary and generally valid for only 60-90 days from the proposal date or until the proposed effective date, whichever is sooner.

Finally, your Willis Client Bill of Rights includes a promise that we will disclose to you all compensation received by the Willis Group Companies ("Willis") in connection with your insurance placement. We are also required to obtain your consent to our commission compensation prior to binding the coverage. In that regard, please note that unless you instruct us otherwise, your direction to bind coverage and/or payment of the premium related to your insurance placement will be deemed consent to the compensation disclosed in our consulting agreement.

Willis

This document and all it's contents are CONFIDENTIAL and PROPRIETARY and cannot be disclosed to any third party without prior. written consent of Willis. Inc.

ABC Management, LLC

Vendor Information
Dental Coverage

Thank you for the opportunity to market your insurance requirements for your Dental insurance programs. We are pleased to provide the results of those efforts. We approached eight (9) carriers.

We have listed for you below the nine (9) carriers that we solicited and their responses in the following Summary Table:

Carrier Name	Response	Line of Business	Analysis
Delta Dental	Quoted	Fully Insured	Not Competitive
Guardian	Quoted	Fully Insured and Self Funded	Shown
United Health Care	Declined to Quote	All Lines	Not Competitive
MetLife	Quoted	Fully Insured and Self Funded	Shown
Principal	Quoted	Fully Insured	Not Competitive
United Concordia	Quoted	Fully Insured and Self Funded	Not Competitive
Standard Insurance Company	Quoted	Fully Insured	Not Competitive
Aetna	Declined to Quote	Fully Insured	Not Competitive
Sunlife	Quoted	Fully Insured	Not Competitive

To assist you with reviewing your options and our recommendations, we are pleased to attach for your consideration a side-by-side evaluation of the quotes secured along with a financial analysis of the two carriers Met Life and Guardian.

All quote proposals are based on the census information you provided to us and this information has been relied upon by Willis and insurers. If the information you provided is inaccurate or incomplete, it may allow insurers to re-rate the group or withdrawal their proposal entirely. All quotes are subject to and will be governed by the terms, recommendations, please contact us immediately.

If you would like a copy of any quote or declination listed above, please let us know and we will be glad to provide it to you. Please be aware that the quoted rates and factors are preliminary and generally valid for only 60-90 days from the proposal date or until the proposed effective date, whichever is sooner.

Finally, your Willis Client Bill of Rights includes a promise that we will disclose to you all compensation received by the Willis Group Companies ("Willis") in connection with your insurance placement. We are also required to obtain your consent to our commission compensation prior to binding the coverage. In that regard, please note that unless you instruct us otherwise, your direction to bind coverage and/or payment of the premium related to your insurance placement will be deemed consent to the compensation disclosed in our consulting agreement.

Willis

This document and all it's contents are CONFIDENTIAL and PROPRIETARY and cannot be disclosed to any third party without prior, written consent of Willis, Inc.

ABC Management, LLC

2012 Medical Marketing

	Coventry Choice Plan		Highmark ONE Choice Plan	
Benefits Highlights	*In Network*	*Out of Network*	*In Network*	*Out of Network*
Referrals	*None*	*None*	*None*	*None*
Network	[redacted]	*None*	*National Blue Card*	*None*
HRA Funding Eligible? Y/N	*Yes HRA*		*Yes HRA*	
Deductible				
Single	$3,000	$3,000	$3,000	Not Covered
Family	$6,000	$6,000	$6,000	Not Covered
Coinsurance	100% after ded	70% after ded	100% after ded	Not Covered
Out-of-Pocket Limit				
Single	$3,000	$5,000	$3,000	Not Covered
Family	$6,000	$10,000	$6,000	Not Covered
Out-of-Pocket Includes	deductible	Ded & Coinsurance	deductible	Not Covered
Lifetime Maximum	None	None	None	Not Covered
Physician Services				
PCP Office Visits	100% after ded	70% after ded	100% after ded	Not Covered
Specialist Visits	100% after ded	70% after ded	100% after ded	Not Covered
Preventive Care 100% no copay or deductible as outlined by health care reform				
Well Child Care	no cost share	70% after ded	no cost share	Not Covered
Routine Adult Physical Exam	no cost share	70% after ded	no cost share	Not Covered
Well Woman/GYN Exam	no cost share	70% after ded	no cost share	Not Covered
Well Vision Exam, once every 24 months	no cost share	70% after ded	no cost share	Not Covered
Mammograms	no cost share	70% after ded	no cost share	Not Covered
Hospital Services				
Inpatient	100% after ded	70% after ded	100% after ded	Not Covered
Outpatient Surgery	100% after ded	70% after ded	100% after ded	Not Covered
Free Standing Outpatient Surgery Center	100% after ded	70% after ded	100% after ded	Not Covered
Emergency Services				
Emergency Room	100% after ded	100% after ded	100% after ded	Not Covered
Urgent Care Center	100% after ded	70% after ded	100% after ded	Not Covered
Diagnostic X-ray/Lab				
Diagnostic Lab Facility	100% after ded	70% after ded	100% after ded	Not Covered
Diagnostic X-ray Facility	100% after ded	70% after ded	100% after ded	Not Covered
Major Services - PET Scans, MRI, CT Scans	100% after ded	70% after ded	100% after ded	Not Covered
Mental Health & Substance Abuse				
Inpatient	same as medical	70% after ded	same as medical	Not Covered
Outpatient	same as medical	70% after ded	same as medical	Not Covered
Outpatient Therapy				
Physical, Occupational, Speech Therapy Frequency	60 consecutive days from onset	60 consecutive days from onset	*60 visits per year*	*Not Covered*
Miscellaneous Services				
Durable Medical Equipment	100% after ded	70% after ded	100% after ded	Not Covered
Prescription Drugs/Mandatory Generics				
Retail - 30 day supply				
Tier 1 Generic Formulary	$20	Not Covered	$20	Not Covered
Tier 2 Brand Formulary	$40	Not Covered	$60	Not Covered
Tier 3 Non-formulary	$80	Not Covered	$80	Not Covered
Mail Order - 90 day supply	2x retail copay	Not Covered	2x retail copay	Not Covered
Current Lives By Plan Assumption				
Employee Only	68	$256.92	68	$269.63
Employee + Child(ren)	7	$471.17	7	$431.41
Employee + Spouse	1	$604.24	1	$620.14
Employee + Family	5	$740.23	5	$754.95
Total Lives/Annual Premium	81	$300,889.68	81	$308,995.20
Compensaton paid to Willis from carrrier	net of commission		net of commission	
Additional compensation	0%		0%	
Overall Notes:	*Plans are based on a plan year 09/01-08/31*			

The above represents plan highlights only. It is not a contract. Please refer to the company's specific benefit booklet. Rates may be subject to final underwriting approval.

This document and all it's contents are CONFIDENTIAL and PROPRIETARY and cannot be disclosed to any third party without prior, written consent of Willis, Inc.

ABC Management, LLC

2012 Medical Marketing

	Coventry Quoted Plan		Highmark of Its Quoted Plan 2	
Benefit Highlights	**In Network**	**Out of Network**	**In Network**	**Out of Network**
Referrals	*None*	*None*	*None*	*None*
Network	[redacted]	*None*	*National Blue Card*	*None*
HRA Funding Eligible Y/N			No	
Deductible				
Single	None	Not Covered	None	Not Covered
Family	None	Not Covered	None	Not Covered
Coinsurance	80%	Not Covered	80%	Not Covered
Out-of-Pocket Limit				
Single	[redacted]	Not Covered	$3,000	Not Covered
Family	$9,000	Not Covered	$9,000	Not Covered
Out-of-Pocket Includes	coinsurance only (no copays)	Not Covered	coinsurance only (no copays)	Not Covered
Lifetime Maximum	None	Not Covered	None	Not Covered
Physician Services				
PCP Office Visits	$30 copay	Not Covered	$30 copay	Not Covered
Specialist Visits	$40 copay	Not Covered	$40 copay	Not Covered
Preventive Care 100% no copay or deductible as outlined by health care reform				
Well Child Care	no cost share	Not Covered	no cost share	Not Covered
Routine Adult Physical Exam	no cost share	Not Covered	no cost share	Not Covered
Well Woman/GYN Exam	no cost share	Not Covered	no cost share	Not Covered
Well Vision Exam, once every 24 months	no cost share	Not Covered	no cost share	Not Covered
Mammograms	no cost share	Not Covered	no cost share	Not Covered
Hospital Services				
Inpatient	80%	Not Covered	80%	Not Covered
Outpatient Surgery	80%	Not Covered	80%	Not Covered
Free Standing Outpatient Surgery Center	$40 copay	Not Covered	$50 copay	Not Covered
Emergency Services				
Emergency Room	80%	Not Covered	80%	Not Covered
Urgent Care Center	$40	Not Covered	$40	Not Covered
Diagnostic X-ray/Lab				
Diagnostic Lab Facility	[redacted]	Not Covered	$30	Not Covered
Diagnostic X-ray Facility	[redacted]	Not Covered	$30	Not Covered
Major Services - PET Scans, MRI, CT Scans	80%	Not Covered	80%	Not Covered
Mental Health & Substance Abuse				
Inpatient	same as medical	Not Covered	same as medical	Not Covered
Outpatient	same as medical	Not Covered	same as medical	Not Covered
Outpatient Therapy				
Physical, Occupational, Speech Therapy Frequency	60 consecutive days from onset	Not Covered	60 visits per year	Not Covered
Miscellaneous Services				
Durable Medical Equipment	80%	Not Covered	80%	Not Covered
Prescription Drug - Mandatory Generics				
Retail - 30 day supply				
Tier 1 Generic Formulary	$15	Not Covered	$15	Not Covered
Tier 2 Brand Formulary	$35	Not Covered	$35	Not Covered
Tier 3 Non-formulary	$60	Not Covered	$60	Not Covered
Mail Order - 90 day supply	2X retail copay	Not Covered	2X retail copay	Not Covered
Current Lives By Plan Assumption				
Employee Only	34	$350.65	34	$353.34
Employee + Child(ren)	5	$643.06	5	$565.34
Employee + Spouse	9	$824.68	9	$812.68
Employee + Family	11	$1,010.28	11	$989.35
Total Lives/Annual Premium	59	$404,071.20	59	$396,446.76
Compensaton paid to Willis from carrrier	net of commission		net of commission	
Additional compensation	0%		0%	
Overall Notes:	*Plans are based on a plan year 09/01-08/31*			

The above represents plan highlights only. It is not a contract. Please refer to the company's specific benefit booklet. Rates may be subject to final underwriting approval.

This document and all it's contents are CONFIDENTIAL and PROPRIETARY and cannot be disclosed to any third party without prior, written consent of Willis, Inc.

Willis

ABC Management, LLC

2012 Medical Marketing

	Coventry Quoted Plan 3		Highmark of DE Quoted Plan 3	
Benefits Highlights	**In Network**	**Out of Network**	**In Network**	**Out of Network**
Referrals	*None*	*None*	*None*	*None*
Network	[redacted]	*None*	*National Blue Card*	*None*
HRA Funding Eligible Y/N		No		No
Deductible				
Single	None	$500	None	$500
Family	None	$1,000	None	$1,000
Coinsurance	100% after ded	80% after ded	100%	80% after ded
Out-of-Pocket Limit				
Single	$3,000	$3,000	None	$3,000
Family	$6,000	$6,000	None	$6,000
Out-of-Pocket Includes	deductible	Ded & Coinsurance	Not Applicable	deductible
Lifetime Maximum	None	None	None	None
Physician Services				
PCP Office Visits	100% after ded	80% after ded	$30	80% after ded
Specialist Visits	100% after ded	80% after ded	$40	80% after ded
Preventive Care 100% no copay or deductible as outlined by health care reform				
Well Child Care	no cost share	80% after ded	no cost share	80% after ded
Routine Adult Physical Exam	no cost share	80% after ded	no cost share	80% after ded
Well Woman/GYN Exam	no cost share	80% after ded	no cost share	80% after ded
Well Vision Exam, once every 24 months	no cost share	80% after ded	no cost share	80% after ded
Mammograms	no cost share	80% after ded	no cost share	80% after ded
Hospital Services				
Inpatient	100% after ded	80% after ded	$300	80% after ded
Outpatient Surgery	100% after ded	80% after ded	$100	80% after ded
Free Standing Outpatient Surgery Center	100% after ded	80% after ded	$50	80% after ded
Emergency Services				
Emergency Room	$100	$100	$100	$100 copay
Urgent Care Center	100% after ded	80% after ded	$40	80% after ded
Diagnostic X-ray/Lab				
Diagnostic Lab Facility	100% after ded	80% after ded	$30	80% after ded
Diagnostic X-ray Facility	100% after ded	80% after ded	$30	80% after ded
Major Services - PET Scans, MRI, CT Scans	100% after ded	80% after ded	$50	80% after ded
Mental Health & Substance Abuse				
Inpatient	same as medical	same as medical	same as medical	Not Covered
Outpatient	same as medical	same as medical	same as medical	Not Covered
Outpatient Therapy				
Physical, Occupational, Speech Therapy Frequency	60 consecutive days from onset	60 consecutive days from onset	60 visits per year	60 visits per year
Miscellaneous Services				
Durable Medical Equipment	100% after ded	80% after ded	100%	80% after ded
Prescription Drugs - Mandatory Generics				
Retail - 30 day supply				
Tier 1 Generic Formulary	$10	Not Covered	$10	Not Covered
Tier 2 Brand Formulary	$20	Not Covered	$20	Not Covered
Tier 3 Non-formulary	$45	Not Covered	$45	Not Covered
Mail Order - 90 day supply	2x retail copay	Not Covered	2x retail copay	Not Covered
Current Lives By Plan Assumption				
Employee Only	63	$385.24	63	$411.06
Employee + Child(ren)	10	$706.51	10	$657.69
Employee + Spouse	27	$906.05	27	$945.42
Employee + Family	27	$1,109.95	27	$1,150.96
Total Lives/Annual Premium	127	$1,029,206.64	127	$1,068,911.28
Compensaton paid to Willis from carrrier	net of commission		net of commission	
Additional compensation	0%		0%	
Overall Notes:	*Plans are based on a plan year 09/01-08/31*			

The above represents plan highlights only. It is not a contract. Please refer to the company's specific benefit booklet. Rates may be subject to final underwriting approval.

This document and all it's contents are CONFIDENTIAL and PROPRIETARY and cannot be disclosed to any third party without prior. written consent of Willis. Inc.

ABC Management, LLC
2012 Marketing

[illegible]	[illegible]	[illegible]	[illegible]
Administration Fee			
Medical Fee	267	$30.11	$49.41
Pharmacy Fee		$0.00	inclusive
Network Fee			
Network Access		$0.00	inclusive
Additional Fees			
Utilization Review		$0.00	inclusive
Disease Management		$0.00	inclusive
Maternity Management		$0.00	inclusive
Wellness Management		$0.00	inclusive
Claim Fiduciary	267	$0.44	inclusive
Broker Fees		$0.00	$0.00
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Administration Fee Guarantee		5% cap 1st yr, 5% cap 2nd yr	4% cap on first year
Disease Management Services		see proposal	see proposal
Wellness/Communication Budget:		see proposal	see proposal
Notes:		Run Out Admin $7 pepm	none
Reimbursement Contract Provisions			
Maximum Reimbursement			
ISL - Lifetime		$2,000,000	Unlimited
ISL - Annual		$2,000,000	$2,000,000
Aggregate - Annual		$1,000,000	$1,000,000
Covered Benefits			
ISL -		Med/Rx	Med/Rx
Aggregate -		Med/Rx	Med/Rx
ISL Specifics			
Deductible		$50,000	$50,000
Monthly Aggregate Accommodation		No	
Contract Type		12/12	12/12
Rates			
Composite	267	$136.67	$154.91
Single	165	$87.42	$100.56
Family	102	$216.32	$242.84
Estimated Annual Premium		$437,867	$496,350
Aggregate Specifics			
Contract Type		12/12	12/12
Premium Rate - Composite	267	$3.00	$5.43
Annual Aggregate Premium		$9,612	$17,398
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Maximum Reimbursement			
Risk Corridor		125%	125%
Aggregate Minimum %		100%	100%
Aggregate Factors			
Composite	267	$464.15	
Single	165	$296.15	$442.92
Family	102	$735.92	$1,063.91
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Estimated Claim Discounts			42.05%
Participation		50% of total eligibles	75%
Contingencies Apply		See proposal	See proposal
Performance Guarantees Offered		Yes	Yes

ABC Marketing, LLC
2012 Dental PPO Marketing

Deductible								
Single	$50	$50	$50	$50	$50	$50	$50	$50
Family	$150	$150	$150	$150	$150	$150	$150	$150
Waived for Preventive-Type A	yes	yes	yes	yes	yes	yes	yes	yes
Combined Calendar Year Maximum	$1,250	$1,250	$1,000	$1,000	$1,250	$1,250	$1,000	$1,000
Out of Network Payment Basis	90th percentile	90th percentile	90th percentile	90th percentile	90th percentile	90th percentile	90th percentile	90th percentile
	100%	100%	100%	100%	100%	100%	100%	100%
Oral Exams	1 time in 6 months	1 time in 6 months	1 time in 6 months	1 time in 6 months	1 time in 6 months	1 time in 6 months	1 time in 6 months	1 time in 6 months
Bitewing X-rays	1 in 12 months	1 in 12 months	1 in 12 months	1 in 12 months	1 time in 12 months	1 time in 12 months	1 time in 12 months	1 time in 12 months
X-rays Intraoral complete	1 time in 60 months	1 time in 60 months	1 time in 60 months	1 time in 60 months				
Cleanings	1 time in 6 months	1 time in 6 months	1 time in 6 months	1 time in 6 months	1 time in 6 months	1 time in 6 months	1 time in 6 months	1 time in 6 months
Fluoride Treatment	dep under age 19	dep under age 19	dep under age 19	dep under age 19	1 time in 12 months, dep under age 14	1 time in 12 months, dep under age 14	1 time in 12 months, dep under age 14	1 time in 12 months, dep under age 14
Sealants	1 per molar in 36 months, dep under age 16	1 per molar in 36 months, dep under age 16	1 per molar in 36 months, dep under age 16	1 per molar in 36 months, dep under age 16	1 per molar in 60 months, dep under age 16	1 per molar in 60 months, dep under age 16	1 per molar in 60 months, dep under age 16	1 per molar in 60 months, dep under age 16
	80%	80%	80%	80%	80%	80%	80%	80%
Amalgam restorations	yes	yes	yes	yes	yes	yes	yes	yes
Resin Restorations	does not include posterior	does not include posterior	does not include posterior	does not include posterior	includes molars	includes molars	includes molars	includes molars
Extractions - Simple	yes	yes	yes	yes	yes	yes	yes	yes
Endodontics	yes	yes	yes	yes	yes	yes	yes	yes
Periodontics					yes	yes	yes	yes
	50%	50%	50%	50%	50%	50%	50%	50%
Crowns	yes	yes	yes	yes	yes	yes	yes	yes
Pontics	yes	yes	yes	yes	yes	yes	yes	yes
Partials	yes	yes	yes	yes	yes	yes	yes	yes
Complete Dentures	yes	yes	yes	yes	yes	yes	yes	yes
Implants	yes	yes	yes	yes	yes	yes	yes	yes
	50%	50%	Not Covered	Not Covered	50%	50%	Not Covered	Not Covered
Deductible	none		Not Covered		none		Not Covered	
Lifetime maximum	$1,000	$1,000	Not Covered	Not Covered	$1,000	$1,000	Not Covered	Not Covered
Eligible	up to age 19		Not Covered		up to age 19		Not Covered	
Benefit Waiting Periods	not for new hires	not for new hires	not for new hires	not for new hires	not for new hires	not for new hires	not for new hires	not for new hires
Dependent Age					26/26		26/26	
Employee	$26.97		$21.70		$30.87		$23.58	
Employee & Spouse	$59.09		$47.94		$62.96		$47.98	
Employee & Children	$76.88		$57.61		$73.20		$54.66	
Family	$109.01		$81.12		$113.14		$84.82	
Compensation								
Additional Compensation	0%				0%			
Contribution Requirement	Voluntary				Voluntary			
Participation Requirement	50%				58%			

This Document and all its contents are CONFINDENTIAL and PROPRIETARY and cannot be disclosed to any third

Benchmarking Report for Premium Contribution Modeling for Health Plans

Average Monthly Worker Premium Contributions by Percentage Paid by Coverage for Workers for Single and Family Coverage's 1999-2011 (For Mid-Atlantic Firms 100-499 Employees)

Year	Single Coverage	Family Coverage
1999	100%	50%
2000	100%	50%
2001	100%	50%
2002	100%	40%
2003	100%	40%
2004	90%	30%
2005	90%	30%
2006	90%	30%
2007	90%	25%
2008	80%	25%
2009	80%	20%
2010	80%	20%
2011	80%	10%

Source: Average pooling data between Kaiser/HRET Employer Report 1999-2011, 2011 Prudential Employer Report, 2011 Towers-Watson Report, and 2010 Hays Report.

Note: Statistics are based on location and SIC coding.

ABC Management, LLC
2012 Medical Marketing Total Annual Premium Comparison

[illegible]		2011	2012
Employee Only	27	$299.46	$294.24
Employee + Child(ren)	0	$554.65	$544.98
Employee + Spouse	1	$690.06	$678.03
Employee + Family	0	$838.49	$823.87
Total Lives/Annual Premium	28	$8,775.48	$8,622.51
[illegible]			
Employee Only	6	$299.46	$352.16
Employee + Child(ren)	1	$554.65	$652.27
Employee + Spouse	0	$690.06	$811.51
Employee + Family	1	$838.49	$986.06
Total Lives/Annual Premium	8	$3,189.90	$3,751.29
[illegible]			
Employee Only	45	$335.00	$380.43
Employee + Child(ren)	10	$620.00	$704.08
Employee + Spouse	23	$771.00	$875.56
Employee + Family	23	$938.00	$1,065.20
Total Lives/Annual Premium	101	$60,582.00	$68,797.63
[illegible]			
Employee Only	18	$413.00	$468.99
Employee + Child(ren)	0	$865.00	$982.28
Employee + Spouse	4	$951.00	$1,079.94
Employee + Family	4	$1,168.00	$1,326.36
Total Lives/Annual Premium	26	$15,910.00	$18,067.02
[illegible]			
Employee Only	34	$276.00	$313.44
Employee + Child(ren)	5	$511.00	$580.31
Employee + Spouse	9	$635.00	$721.13
Employee + Family	11	$773.00	$877.85
Total Lives/Annual Premium	59	$26,157.00	$29,705.03
[illegible]			
Employee Only	35	$311.45	$324.84
Employee + Child(ren)	6	$591.75	$617.20
Employee + Spouse	0	$647.81	$675.37
Employee + Family	4	$940.57	$981.01
Total Lives/Annual Premium	45	$18,213.53	$18,996.64
Total	267	$132,827.91	$147,940.12
	Annual Premium	$1,593,934.92	$1,775,281.44
		Rate Change over 2011	11.38%
		Premium Change over 2011	$181,346.52

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employee Only	68	$256.92	68	$269.63
Employee + Child(ren)	7	$471.17	7	$431.41
Employee + Spouse	1	$604.24	1	$620.14
Employee + Family	5	$740.23	5	$754.95
Total Lives/Annual Premium	81	$300,889.68	81	$308,995.20
[illegible]	[illegible]		[illegible]	
Employee Only	34	$350.65	34	$353.34
Employee + Child(ren)	5	$643.06	5	$565.34
Employee + Spouse	9	$824.68	9	$812.68
Employee + Family	11	$1,010.28	11	$989.35
Total Lives/Annual Premium	59	$404,071.20	59	$396,446.76
[illegible]	[illegible]		[illegible]	
Employee Only	63	$385.24	63	$411.06
Employee + Child(ren)	10	$706.51	10	$657.69
Employee + Spouse	27	$906.05	27	$945.42
Employee + Family	27	$1,109.95	27	$1,150.96
Total Lives/Annual Premium	127	$1,029,206.64	127	$1,068,911.28
	$267.00	$1,734,167.52	$267.00	$1,774,353.24
Rate Change over 2011		8.80%		11.32%
2012 Premium Savings with Company Consolidation		($41,113.92)		($928.20)

This document and all it's contents are CONFIDENTIAL and PROPRIETARY and cannot be disclosed to any third

ABC Management, LLC

2012 Medical Marketing Total Annual Premium Comparison Prescription Downgrade

Groups MD HRA			
Employee Only	27	$299.46	$294.24
Employee + Child(ren)	0	$554.65	$544.98
Employee + Spouse	1	$690.06	$678.03
Employee + Family	0	$838.49	$823.87
Total Lives/Annual Premium	28	$8,775.48	$8,622.51
MD & DE HRA			
Employee Only	6	$299.46	$352.16
Employee + Child(ren)	1	$554.65	$652.27
Employee + Spouse	0	$690.06	$811.51
Employee + Family	1	$838.49	$986.06
Total Lives/Annual Premium	8	$3,189.90	$3,751.29
HMO Direct 50 Upgrade			
Employee Only	45	$335.00	$380.43
Employee + Child(ren)	10	$620.00	$704.08
Employee + Spouse	23	$771.00	$875.56
Employee + Family	23	$938.00	$1,065.20
Total Lives/Annual Premium	101	$60,582.00	$68,792.63
[illegible]			
Employee Only	18	$413.00	$468.99
Employee + Child(ren)	0	$865.00	$982.28
Employee + Spouse	4	$951.00	$1,079.94
Employee + Family	4	$1,168.00	$1,326.36
Total Lives/Annual Premium	26	$15,910.00	$18,067.02
Freedom HMO 3000 (RN-0924-ID)			
Employee Only	34	$276.00	$313.44
Employee + Child(ren)	5	$511.00	$580.31
Employee + Spouse	9	$635.00	$721.13
Employee + Family	11	$773.00	$877.85
Total Lives/Annual Premium	59	$26,152.00	$29,705.03
PC [illegible]			
Employee Only	35	$311.45	$324.84
Employee + Child(ren)	6	$591.75	$617.20
Employee + Spouse	0	$647.81	$675.37
Employee + Family	4	$940.57	$981.01
Total Lives/Annual Premium	45	$18,213.53	$18,996.64
Total	267	$132,827.91	$147,940.12
Annual Premium		$1,593,934.92	$1,775,281.44
Rate Change over 2011			11.38%
Premium Change over 2011			$181,346.52

[illegible]	2010/2011	Current	[illegible]	Renewal 2012
Employee Only	68	$256.92	68	$262.96
Employee + Child(ren)	7	$471.17	7	$420.75
Employee + Spouse	1	$604.24	1	$604.81
Employee + Family	5	$740.23	5	$736.29
Total Lives/Annual Premium	81	$300,889.68	81	$301,353.48
Plan 2 Mid				
Employee Only	34	$341.49	34	$335.66
Employee + Child(ren)	5	$626.27	5	$537.06
Employee + Spouse	9	$803.15	9	$772.02
Employee + Family	11	$983.90	11	$939.85
Total Lives/Annual Premium	59	$393,519.12	59	$376,611.24
Plan 3 High				
Employee Only	63	$370.97	63	$391.77
Employee + Child(ren)	10	$680.33	10	$626.83
Employee + Spouse	27	$872.48	27	$901.05
Employee + Family	27	$1,068.83	27	$1,096.94
Total Lives/Annual Premium	127	$991,077.36	127	$1,018,746.48
	$267.00	$1,685,486.16	$267.00	$1,696,711.20
Rate Change over 2011		5.74%		6.45%
2012 Premium Savings with Company Consolidation		($89,795.28)		($78,570.24)

Recommended Medical Plan

The above represents plan highlights only. It is not a contract. Please refer to the company's specific benefit booklet. Rates may be subject to final underwriting approval.

This document and all it's contents are CONFIDENTIAL and PROPRIETARY and cannot be disclosed to any third

ABC Management, LLC
Medical Contributions Original Plans

Employer Contributions	95%	of single rate	0% of Dep
Plan 1 HRA Base	20/40/80	[illegible]	[illegible]
Employee Only	165	$256.92	$244.07
Employee + Child(ren)	22	$471.17	$244.07
Employee + Spouse	37	$604.24	$244.07
Employee + Family	43	$740.23	$244.07
Total Lives/Annual Premium	267	$1,283,331.72	$782,013.10

Employer Contributions	95%	of single rate	0% of Dep
Plan 1 HRA Base	20/40/80	[illegible]	[illegible]
Employee Only	165	$256.92	$231.23
Employee + Child(ren)	22	$471.17	$231.23
Employee + Spouse	37	$604.24	$231.23
Employee + Family	43	$740.23	$231.23
Total Lives/Annual Premium	267	$1,283,331.72	$740,854.51

Employer Contributions	80%	of single rate	0% of Dep
Plan 1 HRA Base	20/40/80	[illegible]	[illegible]
Employee Only	165	$256.92	$205.54
Employee + Child(ren)	22	$471.17	$205.54
Employee + Spouse	37	$604.24	$205.54
Employee + Family	43	$740.23	$205.54
Total Lives/Annual Premium	267	$1,283,331.72	$658,537.34

Employer Contributions	75%	of single rate	0% of Dep
Plan 1 HRA Base	20/40/80	[illegible]	[illegible]
Employee Only	165	$256.92	$192.69
Employee + Child(ren)	22	$471.17	$192.69
Employee + Spouse	37	$604.24	$192.69
Employee + Family	43	$740.23	$192.69
Total Lives/Annual Premium	267	$1,283,331.72	$617,378.76

Employer Contributions	95%	of single rate	0% of Dep
Plan 1 HRA Base	20/40/80	Highmark DE	
Employee Only	165	$269.63	$256.15
Employee + Child(ren)	22	$431.41	$256.15
Employee + Spouse	37	$620.14	$256.15
Employee + Family	43	$754.95	$256.15
Total Lives/Annual Premium	267	$1,312,656.00	$820,699.79

Employer Contributions	90%	of single rate	0% of Dep
Plan 1 HRA Base	20/40/80	Highmark DE	
Employee Only	165	$269.63	$242.67
Employee + Child(ren)	22	$431.41	$242.67
Employee + Spouse	37	$620.14	$242.67
Employee + Family	43	$754.95	$242.67
Total Lives/Annual Premium	267	$1,312,656.00	$777,505.07

Employer Contributions	80%	of single rate	0% of Dep
Plan 1 HRA Base	20/40/80	Highmark DE	
Employee Only	165	$269.63	$215.70
Employee + Child(ren)	22	$431.41	$215.70
Employee + Spouse	37	$620.14	$215.70
Employee + Family	43	$754.95	$215.70
Total Lives/Annual Premium	267	$1,312,656.00	$691,115.62

Employer Contributions	75%	of single rate	0% of Dep
Plan 1 HRA Base	20/40/80	Highmark DE	
Employee Only	165	$269.63	$202.22
Employee + Child(ren)	22	$431.41	$202.22
Employee + Spouse	37	$620.14	$202.22
Employee + Family	43	$754.95	$202.22
Total Lives/Annual Premium	267	$1,312,656.00	$647,920.89

The above represents plan highlights only. It is not a contract. Please refer to the company's specific benefit booklet. Rates may be subject to final underwriting approval.

This document and all it's contents are CONFIDENTIAL and PROPRIETARY and cannot be disclosed to any third party without prior, written consent of Willis, Inc.

Willis

ABC Management, LLC
Medical Contributions Prescription Changes

Employer Contributions	[illegible]	[illegible]	[illegible]
Plan 1 - HRA Base	20/40/80	[illegible]	
Employee Only	165	$256.92	$244.07
Employee + Child(ren)	22	$471.17	$244.07
Employee + Spouse	37	$604.24	$244.07
Employee + Family	43	$740.23	$244.07
Total Lives/Annual Premium	267	$1,283,331.72	$782,013.10

Employer Contributions	[illegible]	[illegible]	[illegible]
Plan 1 - HRA Base	20/40/80	[illegible]	
Employee Only	165	$256.92	$231.23
Employee + Child(ren)	22	$471.17	$231.23
Employee + Spouse	37	$604.24	$231.23
Employee + Family	43	$740.23	$231.23
Total Lives/Annual Premium	267	$1,283,331.72	$740,854.51

Employer Contributions	[illegible]	[illegible]	[illegible]
Plan 1 - HRA Base	20/40/80	[illegible]	
Employee Only	165	$256.92	$205.54
Employee + Child(ren)	22	$471.17	$205.54
Employee + Spouse	37	$604.24	$205.54
Employee + Family	43	$740.23	$205.54
Total Lives/Annual Premium	267	$1,283,331.72	$658,537.34

Employer Contributions	[illegible]	[illegible]	[illegible]
Plan 1 - HRA Base	20/40/80	[illegible]	
Employee Only	165	$256.92	$192.69
Employee + Child(ren)	22	$471.17	$192.69
Employee + Spouse	37	$604.24	$192.69
Employee + Family	43	$740.23	$192.69
Total Lives/Annual Premium	267	$1,283,331.72	$617,378.76

Employer Contributions	[illegible]	[illegible]	[illegible]
Plan 1 - HRA Base		[illegible]	
Employee Only	165	$262.96	$249.81
Employee + Child(ren)	22	$420.75	$249.81
Employee + Spouse	37	$604.81	$249.81
Employee + Family	43	$736.29	$249.81
Total Lives/Annual Premium	267	$1,280,200.08	$800,397.65

Employer Contributions	[illegible]	[illegible]	[illegible]
Plan 1 - HRA Base		[illegible]	
Employee Only	165	$262.96	$236.66
Employee + Child(ren)	22	$420.75	$236.66
Employee + Spouse	37	$604.81	$236.66
Employee + Family	43	$736.29	$236.66
Total Lives/Annual Premium	267	$1,280,200.08	$758,271.46

Employer Contributions	[illegible]	[illegible]	[illegible]
Plan 1 - HRA Base		[illegible]	
Employee Only	165	$262.96	$210.37
Employee + Child(ren)	22	$420.75	$210.37
Employee + Spouse	37	$604.81	$210.37
Employee + Family	43	$736.29	$210.37
Total Lives/Annual Premium	267	$1,280,200.08	$674,019.07

Employer Contributions	[illegible]	[illegible]	[illegible]
Plan 1 - HRA Base		[illegible]	
Employee Only	165	$262.96	$197.22
Employee + Child(ren)	22	$420.75	$197.22
Employee + Spouse	37	$604.81	$197.22
Employee + Family	43	$736.29	$197.22
Total Lives/Annual Premium	267	$1,280,200.08	$631,892.88

Recommended Medical Plan

The above represents plan highlights only. It is not a contract. Please refer to the company's specific benefit booklet. Rates may be subject to final underwriting approval.

This document and all it's contents are CONFIDENT[illegible]nd PROPRIETARY and cannot be disclosed to any third party without prior [illegible] consent of Willis, Inc.

ABC Management, LLC
HRA Funding

	Deductible	Half of Lives
Single Deductible	$3,000	83
Family Deductible	$6,000	51

Employee/Rommel/Employee Sandwich Funding - Employer Pays 50%			
	Single	*Family*	
Employee Pays First	$500	$1,000	
Rommel Pays Next	$1,500	$3,000	
Employee Pays Last	$1,000	$2,000	
Rommel 100% Utilization	$124,500	$153,000	$277,500
Rommel 60% Utilization	$74,700.0	$91,800.0	$166,500
Rommel 40% Utilization	$49,800.0	$61,200	$111,000

Employee First/Rommel Second - Backend Funding - Employer Pays 50%			
	Single	*Family*	
Employee Pays First	$1,500	$3,000	
Rommel Pays Last	$1,500	$3,000	
Rommel 100% Utilization	$124,500	$153,000	$277,500
Rommel 60% Utilization	$74,700.0	$91,800.0	$166,500
Rommel 40% Utilization	$49,800.0	$61,200	$111,000

Employee/Rommel 50/50 Cost share from the beginning			
	Single	*Family*	
Employee Pays First	$1,500	$3,000	
Rommel Pays Last	$1,500	$3,000	
Rommel 100% Utilization	$124,500	$153,000	$277,500
Rommel 60% Utilization	$74,700.0	$91,800.0	$166,500
Rommel 40% Utilization	$49,800.0	$61,200	$111,000

Rommel First/Employee Second Funding - Employer Pays 16.7%			
	Single	*Family*	
Rommel Pays First	$500	$1,000	
Employee Pays Last	$2,500	$5,500	
Rommel 100% Utilization	$41,500	$51,000	$92,500
Rommel 60% Utilization	$24,900.0	$30,600.0	$55,500
Rommel 40% Utilization	$16,600.0	$20,400	$37,000

The above represents plan highlights only. It is not a contract. Please refer to the company's specific benefit booklet. Rates may be subject to final underwriting approval.

This document and all it's contents are CONFIDENTIAL and PROPRIETARY and cannot be disclosed to any third party without prior, written consent of Willis, Inc.

Willis

ABC Management, LLC
Dental Contributions

Low Plan		Guardian	
Employee Only	165	$22.03	$11.02
Employee + Child(ren)	22	$58.47	$11.02
Employee + Spouse	37	$48.66	$11.02
Employee + Family	43	$85.38	$11.02
Total Lives/Annual Premium	267	$124,716.60	$35,292.06

Low Plan		Metlife	
Employee Only	165	$23.66	$11.83
Employee + Child(ren)	22	$54.63	$11.83
Employee + Spouse	37	$48.16	$11.83
Employee + Family	43	$84.86	$11.83
Total Lives/Annual Premium	267	$126,439.92	$37,903.32

Low Plan		Guardian	
Employee Only	165	$22.03	$8.81
Employee + Child(ren)	22	$58.47	$8.81
Employee + Spouse	37	$48.66	$8.81
Employee + Family	43	$85.38	$8.81
Total Lives/Annual Premium	267	$124,716.60	$28,233.65

Low Plan		Metlife	
Employee Only	165	$23.66	$9.46
Employee + Child(ren)	22	$54.63	$9.46
Employee + Spouse	37	$48.16	$9.46
Employee + Family	43	$84.86	$9.46
Total Lives/Annual Premium	267	$126,439.92	$30,322.66

Low Plan		Guardian	
Employee Only	165	$22.03	$6.61
Employee + Child(ren)	22	$58.47	$6.61
Employee + Spouse	37	$48.66	$6.61
Employee + Family	43	$85.38	$6.61
Total Lives/Annual Premium	267	$124,716.60	$21,175.24

Low Plan		Metlife	
Employee Only	165	$23.66	$7.10
Employee + Child(ren)	22	$54.63	$7.10
Employee + Spouse	37	$48.16	$7.10
Employee + Family	43	$84.86	$7.10
Total Lives/Annual Premium	267	$126,439.92	$22,741.99

Low Plan		Guardian	
Employee Only	165	$22.03	$4.41
Employee + Child(ren)	22	$58.47	$4.41
Employee + Spouse	37	$48.66	$4.41
Employee + Family	43	$85.38	$4.41
Total Lives/Annual Premium	267	$124,716.60	$14,116.82

Low Plan		Metlife	
Employee Only	165	$23.66	$4.73
Employee + Child(ren)	22	$54.63	$4.73
Employee + Spouse	37	$48.16	$4.73
Employee + Family	43	$84.86	$4.73
Total Lives/Annual Premium	267	$126,439.92	$15,161.33

The above represents plan highlights only. It is not a contract. Please refer to the company's specific benefit booklet. Rates may be subject to final underwriting approval.

This document and all it's contents are CONFIDENTIAL and PROPRIETARY and cannot be disclosed to any third party without prior consent of Willis, Inc.

Willis

Willis

Standard Terms and Conditions for Human Capital Accounts

Please note the following terms and conditions related to your decision to utilize Willis to purchase insurance coverage, products and/or services:

Services and Responsibilities

The services we provide to you will rely in significant part on the facts, information and direction provided by you or your authorized representatives. In order to make our relationship work, we must each provide the other with accurate and timely facts, information and direction as is reasonably required. You must provide us with complete and accurate information regarding your loss experience, risk exposures, and changes in the analysis or scope of your risk exposures and any other information reasonably requested by us or insurers. It is important that you advise us of any changes in your business operations that may affect our Services, the insurance coverages, or other services we place for you. If you have any doubt about what information is material, please ask us inasmuch as failure to provide accurate and current information could adversely impact your insurance coverage.

We will assess the financial soundness of the insurers we recommend to provide your coverages based on publicly available information, including that produced by well-recognized rating agencies. Upon request, we will provide you with our factual analysis of such insurers. We cannot, however, guarantee or warrant the solvency of any insurer or any intermediary that we may use to place your coverage.

The final decisions with respect to underwriting submissions and all matters relating to your insurance coverages and employee benefits program are yours. We will procure the insurance coverage and services chosen by you, assist in confirming coverage, and review and transmit policies to you.

We will review all policies and endorsements for the purpose of confirming their accuracy and conformity to negotiated specifications and your instructions and advise you of any errors in, or recommended changes to, such policies. You agree that you will also review all such documents and advise us of any questions you have or of any document or provision which you believe may not be in accordance with your instructions as soon as possible, and in no event longer than two weeks, after you receive them.

We will meet, as requested by you, with your representatives to explain coverage and policies. We will promptly respond to your requests for coverage information, analysis of changing market conditions, and assistance in reporting subsequent changes in information to insurance companies and service providers.

In our capacity as employee benefits professionals, we do not provide legal or tax advice. We encourage you to seek any such advice you want or need from competent legal counsel or tax professionals.

Confidentiality

We will treat information you provide us in the course of our professional relationship as confidential and will use it only in performing services for you. We may share this information with third parties as may be required to provide services. We may also disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. By providing us with data, you agree and represent that you are fully authorized to possess that data and to provide it to us, and further that we are fully authorized to obtain, maintain, process and transfer such data in a commercially reasonable manner and as we reasonably deem advisable in order to provide our services. In so doing, we agree that we will comply with all applicable privacy laws, and that we have implemented and will maintain commercially reasonable and appropriate security measures in order to protect sensitive information from unauthorized use or disclosure. Records you provide us will remain your property and will be returned to you upon request, although we will have the right to retain copies of such records to the extent required in the ordinary course of our business or by law. You will treat any information we provide to you, including data, recommendations, proposals, or reports, as confidential, and you will not disclose it to any third parties. You may disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. We retain the sole rights to all of our proprietary computer programs, systems, methods and procedures and to all files developed by us.

Willis represents and warrants that, with respect to the personal information of any Massachusetts resident, (1) it has and is capable of maintaining appropriate security measures to protect Personal Information consistent with 201 CMR 17.00 and any applicable federal regulations; and (2) as of the Agreement Effective Date, it has and will at all times during the term of this Agreement, maintain a comprehensive written information security program that complies with applicable privacy and data security laws. Willis's information security program shall contain at least the following:

- Reasonable restrictions upon physical access to records containing personal information and storage of such records and data in locked facilities, storage areas or counters.

- Regular monitoring to ensure that the comprehensive information security program is operating in a manner reasonably calculated to prevent unauthorized access to or unauthorized use of personal information; and upgrading information safeguards as necessary to limit risks.

- Reviewing the scope of the security measures at least annually or whenever there is a material change in business practices that may reasonably implicate the security or integrity of records containing personal information.

- Documenting responsive actions taken in connection with any incident involving a breach of security, and mandatory post-incident review of events and actions taken, if any, to make changes in business practices related to protection of personal information.

In the event that you or any of the benefit plans you sponsor need to enter into business associate agreements with Willis in order to satisfy the requirements of the Health Insurance Portability and Accountability Act, the regulations implementing that Act (the "Standards for Privacy of Individually Identifiable Health Information," codified at 45 C.F.R. parts 160 and 164), or any other similar law, you agree to work with Willis to execute an agreement in compliance with these requirements.

Carrier Quotes

The quotes we have provided to you are based upon the information that you have provided to us. If you discover that previously submitted information is inaccurate or incomplete, please advise us immediately so that we can attempt to revalidate terms with insurers.

A carrier quote is an offer to provide coverage. Offers can be modified or withdrawn prior to your acceptance through your order to bind coverage. The quote itself is not a legally binding commitment or a confirmation of actual coverage. Should you choose to bind coverage, we will secure a formal commitment, typically in the form of a binder on a form issued or approved by the carrier(s) at issue.

Compensation and Disclosure

Willis is an insurance producer licensed to do business worldwide, including in all 50 states and the District of Columbia. Insurance producers are authorized by their license to work with insurance purchasers and discuss the benefits and terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of an insurance producer in any particular transaction involves one or more of these activities.

The compensation that will be paid to Willis will vary based on the insurance contract it sells. Depending on the insurer and insurance contract you select, compensation may be paid by the insurer selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract and insurer you select. In some cases, other factors such as the volume of business Willis provides to the insurer or the profitability of insurance contracts Willis provides to the insurer also may affect compensation.

Upon request, Willis will provide you with additional information about the compensation Willis expects to receive based in whole or in part on your purchase of insurance, and (if applicable) the compensation expected to be received based in whole or in part on any alternative quotes presented to you.

To the extent Willis is compensated by commissions paid to us by insurers, they will be earned for the entire policy period at the time we place policies for you. We will be paid the commission percentage stated for the placement of your insurance as indicated, and will receive the same commission percentage for all subsequent renewals of this policy unless we negotiate a different commission percentage with you.

Commission schedules and other compensation arrangements related to our services on your behalf may change over time and may not always be congruent with your specific policy period. Willis will provide you with accurate information to the best of our knowledge when information is requested or presented to you, but it is possible that compensation arrangements may change over time.

In some cases the use of a wholesale broker may be beneficial to you. We will not directly or indirectly place or renew your insurance business through a wholesale broker unless we first disclose to you in writing any compensation we or our corporate parents, subsidiaries or affiliates will receive as a result.

Willis develops panels of insurers in certain market segments. Participating insurers are reviewed on a variety of factors. Commission rates on panel placements may be higher than rates paid on business placed outside of the panel process. Willis discloses its commission rates to clients on quotes obtained through the panel process prior to binding the coverage. In some instances, insurers pay an administration fee to participate in the panel process. Your Willis broker will provide you with additional information on Willis Panels upon request.

You may choose to use a third party administrator, utilization review firm or other similar service provider in connection with the insurance coverages we place for you or the services we provide to you. If you elect to use a service provider from which we or our corporate parents, subsidiaries or affiliates will receive any compensation directly or indirectly relating to the services you purchase from the provider, we will disclose additional information regarding that compensation to you before you make a final decision to use the service provider.

We or our corporate parents, subsidiaries, and affiliates may provide reinsurance brokerage services to insurers with which your coverage is placed pursuant to separate agreements with those insurers. Under these arrangements we may be compensated by the insurers for the services provided in addition to any commissions we may receive for placement of your insurance coverages.

In certain instances and where explicitly agreed upon in advance, Willis may collect insurance premium from you and remit the premium to the appropriate insurance company or intermediary. In doing so, we may also receive and retain interest on premiums you pay from the date we receive the funds until we pay them to the insurers or their intermediaries, or until we return them to you after we receive such funds.

As an insurance intermediary, we normally act for you. However, for some insurance products we or our corporate parents, subsidiaries or affiliates may have managing general agent agreements or other agreements which give us binding authority enabling us to accept business on their behalf and immediately provide coverage for a risk. Further, we or our corporate parents, subsidiaries or affiliates may arrange lineslips or similar facilities which enable an insurer to bind business for itself and other insurers and we may manage these lineslips for such insurers. We may place your insurance business under a managing general agent's agreement, a binding

authority, lineslip or similar facility when we reasonably consider these match your insurance requirements/instructions. When we intend to bind coverage for you under such a facility, we shall inform you prior to the inception of the insurance contract.

Subsidiaries of Willis North America Inc are members of a major international group of companies. In addition to the commissions received by us from insurers for placement of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties (some of which may be owned in whole or in part by our corporate parents or affiliates), may earn and retain usual and customary commissions for their role in providing insurance products or services to you under their separate contracts with insurers or reinsurers.

The insurance market is complex, and there could be other relationships which are not described in this document which might create conflicts of interest. If a conflict arises for which there is no practicable way of complying with this commitment, we will promptly inform you and withdraw from the engagement, unless you wish us to continue to provide the services and will provide your written consent. Please let us know in writing if you have concerns or we will assume that you understand and consent to our providing our services pursuant to these terms.

Prices on the services specified herein are exclusive of all federal, state, and local sales, use, excise, receipts, gross income and other similar taxes and governmental charges. Any such taxes or charges upon the services provided hereunder, now imposed or hereafter becoming effective during the Term of this agreement, shall be added to the price herein provided and paid by you unless, in lieu thereof, you provide us with a valid tax exemption certificate acceptable to us.

Premium Payment/Handling of Funds

You agree to provide immediately available funds for payment of premiums by the payment dates specified in the insurance policies, invoices or other payment documents. Failure to pay premium on time may prevent coverage from incepting or result in cancellation of coverage by the insurer. We will not be responsible for any consequences that may arise from any delay or failure by you to pay the amount payable by the indicated date.

We will handle any premiums you pay through us and any funds which we receive from insurers or intermediaries for payment or return to you in accordance with the requirements and restrictions of applicable state and federal insurance laws and regulations and state unclaimed property laws. In some cases we may transfer your funds directly to insurers. In other case we may be required to transfer your funds to third parties such as wholesale brokers, excess and surplus lines brokers, or managing general agents for carrying out transactions for you.

Ethical Business Practice

We do not tolerate unethical behavior either in our own activities or in those with whom we seek to do business. We will comply with all applicable laws, regulations, and rules.

Sanctions

The sanctions profile of different business(es) may differ on the basis of a number of complex factors. Whether a sanctions program applies to you depends on a number of factors, including your ownership structure, control, location, and the nationality of your employees. In certain circumstances, the United States and other countries prohibit or restrict companies from conducting business in certain jurisdictions (e.g. Cuba), and can sanction companies who conduct such business. We cannot advise on the applicability of sanctions programs either to you or to insurers nor can we guarantee or otherwise warrant the position of any insurer under existing or future sanctions programs. You should take legal advice as you deem appropriate in this regard.

We will comply with all applicable sanctions programs and you are advised that, where obliged by law, we may have to take certain actions, including freezing of funds held on behalf of parties and individuals as required by sanctions programs.

Intellectual Property

Willis shall own and retain all right, title, and interest in and to the following (collectively, "Willis Property"): (i) all software, hardware, technology, documentation, and information provided by Willis in connection with the Claim and Risk Control Services; (ii) all ideas, know-how, methodology, models and techniques that may be developed, conceived, or invented by Willis during its performance under this Agreement; and (iii) all worldwide patent, copyright, trade secret, trademark and other intellectual property rights in and to the property described in clauses (i) and (ii) above. Accordingly, all rights in the Willis Property are hereby expressly reserved.

Electronic Communication

We agree that we may communicate with each other from time to time by electronic mail, sometimes attaching further electronic data as and when the circumstances require attachments. By consenting to this method of communication you and we accept the inherent risks (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). We each agree, however, that we will employ reasonable virus checking procedures on our computer systems, and we will each be responsible for checking all electronic communications received for viruses. You will also be responsible for checking that messages received are complete. In the event of a dispute neither of us will challenge the legal evidentiary standing of an electronic document, and the Willis system shall be deemed the definitive record of electronic communications and documentation.

Please note that our system blocks certain file extensions for security reasons, including, but not necessarily limited to, .rar, .text, .vbs, .mpeg, .mp3, .cmd, .cpl, .wav, .exe, .bat, .scr, .mpq, .avi, .com, .pif, .wma, .mpa, .mpg, .jpeg. Emails with such files attached will not get through to us; and no message will be sent to tell you they have been blocked. If you intend to send us emails

with attachments, please verify with us in advance that our system will accept the proposed form of attachment.

Other Agreements

To the extent there is a conflict between this Agreement and a separately negotiated and signed agreement between you and Willis, the relevant portions of the signed agreement will control.

Termination

In the event of termination, we will be entitled to receive and retain any commissions payable under the terms of our commission agreements with the insurers in relation to policies placed by us, whether or not the commissions have been received by us.

Our obligation to render services under the agreement ceases on the effective date of termination of the agreement. Nevertheless, we will process all remaining deposit premium installments on policies in effect at the time of termination. Claims and premium or other adjustments may arise after our relationship ends. Such items are normally handled by the insurance broker serving you at the time the claim or adjustment arises. However, it may be mutually agreed that we will provide services in these areas after the termination of our relationship for mutually agreed additional compensation. The obligations set forth under "Confidentiality" above shall survive any termination of the agreement.

Choice of Law

Our agreement for services shall be governed by and construed in accordance with the laws of the state in which our office is located.

Inquiries and Complaints

Your satisfaction is important to us. If you have questions or complaints, please inform the person who handles your account or contact the head of our office. Alternatively, you may call 1-866-704-5115, the toll free number we have set up exclusively for client feedback and complaints.

NAVIGATING HEALTH CARE REFORM

IMPACT ANALYSIS

The ABC Company
October 1, 2010

Willis

HEALTH CARE REFORM COST ESTIMATIONS

Willis

FINANCIAL REPORT CARD

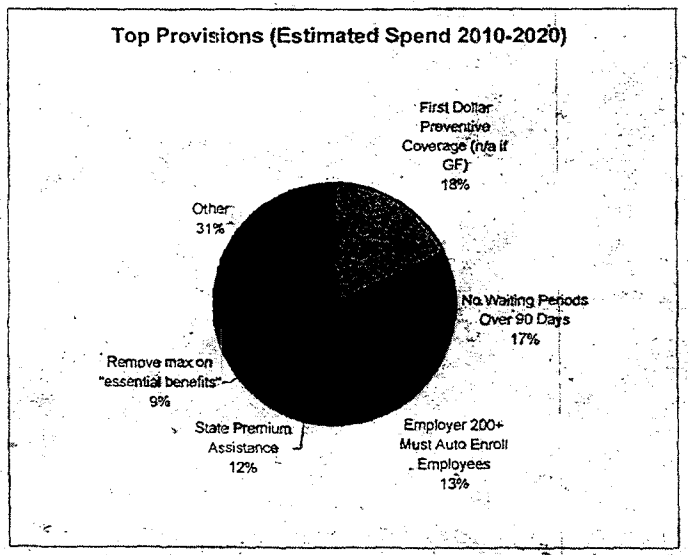
October 1, 2010 - The ABC Company

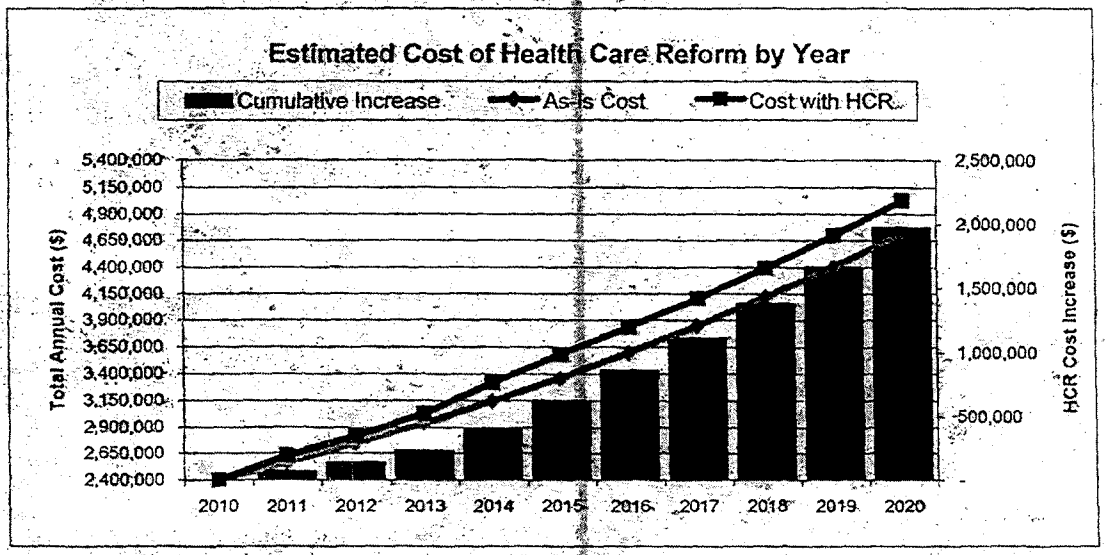
Overview

The total estimated impact to The ABC Company of Health Care Reform regulations through the 2020 plan year is $1,975,378; which equates to an average annual increase of $179,580, or 5.2% (6.5% per year by 2018).
Because The ABC Company has not maintained its grandfathered status, the portion of the increase above related to a loss of this status totals $443,508 through the 2020 plan year; which equates to an average annual increase of $40,319, or 1.2%.
The estimated cost increase through the 2020 plan year related to retirees age 65+ is $169,765; which equates to an average annual increase of $15,433, or 0.4%.

Additional Cost Impacts (Not Included in Overview & Graphs)

2018 Excise Tax	$385,863	"Cadillac" Excise Tax, effective starting 2018 (Annual dollars based on current benefits, including FSA)
2014 Penalty	$981,667	Play or Pay Penalties, effective starting 2014 (Represents maximum 2014 penalty for not offering benefits)
Not Applicable	$0	Small Business Tax Credit (Maximum estimated cumulative credit for 2010-2013)





The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

OVERVIEW & COST ESTIMATION

Willis HEALTH CARE REFORM REGULATIONS

October 1, 2010 - The ABC Company

In March of 2010, Congress enacted the Patient Protection and Affordable Care Act (PPACA) which places requirements on employers to provide a minimum level of benefits to employees and assesses penalties if either benefits do not meet the required minimum or the cost of this coverage to employees exceeds affordability thresholds specified in the Act. The minimum benefits and affordability requirements take effect in 2014. The Act also imposes an excise tax beginning in 2018 on plans whose average cost exceeds specified amounts.

This analysis provides an estimation of reform impacts to The ABC Company based on our best understanding of the regulations issued at the time of preparation. The requirements will be further spelled out in regulations yet to be issued by the federal Department of Health and Human Services (HHS).

Cost Assumptions:

$400.00	Current Claims Cost PEPM (Per Employee Per Month)
500	Assumed Monthly Employee/Subscriber Count
7.0%	Annual Medical Trend

Client Profile:

No	Is the plan considered Grandfathered? Click for more information
Yes	Does the plan cover retirees between age 55-64?
Yes	Does the plan cover retirees age 65+?
10.0%	Retires as a % of total enrolled

Effective Date	Requirement	Administrative Impact	Cost Impact	Additional Comments
1/1/2010	Medicare D drug coverage increases annually beginning in 2010 with full phase-out of "doughnut hole" by 2020.	N/A	Little or no impact for most self-insured retiree medical plans. Could impact creditable coverage determination. Impact: 0.1% Override: Minimal cost impact depending on retiree plan details.	Those individuals who hit the doughnut hole in 2010 will get a $250 payment. Then, starting in 2011, drug manufacturers have to provide a 50% discount on brand drugs in the doughnut hole for most Part D participants (with 75% discounts on brand name and generic drugs by 2020). The doughnut hole itself will be gradually phased out by 2020. Part D premiums will become income-related.
3/31/2010	Employers receiving Medicare Part D drug subsidy must update their retiree medical liability to recognize that the subsidy is no longer deductible for tax purposes beginning in 2013.	One-time adjustment to retiree medical liability in the first quarter of 2010; higher corporate taxes beginning in 2013 (depending on each employer's unique tax situation). In order to receive the subsidy, employers must offer an employer-subsidized retiree medical plan that covers prescription drugs to retirees over age 65.	Dependent on amount of subsidy received and applicable tax impact. Avg. Annual Subsidy: $30,000 Impact: 0.5% Override:	Long-term, employers may discontinue or amend their retiree plans, which may reduce the liability and the tax impact.
90 days after enactment (6/21/10) until end of 2013 or until funds are exhausted	Temporary federal reinsurance program for plans covering retirees (and their dependents) ages 55-64 with claims between $15,000 and $90,000.	Employers will be reimbursed for 80% of the cost of these claims until the total fund of $5 billion is exhausted. Eligible plans must cover preventive services and have programs in place that are demonstrated to generate cost savings for people with high-cost and chronic conditions. Claims must be incurred 6/1/2010 or later.	Reimbursements under the plan must be used to implement programs and procedures to generate cost savings for participants with chronic and high-cost conditions. Reimbursements cannot be used as general revenue or applied as employer contributions toward the cost of coverage. Potential reimbursements are not quantified as they depend on future claims	Employers who qualify should gear up for this program quickly. Experts expect the funds will be used up well before 1/1/2014. Claim forms are now available on the HHS website.
2010 Plan Year	Self-funded plans required to report cost data to HHS.	N/A	N/A	Pending detail from HHS.

Willis

HEALTH CARE REFORM REGULATIONS

October 1, 2010 - The ABC Company

Effective Date	Requirement	Administrative Impact	Cost Impact	Additional Comments
First plan year beginning after 9/23/2010 (1/1/2011 for most plans)	Cover married or unmarried dependent children until 26th birthday unless eligible for other group coverage. Plan cannot condition eligibility on anything other than age and the "relationship" between the participant and the child (Cannot condition on financial dependence, residence, student or marital status, employment, etc.). Spouses and children of dependents are not required to be covered. In 2014, may no longer exclude dependents who are eligible for other group coverage.	Employers may re-evaluate their family contribution levels in light of the additional cost of this requirement. A material change in contribution levels may eliminate grandfathered status, if applicable.	For the average self-funded group, we anticipate costs will increase between 1-3%. # of new deps: [redacted] Impact: 0.5% Override: [redacted]	The cost of this coverage is not taxable to the employee, even though these dependents may not meet the IRS definition of a dependent. For employers with older employees or in areas where unemployment is higher than the US average, costs may be higher. The administrator should be able to provide data on how many dependents have "aged out".
	First-dollar coverage of preventive services, with no cost-sharing for preventive recommendations rated A or B by the US Preventive Services Task Force (http://www.ahrq.gov/clinic/uspstfix.htm#pocket), immunizations recommended by the CDC and for infants and children, preventive care and screenings recommended by the Health Resources and Services Administration.	Most plans cover some preventive services on a first-dollar basis, however, on plans with restrictive coverage, these may not be submitted as preventive.	Dependent on existing preventive services cost share. Current Cost Share: [redacted] OV Copay Impact: 1.0% Override: [redacted] Applies, plan not grandfathered. Does not apply to grandfathered plans even in 2014.	The law appears to indicate that grandfathered plans are permanently exempt from this requirement. Even when these services are covered at 100%, utilization is much less than 100%. In the long term, early detection and prevention saves future costs.
	No prior authorization or increased cost-sharing for emergency services, in or out of network.	Update plan documents at renewal.	Dependent on existing cost share, most plans already cover ER services this way. Impact: 0.3% Override: [redacted] Applies, plan not grandfathered. Does not apply to grandfathered plans even in 2014.	N/A
	May not require authorization or referral for obstetrical or gynecological services.	Update plan documents at renewal.	Little to no impact. Impact: 0.0% Override: [redacted] Applies, plan not grandfathered. Does not apply to grandfathered plans even in 2014.	N/A
	Internal & external appeals process for claim denials required.	Guidance released on August 23, 2010 by HHS indicates significant employer and carrier/TPA involvment to ensure compliance.	Likely negligible claims impact for most groups (unless appeal rates are high) but may add to administrative burden and expense. Impact: 0.0% Override: [redacted] Applies, plan not grandfathered. Does not apply to grandfathered plans even in 2014.	The law appears to indicate that grandfathered plans are permanently exempt from this requirement.

The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

HEALTH CARE REFORM REGULATIONS

October 1, 2010 - The ABC Company

Effective Date	Requirement	Administrative Impact	Cost Impact	Additional Comments
First plan year beginning after 9/23/2010 (1/1/2011 for most plans)	No pre-ex exclusions or limits for children under age 19.	Update plan documents at renewal.	Little to no impact. **Impact:** 0.0% **Override:** 0.3%	Due to HIPAA, benefit reductions due to pre-ex are rare. Requires a break in coverage lasting longer than 60 days.
	No annual or lifetime limits on "essential" benefits. The plan may establish an annual limit of no more than the previous lifetime limit until 2014 and maintain grandfathered status within the following restrictions: The limit will be phased in as $750k in 2011, $1.25 mil in 2012, and $2 mil in 2013.	The requirement does not apply to stop loss coverage, which typically limits coverage on each individual. Regardless, stop loss rates are likely to increase and lasering may increase.	Impact of 1% or less for most self-funded plans. **Current Lifetime Max:** $1 mil - $5 mil **Impact:** 0.5% **Override:** Lifetime maximums less than $500k will likely have more than a 1% impact.	HHS to issue guidance regarding annual limit waivers. No overall annual limits allowed beginning in 2014.
1/1/2011	FSA, HRA and HSA accounts cannot be used to reimburse the cost of over-the-counter drugs unless obtained with a doctor's prescription.	Employer plans that cover OTC drugs usually require a written prescription.	Typically none. Higher payroll taxes if employees reduce their FSA contributions. **Impact:** 0.0% **Override:**	Employers who are encouraging the use of OTC options to reduce their Rx expenditures should communicate clearly to employees whether these drugs will still be covered and under what circumstances.
	Non-qualified disbursements from HSAs subject to 20% excise tax (increased from 10%)	N/A	N/A	There is still no penalty after age 65.
	Aggregate value of health benefits must be reported on employees' W-2 forms for 2011. Reporting begins in 2012.	This would include both employer and employee contributions for medical, dental, vision and supplemental coverage, but not employee contributions to FSA. Use COBRA rates without 2% administrative load.	Payroll administrative cost only.	This reporting could open the door to future taxation of benefits.
	Employers required to provide break time and a place for breastfeeding mothers.	Will require establishment of internal employer policies governing access to private space and integrating reasonable access for mothers into worksite operations schedule.	Negligible; Associated cost outside of plan expenses.	Many employers already accommodate mothers in this manner.

The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

OVERVIEW & COST ESTIMATION

HEALTH CARE REFORM REGULATIONS

October 1, 2010 - The ABC Company

Effective Date	Requirement	Administrative Impact	Cost Impact	Additional Comments
1/1/2011	New disability benefit and tax (CLASS Act- Community Living Assisted Services and Supports).	Employers required to auto-enroll employees who did not opt out of the program. Employees may opt out, but if they later decide to enroll, premiums may be higher. Initial required deduction of $65 per month (pretax under section 125) would be adjusted annually for inflation and geographic cost of living increases. Yearly premiums will be established based on an actuarial analysis of the 75-year costs of the program that ensures solvency for that period. There will be a nominal fee for full time students and those whose income does not exceed the Federal Poverty Level.	Minimal administrative cost to implement. Reduced payroll tax since the employee-paid premiums are pretax. Assuming a $65 monthly premium, the annual payroll tax savings is $59.67 (7.65% of $780) per employee who enrolls. No employer contributions required. No refund of premium if coverage is terminated, but if employee re-enrolls within 5 years, will receive credit for premiums paid.	Provides a LTC-like benefit that would pay $50 per day to cover the cost of Home and Community Care when needed due to impairment in at least 2 Activities of Daily Living. No annual or lifetime limit on benefits. Participants must pay premiums for at least 5 years before any benefits are payable. There is a 90 day waiting period before benefits begin. Can coordinate benefits with other disability, daily indemnity and income replacement benefits. Guidance not due until 2012. Benefit may not be available until 2013.
1/1/2012	Fee for comparative effectiveness research.	N/A	For first year, employers must pay $1 per covered life. Increases to $2 per covered life in subsequent years, adjusted for increases in projected per capita health care spending after 9/30/2014. Expires after 2019 plan year. Dep. Ratio: 2.0 2012: $1,000 2013 - 2019: $2,000	Long term, comparative effectiveness research should save money by identifying the most effective treatments for some conditions.
1/1/2013	Medical FSA limited to $2,500.	N/A	None except FICA taxes on employees who would have contributed more.	Limit adjusted annually for inflation.
	Medicare surtax for "higher income earners".	Additional 0.9% of AGI above $200K for individuals and $250K for married couples. 3.8% tax on investment and other unearned income.	No employer tax, but employers are required to withhold additional amount based on employee salary over $200K.	Ultimately, total tax is determined via tax forms, not payroll deductions.
1/1/2014	Employers with 200 or more employees required to auto-enroll employees in the medical plan and notify employees of their right to opt out.	All employees working 30+ hours per week would be included.	Employers' health plan costs will increase to the extent that enrollment increases. Est. Enrollment Increase: 1.0% Increase (in 2013 dollars): $29,401	Employer chooses the plan to be auto-enrolled; employee contributions can be required. Must notify employees how to opt out of plan.

Willis HEALTH CARE REFORM REGULATIONS

October 1, 2010 - The ABC Company

Effective Date	Requirement	Administrative Impact	Cost Impact	Additional Comments
1/1/2014	No waiting periods longer than 90 days.	Update plan documents at renewal.	Negligible impact to most large employers, unless the current waiting period is longer than 90 days. Avg Annual New Hires: 25 # of Months Reduced: 3 Increase (in 2014 dollars): $39,324	N/A
	Deductibles can be no greater than $2,000/single and $4,000/family. Out-of-pocket limits cannot exceed the current year's maximums for HSA-eligible plans.	Evaluate current plan designs.	In most cases, plan designs can be modified to meet this requirement without increasing total cost. Impact: 0.0% Override: Applies, plan not grandfathered. Does not apply to grandfathered plans even in 2014.	N/A
	HIPAA limit on cash incentives for wellness programs increased to 30% of cost of employee-only coverage.	Current limit is 20%. This increases employers' ability to tailor employee contributions based on healthy behaviors and to offer incentives for program participation.	If employers take advantage of this, almost certainly will reduce employer cost. Applies, plan not grandfathered.	This provision does not apply to grandfathered plans, but expectations are that by 2014, regulations will ease this restriction.
	No pre-existing condition exclusions for adults/any plan participant (exclusion for children under age 19 went into effect 9/23/2010).	Update plan documents at renewal.	Little to no impact. May result in cost recognition in an earlier period than before. Impact: 0.3% Override:	Due to HIPAA, benefit reductions due to pre-ex are rare. Requires a break in coverage lasting longer than 60 days.

Willis

HEALTH CARE REFORM REGULATIONS

October 1, 2010 - The ABC Company

Effective Date	Requirement	Administrative Impact	Cost Impact	Additional Comments
1/1/2014	State insurance exchanges operational; Medicaid coverage eligibility expands; individual coverage mandate effective. Individuals under age 30 will be able to purchase "catastrophic" coverage which covers essential health benefits and at least 3 primary care visits but has cost sharing up to the HSA OOP limits. Small employers will be allowed to purchase coverage from the exchanges. The exchanges are open to employers with 100 or fewer employees but states may limit participation before 2016 to employers with 50 or fewer employees.	Some employees who are currently covered could opt to buy coverage through the exchanges or become covered by Medicaid. Individual mandate may cause current opt-outs to enroll in employer plan. Penalty to individual for non-compliance is larger of 1% of Adjusted Gross Income (AGI) or $95 in 2014, 2% of AGI or $325 in 2015, 2.5% of AGI or $695 in 2016, increasing by an annual COLA after that. People with incomes below 100% of federal poverty, religious objectors and those for whom any available coverage is "unaffordable" will be exempt from the penalty.	Due to individual mandate, subsidies to lower-income individuals and penalties (see below), employers will bear a cost for medical coverage for all employees (except that the penalty for not offering coverage does not apply to the first 30 employees) working 30+ hours per week except those who enroll in a spouse's employer's plan. Can't estimate cost at this time. Dependent on required employee contributions as % of employee's household income.	N/A
	Minimum Benefit Requirement. Employer plans (if more than 50 employees) required to cover at least 60% of total medical charges. This is a minimum plan design benefit, not an employer subsidy requirement. Coverage must be offered to all employees working 30+ hours per week.	Most plans (including HSA-qualified plans) meet this requirement today. Willis can assist in determining percentage of cost covered by your plans.	Cost of coverage for employees working 30+ hours per week who are not currently eligible. The vast majority of employer-sponsored plans offered today meet the 60% minimum.	To determine number of employees for this requirement, add up total monthly part time hours (part time= employees working less than 30 hours per week), divide by 120 and add number of full-time (30+ hours) employees.
	Free Rider assessment. Applies if employer has more than 50 full time employees: a) Does not offer the minimum required health coverage (see above) to full time (30+ hours) employees, or b) Offers "unaffordable" coverage and at least one full-time employee enrolls in the exchange and receives tax credit.	First 30 employees exempt from any assessment. Employers who do not offer any coverage must pay a penalty of $2,000 per employee working 30+ hours a week. If coverage is offered but does not meet 60% requirement, or if employee whose household income is <400% of poverty is required to contribute more than 9.5% of Modified AGI, penalty is $3,000 per affected employee. Total amount of this penalty is capped at the amount that would apply if the employer offered no coverage.	Cannot be determined in advance, if the coverage offered meets the 60% minimum. The maximum cost for not offering benefits can be assessed using the "Play or Pay" calculator tool. The cost of the play option requires a more detailed analysis. Click here to view the "Play or Pay" Calculator	See above for formula to determine number of employees. Unclear how employers would know which employees fall into these categories, unless the employee opts out and purchases coverage through exchange. In setting employee contribution rates, employers will need to be mindful of the relationship of those contributions to salary levels for low-paid employees.

Willis

HEALTH CARE REFORM REGULATIONS

October 1, 2010 - The ABC Company

Effective Date	Requirement	Administrative Impact	Cost Impact	Additional Comments
1/1/2014	Free Choice Voucher. Employees can opt out of employer plan to purchase coverage through exchanges if coverage is "unaffordable" (i.e. contribution is more than 8% of income) or plan does not meet 60% minimum. If employee is not eligible for federal subsidy but qualifies for an affordability exemption, employee can take employer contribution and join the exchange. An employer that offers coverage and makes a plan contribution is required to pay the employee the full amount of subsidy that employer would provide had employee enrolled in the plan. An employee receiving employer "voucher" will not be eligible to receive federal subsidy. Employees are eligible for Free Choice Voucher if: - employee's household income is less than 400% of poverty, and - required contribution for coverage is between 8% and 9.5% of household income.	Employees may opt to participate in employer plan instead of taking voucher. If an employer pays for a voucher, the $3,000 penalty is not required.	Can't be determined in advance, if the coverage offered meets the 60% minimum. Employers may be required to pay the voucher amount for some employees who currently opt out of coverage. Penalties are not tax-deductible to the employer, but vouchers are. If purchasing coverage through exchange is advantageous to younger employees, could result in adverse selection that increases the per-employee cost of the plan. Note that a married couple, both working, could request a voucher from each employer and pool their funds to purchase coverage through the exchange.	Unclear how employers would know which employees fall into these categories, unless the employee opts out and purchases coverage through exchange. In setting employee contribution rates, employers will need to be mindful of the relationship of those contributions to salary levels for low-paid employees. Willis can assist employers in estimating potential costs of Free Choice Vouchers and associated penalties.
1/1/2015	States can offer premium assistance to employees who are eligible for Medicaid to help them pay for employer-sponsored coverage instead.	N/A	Employers' health plan costs will increase to the extent that enrollment increases. **Est. Enrollment Increase:** 10% **Increase (in 2015 dollars):** $33,661	N/A
1/1/2016	Large employers (100 or more employees) allowed to participate in exchanges.	Employers can choose to maintain their own plans or allow employees to choose their coverage from the offerings of the state exchange.	Can't be estimated at this time. Increases employer options.	This option may be available earlier than 2016, depending on the state.

The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

HEALTH CARE REFORM REGULATIONS

October 1, 2010 - The ABC Company

Effective Date	Requirement	Administrative Impact	Cost Impact	Additional Comments
1/1/2018	"Cadillac Tax" debuts. 40% excise tax on value of plans over $10,200 single/ $27,500 family (includes value of supplemental coverages, FSAs, HRAs, employer contribution to HSAs, but not dental or vision plans).	Thresholds are higher for early retirees and high risk occupations (identified in law)- $11,850/$30,950 Higher thresholds in 17 highest-cost states (20% in 2018, 10% in 2019, 5% in 2020, same thereafter). These do not apply to early retirees and high-risk occupations even if located in high-cost states. Plans with significantly older or more female participants than the national average may also qualify for a higher threshold- depending on regulations. Multiemployer plans with collectively-bargained benefits apply only the family threshold. This tax is reported and paid by the insurer/administrator or employer acting as administrator. If medical inflation continues to outpace general inflation, this tax will affect more plans and individuals each year. Most employers will modify plan designs in order to avoid triggering the tax.	Click here to view the "Cadillac" Plan Excise Tax Calculator	Amounts are adjusted annually for general inflation and initial amounts will increase if the rates for the Federal Employees BCBS Standard Option increase by more than 55% between 2010 and 2018. High-risk professions and industries are identified as law enforcement, firefighters, paramedics, EMTs, rescue workers, ambulance personnel, hazardous materials workers employed by a fire department, longshoremen, construction, mining, agriculture (not food processing), forestry, fishing, and people who install electrical or communications lines.

The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

SMALL BUSINESS TAX CREDIT

Willis

COST ESTIMATION TOOL

October 1, 2010 - The ABC Company

Employer Table

Input	Notes
0	Annual number of hours worked for all full-time employees (2,080 max/employee), part-time employees and seasonal/temporary employees[2 3]
$0	Total wages paid to employees included in hours worked
0	Number of full-time equivalents (rounded down to the nearest whole number). 25 or more eliminates eligibility
$0	Average annual wages (rounded down to the nearest $1,000). $50,000 or more eliminates eligibility
Arizona	Employer state
For Profit	Employer type

INCLUDE: All employees, including temporary and seasonal workers who have worked more than 120 days in a calendar year, and part time employees.

DO NOT INCLUDE: Owners and relatives of owners. Owners are: sole proprietors, partners in a partnership, any person owning 2% or more of a Sub-S corporations, or any person owning 5% or more of any other type of business. Relatives of an Owner are: spouse, child, grandchild, stepchild, sibling, parent, step parent, grandparent, step grandparent, uncle, aunt, nephew or niece, any "in-law", and any member of the Owner's household who would qualify as a "qualified relative" for purpose of being a tax dependent.

Current Rates[4 5 6 7 8]

Tier	Enrollment	Gross Monthly Rate	Employee Monthly Rate	Employer Monthly Rate	Max Eligible Rate	% Employer
Employee Only	0	$0.00	$0.00	$0.00	$374.58	0%
Employee + Family	0	$0.00	$0.00	$0.00	$853.25	0%

Results

Calendar Year	Eligible Premium	Max Credit	FTE Reduction	Wage Reduction	Credit Net Reductions
2010	$0	$0	$0	$0	$0
2011	$0	$0	$0	$0	$0
2012	$0	$0	$0	$0	$0
2013	$0	$0	$0	$0	$0
				Maximum Estimated Tax Credit (2010-2013)	**$0**

The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

SMALL BUSINESS TAX CREDIT

Willis

COST ESTIMATION TOOL

October 1, 2010 - The ABC Company

Notes

1) All employers treated as a single employer under a controlled group or a an affiliated service group are treated as a single employer for purpose of the Small Employer Tax Credit.

2) An hour of service is each hour an employee is paid, or entitled to be paid for the performance of duties, or entitled to pay for non-performance of duties in accordance with a vacation, holiday, illness or some other type of employer leave policy. (No more than 160 hours are counted for non-performance hours.)

3) An employer may use (a) actual hours of service from records, (b) a days worked equivalence crediting 8 hours for each day the employee would be credited with at least one (1) hour of service, or (c) a weeks-worked equivalency crediting 40 hours of service for each work week the employee would be credited with at least one (1) hours of service.

4) Only net premiums paid by the employer (not including any employee contributions) for health insurance coverage under a qualifying arrangement are counted. Any premiums paid under a salary reduction agreement under a cafeteria plan are not treated as employer contributions. State payments directly to an insurance company for coverage of an employee under employer provided health insurance are treated as being made on behalf of the employer. Premium payments made by a State are treated as employer contributions. An employer should further address this issue with their tax or legal counsel as to further application of State payments.

5) Eligible Premium is the amount paid by the employer, provided the employer pays at least 50% of all employee coverage. An employer's eligible premium contribution is capped at the average cost of health insurance for the small group market in their state (or an area of the state). If an employer pays 80% of the premium, then the amount that counts is limited to the same portion—80% of the average cost of health insurance in the state. For 2010, the average cost for the state small group market can be found at: http://www.irs.gov/pub/irs-drop/rr-10-13.pdf.

6) A qualifying arrangement is one under which the employer pays premiums for each employee enrolled in health insurance coverage in an amount equal to a uniform percentage, but not less than 50% of the premium cost of the coverage. 2010 transition relief: an employer paying an amount equal to 50 percent of the premium for single coverage for each employee enrolled in coverage will be deemed to satisfy the uniformity requirement for a qualifying arrangement as it pertains to the 2010 tax credit only. An employer must satisfy the requirements for a "qualifying arrangement" for 2011 and subsequent years in order to obtain the tax credit.

7) Health insurance coverage includes: medical, dental, vision, long-term care, nursing home care, or home health care. Health insurance plans are not aggregated for purposes of meeting the qualifying arrangement. The employer must separately satisfy the requirements for a qualifying arrangement with respect to each type of coverage, pay at least 50% of the premium for each type of coverage).

8) Premium payments are limited to the average premium for the small group market in the State in which the Employer offers coverage. The average premium does not apply separately to each type of coverage.

The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

PLAY OR PAY PROVISIONS

Willis

COST ESTIMATION TOOL

October 1, 2010 - The ABC Company

Employer Table

Month	Hours Worked[1]	# of Full Time Employees[2]	# of Full Time Equivalents[3]	Penalty Applicable	# Penalty Applied To[4]	Estimated Max Penalty
January	66,000	550	550	Yes	520	$86,667
February	66,000	550	550	Yes	520	$86,667
March	60,000	500	500	Yes	470	$78,333
April	60,000	500	500	Yes	470	$78,333
May	60,000	500	500	Yes	470	$78,333
June	60,000	500	500	Yes	470	$78,333
July	60,000	500	500	Yes	470	$78,333
August	60,000	500	500	Yes	470	$78,333
September	60,000	500	500	Yes	470	$78,333
October	66,000	550	550	Yes	520	$86,667
November	66,000	550	550	Yes	520	$86,667
December	66,000	550	550	Yes	520	$86,667
					Estimated Max Annual Penalty	$981,667

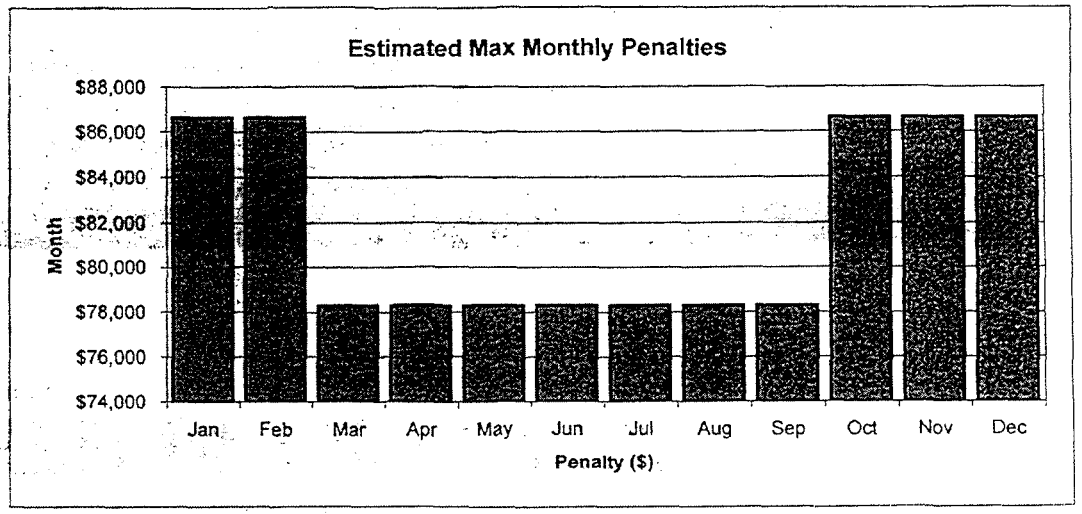
Notes

1) Hours worked includes the total of all hours paid for full-time employees, part-time employees and seasonal employees **(no more than 30/week, or 120/month per employee)**.

2) # of full-time employees includes all employees averaging 30 hours or more per week, including part-time and seasonal employees.

3) The penalty will be the lesser of $3,000 * the # of FTEs receiving federal assistance or $2,000 * the # of FTEs (less the first 30). The penalty calculated above is the maximum because it assumes all employees are eligible and accessing the exchange.

4) Eligibility is determined on a month-by-month basis. The penalty is not applicable to the first 30 full-time employees.



The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

CADILLAC PLAN EXCISE TAX

Willis

COST ESTIMATION TOOL

October 1, 2010 - The ABC Company

Core Plan — Plan Name

Employer Profile

Apply	Question	Notes
No	High Risk Occupation	Click to see list of high risk occupations
No	Early Retirees	For retirees age 55-64 (not Medicare eligible)
No	Older Workers	Pending regulations *may* specify higher thresholds
No	Higher Female Content	Pending regulations *may* specify higher thresholds
No	Multiple Employer Collectively Bargained	The single threshold does not apply to multiple employer collectively bargained plans

Current Medical Rates and Enrollment (Do not Include Dental or Vision)

Tier	Enrollment	Monthly Rate	Annual Employer HSA Funding
Employee Only	350	$600.00	$0
Employee + Family	150	$1,400.00	$0
Monthly Total (All Tiers)	500	$840.00	$0.00
Monthly Total (Family Tiers)	150	$1,400.00	$0.00

Last date these rates are effective (e.g. 12/31/2010)	12/31/2010
Maximum FSA Contribution	$0

Assumptions and Display Options

40.0%	Excise Tax Rate
7.0%	Employer Trend Rate Assumption (applies in all years)
3.0%	General Inflation Rate Assumption (applies after 2018)
Annual	Display option for illustrating premium and threshold amounts

The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

CADILLAC PLAN EXCISE TAX

COST ESTIMATION TOOL

October 1, 2010 - The ABC Company

Projected Premiums and Excise Tax Threshold Amounts, With HSA but no FSA							
	Annualized Premium Projection				Threshold Amounts*		Annual
Calendar Year	Employee Only	Employee + Family			Single	Family	Excise Tax(40%)
2010	7,200	16,800					
2011	7,704	17,976					
2012	8,243	19,234					
2013	8,820	20,581					
2014	9,438	22,021					
2015	10,098	23,563					
2016	10,805	25,212					
2017	11,562	26,977					
2018	12,371	28,866			10,200	27,500	385,863
2019	13,237	30,886			10,506	28,325	535,994
2020	14,163	33,048			10,821	29,175	700,327
2021	15,155	35,362			11,146	30,050	879,968

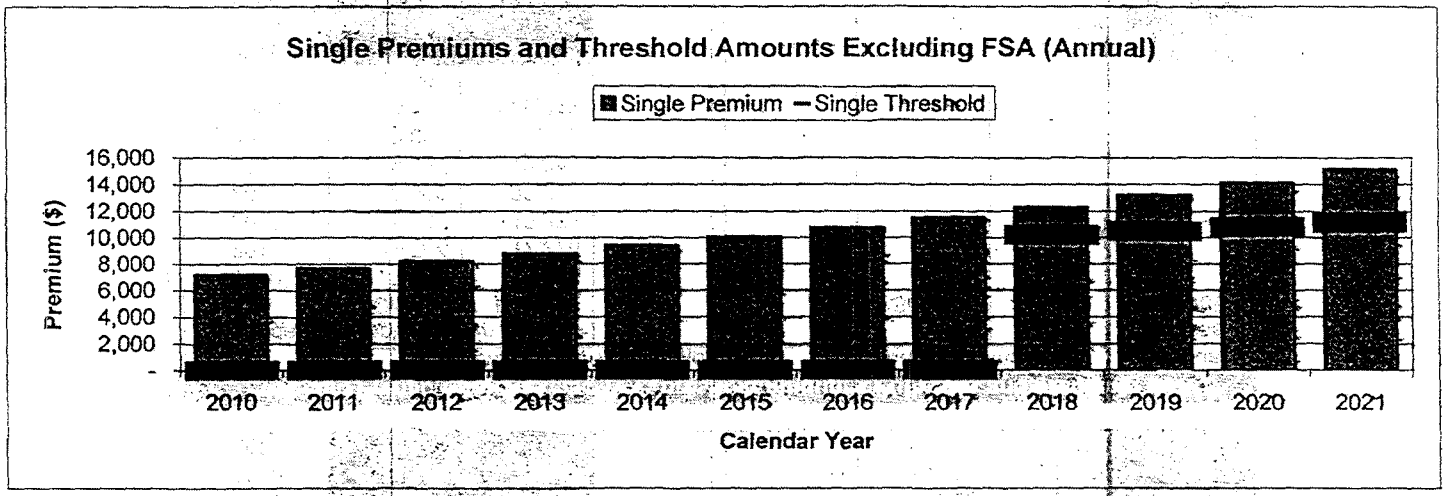
Projected Premiums and Excise Tax Threshold Amounts, With HSA and Maximum FSA							
	Annualized Premium Projection				Threshold Amounts*		Annual
Calendar Year	Employee Only	Employee + Family			Single	Family	Excise Tax(40%)
2010	7,200	16,800					
2011	7,704	17,976					
2012	8,243	19,234					
2013	8,820	20,581					
2014	9,438	22,021					
2015	10,098	23,563					
2016	10,805	25,212					
2017	11,562	26,977					
2018	12,371	28,866			10,200	27,500	385,863
2019	13,237	30,886			10,506	28,325	535,994
2020	14,163	33,048			10,821	29,175	700,327
2021	15,155	35,362			11,146	30,050	879,968

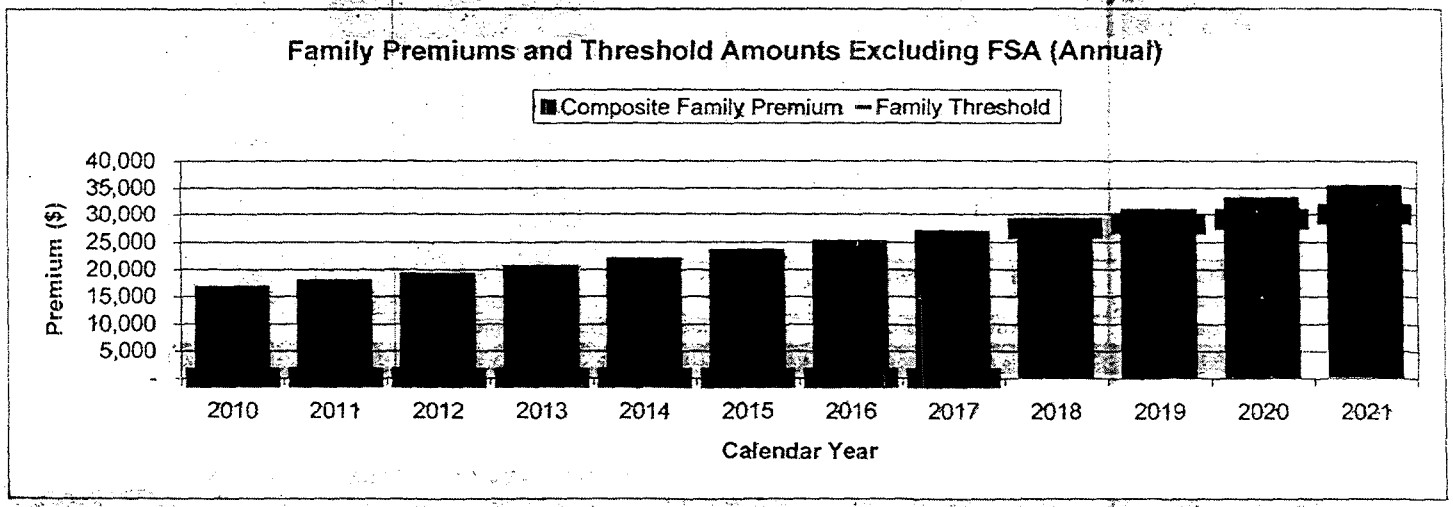
*The annual 2018 Threshold Amounts are $10,200 for Single and $27,500 for Family. The Threshold Amounts increase by general inflation (assumed to be 3.0%) beginning 2019.

The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

CADILLAC PLAN EXCISE TAX
COST ESTIMATION TOOL

October 1, 2010 - The ABC Company





The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

DEFINITION & GUIDELINES

Willis

GRANDFATHERED STATUS

October 1, 2010 - The ABC Company

Why is Grandfathered Status Important?

PPACA requires that insurers and plan sponsors modify their coverage to comply with significant new insurance market reforms, many of which are effective the first plan year on or after September 23, 2010 (e.g., January 1, 2011 for calendar year plans).

How Does a Grandfathered Status Affect Cost?

Generally, a grandfathered plan will be exempt from certain insurance market reform provisions of PPACA, including requirements related to preventive care, internal and external review, nondiscrimination based on income, choice of providers, emergency care, clinical trials, cost sharing and deductibles, guaranteed issue/renewal, and rating restrictions.

What Defines a Grandfathered Status?

To be a grandfathered plan, the policy or group health plan must have had at least one individual enrolled in coverage on March 23, 2010, and the policy or plan must have continuously covered someone since March 23, 2010 (even if not the same individuals).

Maintaining Grandfathered Status:

The following permissible changes are interpreted from the interim regulations and are provided for guidance only.

Permissible Changes[1]
Changes to a policy or plan's premium
Changes required to comply with federal or state law
Changes to voluntarily comply with provisions of PPACA
An increase to benefits
Changes to a plan's third party administrator
Changes to plan structure
Changes to a provider network
Changes to a prescription drug formulary
A change in the contract or policy of insurance

Non-Permissible Changes[2]
Elimination of benefit to treat/diagnose a particular condition
Increase in Coinsurance by any percentage
Increase in Ded or OOP Max by Med Inflation + 15%
Increase in Copays by the greater of $5 or Med Inflation + 15%
Decrease in Employer Contribution by more than 5%
Changes in Annual Limits
Decrease in annual limits

The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

DEFINITION & GUIDELINES

Willis

GRANDFATHERED STATUS

October 1, 2010 - The ABC Company

Notes:

1) It is unclear whether changes to plan structure, changes to provider network, and changes to prescription drug formulary will affect grandfather status.

2) According to the interim final regulations, medical inflation means the increase since March 2010 in the overall medical care component of the Consumer Price Index for All Urban Consumers (CPI-U) (unadjusted) published by the Department of Labor using the 1892-1984 base of 100. The month used can be any of the 12 months prior to the renewal month when the change takes effect (A renewal date of August 2010 could use the CPI-U number from any month between August 2009 - July 2010).

8/1/2010	**Lookup Month (Data published several weeks after month-end)**
Link:	http://www.bls.gov/cpi/cpid1008.pdf
	Look for "Medical care" under : Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category and commodity and service group
387.142	**March 2010 CPI-U (unadjusted)**
388.467	**August 2010 CPI-U (unadjusted) - Input based on desired link**
0.3%	**Medical Inflation through August 2010**

Historical Inflation Table:

Month	Inflation
Apr-10	0.1%
May-10	0.2%
Jun-10	0.3%
Jul-10	0.2%
Aug-10	0.3%

The information above is not intended to represent legal or tax advice. The cost estimates are estimates only. Employers may wish to consult their attorney or tax adviser regarding issues in this publication.

NOTES & DISCLAIMERS

Willis

IMPACTS OF REFORM

October 1, 2010 - The ABC Company

Notes & Disclaimers:

The cost estimations provided throughout this document are based on an interpretation of the published regulations as of the last version update. These estimates are provided for high-level planning and guidance purposes and are intended for use as such.

Due to unknown variables which can exist at the time these projections are performed, Willis cannot and does not guarantee any final outcomes.

No part of this document is intended to constitute legal advice and should not be treated as such. Employers are encouraged to engage their attorney with any legal questions surrounding the impact of Health Care Reform.

No part of this document is intended to constitute financial advice and should not be treated as such.

If any part of this document conflicts with data published by the United States Government, the Government documentation will always supersede this document.

EMPLOYEE BENEFITS COMMUNICATION ONDEMAND SAMPLES

Willis

SAMPLE ONDEMAND CAMPAIGN MATERIALS

FEATURES:

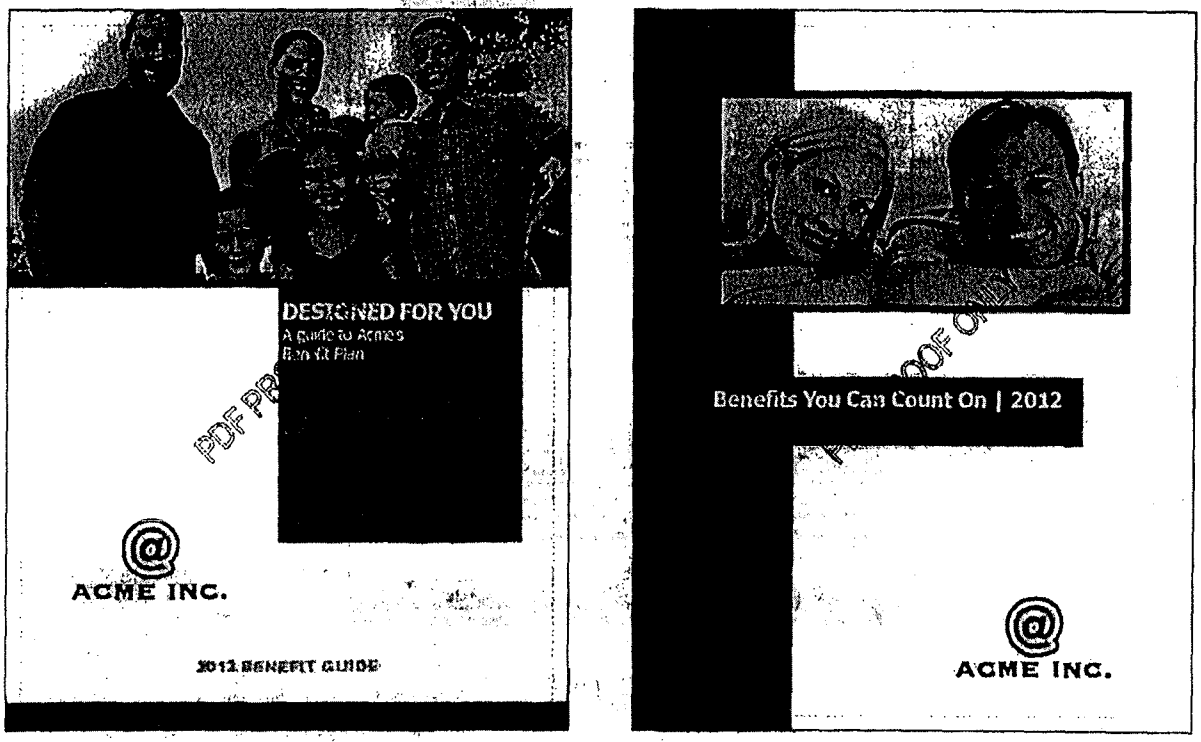
- Template-based materials produce a quality campaign with a customized look and feel
- Several templates available to accommodate a wide range of benefit programs
- Benefit guides, plan summaries, posters, contact cards, catalog envelopes
- Customized for your organization's plan information, messaging, colors and logo
- Design, layout and images are pre-set
- Concise format
- Most cost and time-efficient production

ONDEMAND SAMPLE PIECES

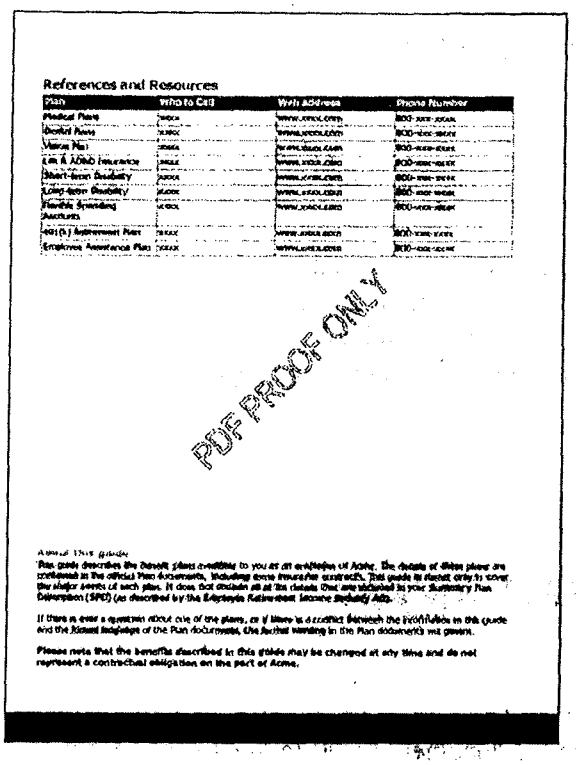
Document Builder

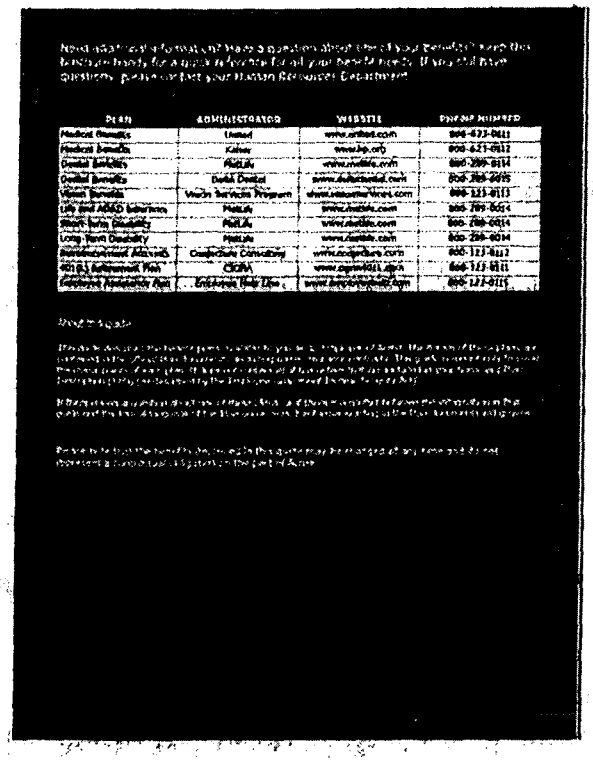
Create documents from 2-pages up to 32-pages. Select and arrange document pages to meet your needs.

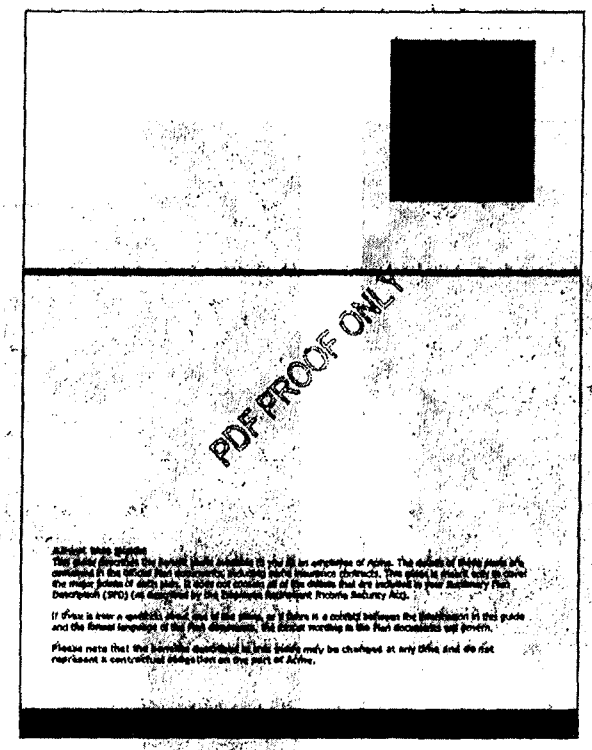
- COVER OPTIONS—2 FRONT / 3 BACK



FRONT COVER OPTIONS



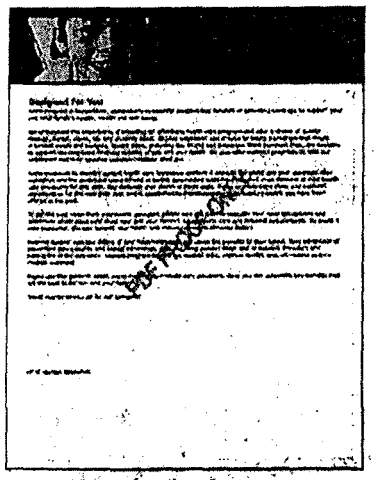




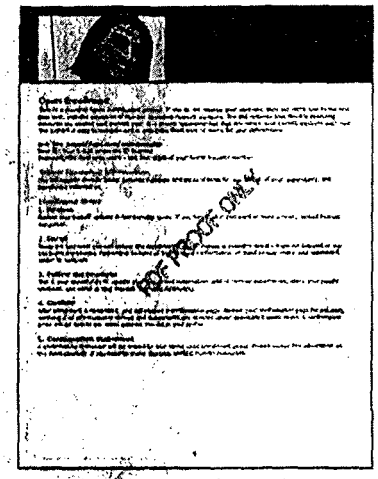
BACK COVER OPTIONS

28 MISCELLANEOUS PAGES INCLUDING:

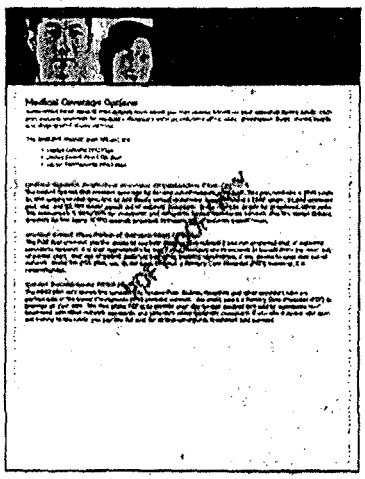
- Benefits
- Enrollment Information
- Introduction letter
- Legal Notices
- Blank (formatted pages to use as needed)
- Cost



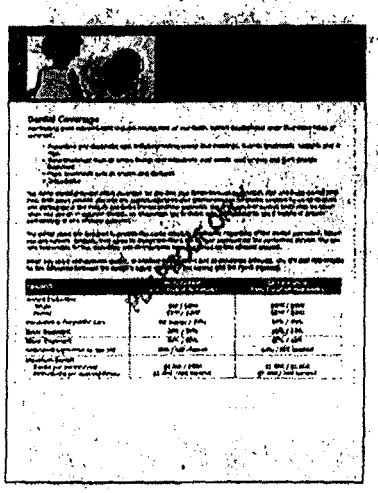
Introduction Letter



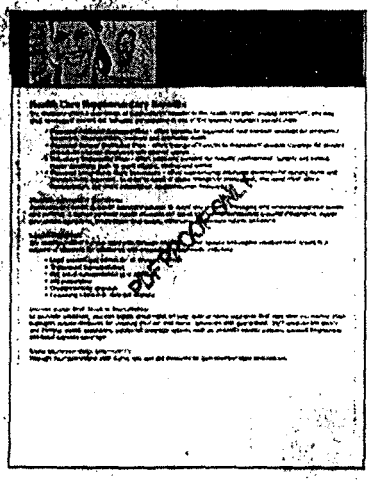
Enrollment Information



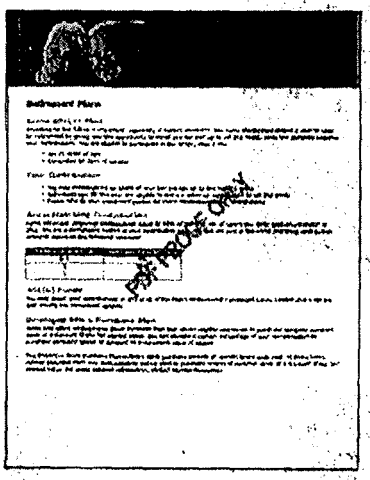
Medical Coverage



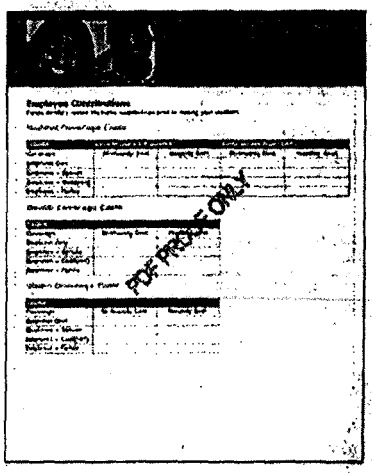
Dental Coverage



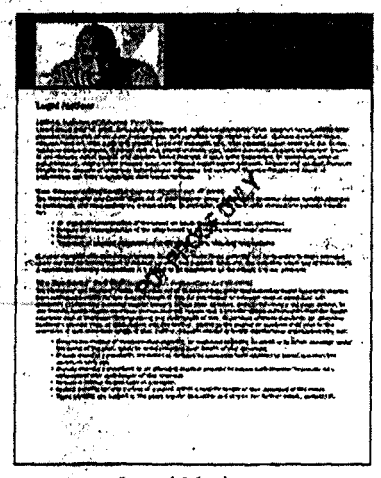
Voluntary Benefits



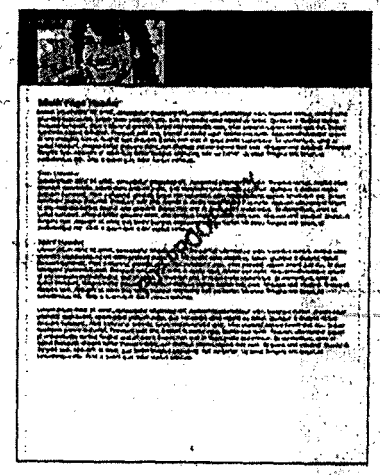
Retirement Plan



Costs



Legal Notices



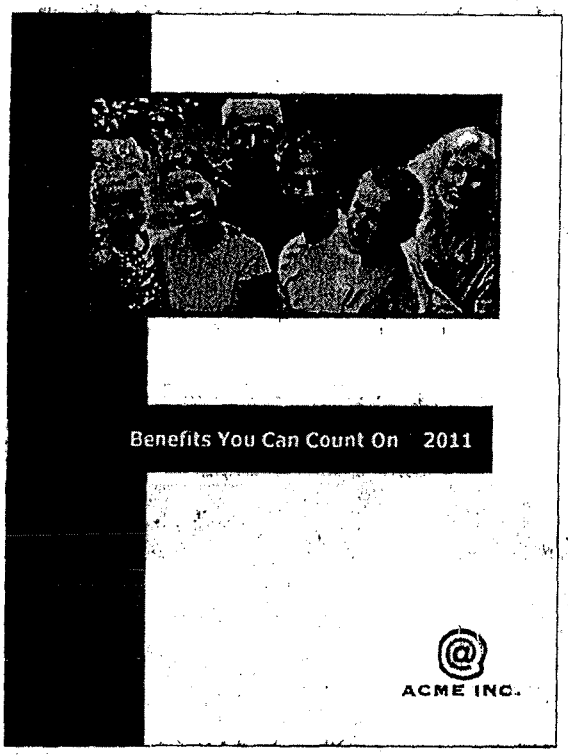
Blank Page

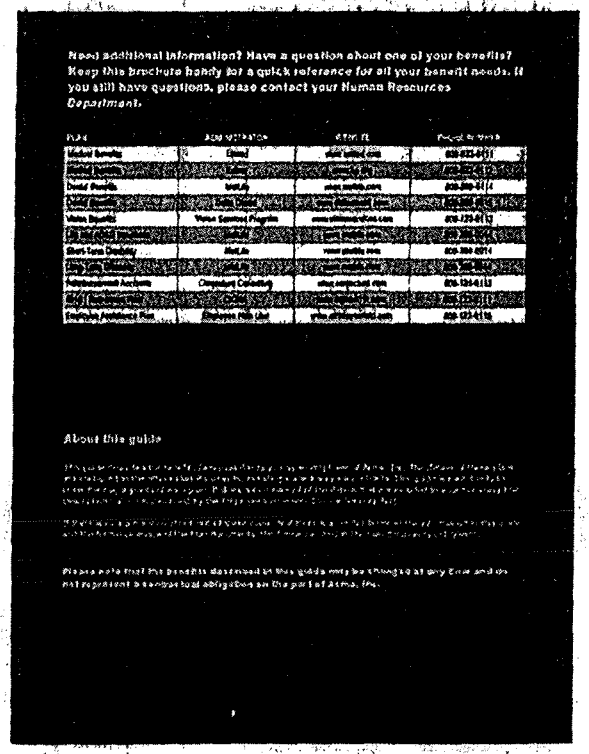
Standard Pieces

Create documents from templates with set page layout, size, and content. Two different design sets available.

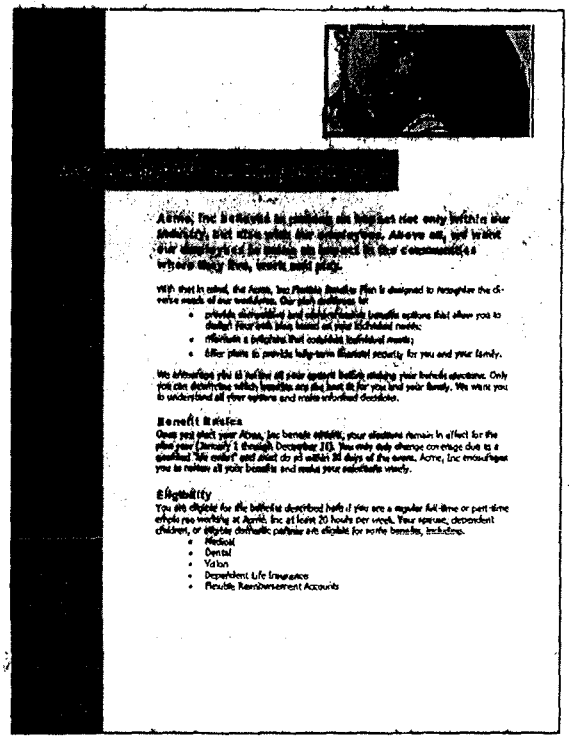
Additional Design Set

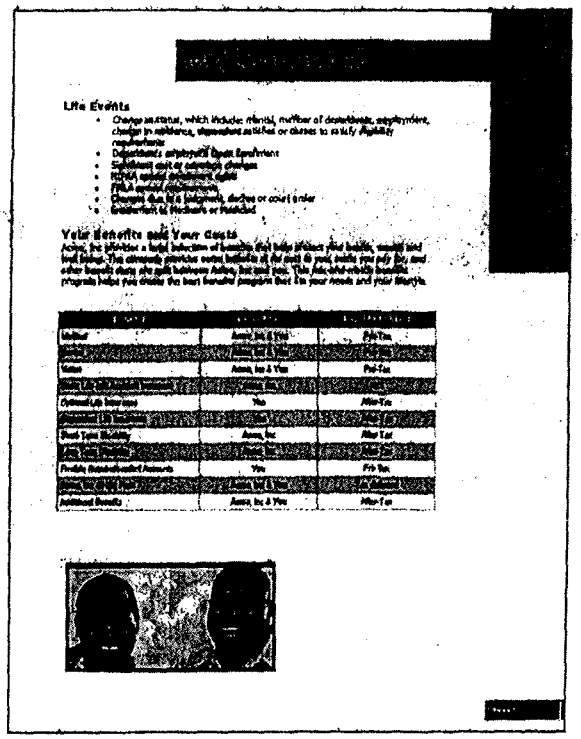
- 8-PAGE BOOK:





COVER PAGES







Acme, Inc provides the following benefits to all eligible employees. Upon meeting eligibility, you are automatically enrolled in these benefits at no cost.

Basic Life Insurance
- 1 x your salary (maximum benefit of $50,000, maximum benefit of $10,000)

Business Travel Accident Insurance
- Provides 24-hour worldwide business travel protection
- Payable benefit determined by annual base earnings and type of loss

Short-Term Disability Insurance
- Covers 60% of weekly base salary
- Weekly maximum benefit of $1,000
- Benefit begins on the 31st day of injury or illness
- Available after one year of service

Long-Term Disability Insurance
- Covers 66 2/3% monthly base salary
- Monthly maximum benefit of $15,000
- Benefit begins after 90 days of disability

Employee Assistance Program (EAP)
- 24-hour resource for counseling and support services for you and your immediate family on a range of topics including emotional distress, substance abuse and work issues
- Child care, elder care, legal, financial and educational service referrals

Customizing Your Plan

You have the opportunity to build a benefits plan that meets your needs and the needs of your family. Acme, Inc is committed to providing a range of benefits from which you can choose. You are responsible for a percentage of, or the total cost of these benefits

- Medical Coverage
- Vision Coverage
- 401(k) Retirement Plan
- Additional Benefits
- Dental Coverage
- Optional & Dependent Life
- Flexible Reimbursement Accounts



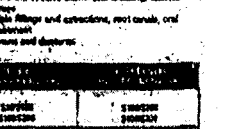
Taking care of your teeth and eyes is as important to taking care of the rest of your body. That's why Acme, Inc offers dental and vision plans that cover routine check-ups and additional services needed for your health.

Dental Benefits

Acme, Inc's Dental Plans cover four main types of expenses:
- Preventive and diagnostic care like routine exams and cleaning; fluoride treatments, sealants and X-rays
- Basic treatment such as simple fillings and extractions, root canals, oral surgery and gum disease treatment
- Major treatment such as crowns and dentures
- Orthodontia

Vision Benefits

You can choose from the following vision plans:



Optional Life Insurance

Flexible Reimbursement Accounts

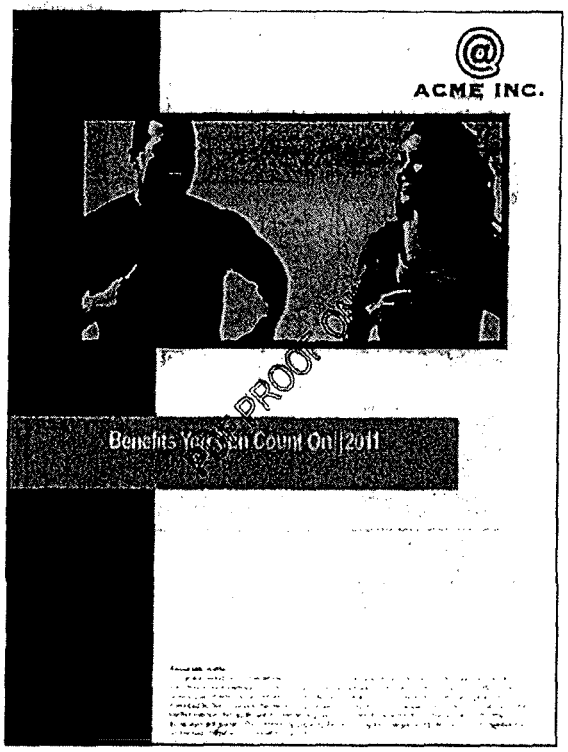
401(k) Retirement Plan

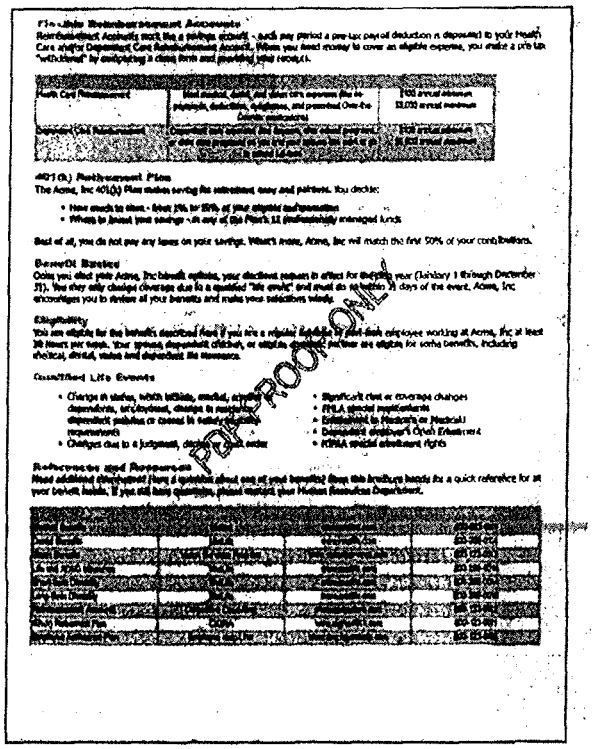
- How much to save - from 1% to 15% of your eligible compensation
- Where to invest your savings - in any one or all of the Plan's 12 professionally managed funds

Additional Benefits

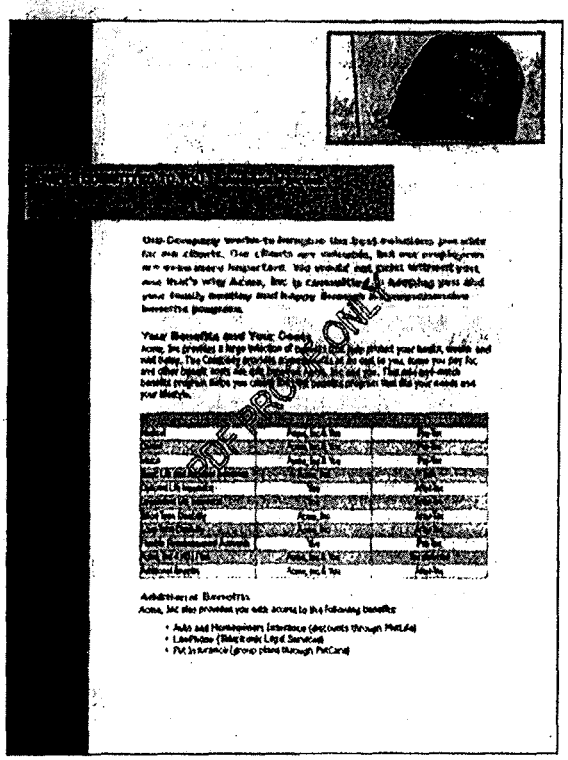
Acme, Inc also provides you access to the following benefits:
- Auto and Homeowners Insurance
- Long Term Care Insurance
- Pet Insurance

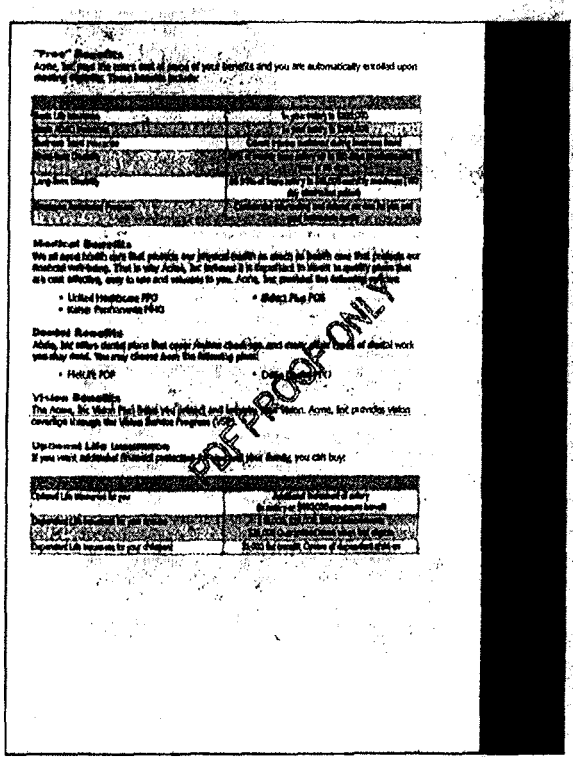
- 4-PAGE PLAN BOOK



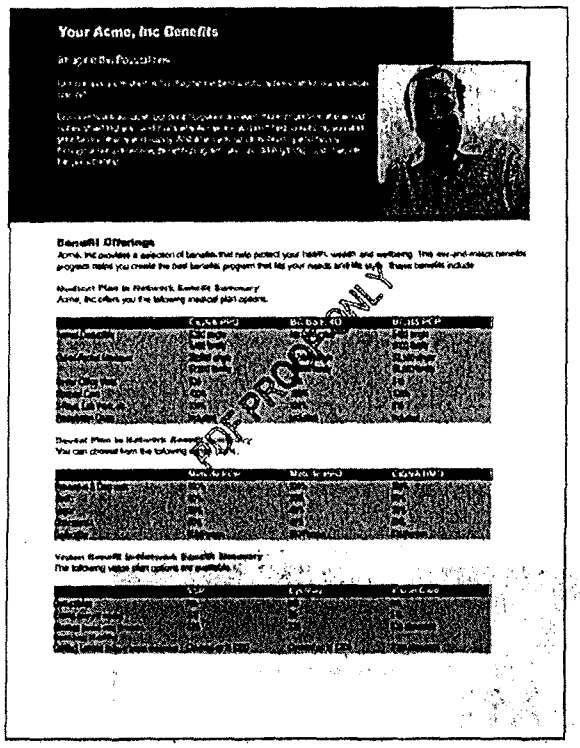


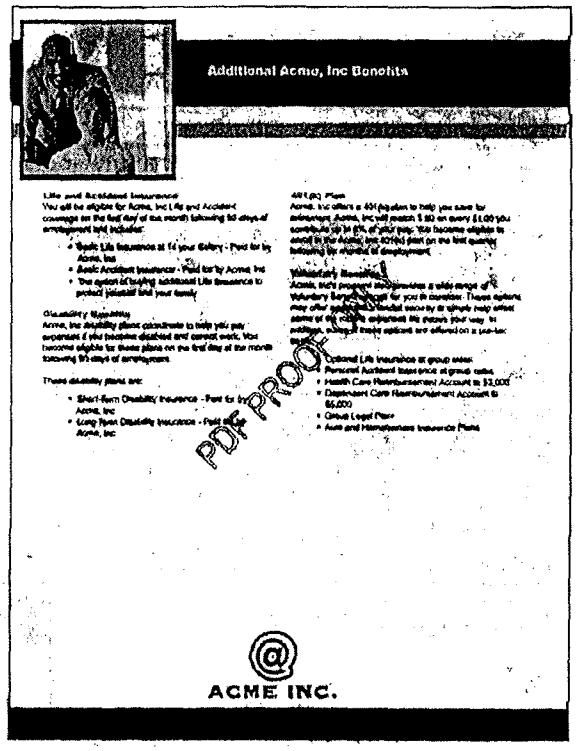
COVER PAGES



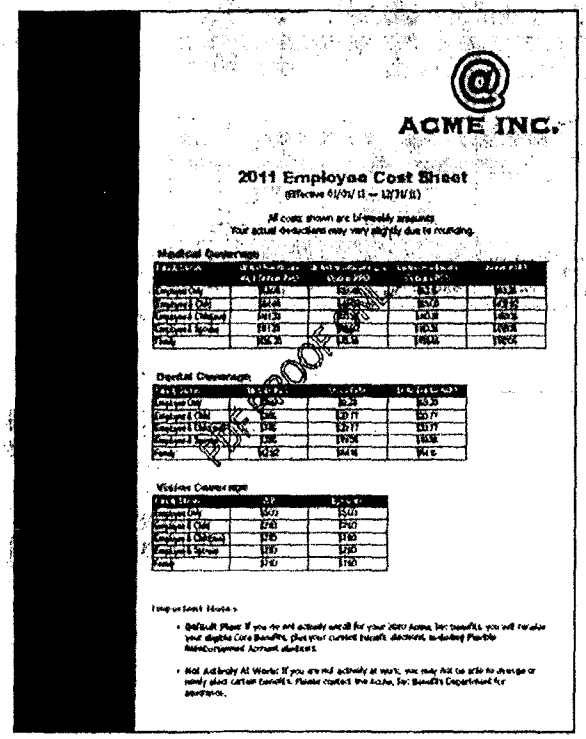


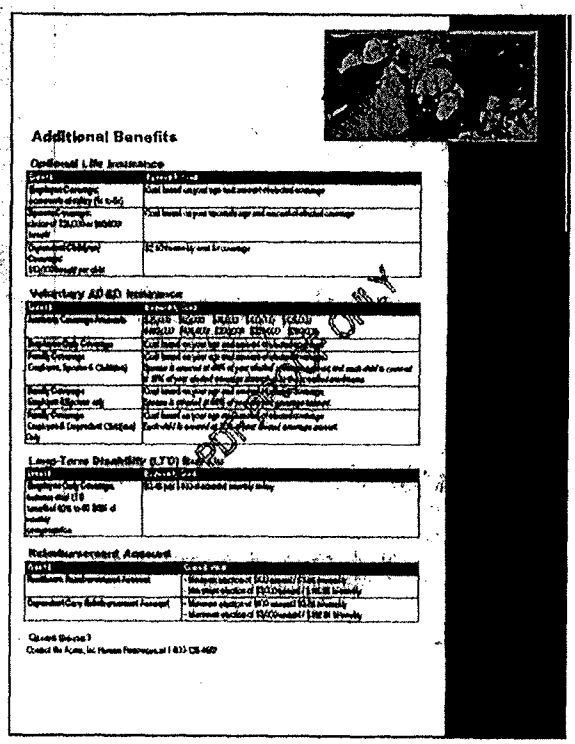
- 2-PAGE PLAN OVERVIEW



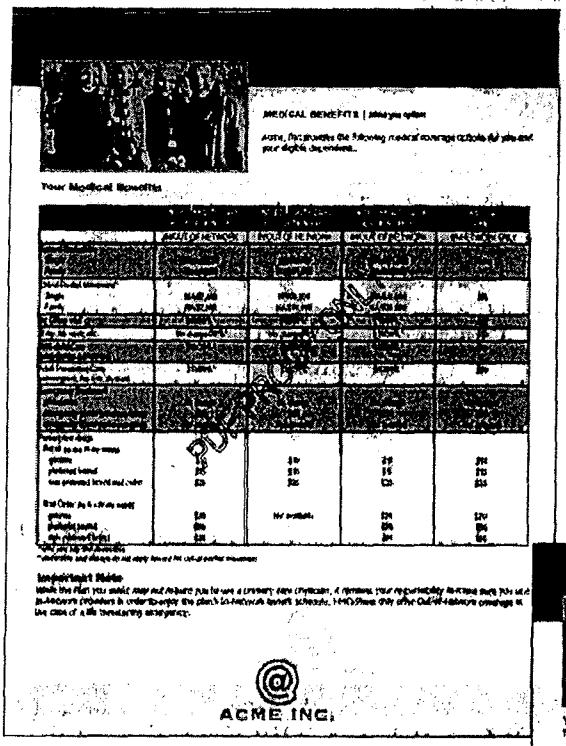


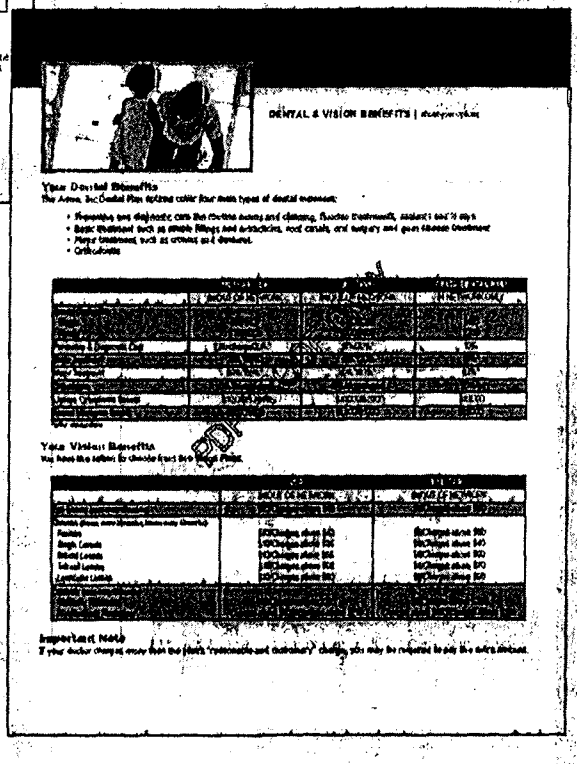
- COST SHEET



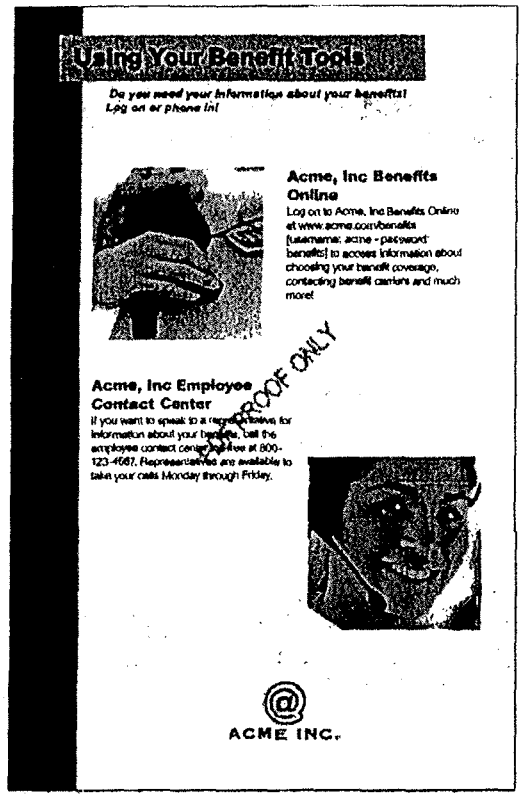


- 2-PAGE PLAN SUMMARY INSERT

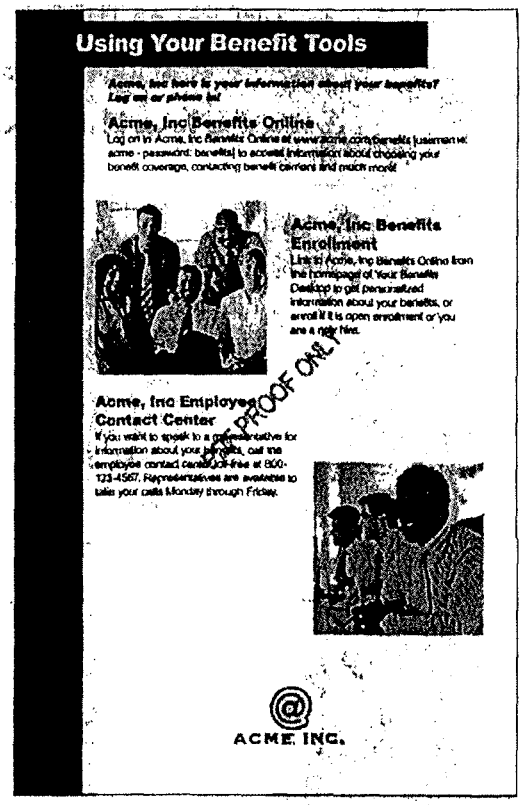




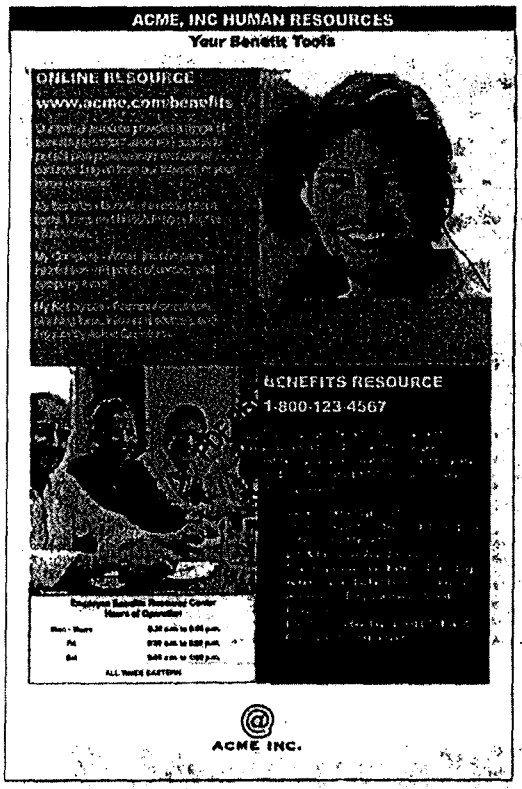
- POSTER 11X17: (3 VERSIONS)



2-TIER POSTER



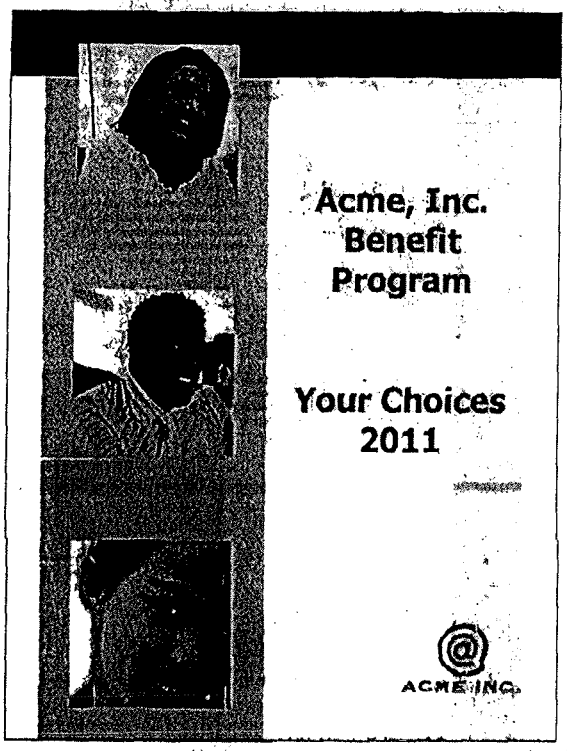
3-TIER POSTER

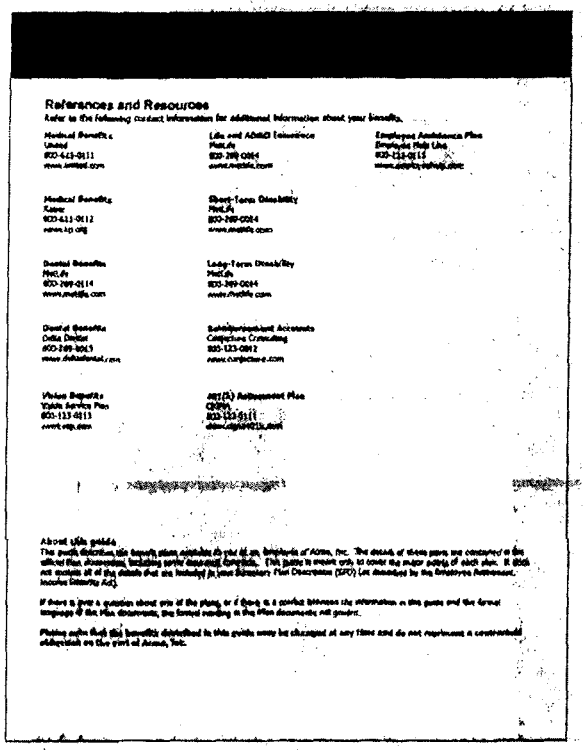


BENEFIT CONTACT POSTER

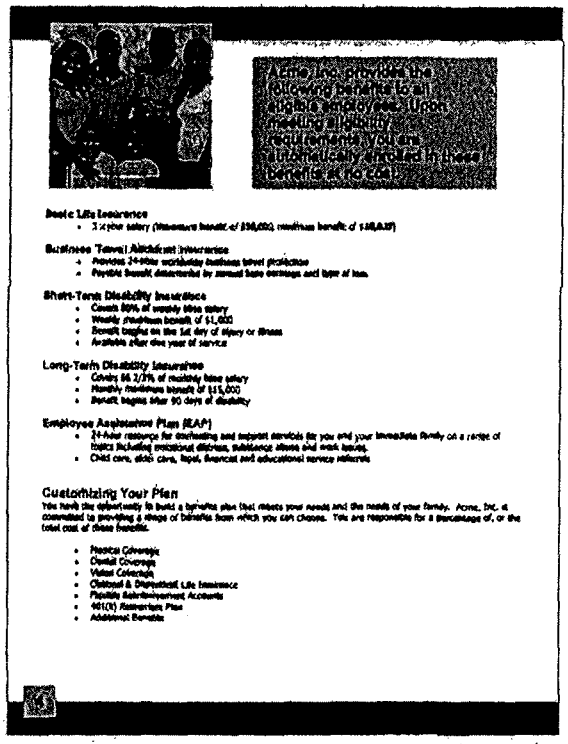
"Square" Design Set

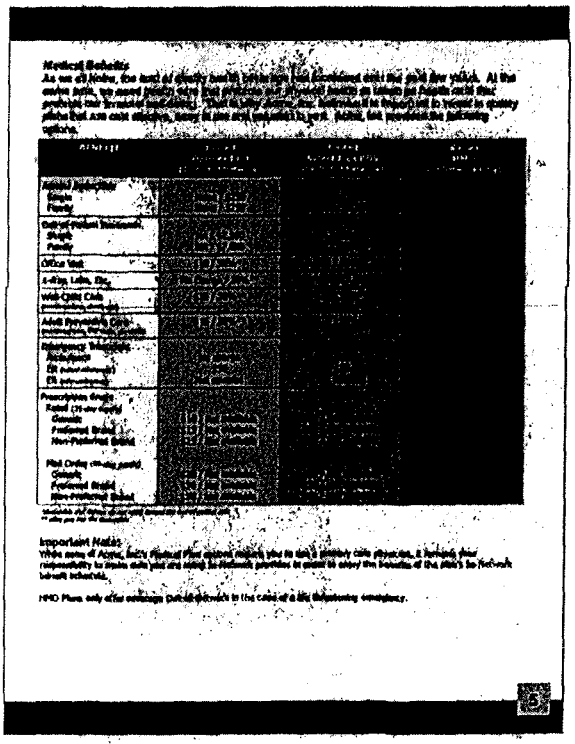
(CONTAINS THE SAME COMPONENTS AS THE "TRADITIONAL" SET)





COVER PAGES

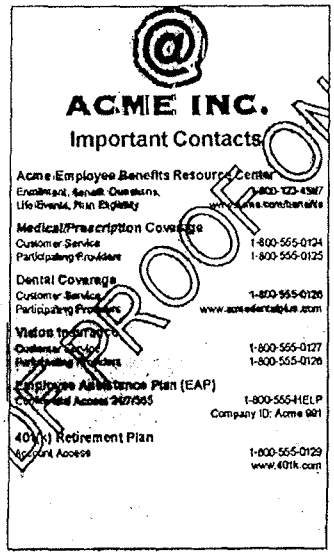




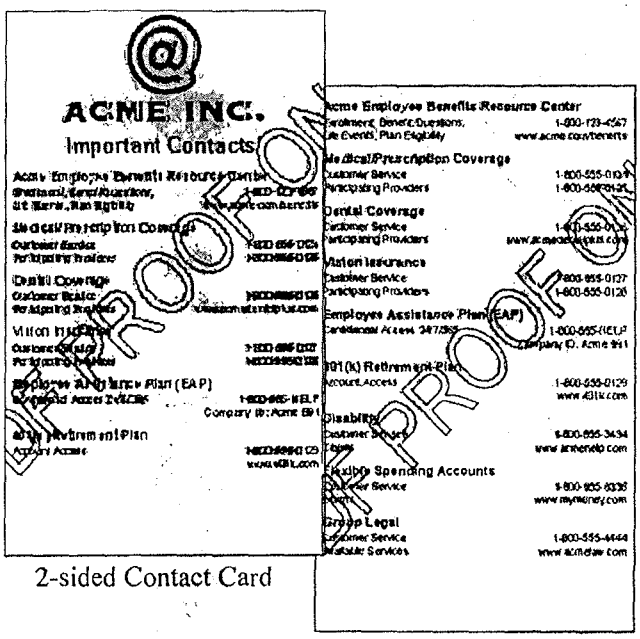
INSIDE PAGE SPREAD

Ancillary Pieces

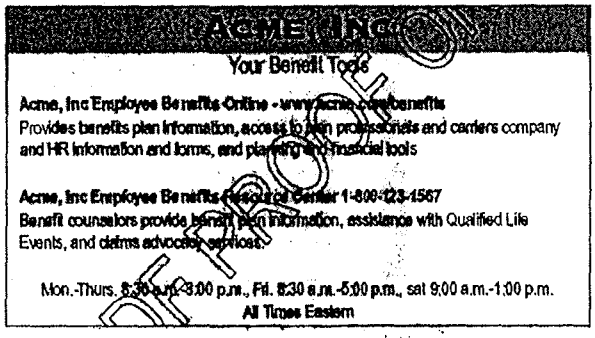
- WALLET CARD (3 VERSIONS):



1-sided Contact Card

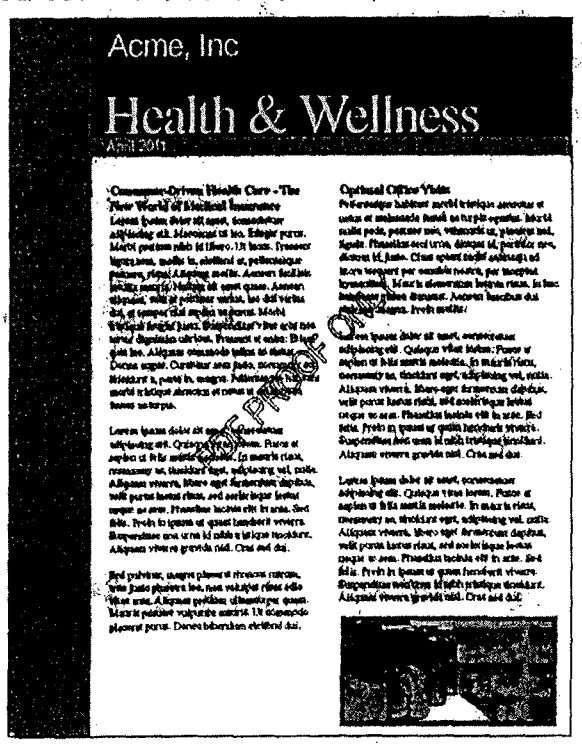


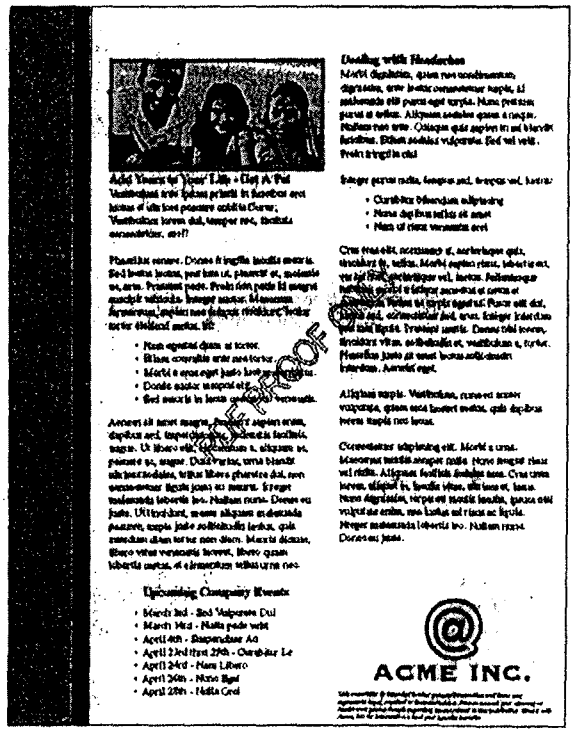
2-sided Contact Card



1-sided Benefit Card

- 2-PAGE OR 4-PAGE NEWSLETTER

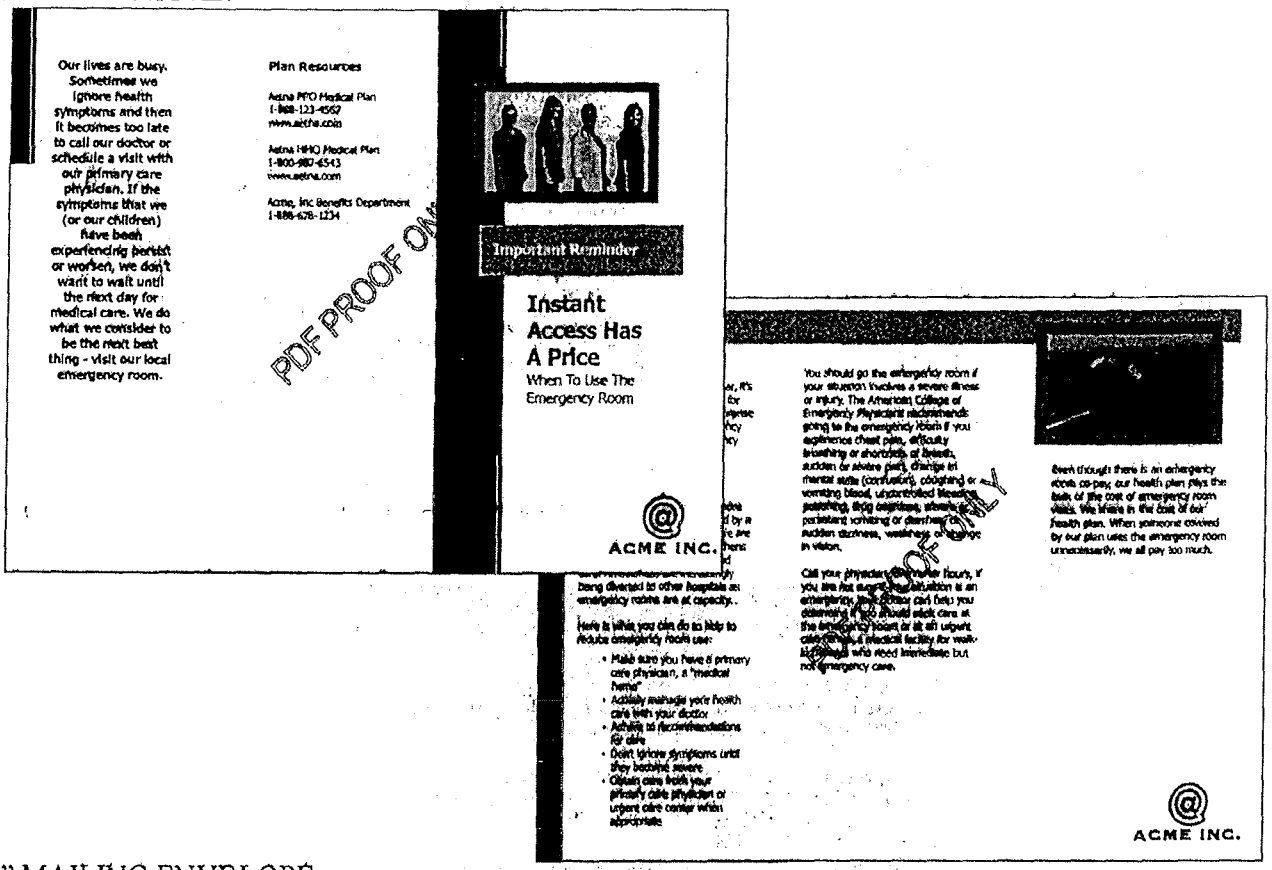




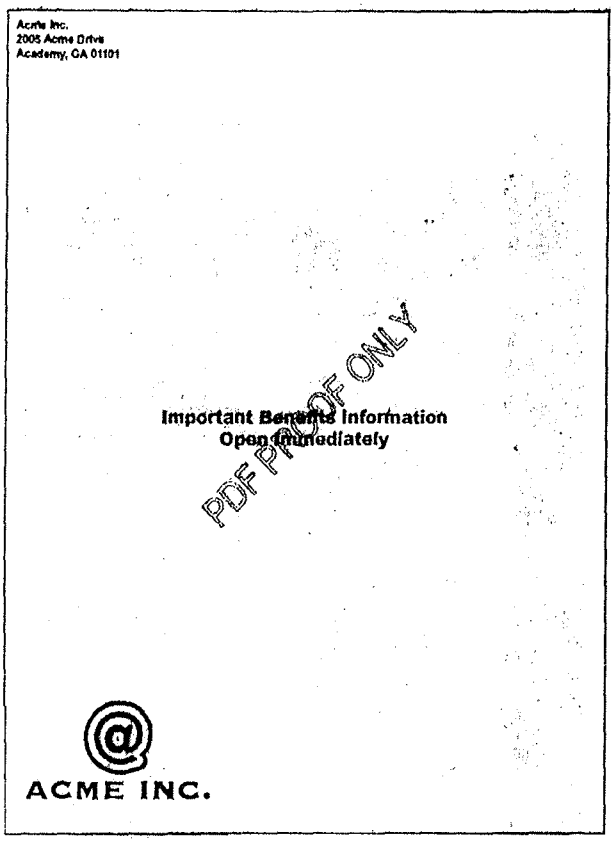
PROOF OF PRINT
PROOF

Ancillary Pieces

- TRIFOLD BROCHURE:



- 9 X 12" MAILING ENVELOPE





PROOF OF

Benefits You Can Count On | 2012

ACME INC.



OUR COMMITMENT TO YOU | a plan designed for your needs

Acme Inc. believes in making an impact not only within our industry, but also with our employees. Above all, we want our employees to make an impact in the communities where they live, work and play.

With that in mind, the Acme Inc. Flexible Benefits Plan is designed to recognize the diverse needs of our workforce. Our plan continues to:

- provide competitive and comprehensive benefits options that allow you to design your own plan based on your individual needs;
- maintain a program that considers individual needs;
- offer plans to provide long-term financial security for you and your family.

We encourage you to review all your options before making your benefit elections. Only you can determine which benefits are the best fit for you and your family. We want you to understand all your options and make informed decisions.

PREVIEW ONLY

Benefit Basics

Once you elect your Acme Inc. benefit options, your elections remain in effect for the plan year (January 1 through December 31). You may only change coverage due to a *qualified "life event" and must do so within 30 days of the event. Acme Inc. encourages* you to review all your benefits and make your selections wisely.

Eligibility

You are eligible for the benefits described here if you are a regular full-time or part-time employee working at Acme Inc. at least 20 hours per week. Your spouse, dependent children, or eligible domestic partner are eligible for some benefits, including:

- Medical
- Dental
- Vision
- Dependent Life Insurance
- Flexible Reimbursement Accounts

Life Events

- Change in status, which include: marital, number of dependents, employment, change in residence, dependent satisfies or ceases to satisfy eligibility requirements
- Dependent's employer's Open Enrollment
- Significant cost or coverage changes
- HIPAA special enrollment rights
- FMLA special requirements
- Changes due to a judgment, decree or court order
- Entitlement to Medicare or Medicaid

Your Benefits and Your Costs

Acme Inc. provides a large selection of benefits that help protect your health, wealth and well being. The company provides some benefits at no cost to you, some you pay for, and other benefit costs are split between Acme Inc. and you. This mix-and-match benefits program helps you create the best benefits program that fits your needs and your lifestyle.

BENEFIT	WHO PAYS?	PRE-TAX BENEFIT
Medical	Acme Inc. & You	Pre-Tax
Dental	Acme Inc. & You	Pre-Tax
Vision	Acme Inc. & You	Pre-Tax
Basic Life and Accident Insurance	Acme Inc.	N/A
Optional Life Insurance	You	After-Tax
Dependent Life Insurance	You	After-Tax
Short-Term Disability	Acme Inc.	After-Tax
Long-Term Disability	Acme Inc.	After-Tax
Flexible Reimbursement Accounts	You	Pre-Tax
Acme Inc. 401(k) Plan	Acme Inc. & You	Tax deferred
Additional Benefits	Acme Inc. & You	After-Tax

SAMPLE
Proof





YOUR BENEFITS | core benefit solutions that work for you

Acme Inc. provides the following benefits to all eligible employees. Upon meeting eligibility, you are automatically enrolled in these benefits at no cost.

PROOF ONLY

Basic Life Insurance

- 1 x your salary (maximum benefit of $50,000, minimum benefit of $10,000)

Business Travel Accident Insurance

- Provides 24-hour worldwide business travel protection
- Payable benefit determined by annual base earnings and type of loss

Short-Term Disability Insurance

- Covers 60% of weekly base salary
- Weekly maximum benefit of $1,000
- Benefit begins on the 31st day of injury or illness
- Available after one year of service

Long-Term Disability Insurance

- Covers 66 2/3% monthly base salary
- Monthly maximum benefit of $15,000
- Benefit begins after 90 days of disability

Employee Assistance Program (EAP)

- 24-hour resource for counseling and support services for you and your immediate family on a range of topics including emotional distress, substance abuse and work issues
- Child care, elder care, legal, financial and educational service referrals

Customizing Your Plan

You have the opportunity to build a benefits plan that meets your needs and the needs of your family. Acme Inc. is committed to providing a range of benefits from which you can choose. You are responsible for a percentage of, or the total cost of these benefits.

- Medical Coverage
- Vision Coverage
- 401(k) Retirement Plan
- Additional Benefits
- Dental Coverage
- Optional & Dependent Life Insurance
- Flexible Reimbursement Accounts

As we all know, the cost of quality health coverage has increased over the past few years. At the same time, we need health care that protects our physical health as much as health care that protects our financial well-being. That is why Acme Inc. believes it is important to invest in quality plans that are cost effective, easy to use and valuable to you. Acme Inc. provides the following options:

BENEFIT	UNITED OPTIONS PPO (IN/OUT OF NETWORK)	UNITED SELECT PLUS POS (IN/OUT OF NETWORK)	KAISER HMO (IN NETWORK ONLY)
Annual Deductible			
Single	None/$250	None/$500	None
Family	None/$750	None/$1,000	None
Out-of-Pocket Maximum*			
Single	NA/$2,500	NA/$10,000	$1,500
Family	NA/$7,500	NA/$30,000	$2,000
Office Visit	$10/30%**	$10/50%**	$5
X-ray, Labs, Etc.	No Charge/30%**	No charge/50%**	No charge
Well-Child Care (immunizations, check-ups)	$10/30%**	$10/50%**	$5
Adult Preventive Care (Mammograms, PAP tests, Physicals)	$10/30%**	$10/50%**	$10
Emergency Treatment			
Ambulance	No charge	No charge	No charge
ER (actual emergency)	$50	$50	$50
ER (non-emergency)	Not covered	Not covered	Not covered
Prescription drugs			
Retail (31-day supply)			
Generic	$10/Not available	$10/Not available	$5
Preferred Brand	$15/Not available	$15/Not available	$10
Non-Preferred Brand	$25/Not available	$25/Not available	$15
Mail Order (90-day supply)			
Generic	$20/Not available	$20/Not available	$20
Preferred Brand	$30/Not available	$30/Not available	$30
Non-Preferred Brand	$50/Not available	$50/Not available	$50

SAMPLE PROOF ONLY

** deductible and copays do not apply toward the out-of-pocket max*
*** after you pay the deductible*

Important Note

While the Plan you select may not require you to use a primary care physician, it remains your responsibility to make sure you are using In-Network providers in order to enjoy the benefits of the plan's In-Network benefit schedule.

HMO Plans only offer coverage Out-of-Network in the case of a life threatening emergency.



DENTAL & VISION BENEFITS || Keeping you healthy

Taking care of your teeth and eyes is as important as taking care of the rest of your body. That's why Acme Inc. offers dental and vision plans that cover routine check-ups and additional services needed for your health.

PROOF ONLY

Dental Benefits

Acme Inc.'s Dental Plans cover four main types of expenses:

- Preventive and diagnostic care like routine exams and cleaning, fluoride treatments, sealants and X-rays
- Basic treatment such as simple fillings and extractions, root canals, oral surgery and gum disease treatment
- Major treatment such as crowns and dentures
- Orthodontia

BENEFIT	METLIFE PDP (IN/OUT OF NETWORK)	DELTA DENTAL (IN/OUT OF NETWORK)
Annual Deductible Single Family	 $50/$100 $100/$200	 $100/$200 $100/$200
Preventive & Diagnostic Care	No charge/20%	10%/20%
Basic Treatment	20%/30%	10%/20%
Major Treatment	50%/50%	40%/40%
Orthodontia	50%/Not covered	40%/Not covered
Annual Maximum Benefit	$1000/$500	$1,500/$1,000

Vision Benefits

You can choose from the following vision plans.

BENEFIT	VSP (IN/OUT OF NETWORK)	EYE CARE (IN/OUT OF NETWORK)
Exams (every 12 months)	$10	$10
Glasses (frames every 24 months, lenses every 12 months)	$10	$10
Contacts (every 12 months) Medically Necessary Not Medically Necessary	 $10 charges above $105	 $10 charges above $105

These charts show how much you pay for certain products and services. Keep in mind, if your doctor charges more than the plan's "reasonable and customary" charge, you may be required to pay the extra amount.

Optional Life Insurance

If you want additional protection for you and your family, you can buy:

BENEFIT	AVAILABLE COVERAGE
Optional Life Insurance for you	Additional increment of salary 5x salary or $500,000 maximum benefit $100,000 Guaranteed Issue when first eligible
Dependent Life Insurance for your spouse	$10,000, $25,000, $50,000 $25,000 Guaranteed Issue when first eligible
Dependent Life Insurance for your child(ren)	$5,000 flat benefit Covers all dependent children

Flexible Reimbursement Accounts

Reimbursement Accounts work like a savings account - each pay period a pre-tax payroll deduction is deposited to your Health Care and/or Dependent Care Reimbursement Account. When you need money to cover an eligible expense, you make a pre-tax "withdrawal" by completing a claim form and providing proper documentation (pharmacy receipts, detailed bills or explanation of benefits [EOB]).

ACCOUNT	USE FOR	CONTRIBUTION
Health Care Reimbursement	Most medical, dental, and vision care expenses (like co-payments, deductibles, eyeglasses, and certain Over-the-Counter medications)	$100 annual minimum $3,000 annual maximum
Dependent Care Reimbursement	Dependent care expenses (i.e. daycare, after-school programs, or daycare programs) so you and your spouse can work or go to school full-time	$100 annual minimum $5,000 annual maximum

PROOF ONLY

401(k) Retirement Plan

The Acme Inc. 401(k) Plan makes saving for retirement easy and painless. You decide:

- How much to save - from 1% to 15% of your eligible compensation
- Where to invest your savings - in any one or all of the Plan's 12 professionally managed funds

Best of all, you do not pay any taxes on your savings. What's more, Acme Inc. will match the first 50% of your contributions. You will receive a plan information packet and enrollment form upon eligibility.

Additional Benefits

Acme Inc. also provides you access to the following benefits:

- Auto and Homeowners Insurance
- Long Term Care Insurance
- Pet Insurance

Need additional information? Have a question about one of your benefits? Keep this brochure handy for a quick reference for all your benefit needs. If you still have questions, please contact your Human Resources Department.

PLAN	ADMINISTRATOR	WEBSITE	PHONE NUMBER
Medical Benefits	United	www.united.com	800-623-0111
Medical Benefits	Kaiser	www.kp.org	800-623-0112
Dental Benefits	MetLife	www.metlife.com	800-289-0114
Dental Benefits	Delta Dental	www.deltadental.com	800-289-6015
Vision Benefits	Vision Services Program	www.visionservices.com	800-123-0113
Life and AD&D Insurance	MetLife	www.metlife.com	800-289-0014
Short-Term Disability	MetLife	www.metlife.com	800-289-0014
Long-Term Disability	MetLife	www.metlife.com	800-289-0014
Reimbursement Accounts	Conjecture Consulting	www.conjecture.com	800-123-0112
401(k) Retirement Plan	CIGNA	www.cigna401k.com	800-123-0111
Employee Assistance Plan	Employee Help Line	www.employeehelp.com	800-123-0115

About this guide

This guide describes the benefit plans available to you as an employee of Acme Inc.. The details of these plans are contained in the official Plan documents, including some insurance contracts. This guide is meant only to cover the major points of each plan. It does not contain all of the details that are included in your Summary Plan Description (SPD) (as described by the Employee Retirement Income Security Act).

If there is ever a question about one of these plans, or if there is a conflict between the information in this guide and the formal language of the Plan documents, the formal wording in the Plan documents will govern.

Please note that the benefits described in this guide may be changed at any time and do not represent a contractual obligation on the part of Acme Inc..

Willis

Office: (302) 658-8000
Toll Free: (800) 441-9385
Fax: (302) 658-8879
Website: willisofde.com / willis.com

April 15, 2014

City of Wilmington
Attention: Philip Ceresini
Department of Finance
Division of Procurement and Records
800 North French Street, 5th Floor
Wilmington, Delaware 19801

Dear Mr. Ceresini:

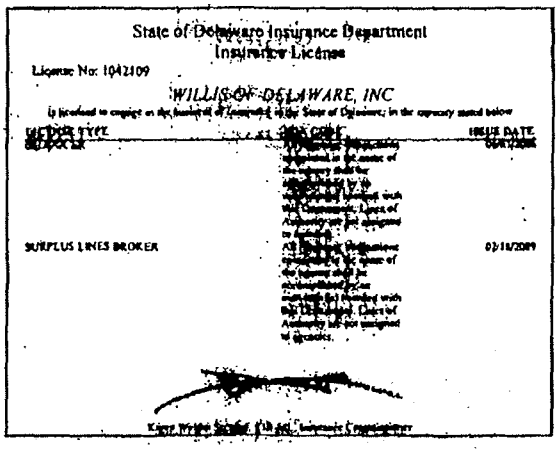
Willis of Delaware, Inc. holds all necessary insurance licensure to conduct business in the State of Delaware. In compliance with Section B, "Proposal Selection Criteria," question #1(d), Willis of Delaware, if awarded the City of Wilmington contract 15016HRPS, will obtain both valid State of Delaware and City Business licensure to meet necessary minimum requirements.

Sincerely,

E. Kent Evans
Senior Vice President, Human Capital
Willis of Delaware, Inc.

302-397-0171 (direct)
610-442-3895 (mobile)
kent.evans@willis.com

Willis of Delaware, Inc.
222 Delaware Avenue, Suite 1000
P.O. Box 2287
Wilmington, DE 19899


State of Delaware Insurance Department
Insurance License
License No: 1042109
WILLIS OF DELAWARE, INC
is licensed to engage in the business of insurance in the State of Delaware, in the capacity stated below
LICENSE TYPE
LINE OF AUTHORITY CODE
ISSUE DATE
PRODUCER
SURPLUS LINES BROKER
02/18/2009
Karen Weldin Stewart, CIR-ML, Insurance Commissioner

WILLIS OF DELAWARE, INC
300 DELAWARE AVENUE
STE 1600
WILLMINGTON DE 19801

CUT ALONG DASHED LINE

State of Delaware Insurance Department

Insurance License



License Number: 1042109

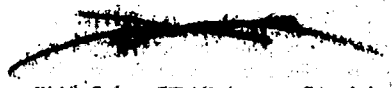
WILLIS OF DELAWARE, INC

300 DELAWARE AVENUE
STE 1600
WILMINGTON DE 19801

Is licensed to engage in the business of insurance in the State of Delaware in the capacity stated below

LICENSE TYPE	LINE OF AUTHORITY CODE	ISSUE DATE
PRODUCER	All insurance transactions completed in the name of the agency shall be accomplished by an individual(s) licensed with this Department. Lines of Authority are not assigned to agencies.	06/07/2006
SURPLUS LINES BROKER	All insurance transactions completed in the name of the agency shall be accomplished by an individual(s) licensed with this Department. Lines of Authority are not assigned to agencies.	02/18/2009

An insurance license shall remain in effect unless revoked or suspended as long as the fee(s) set forth in Title 18 Delaware Code, Chapter 7 is paid and education requirements for resident individuals are met by the due date.
Resident renewal fees are due by February 28th of every even year.
Non-resident renewal fees are due by February 28th of every odd year.
Notification will be mailed to the licensee 90 days prior to the due date.
Licenses are perpetual and are not returned upon renewal.



Karen Weldin Stewart, CIR-ML, Insurance Commissioner

LINE OF AUTHORITY CODES		
01-LIFE	11-[illegible] ACC & BAGGAGE	MISC. NON-RESIDENT LOAs
02-HEALTH	15-MARINE & TRANS	21-AGRICULTURAL AGENT
04-PROPERTY	16-PERSONAL LINES	22-AUTO MECHANIC BREAKDOWN
05-CASUALTY	17-BAIL AGENT	23-CROP HAIL
06-SURETY	18-PROPERTY BAIL AGENT	25-PREPAID DENTAL PLANS
07-TITLE	21-AUTOMOBILE CLUB	26-PREPAID LEGAL AGENT
08-VARIABLE ANNUITY		27-WORKERS' COMPENSATION
09-MOTOR VEHICLE		
10-CREDIT		

State of Delaware Insurance Department
Insurance License

License No: 0112888 NPN: 1712561

E KENT EVANS

Is licensed to engage in the business of insurance in the State of Delaware in the capacity stated below

LICENSE TYPE	LOA CODE	ISSUE DATE
PRODUCER	1, 2, 8	02/18/1994

Matthew Denn, Insurance Commissioner

E KENT EVANS
326 ELIZABETH SWEETBRIAR LANE
NEW CASTLE, DE 19720

CUT ALONG DASHED LINE

State of Delaware Insurance Department

Insurance License

License Number: 0112888 NPN: 1712561

E KENT EVANS
326 ELIZABETH SWEETBRIAR LANE
NEW CASTLE, DE 19720

Is licensed to engage in the business of insurance in the State of Delaware in the capacity stated below

LICENSE TYPE	LINE OF AUTHORITY CODE	ISSUE DATE
PRODUCER	1, 2, 8	02/18/1994

An insurance license shall remain in effect unless revoked or suspended as long as the fee(s) set forth in Title 18 Delaware Code, Chapter 7 is paid and education requirements for resident individuals are met by the due date.
Resident renewal fees are due by February 28th of every even year.
Non-resident renewal fees are due by February 28th of every odd year.
Notification will be mailed to the licensee 90 days prior to the due date.
Licenses are perpetual and are not reissued upon renewal.
Apprentice Licenses expire one year from the date of issue and are not renewable.

Matthew Denn, Insurance Commissioner

LINE OF AUTHORITY CODES		
01-LIFE	11-TRAVEL ACC & BAGGAGE	MISC. NON-RESIDENT LOAs
02-HEALTH	13-MARINE & TRANS	21-AGRICULTURAL AGENT
04-PROPERTY	14-PERSONAL LINES	22-AUTO MECHANIC BREAKDOWN
05-CASUALTY	24-AUTOMOBILE CLUB	23-CROP/HAIL
06-SURETY		25-PREPAID DENTAL PLANS
07-TITLE		26-PREPAID LEGAL AGENT
08-VARIABLE ANNUITY		27-WORKERS' COMPENSATION
09-MOTOR VEHICLE		
10-CREDIT		

INSOTL 824640

PENNIE G HINDS
3909 ESGARTH WAY
OWINGS MILLS MD 211170000

CUT ALONG DASHED LINE

DELAWARE INSURANCE LICENSE NO. 122727

PENNIE G HINDS
3909 ESGARTH WAY
OWINGS MILLS MD 211170000

LICENSE TYPE: PRODUCER

LINE OF AUTHORITY CODE (see back): 01 02

ISSUE DATE: 08/18/00

INSURANCE COMMISSIONER: Anna Lee H. Williams

CUT ALONG DASHED LINE

State of Delaware Insurance Department

INSURANCE LICENSE **NO. 122727**

PENNIE G HINDS
3909 ESGARTH WAY
OWINGS MILLS MD 211170000

LICENSE TYPE	LINE OF AUTHORITY CODES	ISSUE DATE
PRODUCER	01 02	08/18/00

LIBERTY AND INDEPENDENCE

An insurance license shall remain in effect unless revoked or suspended as long as the fee set forth in Title 18 Delaware Code, Chapter 7 is paid and education requirements for resident individuals are met by the due date.

Anna Lee H. Williams
INSURANCE COMMISSIONER

LINE OF AUTHORITY CODES

01 - LIFE
02 - HEALTH
04 - PROPERTY
05 - CASUALTY
06 - SURETY
07 - TITLE
08 - VARIABLE ANNUITY
09 - MOTOR VEHICLE
10 - CREDIT
11 - TRAVEL ACC & BAGGAGE
13 - MARINE & TRANS
14 - PERSONAL LINES

MISC. NON-RESIDENT LOAs
21 - AGRICULTURAL AGENT
22 - AUTO MECHANIC BREAKDOWN
23 - CROPHAIL
24 - MOTOR CLUB
25 - PREPAID DENTAL PLANS
26 - PREPAID LEGAL AGENT
27 - WORKERS' COMPENSATION

State of Maryland Insurance License

License No: 25850 NPN: 3489818

PENNIE G. HINDS
3909 ESGARTH WAY
OWINGS MILLS, MD 21117

This is to certify that pursuant to requirements of the Maryland Insurance Code the above named is qualified to do business in the state of Maryland with the authority listed below.

LICENSE/REGISTRATION	LICENSE ISSUE DATE	LICENSE EXPIRE DATE	LINES OF AUTHORITY
ADVISER	07/01/2013	06/30/2015	ADVISER L/H
PRODUCER	09/11/2012	04/30/2015	CASUALTY, HEALTH, LIFE, PROPERTY

This authorization shall remain in effect until the expiration date, unless suspended, revoked or denied. Licensee/Registrant must renew the qualifications and pay all applicable fees as required by Maryland Insurance Code prior to the expiration date.

For questions regarding licensing, renewal or continuing education requirements, contact the Maryland Insurance Administration at 1-888-204-6198 or visit www.mdinsurance.state.md.us

Therese M. Goldsmith, Insurance Commissioner

VOID IF ALTERED NON-TRANSFERABLE

Dear Licensee:

Enclosed is your new license.

Please use your new License number, your name as it appears on your License, and your Social Security or National Producer Number whenever calling or writing to the Maryland Insurance Administration. Any update to the information provided on your original application must be reported to The Maryland Insurance Administration within thirty (30) days of the change.

If applicable, you must remain current on, and comply with all Continuing Education requirements for any License and lines of insurance that you hold. Please see the Maryland CE regulation for details.

Should you have any questions or concerns regarding your Maryland Insurance License, please call our customer service unit at 1-888-204-6198 between 8:00AM and 5:00PM EST Monday through Friday, or write to The Maryland Insurance Administration, Attn: Producer Licensing, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202.

Sincerely,
The Maryland Insurance Administration

200 Saint Paul Place, Suite 2700
Baltimore, Maryland 21202

PENNIE G. HINDS
3909 ESGARTH WAY
OWINGS MILLS, MD 21117

State of Delaware Insurance Department
Insurance License
License No: 1049223 NPN: 8963022
MISCHELLE LINDSAY
is licensed to engage in the business of insurance in the State of Delaware, in the capacity stated below
LICENSE TYPE | LOA CODE | ISSUE DATE
PRODUCER | 1, 2 | 11/06/2006
Matthew Denn, Insurance Commissioner

MISCHELLE LINDSAY
557 BLACKBIRD LANDING ROAD
TOWNSEND DE 19734

CUT ALONG DASHED LINE

State of Delaware Insurance Department

Insurance License

License Number: 1049223 NPN: 8963022

MISCHELLE LINDSAY
557 BLACKBIRD LANDING ROAD
TOWNSEND DE 19734

Is licensed to engage in the business of insurance in the State of Delaware in the capacity stated below

LICENSE TYPE	LINE OF AUTHORITY CODE	ISSUE DATE
PRODUCER	1, 2	11/06/2006

An insurance license shall remain in effect unless revoked or suspended as long as the fee(s) set forth in Title 18 Delaware Code, Chapter 7 is paid and education requirements for resident individuals are met by the due date.
Resident renewal fees are due by February 28th of every even year.
Non-resident renewal fees are due by February 28th of every odd year.
Notification will be mailed to the licensee 90 days prior to the due date.
Licenses are perpetual and are not reissued upon renewal.
Apprentice Licenses expire one year from the date of issue and are not renewable.

Matthew Denn, Insurance Commissioner

LINE OF AUTHORITY CODES		
01-LIFE	11-TRAVEL ACC & BAGGAGE	MISC. NON-RESIDENT LOAs
02-HEALTH	13-MARINE & TRANS	21-AGRICULTURAL AGENT
04-PROPERTY	14-PERSONAL LINES	22-AUTO MECHANIC BREAKDOWN
05-CASUALTY	24-AUTOMOBILE CLUB	23-CROP/HAIL
06-SURETY		25-PREPAID DENTAL PLANS
07-TITLE		26-PREPAID LEGAL AGENT
08-VARIABLE ANNUITY		27-WORKERS' COMPENSATION
09-MOTOR VEHICLE		
10-CREDIT		

State of Maryland Insurance License

License No: 99974626 NPN: 9257680

TOYIN M. GEORGE
4509 MOUNT CARMEL RD
HAMPSTEAD, MD 21074-2934

This is to certify that pursuant to requirements of the Maryland Insurance Code the above named is qualified to do business in the state of Maryland with the authority listed below:

LICENSE/REGISTRATION	LICENSE ISSUE DATE	LICENSE EXPIRATION DATE	LINES OF AUTHORITY
PRODUCER	01/2013	01/31/2015	HEALTH, LIFE

This qualification shall remain in effect until the expiration date, when applicable, unless suspended, revoked or denied. Licensees/Registrants must renew the qualification and pay all applicable fees as required by Maryland Insurance Code prior to the expiration date.

For questions regarding licensing, renewal or continuing education requirements, contact the Maryland Insurance Administration at 1-888-204-6198 or visit www.mdinsurance.state.md.us

Therese M. Goldsmith, Insurance Commissioner

VOID IF ALTERED NON-TRANSFERABLE

Dear Licensee:

Enclosed is your new license.

Please use your new License number, your name as it appears on your License, and your Social Security or National Producer Number whenever calling or writing to the Maryland Insurance Administration. Any update to the information provided on your original application must be reported to The Maryland Insurance Administration within thirty (30) days of the change.

If applicable, you must remain current on, and comply with all Continuing Education requirements for any License and lines of insurance that you hold. Please see the Maryland CE regulation for details.

Should you have any questions or concerns regarding your Maryland Insurance License, please call our customer service unit at 1-888-204-6198 between 8:00AM and 5:00PM EST Monday through Friday, or write to The Maryland Insurance Administration, Attn: Producer Licensing, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202.

Sincerely,
The Maryland Insurance Administration

200 Saint Paul Place, Suite 2700
Baltimore, Maryland 21202

TOYIN M. GEORGE
4509 MOUNT CARMEL RD
HAMPSTEAD, MD 21074-2934

State of Delaware Insurance Department
Insurance License

License No: 0112887 NPN: 7346364

TRACIE L SCHLOER

Is licensed to engage in the business of insurance in the State of Delaware, in the capacity stated below

LICENSE TYPE	LOA CODE	ISSUE DATE
PRODUCER	2	07/26/2000

Matthew Denn, Insurance Commissioner

TRACIE L SCHLOER
662 WARREN DR
MIDDLETOWN, DE 19709

CUT ALONG DASHED LINE

State of Delaware Insurance Department

Insurance License

License Number: 0112887 NPN: 7346364

TRACIE L SCHLOER
662 WARREN DR
MIDDLETOWN, DE 19709

Is licensed to engage in the business of insurance in the State of Delaware in the capacity stated below

LICENSE TYPE	LINE OF AUTHORITY CODE	ISSUE DATE
PRODUCER	2	07/26/2000

An insurance license shall remain in effect unless revoked or suspended as long as the fee(s) set forth in Title 18 Delaware Code, Chapter 7 is paid and education requirements for resident individuals are met by the due date.
Resident renewal fees are due by February 28th of every even year.
Non-resident renewal fees are due by February 28th of every odd year.
Notification will be mailed to the licensee 90 days prior to the due date.
Licenses are perpetual and are not reissued upon renewal.
Apprentice Licenses expire one year from the date of issue and are not renewable.

Matthew Denn, Insurance Commissioner

LINE OF AUTHORITY CODES		
01-LIFE	11-TRAVEL ACC & BAGGAGE	MISC. NON-RESIDENT LOAs
02-HEALTH	13-MARINE & TRANS	21-AGRICULTURAL AGENT
04-PROPERTY	14-PERSONAL LINES	22-AUTO MECHANIC BREAKDOWN
05-CASUALTY	24-AUTOMOBILE CLUB	23-CROP/HAIL
06-SURETY		25-PREPAID DENTAL PLANS
07-TITLE		26-PREPAID LEGAL AGENT
08-VARIABLE ANNUITY		27-WORKERS' COMPENSATION
09-MOTOR VEHICLE		
10-CREDIT		

State of Delaware Insurance Department
Insurance License

License No: 1064453 NPN: 4591829

JENNIFER C. BAGLEY

Is licensed to engage in the business of insurance in the State of Delaware, in the capacity stated below

LICENSE TYPE	LOA CODE	ISSUE DATE
PRODUCER	1, 2	09/06/2007

Karen Weldin Stewart, CIR-ML, Insurance Commissioner

JENNIFER C. BAGLEY
133 CANAL WAY
NEWARK DE 19702

CUT ALONG DASHED LINE

State of Delaware Insurance Department

Insurance License

License Number: 1064453 NPN: 4591829

JENNIFER C. BAGLEY
133 CANAL WAY
NEWARK DE 19702

Is licensed to engage in the business of insurance in the State of Delaware in the capacity stated below

LICENSE TYPE	LINE OF AUTHORITY CODE	ISSUE DATE
PRODUCER	1, 2	09/06/2007

An insurance license shall remain in effect unless revoked or suspended as long as the fee(s) set forth in Title 18 Delaware Code, Chapter 7 is paid and education requirements for resident individuals are met by the due date.
Resident renewal fees are due by February 28th of every even year.
Non-resident renewal fees are due by February 28th of every odd year.
Notification will only be provided through electronic posting at www.delawareinsurance.gov 90 days prior to the due date.
Licenses are perpetual and are not reissued upon renewal.
Apprentice Licenses expire one year from the date of issue and are not renewable.

Karen Weldin Stewart, CIR-ML, Insurance Commissioner

LINE OF AUTHORITY CODES		
01-LIFE	11-TRAVEL ACC & BAGGAGE	MISC. NON-RESIDENT LOAs
02-HEALTH	13-MARINE & TRANS	21-AGRICULTURAL AGENT
04-PROPERTY	14-PERSONAL LINES	22-AUTO MECHANIC BREAKDOWN
05-CASUALTY	15-BAIL AGENT	25-PREPAID DENTAL PLANS
06-SURETY	16-PROPERTY BAIL AGENT	26-PREPAID LEGAL AGENT
07-TITLE	23-MULTI-PERIL-CROP	
08-VARIABLE ANNUITY	24-AUTOMOBILE CLUB	
09-MOTOR VEHICLE	27-WORKERS' COMPENSATION	
10-CREDIT		

Line Of Authority Codes	
01-LIFE	10-CREDIT
02-HEALTH	11-TRAVEL ACC & BAGGAGE
04-PROPERTY	13-MARINE & TRANS
05-CASUALTY	14-PERSONAL LINES
06-SURETY	15-BAIL AGENT
07-TITLE	16-PROPERTY BAIL AGENT
08-VARIABLE ANNUITY	23-MULTI-PERIL CROP
09-MOTOR VEHICLE	24-AUTOMOBILE CLUB
	27-WORKERS' COMPENSATION
MISC. NON-RESIDENT LOAs	
21-AGRICULTURAL AGENT	
22-AUTO MECHANIC BREAKDOWN	
25-PREPAID DENTAL PLANS	
26-PREPAID LEGAL AGENT	

CITY OF WILMINGTON
HUMAN RESOURCES DEPARTMENT

TO: Department of Finance, Division of Procurement and Records

FROM: James A. Robb, Acting Director of Risk Management and Employee Benefits

RE: 15016HRPS-Life & Health Insurance Brokerage Services

Dated: June 13, 2014

Proposals for the above mentioned contract were received from the following companies:

1. Mercer
2. Willis
3. Alamo
4. RM Associates
5. IFS-Benefits

Following an HR Department team review by selected managers and employees of the proposals each proposal was evaluated by each team member and scored. Based upon this scoring, the Proposal Review Committee concluded that Willis of Delaware, Inc. offered the best value to the City when compared to the other proposers.

Therefore, it is my recommendation, based upon all of the above, that the award be made to Willis of Delaware, Inc.

Willis

CITY OF WILMINGTON
800 French Street
Wilmington, DE 19801

Willis of Delaware, Inc.
222 Delaware Ave., 10th Fl. Suite 1000
P.O. Box 2287
Wilmington, DE 19801

AGREEMENT

This document records our mutual understanding regarding our professional relationship and the services we will provide to you.

City of Wilmington, Delaware (the "City" or "You" or "Your") and Willis of Delaware, Inc. ("Willis") agree as follows:

1.0 Services and Responsibilities

1.1 Subject to all other terms and conditions of this Agreement, and of the RFP 15016HRPS for Life & Health Insurance Brokerage Services and its Addenda, and the Willis Proposal in response thereto, all of which are incorporated herein by reference as if fully set out herein (collectively, the "Agreement"), Willis shall provide the services identified in Appendix A.

1.2 We are committed to acting in your best interests at all times in providing services to you.

1.3 The services we provide to you rely in significant part on the facts, information, and direction provided by you or your authorized representatives. Accordingly, you must provide us with complete and accurate information regarding your loss experience, risk exposures, changes in the analysis or scope of your risk exposures, and any other information reasonably required or requested by us or insurers. It is important to advise us of any changes in your business operations that may affect our services or your insurance coverages. Therefore, all information which is material to your coverage requirements or which might influence insurers in deciding to accept your business, finalizing the terms to apply and/or the cost of coverage or pay a claim, must be disclosed. Failure to fully disclose such information might allow insurers to avoid liability for a particular claim or to void the policy. This duty of disclosure applies equally at renewal of your existing coverage and upon placement of new lines of coverage. Willis is not responsible for any consequences arising from any delayed, inaccurate or incomplete information.

1.4 At the time of binding, we review the financial soundness of the insurers we recommend to provide your coverages based on publicly available information, including that produced by well-recognized rating agencies. Upon request, we will provide you with our analysis of such insurers. We do not guarantee or warrant the solvency of any insurer or any intermediary that we may use to place your coverage.

1.5 You will make all final decisions relating to your insurance coverages, risk management, and loss control needs. We will procure the insurance coverage chosen by you,

including the limits you choose. We will review all binders, policies and endorsements to confirm their accuracy and conformity to negotiated specifications and your instructions. We will advise you of any errors in, or recommended changes to, such documents. You agree to also review all such documents and promptly advise us of any questions you have or of any document or provision which you believe may not be in accordance with your instructions. Your coverage is defined by the terms and conditions detailed in your insurance policies and endorsements.

1.6 In our capacity as employee benefits professionals, we do not provide legal or tax advice. We encourage you to seek any such advice you want or need from competent legal counsel or tax professionals

2.0 Confidentiality

2.1 We treat information you provide us in the course of our professional relationship as confidential and use it only in performing services for you. We may share this information with third parties to provide the services to you. We may also disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. By providing us with data, you represent that you are fully authorized to possess that data and to provide it to us, and further that we are fully authorized to obtain, maintain, process and transfer such data in a commercially reasonable manner. We have implemented and maintain commercially reasonable and appropriate security measures to protect sensitive information from unauthorized use or disclosure. Records you provide us will remain your property and will be returned to you upon request. However, we will retain copies of such records to the extent required in the ordinary course of our business or by law. You will treat any information we provide to you, including data, recommendations, proposals, or reports, as confidential, and you will not disclose it to any third parties. You may disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. We retain the sole rights to all of our proprietary computer programs, systems, methods and procedures and to all files developed by us.

2.2 In the event that you or any of the benefit plans you sponsor need to enter into business associate agreements with Willis to satisfy the requirements of the Health Insurance Portability and Accountability Act, the regulations implementing that Act (the "Standards for Privacy of Individually Identifiable Health Information," codified at 45 C.F.R. parts 160 and 164), or any other similar law, you agree to work with Willis to execute an agreement in compliance with these requirements.

3.0 Compensation and Disclosure-Fee Only

3.1 You agree that our compensation for the services provided under this Agreement shall be an annual fee (the "Fee") as follows: (i) Year One of eleven (11) months, $123,750, or, alternatively, $11,250 per month for the months remaining in the fiscal year ending June 30, 2015 from inception on the first day of the month after this Agreement is fully approved by City Council and duly endorsed by the Mayor or designee, and (ii) a $135,000 annual fee for Year Two, Year Three and Year Four, if applicable, with no CPI or other adjustments thereto.

The Fee is in addition to the premium paid for the insurance policies set forth in Appendix A (the "Coverages") purchased by you through us as your insurance brokers and is payable in monthly installments commencing the 1st day of August, 2014, or on the 1st day of the month following this Agreement being fully approved by City Council and duly endorsed by the Mayor or designee. If we receive any commissions for the Coverages purchased by you through us as your insurance brokers we will offset such commissions against the Fee to the fullest extent permitted by law. We will account to you quarterly during the Term of the Agreement and at the termination of the Agreement for all commissions received during the preceding quarter and shall adjust the amount of the Fee owing as required.

3.2 Subject to the adjustments outlined in 3.1 above, if Willis is compensated by commissions paid to us by insurers, they will be earned for the entire policy period at the time we place policies for you. We will be paid the commission percentage stated for the placement of your insurance as indicated, and will receive the same commission percentage for all subsequent renewals of this policy unless we negotiate a different commission percentage with you.

3.3 Commission schedules and other compensation arrangements related to our services on your behalf may change over time and may not always be congruent with your specific policy period. Willis will provide you with accurate information to the best of our knowledge when information is presented to you, but it is possible that compensation arrangements may change over time.

3.4 Willis is an insurance producer licensed to do business worldwide, including in all 50 states and the District of Columbia. Insurance producers are authorized by their license to work with insurance purchasers and discuss the benefits and terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of an insurance producer in any particular transaction involves one or more of these activities.

3.5 Subject to the adjustments outlined in 3.1 above, the compensation that will be paid to Willis will vary based on the insurance contract it sells. Depending on the insurer and insurance contract you select, compensation may be paid by the insurer selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract and insurer you select. In some cases, other factors such as the volume of business Willis provides to the insurer or the profitability of insurance contracts Willis provides to the insurer also may affect compensation.

3.6 Willis will provide you with additional information about the compensation Willis expects to receive based in whole or in part on your purchase of insurance, and (if applicable) the compensation expected to be received based in whole or in part on any alternative quotes presented to you.

3.7 You may use a third party administrator, utilization review firm or other similar service provider in connection with the insurance coverages we place for you or the services we provide to you. If you elect to use a service provider from which we or our corporate parents, subsidiaries or affiliates will receive any compensation directly or indirectly relating to the services you purchase from the provider, we will disclose additional information

regarding that compensation to you before you make a final decision to use the service provider.

3.8 Willis may place your insurance with members of a panel of insurers. Willis develops panels of insurers in certain market segments. Participating insurers are reviewed on a variety of factors. Commission rates on panel placements may be higher than rates paid on business placed outside of the panel process. Willis discloses its commission rates to clients on quotes obtained through the panel process prior to binding the coverage. In some instances, insurers pay an administration fee to participate in the panel process.

3.9 Some of our corporate parents, subsidiaries or affiliates are reinsurance brokers that provide reinsurance brokerage services to their insurance carrier clients. Their clients compensate them for those reinsurance brokerage services. Some of their insurance carrier clients may happen to be insurance carriers with whom we place your insurance coverages. The services we provide you and the reinsurance services our reinsurance affiliates provide their clients are separate and any compensation they may earn for the services they provide their clients are separate from and in addition to the compensation we earn for the services we provide you under this Agreement.

3.10 As an insurance intermediary, we normally act for you. However, for some insurance products, we or our corporate parents, subsidiaries or affiliates may provide services to insurers. These services may include (a) acting as a managing general agent, program manager or in other similar capacities which give us binding authority enabling us to accept business on their behalf and immediately provide coverage for a risk; (b) arranging lineslips or similar facilities which enable an insurer to bind business for itself and other insurers; or (c) managing lineslips for insurers. Contracts with these insurers may grant us certain rights or create certain obligations regarding the marketing of insurance products provided by the insurers. We may place your insurance business under such a managing general agent's agreement, binding authority, lineslip or similar facility when we reasonably consider that these match your insurance requirements/instructions. When we intend to do so, we shall inform you and disclose the compensation payable to Willis in connection with the placement of the insurance coverage.

3.11 Subsidiaries of Willis North America Inc are members of a major international group of companies. In addition to the commissions received by us from insurers for placement of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties (some of which may be owned in whole or in part by our corporate parents or affiliates), may earn and retain usual and customary commissions for their role in providing insurance products or services to you under their separate contracts with insurers or reinsurers.

3.12 The insurance market is complex, and there could be other relationships which are not described in this document which might create conflicts of interest. If a conflict arises for which there is no practicable way of complying with this commitment, we will promptly inform you and withdraw from the engagement, unless you wish us to continue to provide the services and will provide your written consent. Please let us know in writing if you have concerns or we will assume that you understand and consent to our providing our services pursuant to these terms.

3.13 Our compensation for the services does not include federal, state and local sales, use, excise, receipts, gross income and other similar taxes or governmental charges which may be imposed. You are responsible for paying any such taxes or charges (except for taxes imposed on the net income of Willis) now imposed or becoming effective during the Term. In addition to the premium and our compensation, Willis may invoice you for any federal, state and local sales, use, excise or other similar taxes, unless you provide us with a valid tax exemption acceptable to us.

3.14 We reserve the right to pass through to you any mutually agreed reasonable costs related to the printing of your employee communications material, WillisMed data scrubbing, or other out-of-pocket expenses.

4.0 Premium/Handling of Funds

4.1 You will provide immediately available funds for payment of premiums by the payment dates specified in the insurance policies, invoices or other payment documents. Failure to pay premium on time may prevent coverage from incepting or result in cancellation of coverage by the insurer. We are not responsible for any consequences arising from any delay or failure by you to pay the amount due by the indicated date.

4.2 In certain instances and where explicitly agreed upon in advance, Willis may collect insurance premium from you and remit the premium to the appropriate insurance company or intermediary. In doing so, we may also receive and retain interest on premiums you pay from the date we receive the funds until we pay them to the insurers or their intermediaries, or until we return them to you.

4.3 We will handle any premiums you pay through us and any funds which we receive from insurers or intermediaries for payment or return to you in accordance with applicable state and federal insurance laws and regulations and state unclaimed property laws. We may transfer your funds directly to insurers or to third parties such as wholesale brokers, excess and surplus lines brokers, or managing general agents to carry out transactions for you.

5.0 Term and Termination

5.1 The term of the service and compensation arrangement set forth below will begin on August 1, 2014, or on the 1st of the month following City Council and Mayoral approval as aforesaid, and end on June 30, 2015 (the "Initial Term"), with the availability of three (3) extensions of one (1) year each by mutual consent (each, a "Renewal Term" and, together with the Initial Term, the "Term"), to be reached at least ninety (90) days prior to the termination date of the Agreement or extension thereof; any such extension shall be at the Fee as described in paragraph 3.1 above, with no CPI or other adjustment. Should no notice of desire to extend or terminate be transmitted in writing by either party to the other party prior to ninety (90) days prior to the said termination date, the Agreement shall continue from month-to-month following the said termination date as before until an extension or termination agreement is reached.

5.2 The Fee for each annual period hereunder (Year One and, if applicable, Year Two, Year Three and Year Four) is earned in accordance with completion of work associated with the phases of services as set forth in Appendix A. The value of each phase of service as a percentage of the Fee is as follows:

Strategic Planning	15%	Earned in equal monthly installments prior to the benefit plan effective date
Program Renewal / Placement Process	35%	Earned in equal monthly installments prior to the benefit plan effective date
Ongoing Service and Resources	50%	Earned in 12 equal monthly installments

The client will be billed for all services rendered for which the fee was earned as of the termination date.

5.3 The Agreement may be terminated for cause by either party upon thirty (30) days written notice; provided that during that period ten (10) days notice of the specific alleged cause, in sufficient detail, shall be provided along with the termination notice, and ten (10) days following such notice permitted to cure the default; and by either party without cause upon 120 days written notice. Willis shall be liable for the reporting and processing of all prior and new placements, renewals and claims in process during the contract term, and to provide a full accounting and documentation of same in acceptable electronic and/or paper form in a timely manner upon termination thereof to any successive contractor or the City, as directed.

If we terminate this Agreement under Section 5.3 before the end of the Term or if you terminate this Agreement without cause before the end of the Term, we will be deemed to have fully earned and be entitled to the portion of the Fee for the annual period during which this Agreement is terminated (Year One, Year Two, Year Three or Year Four, as applicable) as set forth in subparagraph 5.2 above.

Any other termination before the end of the Term shall result in Willis being deemed to have fully earned and be entitled to a pro rata portion of the Fee, calculated from the start of the annual period during which termination of this Agreement becomes effective (either Year One, Year Two, Year Three or Year Four, as applicable) through the date of termination.

5.4 Our obligation to render the Services under this Agreement ceases at the end of the Term or on termination of the Agreement, whichever is sooner. Nevertheless, we will take reasonable steps to assist in the orderly transition of matters to you or to a new insurance broker which you designate. Claims and premium or other issues may arise after our

relationship ends. Such items are normally handled by the insurance broker or consultant serving you at the time the claim or other issue arises. However, we will consider providing services in these areas after the Term or termination of this Agreement for mutually agreed additional compensation.

6.0 Other Provisions

6.1 We do not tolerate unethical behavior either in our own activities or in those with whom we seek to do business. We will comply with all applicable laws, regulations, and rules.

6.2 In certain circumstances, the United States and other countries prohibit or restrict companies from conducting business in certain jurisdictions or with certain individuals or entities and can fine or otherwise penalize companies who conduct such business. The way these sanctions programs may affect a given insurance transaction depends on a number of complex factors including your ownership structure, control, location, and the nationality of your employees. We cannot advise you or insurers on the applicability of sanctions programs nor can we guarantee or otherwise warrant the position of any insurer under existing or future sanctions programs. You should seek legal advice on the potential applicability of sanctions as you deem appropriate. We will comply with all applicable sanctions programs and, where required by law, may take certain actions, including freezing funds held on behalf of parties and individuals covered by applicable sanctions.

6.3 Willis owns and retains all right, title, and interest in and to the following Willis Property: (i) all software, hardware, technology, documentation, and information provided by Willis in connection with the Claim and Risk Control Services; (ii) all ideas, know-how, methodology, models and techniques that may be developed, conceived, or invented by Willis during its performance under this Agreement; and (iii) all worldwide patent, copyright, trade secret, trademark and other intellectual property rights in and to the property described in clauses (i) and (ii) above. We expressly reserve all rights in the Willis Property.

6.4 During the Term of this Agreement and for a reasonable period thereafter, you may audit the records and accounts of Willis related to this Agreement, at your expense. You agree to give us reasonable advance written notice of any audit and to conduct the audit during normal business hours in a manner which is not unduly disruptive to our ongoing business.

6.5 We agree to communicate with each other from time to time by electronic mail, sometimes attaching further electronic data. By consenting to this method of communication you and we accept the inherent risks (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). We each agree, however, to employ reasonable virus checking procedures on our computer systems, and to check all electronic communications received for viruses. You will also check that messages received are complete. In the event of a dispute neither of us will challenge the legal evidentiary standing of an electronic document, and the Willis system is deemed the definitive record of electronic communications and documentation.

6.6 Please note that our system blocks certain file extensions for security reasons, including, but not limited to, .rar, .text, .vbs, .mpeg, .mp3, .cmd, .cpl, .wav, .exe, .bat, .scr, .mpq, .avi, .com, .pif, .wma, .mpa, .mpg, .jpeg. Emails with such files attached will not get through to us; and no message will be sent to tell you they have been blocked. If you intend to send us emails with attachments, please verify with us in advance that our system will accept the proposed form of attachment.

6.7 The Section headings in this Agreement are for convenience only and are not intended to define or limit the scope of the contents of such paragraphs. This Agreement may be executed in its original version or in any copy, counterpart, or other duplicate.

6.8 This Agreement supersedes any and all prior agreements between us regarding the insurance coverages and the services provided.

6.9 The provisions of this Agreement are severable and, in the event any provision or portion of any provision is construed by any court of competent jurisdiction to be invalid, the same shall not invalidate any other provision of this Agreement or the remainder of the enforceable portion of the provision.

6.10 This Agreement is governed by and construed in accordance with the laws of the state of Delaware, and any dispute shall be resolved in the appropriate court of such state or in any federal court in such state with proper jurisdiction thereof.

7.0 Questions

7.1 If you have questions, please inform your Willis representative or call the head of our office. You may also call 1-866-704-5115, the toll-free number which Willis has established for client feedback.

City of Wilmington, Delaware

By: _____
Title: _____
Date: _____

Willis of Delaware, Inc.

By: Laurence Jr
Title: President
Date: July 1, 2014

APPENDIX A

To Agreement of August 1, 2014, between City of Wilmington and Willis of Delaware for Life & Health Brokerage Services.

Total Pages: 7

The following Scope of Services are to include all items listed in Section B of the Request for Proposal for the City of Wilmington and, in addition, all items listed below in the Willis Scope of Services prepared for the City of Wilmington.

Brokerage and Consulting Services

As your benefits advisor, we work to help you establish a comprehensive strategy for your programs. Once a strategy is determined, we develop a detailed action plan to assist with your needs. Along the way, we continually review performance to ensure your organization's goals are met. While all decisions regarding your benefit programs remain up to you, you can expect Willis to support your organization with the following activities, where appropriate:

Financial and Data Analytics

- ☑ Provide a **monthly** Dashboard Report, to include paid claims by month and plan, a summary of large claims activity, and preliminary renewal projections (*provided experience reporting is available from carrier*)
- ☑ Provide tools to help you assess current funding arrangements for appropriateness
- ☑ Clinical and financial reporting through ***WillisMed*** at the member, population, and cohort level, combined with predictive modeling capabilities to project future plan costs based on the specific disease burdens which exist in your population. This reporting serves as the foundation for making educated decisions regarding plan design, wellness initiatives, and communication campaigns.

Strategy Development

- ☑ Facilitate an annual planning session to assist in the creation of a human capital strategy:
  - Assist you in identifying the strengths, weaknesses, opportunities and threats in your current plan designs and program offerings
  - Evaluate workforce demographics
  - Evaluate current programs against specific competitive benchmark data
  - Present information on current trends in plan design and market conditions
  - Interview members of senior management to gather attitudes about the role of employee benefits in the organization and the current state of benefits programs
- ☑ Provide recommendations for establishing and prioritizing objectives aligned to organizational goals
- ☑ Create and deliver a ***Client Service Plan*** to reflect agreed projects, to include assigned accountabilities and timeframes

Renewal and Placement

- ☑ Conduct a "Pre-Renewal Strategy Meeting" to determine specific goals, budget and needs to be achieved from renewal negotiations
- ☑ Review renewal methodology, experience data, and assumptions against trend analysis for accuracy and logic
- ☑ Negotiate renewals with existing incumbent carriers
- ☑ Develop RFP and market plan coverage'' as determined during the pre-renewal strategy discussion
- ☑ Summarize and analyze each carrier quote. Comparative analysis may include: pricing, terms, conditions, RFP / RFI responses, network access, discount analysis and plan design.
- ☑ Evaluate structure and performance of stop loss coverage, recommending alternatives as appropriate for consideration
- ☑ Evaluate existing and potential carriers, including their capabilities and support services
- ☑ Schedule and facilitate selected carrier and vendor finalist interviews and site visits, as appropriate
- ☑ Provide recommendations on vendors best suited to meet plan goals and objectives (the client makes all decisions regarding the vendors they retain)
- ☑ Assist in establishing appropriate carrier/vendor performance guarantees with monetary penalties, if requested
- ☑ When requested, provide a non-legal review of terms you agree upon with benefits vendors, to help ensure the agreement meets your benefits needs

Implementation and Enrollment

- ☑ Review current vendor electronic data transfer process functionality, as appropriate
- ☑ Finalize benefit program design and rates, including COBRA and fees (our work is administrative in nature and client retains full decision-making authority and discretion with respect to all plan issues)
- ☑ Assist in implementation with multiple organizational departments (HR, IT, Finance, etc.) to ensure timelines are met, systems are set-up correctly, and data transfer is operational
- ☑ Provide multiple versions of contribution modeling (employee/employer) based on enrollment and financial targets
- ☑ Evaluate current communication strategy and develop an appropriate strategy for ongoing communication, taking into consideration business needs, goals and budget requirements
- ☑ Help coordinate vendor-sponsored communication material, as appropriate
- ☑ Assist in planning employee open enrollment meetings, including carrier participation
- ☑ Assist in the planning and coordination of a health seminar/vendor fair
- ☑ Facilitate local enrollment meetings (with > 25 employees) or webcast enrollment meetings
- ☑ Provide train-the-trainer sessions for conducting annual enrollment meetings
- ☑ Design and implement a customized web portal **(Willis Connect)** to provide your employees with access to employee communications about their benefits and other related information

Account Management

- ☑ Provide ongoing service and response to inquiries from HR and the Benefits team, with regards to day-to-day administration of benefit program matters, consultation on policy coverage's, etc.
- ☑ Facilitate processes related to changes in coverage, including notifying insures of changes in coverage, obtaining approvals, confirming acceptance of client, etc.
- ☑ Provide up-to-date status of all outstanding items and activities
- ☑ Act as an employee/employer advocate in the resolution of escalated service and/or claims issues when requested to do so and properly authorized
- ☑ Keep the organization informed of trends that may impact their benefit programs
- ☑ Organize and facilitate meetings, including carrier reviews, financial reporting, and vendor meetings
- ☑ Assist you in identifying and monitoring potentially catastrophic claims and work with case management to understand possible impact of large claims on plan performance

Subject Matter Expertise

Our Subject Matter Experts support our clients by providing solutions to address human capital risk. We are configured to deliver these solutions in a client centric environment.

Willis Subject Matter Experts are located throughout the United States, specializing in the following areas:

- Compliance (NLRG)*
- HR Consulting (HR Partner)
- Health Outcomes
- Communication
- Reporting and Analytics

Updates and Education

A key component of the Subject Matter Expert role is to stay abreast of the latest trends and issues that impact organizations today. As a Willis client, you are eligible to receive the latest information through:

- ☑ HRFocus
- ☑ Alerts
- ☑ Seminars
- ☑ Client Workshops
- ☑ Educational Webcasts

Gap Assessments

As part of our Gap Assessment process, clients can complete a set of discovery questions and receive a comprehensive report that includes recommendations for change. Based on the specific review you complete, our Subject Matter Experts will analyze your results and discuss appropriate action steps in one or more of the following areas:

HR Gap Assessments

- ☑ Strategic HR Initiatives
- ☑ Recruitment and Selection Practices
- ☑ Workplace Practice and Administration
- ☑ Recordkeeping Practices
- ☑ Family Medical Leave Administration
- ☑ Performance Management Procedures
- ☑ Career Development Initiatives
- ☑ Training Programs and Practices
- ☑ Compensation Administration
- ☑ Employee Termination Procedures

Communications Gap Assessments

- ☑ Evaluating Your Communication
- ☑ Communication Messaging
- ☑ Strategic Communication Plan and Implementation

Compliance Gap Assessments*

- ☑ ERISA
- ☑ Cafeteria Plans
- ☑ Federal Group Health Plan Mandates
- ☑ COBRA

Health Outcomes Gap Assessments

- ☑ Resource Investment
- ☑ Leadership Support
- ☑ Formal Strategy
- ☑ Programs and Interventions
- ☑ Engagement
- ☑ Evaluation and Measure Practices

Employer Guides and Tools

Covering a myriad of topics, our Employer Guides compile information on regulations, best practices and benchmarking in an effort to provide guidance around specific issues impacting our clients. These guides are accompanied by automated tools, as well as sample policies and checklists to help develop, implement, evaluate and administer your programs.

Compliance*

- ☑ Health and Welfare Benefits
- ☑ ERISA Reporting
- ☑ Cafeteria Plans
- ☑ Qualified Medical Child Support Orders
- ☑ HIPAA Privacy-Shortcut Plans
- ☑ Health Care Reform
- ☑ Health and Welfare Calendar

HR Partner

- ☑ Succession Planning
- ☑ Compensation Administration
- ☑ Pay Structure Design
- ☑ Paid Time Off
- ☑ FMLA
- ☑ California Leaves of Absence
- ☑ Career Level Guides
- ☑ Performance Management

Continued on next page

Employer Guides and Tools *(continued)*

Health Outcomes

- ☑ Getting Started With Your Wellness Program
- ☑ Building a Culture of Health in Your Organization
- ☑ Assessing The Health of Your Population
- ☑ Measuring The Success of Your Wellness Program
- ☑ Driving Successful Behavior Change
- ☑ Planning a Successful Health Fair

Communication

- ☑ Communicating Wellness
- ☑ Communicating Consumerism
- ☑ Creative Distribution

Solutions and Services

Our solutions and services offer clients and their employees critical information and technology-based solutions to drive effective decision making and deliver business results. You will be eligible to receive the following solutions and services:

- ☑ **Market Ready Reports**: Compiled using 27 reputable survey sources to summarize market base pay and total cash compensation at the 25th, 50th, and 75th percentiles for over 700 benchmark jobs.
- ☑ **Willis Essentials:** A portal for HR and benefit team members to access a host of tools, services and resources to minimize risks, promote wellness, prevent losses, and stay in compliance.
- ☑ **Total Rewards Gap Assessment:** Facilitate a session with HR alone, or HR and management, to assess your employee value proposition. Start by evaluating the effectiveness each element has on the organization's ability to recruit, retain and motivate talent. From there we look at how aligned each element is to not only your business strategy, but the market place in which you compete for talent.
- ☑ **Winning with Willis:** A public access resource portal designed to support healthy lifestyles. Rich in content, Winning with Willis creates a foundation for changing the individual behaviors that drive employer costs.
- ☑ **Employer Risk Review:** Using a defined set of diagnostic questions, we prioritize risk areas and quantify the value of Willis solutions specific to your business issues.
- ☑ **Health Care Reform Impact Analysis:** Based on information you provide, we help you calculate the cost impact to your organization associated with Health Care Reform.

** Your local client service team will have direct access to Willis's NLRG team. NLRG is a group of employee benefits experts that is comprised of specialized benefits attorneys and paraprofessionals with prior experience advising employers in the areas of ERISA, the Internal Revenue Code, and other laws affecting employee benefit plans and their application to employer plans including HIPAA, COBRA, FMLA, FLSA, PHSA, etc. NLRG assists your local client service team in providing consulting advice, regulatory and compliance updates through publications, access to a comprehensive online compliance manual, and expert speakers for seminars, webcasts and/or industry conferences. Please note that Willis is not a law firm or an accounting firm and cannot provide you with any legal or tax advice. NLRG is comprised of individuals with specialized employee benefits experience, including several licensed attorneys and paraprofessionals; however, they are not acting as your attorneys. They do provide your client service team with up-to-date information and research on employee benefits matters. If you desire legal or tax advice, or if your specific situation requires it, you should consult with attorneys or tax advisors of your own choosing.*

FEES

We are pleased to offer to The City of Wilmington a choice on fixed fee structure(s) for:

1. **All services identified in the full Scope of Services, including "The Willis Total Rewards."**
2. **All services identified in the full scope of services, including "The Willis Total Rewards" and a Benefits Enrollment System.**

The City of Wilmington will have the opportunity at their request to extend the contract one (1) each additional year(s). The optional second and third and fourth year renewal will be extended at the same fee as the original one (1)-year contract period.

Option #1

Year 1	Year 2 (Extension Option)	Year 3 (Extension Option)	Year 4 (Extension Option)
$135,000	$135,000	$135,000	$135,000

Option #2

Year 1	Year 2 (Extension Option)	Year 3 (Extension Option)	Year 4 (Extension Option)
$195,000	$195,000	$195,000	$195,000

Willis' Philosophy on Online Benefits Enrollment and Administrative Services (Option #2)
Willis would prefer to offer you the full scope of our Consulting Services transparent and separate from a bundled enrollment center that may not necessarily meet the HR and payroll strategic goals and objectives for the City of Wilmington. However, based on the City of Wilmington's Addendum #2, Question #2, we are providing you a bundled pricing option.

Willis would rather work with you to determine the best method for enrolling your employees. Whether paper, electronic, or call center enrollment, your Willis team would lead the charge toward accurate and successful implementation. And with every enrollment solution, Willis offers a full-service approach to ensure we exceed your expectations.

Many options exist with respect to online benefits enrollment technology. One size does not fit all, so our expertise focuses on providing you with marketplace expertise in the evaluation of the systems that meet your specific requirements, including payroll and carrier direct feeds. We then work with you and the selected technology provider to negotiate the most favorable terms, conditions, and pricing. We also assist in the implementation process, as well as the employee communication strategy at launch.

The City of Wilmington will be able to terminate services per the Contract 15016HRPS.

The annual fee can be billed on a monthly or quarterly basis. If The City of Wilmington would require additional services outside the Scope of Services, we reserve the right to modify this agreement based on our mutual agreement.

We believe that compensation plans for advisors should meet the criteria of complete transparency and equity on each policy placed. They must be accurate, effective, and consistent. The client should have no doubt, whatsoever, that their advisor is acting objectively and in their interest to get the best deal for them. Willis believes in always making sure our client programs are placed with carriers based on product quality and performance.

Keeping with this philosophy, many compensation plans include non-cash payments such as trips and/or expensive gifts. It is Willis' policy not to accept non-cash payments related to your account.

At times, Willis may be invited to participate in industry events sponsored by carriers for business purposes. During these times, Willis has implemented strict guidelines surrounding our participation and our guidelines insure that our client's interests always come before ours.

SERVICE LEVEL AGREEMENTS

Willis will implement a Service Level Agreement to ensure client satisfaction.
We are pleased to discuss Performance Guarantees related to our service commitment. We are willing to place 10% of our compensation at risk if we do not meet mutually agreed upon service standards. Please let us know if you would like to receive a sample performance guarantee agreement.

AMENDMENT TO AGREEMENT

THIS AMENDMENT TO AGREEMENT ("the Amendment") is made this 12 day of May, 2015, by and between USI Insurance Services LLC, a Delaware limited liability company ("USI"), as successor in interest to Willis of Delaware, Inc., a Delaware corporation ("Willis"), and the City of Wilmington, DE, a municipal corporation of the State of Delaware (the "City").

WHEREAS, subject to approval by City Council, the City intends to execute the Agreement, which is an integral part of Contract 15016HRPS, Life and Health Insurance Brokerage Services, which was executed by Willis on July 1, 2014.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, USI and the City wish to amend the Agreement, and intending to be legally bound, hereby agree as follows:

1. Extension of the Term of the Agreement. The City and USI agree that the Initial Term of the Agreement shall be extended through July 31, 2015. All possible extensions of the Agreement shall remain available as provided therein.

2. Change of Parties. Wherever Willis appears in the Agreement, USI shall be substituted therefor as if an original contracting party to the Agreement. Furthermore, USI, by assignment from Willis, agrees to accept all rights and obligations of Willis arising under the Agreement as if USI had been an original party thereto.

3. No Other Changes. The above amendments to the Agreement constitute the only changes thereto. All other terms and conditions therein shall remain unaltered and in full force and effect.

4. Amendment. This Amendment may not be amended or modified except by written agreement executed by the parties.

5. Headings. The headings of sections and paragraphs of this Amendment have been inserted for convenience of reference only and do not constitute a part of this Amendment.

6. Counterparts. Any executed signature of this Amendment delivered by facsimile or other electronic transmission will constitute and be deemed an original signature of this Amendment.

7. Choice of Law. This Amendment and the legal relations among the parties under the Agreement will be governed by, and construed in accordance with, the internal laws of the State of Delaware, as applied to agreements entered into and entirely to be performed within that jurisdiction, without regards to the principles of comity or the conflicts of laws provisions of any jurisdiction which would cause this Amendment to be governed or construed in accordance with the laws of any jurisdiction other than the State of Delaware.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed and delivered as of the day and year first above written.

USI INSURANCE SERVICES LLC

By: Lawrence I. Iutz
Name: Lawrence I. Iutz
Title: President

CITY OF WILMINGTON, DE

By:_____
Name:
Title:

Approved as to form

_____
First Assistant City Solicitor