



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/27/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | | | |
|--|--|--|------------------------------------|
| PRODUCER Brown & Brown - Daytona Beach 300 N Beach Street Daytona Beach FL 32114 | CONTACT NAME: Ara Dresner PHONE (A/C. No. Ext): 386-239-5757 E-MAIL ADDRESS: Ara.Dresner@bbrown.com | | FAX (A/C. No): 386-323-9120 |
| | INSURER(S) AFFORDING COVERAGE | | NAIC # |
| INSURED BROWN & BROWN INC ETAL P O BOX 2412 DAYTONA BEACH FL 32115 | INSURER A : XL Specialty Insurance Company | | 37885 |
| | INSURER B : | | |
| | INSURER C : | | |
| | INSURER D : | | |
| | INSURER E : | | |

COVERAGES

CERTIFICATE NUMBER: 1838838975

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|---|-----------|----------|-----------------|-------------------------|-------------------------|--|
| | COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: | | | | | | EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY | | | | | | COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| | UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$ | | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | | | | | | <input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$ |
| A | INS AGENTS/BROKERS PROF LIAB E&O | | | US00106979EO22A | 1/1/2022 | 1/1/2023 | EA WRONGFUL ACT AGGREGATE 20,000,000 20,000,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

Brown and Brown of Oklahoma, Inc
 208 N Mill St
 Pryor OK 74361

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CITY OF PRYOR CREEK

Brown & Brown Response to Request for Proposal

Date: November 30, 2022



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All information submitted by Brown & Brown in response to City of Pryor Creek Request for Proposal (RFP) is non-binding and for evaluation purposes only. The data provided herein provides a general overview of Brown & Brown products and services. Analytics, pricing, and program structure are preliminary based on information included in City of Pryor Creek's RFP and is subject to adjustment or modification by Brown & Brown upon further review, consideration, and negotiation of the terms and conditions of a definitive final agreement.

The data and information contained in this RFP, including attachments, is privileged and confidential and may not be reproduced, published, or distributed to, or for, any third parties without the express prior written consent of Brown & Brown. It is intended only for the exclusive use of City of Pryor Creek



November 30, 2022

Dear Ms. Malone,

Thank you for the opportunity to offer our proposal to assist you in the management of your employee benefit programs.

Our local Brown & Brown team is one that will provide you with unparalleled service and experience, enhance your strategic decision making, provide you with unique and detailed program assessments and support you in all aspects of your employee benefit programs.

Throughout this proposal response you will see several common themes – client priorities, unique data driven strategic thinking, best-in-breed analytic systems and deep marketplace intelligence. These themes are our commitments to City of Pryor Creek and its employees.

Our office and your service team is located in Pryor Creek, OK. Choosing us as your broker gives you the resources and expertise of a top 5 brokerage with local service. Brown & Brown is the only brokerage of this size with our level of capabilities in Mayes County.

As you know, health care costs are a significant challenge for every employer. There are no simple solutions or quick product fixes to the challenges we face. However, there are solutions which vary by employer and by employee population. Both the assessment of problems and the development of creative solutions require a serious approach and a team with the experience and ability to provide comprehensive results.

In the following pages, we hope to continue to demonstrate why we are well-positioned to deliver creative solutions and tangible results for City of Pryor Creek. We are eager to meet with you and your benefits team to discuss how we may serve you even more effectively. If you have questions about any of the material contained in this response, please do not hesitate to contact me.

Best Regards,

Jennifer M. Brittain

Jennifer M. Brittain, GBA

Vice President Employee Benefits

Brown & Brown

Direct: 918.825.3295

Cell: 918.381.8056

Email: jennifer.brittain@BBrown.com



Introduction

We are grateful for the opportunity to showcase our capabilities throughout this request for proposal response. Brown & Brown is uniquely qualified to handle City of Pryor Creek's benefit consultant needs. We believe our distinction lies in the experience and specialization of our teammates, the vast array of value-added services we provide our clients, along with our exclusive reporting tools, advanced technologies and the in-depth industry and insurance market knowledge we possess.

In reviewing our responses to this request for proposal, you will discover that Brown & Brown offers specific advantages to each area outlined. We add value for our clients where most firms cannot. We strive to exceed our client's service expectations and raise the bar for ourselves every year. Our goal is to be much more than a transactional broker.

We believe our experienced and innovative team can deliver superior service while demonstrating a commitment to placing the interests of City of Pryor Creek at the forefront. We are confident that our response will support this belief and we look forward to the opportunity to demonstrate our consulting capabilities in greater detail.





SECTION 1

Our Company

1. Briefly describe your organization's history and background.

Brown & Brown was founded in 1939 as a two-partner firm and has risen to become one of the largest insurance brokerages in the world. Powered by a culture that values high performance and perseverance, Brown & Brown is arguably the most efficient operating platform in the insurance brokerage business. With a long-standing history of proven success, Brown & Brown continues to grow and thrive in the extremely competitive and constantly changing insurance industry.



Who We Are

- Data-driven, creative consultants focused on:
 - » Employee Benefits
 - » Population Health
 - » Mental and Behavioral Health
 - » Property and Casualty
 - » Risk Management
 - » Total Rewards and Compensation
 - » Personal Insurance
- National resources paired with the speed and agility of a small, boutique brokerage
- 5th Largest Insurance Broker
- 6,000+ Teammates, 300+ Offices

 **Brown & Brown**
BBrown.com

The Brown & Brown Difference

- ➔ **Proven Strategies, Successful Outcomes**
We turn analytics into targeted strategies that produce positive results. Brown & Brown's strategies helped customers beat medical trend and effectively manage health plan costs.
- ➔ **We Solve Problems, Plain and Simple**
Through personalized support and consultation, we help reduce the burden of plan management, lower costs and maximize employee benefits.
- ➔ **Service with a Sense of Urgency**
Expect a proactive and responsive team you can trust. Our service model equally supports your benefit administration needs and rising health care costs.
- ➔ **Transparent Partnership, Tremendous Value**
The breadth and depth of the services we offer go above and beyond what is expected from most brokerages. We go deep into the details, dedicating our time to your success.

Our Mission

We are dedicated to making a positive difference in the lives of our customers by helping to protect what they value most.

Guiding Principles

We believe in doing what is best for our customers, communities, teammates, carrier partners and shareholders—always. The cornerstones of our organization's guiding principles are people, performance, service and innovation.

Our Culture

Brown & Brown's deeply rooted culture is built on integrity, innovation, superior capabilities and discipline. Our culture is not built through "big company" messaging; it is created by those that put in the work and remain true to shared values and a commitment to always doing what is best for our customers and our communities.

The cornerstone of our success all starts with the tremendous emphasis our management places on making Brown & Brown a great place to work. Brown & Brown has repeatedly been certified as a Great Place to Work®, and as a result, our employee benefit practice has experienced minimal talent turn-over.



We believe that employees who enjoy their work environment will reflect that enjoyment in the interactions they have with their clients, in turn resulting in an enhanced client experience. We put a premium on retaining employees, allowing our clients to enjoy years of consistent service and strategy execution from the same individuals.

We value creativity in our employees and encourage innovative ideas. Each of our employees cares about the others and contributes meaningfully to our strong, team-based environment internally. We receive regular compliments from our competitors, our clients, and the insurance carrier marketplace as to the caliber of talent and the character of the employees we are able to recruit and retain. We have fun working together and working with our clients.

300+
LOCATIONS

11,000+
TEAMMATES

**5th
Largest**
INSURANCE
BROKERAGE
In the nation according to
Business Insurance Magazine



Local People & Powerful Solutions

As a top five broker, we use our size to the benefit of our customers through market leverage, scalability and expansive resources. Our national resources are available to support critical items such as regulation changes, pharmacy, international, benefits administration and much more.

We layer our national resources with a local, dedicated service team. This local team delivers a high-touch experience for day-to-day support and long-term strategic planning. This gives you the benefits of the size of a national brokerage without losing the personal, swift support that comes from a local team.



2. Provide Details of your organization’s financial status and stability.

With a long-standing history of proven success, we continue to grow and thrive in the extremely competitive and ever-evolving insurance industry. Brown & Brown is currently the 5th largest U.S. insurance broker. Brown & Brown ended calendar year 2021 with \$3.1 billion in revenue and more than 11,000 teammates in over 300 offices. Brown & Brown's annual report can be found on our website investor.bbinsurance.com/annual-reports.



3. Discuss any known or pending changes in your organization that could impact the delivery of services.

Unlike many brokerages, Brown & Brown is not for sale. Smaller, independent agencies are challenged with keeping up with technology and innovation to stay competitive in today’s market. Brown & Brown is built to last and we are focused on forever. Our organization continues to grow, evolve, and innovate to deliver the best strategic solutions and customer service to our clients. We have invested millions of dollars in developing our Employee Benefits practice across the country and intend to continue to develop and set the bar for the industry.

Brown & Brown is a team that is positioned to grow with you – no matter how big or small your organization, our team is ready to help you.

4. Please Provide your Errors & Omissions insurance coverage.

Brown & Brown has a limit of \$5 million in errors & omissions (E&O) coverage. Proof of Coverage located in the appendix.





SECTION 2

Service Team

5. Discuss the proposed team that would work with City of Pryor Creek and provide information about qualifications and expertise of each team member during implementation and ongoing support.

Jennifer Brittain, Lead Consultant

Jennifer Brittain is the Vice President of Employee Benefits for Brown & Brown in the Oklahoma office. She will be your dedicated representative through all phases of review, setup, planning, and training. Jennifer specializes in providing strategic benefits consulting and financial analysis of employee benefit programs. Jennifer has been a benefits consultant for 22 years.

Jennifer's background in the industry has spanned from client service to operational management. She began her insurance career as an administrative assistant and has grown into an innovative leader in benefits consultation. Her unique background helps Jennifer view things from the customer vantage point and allows her to bring key strategies to the table with her clients.

Jennifer graduated from the Evangel University with a Bachelor of Arts in English Education. She has held her Life and Health insurance license since 2000 and has earned the professional designation of GBA, Group Benefits Analyst, from Wharton School. Jennifer is also a past president of the Tulsa Chapter of the National Association of Health Underwriters and currently serves on the Association's State Board. Jennifer has been an active member of the Pryor Creek community for 15 years serving on multiple boards including the Chamber of Commerce, Rotary, Monday Forum and more.

Jimmie Greeson, Service & Account Management

Jimmie is the dedicated Service Lead for City of Pryor Creek. She acts in a support capacity to the Lead Consultant in all aspects of the client relationship. This includes, but is not limited to: vendor management, implementation of new products and services, compliance, claims resolution, eligibility issues, annual renewal process facilitation, vendor marketing process and review of contracts, summary plan descriptions, benefit documents, and other legal agreements.

Jimmie also works with clients, their employees and their families and vendor partners to answer questions and resolve day-to-day issues.

Katie Thibodeaux, Account Administrator - Marketing Communications

Katie is a Communications Specialist. She specializes in marketing design and communication strategy for Brown & Brown clients. She is responsible for benefit open enrollment communications creation and focused marketing/branding campaigns for employers and their employees. This includes custom benefit brochures, posters, flyers, newsletters, contact cards and all other print/digital/mobile forms of media. **Katie received her Bachelors of Science in Sociology from Oklahoma State University.**



National Resources and Subject Matter Expertise

In addition to the primary local service team, Brown & Brown has a full team of in-house subject matter experts available. We have a great depth of talent in each of the coverage disciplines to meet the health and welfare needs of City of Pryor Creek. These include, but are not limited to, our internal financial and actuarial services team, compliance and legislation department, marketing team, health strategies group and international benefits department.

Below we have included the biographies of additional members of the Brown & Brown organization who are credentialed individuals and will provide support to your local Brown & Brown service team:

Health and Wellness Practice

Louise J. Short, National Clinical Leader and Medical Director

Dr. Louise Short is the National Medical Director for Brown & Brown. Her passion and her focus are working with employers to develop innovative strategies and solutions that engage and support employees and their families in making good choices to avoid the cost and consequences of poor health.

She is a seasoned, results driven physician with a background in internal medicine, occupational and preventive medicine, and 25 years of experience providing clinical leadership in designing, implementing and measuring population health programs and strategies.

Previously, Dr. Short was a partner at Mercer where she built the population health practice for the South and spent six years consulting to national and global employers on approaches to improve health outcomes and control cost. She has worked with many jumbo employers including Lowe's, Bank of New York Mellon, Dollar General, and PepsiCo. Prior to Mercer, Dr. Short worked at Healthways (now Sharecare) assisting health plan and employer clients defining the needs of their populations and developing strategic approaches and products to assist in improving clinical outcomes and ROI.

Dr. Short also spent over thirteen years working as a medical director for both United Healthcare and Anthem, including Corporate Medical Director for BCBS GA, a 2.5-million-member plan, and directing research and business development for Anthem's health outcomes research subsidiary. Previously, Dr. Short was an epidemiologist at the Centers for Disease Control and Prevention and in clinical practice. Dr. Short received her Undergraduate at Harvard Tufts University School of Medicine. She performed her Internal Medicine Residency at Yale New Haven Hospital and received her Master's Degree in Community Medicine from Mt. Sinai School of Medicine.

Heather Kopnick, Health Strategist

Heather works with employers to develop and implement a strategic wellness plan to help mitigate high claims. She monitors data throughout the year to measure the effectiveness of the wellness initiatives and provides the client summaries highlighting the program achievements. She also serves as a liaison between the client's and their health insurer and vendors to optimize the client's worksite wellness program.

Heather has been in the wellness industry for the past 20 years, the majority of which was spent in corporate health. She earned her Bachelor of Science degree in Health from Texas A&M University and a Master of Business degree from Texas Woman's University. Heather holds a community health education specialist certification, as well as a Wellcoaches certification from the American College of Sports Medicine.



Heather's experience ranges from account management, onsite biometric screenings, telephonic coaching to product development, deploying long-term strategic strategies, predictive modeling, utilization review and disease management.

Health and Welfare Actuarial Practice

David Ross, Executive Vice President & Director of Underwriting Services

As an Executive Vice President and Director of Underwriting Services, Dave's role is to provide guidance and leadership that fosters each office's ability to satisfy their growth objectives. Dave is a key player in defining Brown & Brown macro initiatives and providing the vision, tools and education to support those objectives. Dave's secondary role is the Director of Underwriting Services, where his primary responsibilities include the development and maintenance of financial tools and methodologies that improve clients' ability to manage their employer-sponsored health plans effectively. Dave's role keeps him actively involved in the management of key accounts, representing over 300,000 members.

Additionally, Dave acts as a National resource and the primary source of both internal and external education and support regarding efficient health plan structure. Dave spends much of his time traveling around the country educating consultants, employers, and legislative bodies on the many counter-intuitive and nuanced components of effective health care cost management.

Prior to joining Brown & Brown in 2004, Dave worked as an Underwriting Strategist at Blue Cross Blue Shield of Minnesota, where he designed pricing methodologies that satisfied Blue Cross Blue Shield's strategic objectives. Dave has periodically taught statistics at Minnesota State University, where he earned his bachelor's degree in Finance.

Adam Hensen, Senior Underwriting Consultant

Adam is currently a Senior Underwriting Consultant for Brown & Brown. He is responsible for client reporting and financial analysis. These responsibilities include, but are not limited to, budget projections and tracking, employee contribution analysis, monthly claims reporting and monitoring, renewal underwriting and negotiations, marketing reports, cost driver analysis, utilization benchmarking and prescription drug audits.

Some of Adam's specialties include price scenarios related to strategy discussions, creating macro-based models to validate cost-saving strategies and future cost drivers, trend analysis and contribution modeling.

Prior to joining Brown & Brown, Adam served as a Financial Analyst for a health and welfare broker where he also had responsibility for client reporting and financial analysis. He draws on both his years of experience in the industry and his mathematics and actuarial sciences background. Adam is currently pursuing his Society of Actuaries Designation and holds his Life and Health Insurance license.

Regulatory and Legislative Strategy

Scott Wold, J.D., Vice President – Regulatory and Legislative Strategy

With over 17 years of employee benefits experience, Scott is responsible for researching and analyzing appropriate industry responses and best practices to address key legislative and regulatory efforts.

Scott supports the Brown & Brown team members and customers regarding matters pertaining to customer compliance with employee benefit laws such as the Affordable Care Act, ERISA, HIPAA and COBRA.



Prior to joining Brown & Brown, Scott worked as a lawyer in private practice. He was most recently a shareholder of the law firm of Hitesman & Wold, P.A., where he practiced exclusively in the employee benefits area since 2004. He joined Brown & Brown in October of 2020.

Scott received his undergraduate degree, cum laude, from Bethel College and his law degree, cum laude and Order of the Coif, from Southern Methodist University School of Law. He is a member of the Hennepin County Bar and Minnesota State Bar Associations. Scott is active in his community and has served in various capacities for several non-profit organizations.

Pharmacy Consulting Practice

Frank Bacon, Pharmacy Consultant

Frank serves as Brown & Brown' Pharmacy Consultant. He provides advisory services to Brown & Brown clients and consultants, supporting efforts to manage effective delivery of prescription benefits to employees while maximizing cost efficiencies. Frank joined Brown & Brown in 2016.

Frank's responsibilities include advising clients in pharmacy benefit design and PBM contracting. This entails creating customized PBM contracts based on client-specific utilization, conducting audits of pharmacy claims experience to ensure contracted rate adherence and establishing and maintaining collaborative purchasing arrangements to minimize cost for Brown & Brown clients.

Frank brings more than ten years of pharmacy experience to Brown & Brown, most recently working as a PBM Network Pricing Consultant for one of the nation's largest Pharmacy Benefit Managers. His experiences working in the PBM industry allow him to provide Brown & Brown clients unique insight in managing and mitigating cost in the face of a complicated and costly pharmacy benefit delivery system.

6. Outline the organizational bench-strength that could be deployed to the account in the event of employee turnover within your organization.

Brown & Brown has a deep bench of employee benefits specialized teammates within our over 15,000 employees. In the local office, we have a department of six with two full time consultants and four service teammates. If needed, we can also tap into regional teams in Rogers, Arkansas or Dallas, TX. We are constantly recruiting new talent while nurturing a culture of meritocracy that encourages teammates to remain on our teams for years.

We talk a lot about our company growth over the years, but a big reason for the growth is due to the talent we have brought into this organization. Our model is to hire top talent and provide them with the resources to be successful. Our people are nimble with national and local resources, and we don't work in silos.

7. How often does your team meet with your clients and for what purposes?

We are available to meet with our clients as often as the client requests. Depending on the size, the time of year, the degree of changes and processes being implemented, etc., the frequency of meetings can vary from year to year and from client to client as needed. However, our goal is to meet at least quarterly



with clients the size of City of Pryor Creek. The following are examples of regularly scheduled meetings and more are added as needed.

- **120 days prior to renewal** – claim review, marketing strategy, open enrollment initiatives, etc.
- **60 days prior to renewal** – review and discussion of renewals, provide plan design recommendations, claim update, marketing strategy
- **45 days prior to renewal** – follow up meeting to discuss final revisions and implementation strategy of any changes, finalize open enrollment initiatives, communications, and meeting dates
- **30 days prior to renewal** – weekly calls as needed during implantation of new programs or carrier/vendor changes, open enrollment progress, discuss employee feedback
- **30 days after renewal** – compliance review, open enrollment debrief and discussion of ideas to continue to improve next year, identify ongoing employee communication/education plan
- **180 after renewal** – mid-year claim review, service/broker stewardship discussion, performance measurement compared to goals and objectives, ongoing employee education and engagement, long term strategy analysis, vendor/carrier performance

8. Describe what makes your firm uniquely qualified to work on our account.

Brown & Brown is uniquely qualified to work with City of Pryor Creek because we provide the personalized service of a local agency combined with the peace-of-mind that comes by working with the fifth largest broker in the U.S. Our vast experience provides cost savings due to knowledge and understanding of regional networks combined with strong purchasing power. We have integrated access to subject matter specialist bringing unparalleled bench strength.

Our local service team is located in Pryor, OK just a few blocks from most City department offices. Employees often stop by the office to meet one on one with the lead consultant or service manager to discuss questions, concerns, and get assistance on maximizing the value of their benefit program. Our employee benefits service team not only work in Pryor, but they also live in the area and are invested in our community. We value our reputation in the market and work hard to exceed expectations when providing service to our community.

9. Please describe the succession plan for the primary contract(s) who will be working with our plan.

Several years ago, we realized we need to build a succession plan for the employee benefits team in the Pryor office. We hired another consultant from the area who has been training with and mentored by the lead consultant on the City's account currently. All teammates are cross trained on responsibilities and are kept informed of all accounts on a high level to provide day to day back-up as need as well.

We are invested in developing the next generation of experts and service teammates. We typically promote from within and are constantly recruiting new talent to grow our team.





SECTION 3

Account Services

10. What sort of benchmarking can you provide and what data sources would you use and why?

We have several resources for benchmarking and can provide samples upon request. Common industry benchmarks are released annually by the Kaiser Foundation and Milleman. We also have access to benchmarking from Zywave and Mployer and lastly, our own client data base that comprises placement of over \$25 billion of insurance premium.

That being said, we also feel too much weight can be placed on the value of benchmarks. Our control group of clients outperforms the benchmarks. We strive to provide solutions and strategies that help our clients rise above the norm of the average benchmarked employer.

11. Does your firm provide general Human Resources consulting services or support?

Yes, we provide unlimited consultation and support with certified HR professionals as a value-added service. There is no additional cost to use this resource. City of Pryor Creek has utilized these professionals on several occasions including employee handbook review and recommendations.

12. What resources do you use to analyze medical and pharmacy claims?

The data available for analysis varies depending on the size of employer and the plan's funding strategy (fully insured or self-funded). Fully insured plans with fewer than 100 employees receive limited medical and pharmacy claim data compared to partially self-funded plans with essentially unlimited access to data. With the City's current fully insured plans we are able to analyze the following:

- Demographics & Enrollment
- Medical & Pharmacy Loss Ratio
- Medical Claims, Billed Charges, Discounts, Plan Share, Member Share
- Medical Claim Expense Distribution
- Network Savings
- Network Concentration
- Out of Network Claim Analyses
- Medical Claim Expense Distribution
- High Cost Claimants with diagnosis and limited prognosis
- Member Claim Out of Pocket Distribution
- Claim Payment Lag
- Leading Diagnostic Category
- Pharmacy Claims Billed vs Paid
- Retail and Specialty Pharmacy Claims, Billed Charges, Discounts, Plan Share, Member Share
- Pharmacy Ingredient Costs
- Pharmacy Generic, Formulary Brand, Non-Formulary Brand Utilization
- Rx cost per member per month
- Top 25 Therapeutic Drug Classes including number filled, number of members and cost per script
- Top 25 Non-Specialty Drugs Filled including number of filled, number of members and cost per script



Depending on the carrier and size of employer, we may also be able to access dental, vision, life and disability claim reports showing claims paid out versus premium paid in.

When data is available, one of our core strengths is providing our clients with the insights, analytical tools and claims data not only to make informed financial decisions at each renewal but also to stay informed on a monthly basis.

Our analytics team provide clients with a customized monthly snapshot as to how your plans are performing from a financial perspective. We will track participation, claims, large claims, premiums, loss ratios and anything else our client wants to monitor on a regular basis. We customize these for each client based on their needs. We do this on an aggregate basis as well as by division if needed. Clients that have many divisions oftentimes need to report employee and employer costs back to those divisions on a monthly, quarterly and/or annual basis.

From any point in time, clients are able to see how each plan is performing and which of the plans are not meeting expectations. This methodology allows us to stay on top of all financial situations to ensure that you are aware of the projected renewal or projected premium adjustments at renewal time eliminating surprises.



HPI Database*

Clients – 950
Members – 1.4 million
Claims - \$6 billion
Avg. group size – 950 employees

* Facts as of October 2021

HPI Dashboard

Performance benchmarking of key healthcare utilization categories, plan efficiency and impact of chronic diseases.
Insight into which health strategies to pursue and steer communications.

HPI Analytics

Provides powerful views of underlying healthcare data through multi-dimensional filters to reveal hidden problem areas and potential opportunities.

HPI BeneCalc

Model the financial and member impact of changes in plan design, medical inflation, network performance and employee contributions.

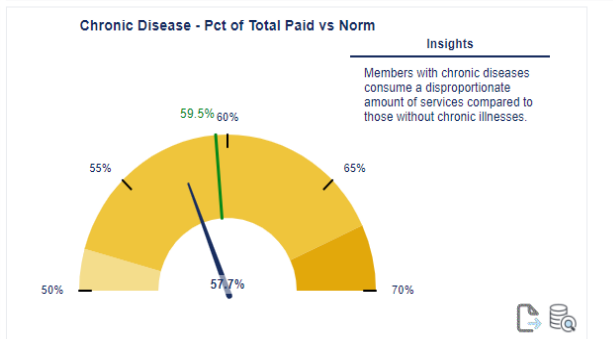
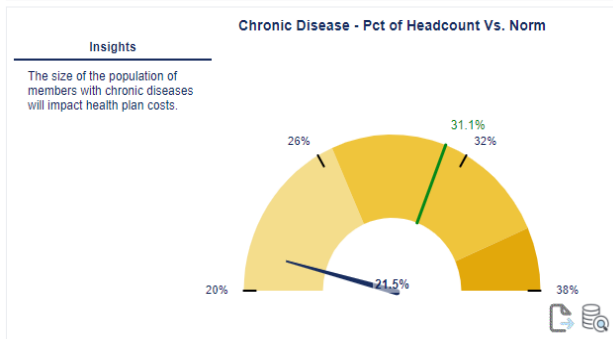
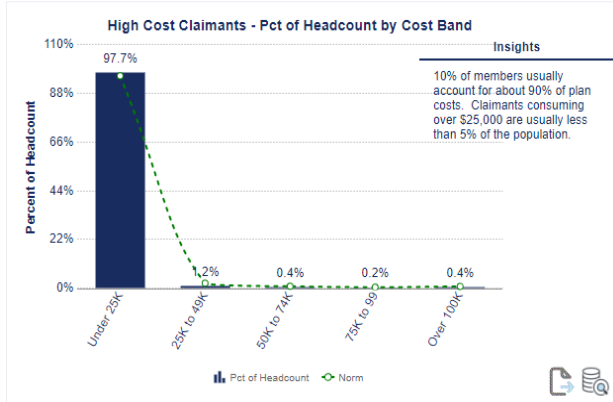
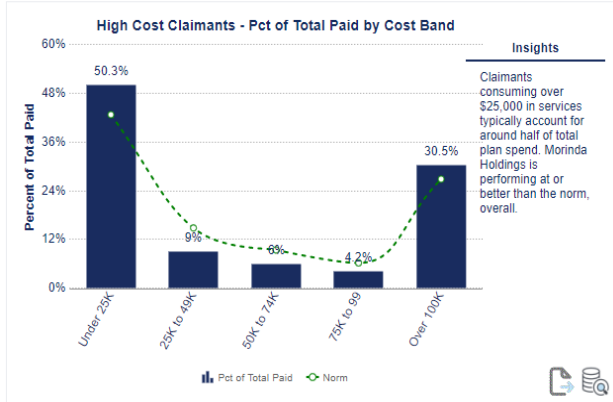
HPI Database

The HPI-Portal provides a secure and central access point for all Health Plan Intelligence content. The HPI portal is web based and allows easy access to all HPI content. Additionally, the HPI portal allows us to monitor the status of current HPI projects as well as access sample content and demos.

HPI Dashboard

Dashboard is a management-level, key performance indicator and benchmarking report. Dashboard provides the key metrics and performance indicators that enables employers the opportunity to understand how their plan is performing, how they compare to other companies, and identify specific problem areas which warrant additional investigation. Dashboard is fundamental to answer many critical questions including:

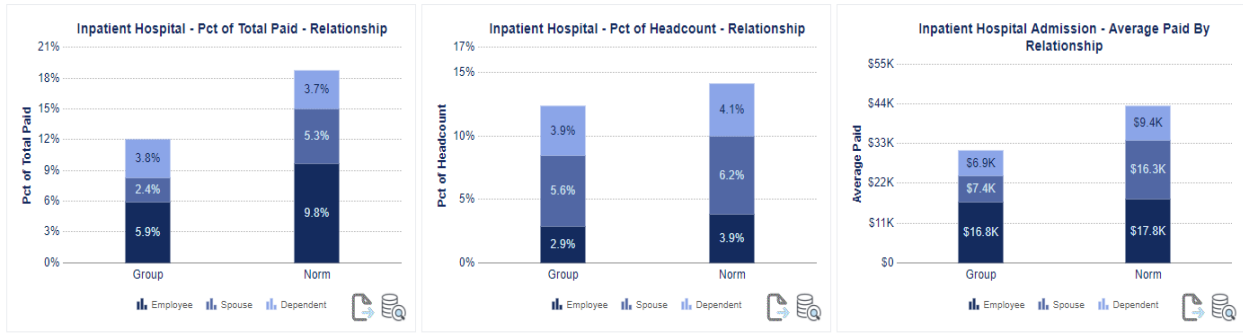
- How much are we paying for healthcare vs. similar organizations?
- Which areas within our plan are most costly?
- How efficient is our plan design?
- How much does chronic disease cost?



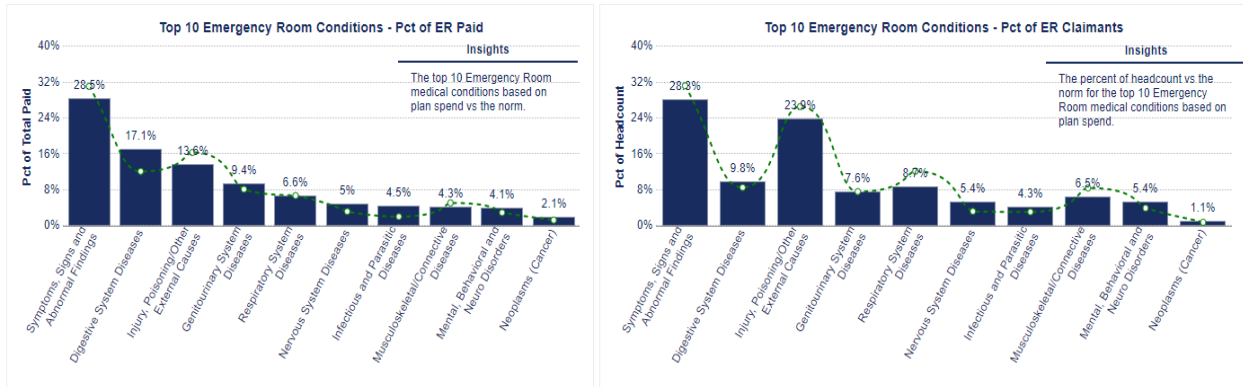
HPI Analytics

Analytics provides direct access to powerful views of underlying health care data. All the underlying data have been enhanced to include logical population groupings and descriptions which are critical for the development and application of risk pool management processes. With the HPI Analytics we utilize an intuitive interface which enables:

- Easy access to pre-defined views of the underlying data
- Ability to apply multiple filters to retrieve custom analysis and results
- Ability to drill-down into specific areas uncovering hidden problems and opportunities
- Extremely powerful and advanced analysis through cross-drill technology
- Customized data to include company-specific values such as plan design, location, division



Emergency Room



Based on the findings with in HPI we work with our clients to implement a variety of different strategies; direct contracting for surgical services, direct contracting for PCP, a transitions plan for aging populations, evaluate waivers, population health management, and many other strategic considerations that fit a specific client's pain points.

13. Do you have actuaries and or underwriters on staff? Are actuarial and/or underwriting services included?

As outlined in Section 2: Service Team, we do have both actuaries and underwriters on staff. Our Pryor, OK office primarily utilizes teammates in our Dallas, TX office for these services. We work closely with this team. If needed, we also have other actuaries and underwriters across the nation. There is no additional cost for these services.

14. What cost projections and analyses can you provide to support out fiscal goals?

They key to our success is ongoing and open communication. The more we know about your goals and objectives both short and long term, the more effective we can be with our consultation. Several years ago, we were able to move the City's plan anniversary dates from January to July to assist with the timing of the budget process. Now we are better equipped to analyze claim reports, demographics, and market trends to deliver more timely and meaningful cost projections. We also monitor regulatory changes continually to identify any potential additional expenses and to help you avoid costly penalties and fines.



As discussed in question #12, we have the tools, technology and expertise to deliver detailed and meaningful analyses to keep you informed of the financial health of the plan so you aren't surprised when the renewal is released. With ongoing analysis and communication, we keep you informed throughout the year. And we are prepared with recommendations and strategies in a timely manner so you aren't rushed to make hasty decisions.

15. How do you manage vendor relationships?

We require a "best-in-class" approach from our vendor partners. Whether it is wellness, Pharmacy Benefit Management, ancillary carriers, TPA services or other employee benefit service providers, Brown & Brown reviews their capabilities on an annual basis to ensure that they meet our rigorous internal standards.

Our clients' relationship with their carriers is critical, and Brown & Brown has a proven track record of developing and maintaining strong, collaborative working relationships with both clients and vendors. This collaborative approach allows us to innovate and negotiate additional services or fees that may not typically be included in a standard renewal, thus further solidifying the client/vendor relationship.

As part of a vendor selection process, we require implementation and ongoing performance guarantees of all vendors. Our clients review vendor performance metrics on a quarterly basis or as needed. Brown & Brown manages the implementation and utilizes performance guarantees to establish mutual expectations. These performance guarantees ensure a positive client/vendor relationship. Performance guarantees include (but are not limited to):

- Enrollment data file accuracy
- ID card issuance & accuracy
- Benefit booklet & summary plan description (SPD) issuance
- Plan provision requirements and coding accuracy
- Adherence to internal & external procedural requirements
- Customer and provider service accuracy

Brown & Brown provides a very hands-on consulting approach and consider ourselves a committed member of the City of Pryor Creek's benefits team. As such, we believe it is critical to be involved in all services related to our clients. We regularly are involved in carrier and vendor meetings to ensure proper and complete objectives are set and met consistent with City of Pryor Creek's strategic direction. This involves all aspects of vendor account management and is particularly important during the implementation of new carriers or vendors.

Your Brown & Brown consulting team would also utilize objective data in the vendor selection process such as the following among others:

- GEO Access reports comparing networks
- Provider counts
- Disruption analysis reports
- Claims repricing scenarios using various repricing methods (today's contracts, anticipated contracts and high-performance network penetration, etc.
- Fixed costs allocations
- Expected premiums
- Liability studies
- Rebate metrics



Insurance Company Appointments

First and foremost, Brown & Brown is not affiliated with any insurance companies, third-party administrators, or provider networks. City of Pryor Creek can be assured that when we approach the insurance marketplace we select carriers/vendors that are in your best interests and there is no internal agenda.

We will solicit to a variety of vendors/carriers, once we understand your goals and objectives. We aggressively market your organization to a group of "A" rated insurance carriers. We will only approach markets that are most capable of delivering in accord with the established objectives. Once we have evaluated all proposals, if desired, we will coordinate finalist interviews which allows you the opportunity to meet and select the ultimate vendor to support your program.

Our leverage with carriers and third-party vendors on behalf of our clients is substantial. Brown & Brown is represented on the advisory/executive councils as well as the highest tier of partnership with many carriers and service providers. Additionally, our position as one of the fastest organically growing consulting firms in the employee benefits arena makes us (and, in turn, our clients) an attractive business partner to insurance carriers and service providers. For this reason, carriers & vendors want to do business with Brown & Brown and provide the highest quality service for our clients.

We maintain relationships with Local and National leaderships at all the carriers we place coverage for our clients. These relationships are very crucial to maintaining a very high level of expectation and service for our clients. Brown & Brown continues to look for future growth with our partnerships to benefit our clients.

At Brown & Brown, we consider ourselves "solution neutral" as our business goal is to always do what is right for the client. We take a straightforward approach by creating the most transparent environment possible when working with carrier/vendor partners ensuring complete objectivity. We take seriously our role as neutral advisors, and we work to bring best-in-class strategies and solutions from around the country to our customers. We are objective consultants, not product salespeople.

We believe it is our responsibility as your benefits consultant to bring all the options to the table in a very concise manner to allow you to make an educated decision.

16. Describe your approach to innovation.

Brown & Brown is not the typical consulting firm that follows industry standards. We challenge the status quo, and we challenge our clients. We do not follow carrier benchmarks as most of the time they are in the insurance carrier's or broker's best interest and not City of Pryor Creek's. We have annual contests incenting teammates and groups of teams to create new innovative strategies, technology, and resources for our internal use and for the benefit of our clients.

Brown & Brown is a meritocracy. We have an entrepreneurial culture that motivates and inspires our team to be creative, to think outside of the box and to capitalize on the collective wisdom of 15,000 teammates across the globe.

We are a fast-growing brokerage. We attribute our growth to our willingness to be innovative and nimble. Our decentralized corporate model allows leadership at the local office to make decisions based on the best outcome for the location compared to other national brokers who are restricted by corporate processes and procedures.





SECTION 4

Employee Communications, Employer Education, Well-Being & Open Enrollment

17. What overall communications plan would you develop to assist City of Pryor Creek around communication to, and education of, employees about benefit programs?

Our team will create communications pieces as part of our service offering. We will work with your team to identify the most appropriate process. Our team will take care of the entire communication process while assisting City of Pryor Creek behind the scenes to ensure effective communications delivery. The focus of a strategic communication plan is usually centered on the following goals:

- Communicate year-round
- Employees understand how cost of care and cost of coverage interrelate
- Employees benefit from targeted communication
- Employees value the total benefit program

18. What assistance does your company provide both, technically and creatively, in the ongoing development and preparation of various employee communication materials and annual employee surveys and required regulatory notices?

Using both print and online communication tools, we help you deliver the program message and reinforce the benefit program objectives. We contribute to internal client newsletters and draft “new benefit” introduction letters for our clients. In general, the goal of our communication services is to generate the following advantages for City of Pryor Creek:

- Improved costs by encouraging participants to make smart, informed choices
- Enhanced morale/productivity, particularly if the City must make benefit changes
- Decreased burden on HR/internal staff
- Lower risk of litigation
- Increased choice
- Reduced production time

We provide the following communication services as part of our standard service offering:

- Custom Benefit Guides
- Benefit Communication Apps
- Employee Meetings (Group, Individual, WebEx)
- Employee Surveys (paper and online)

Communication Brochure

Brown & Brown will provide a custom benefits communication guidebook for use at open enrollment or during employee recruitment. The multi-page communication guide will effectively outline your company’s benefits program in a concise and colorful benefits brochure and will reflect City of Pryor Creek’s logo and branding throughout. The communication brochure is also available in a digital flipbook format.



Mobile Apps

We build and maintain a comprehensive online mobile/tablet application that is completely customized and branded for your benefits program and needs. My Benefits allows you and your employees to:

- Access and print generic ID cards with group information
- Download and print benefit-related documents/forms
- Quickly find service contact information and online resources
- Review benefit plan design information
- Download company benefit guides, posters, flyers contact cards and more
- Watch educational benefit videos
- Find online provider directories

Videos

Studies show that half of Millennials surveyed did not have a complete understanding of all the benefits options their employer provides. Employers are challenged with reaching and communicating to employees and their families with a consistent message at the right time—without an easy way to measure success. Brown & Brown also offers its clients captivating and informative video communications for City of Pryor Creek as an extension of our team. **Some of this technology represents an additional cost to the core consulting fees included in the proposal.** Videos can be a great resource to create a consistent voice across a remote workforce while providing communication on timely and relevant topics.

Benefits Announcements

We have postcards, flyers, payroll stuffers and articles to announce and explain current benefit offerings or promote open enrollment.

Monthly Newsletters

Keep your employees healthy, well and safe with our monthly Live Well, Work Well newsletter. Flyers are also available for targeting specific health conditions.

Knowing that the workforce consists of three key generations of employees, we take a multi-generational approach to communication. We deploy communication to plan participants in various formats: print communication brochures, videos and mobile applications, in addition to face-to-face meetings.

The illustration on the next page outlines the differences between how generations communicate:



BABY BOOMERS (BORN 1945-1965)

Generation Characteristics

- + Extremely driven and committed
- + Need guidance with new technology
- + Resistant to change and adaption
- + Learn by interaction and doing
- + Benefits, security and retirement key
- + Public recognition important

GENERATION X (BORN 1965-1980)

Generation Characteristics

- + Entrepreneurs at heart
- + Work-life balance fundamental
- + Confident, sociable and self-motivated
- + Easy to recruit, hard to retain
- + Job security and recognition are key
- + Willingness to learn and adapt

MILLENNIALS (BORN 1981-2000)

Generation Characteristics

- + Most technologically savvy
- + Flexibility/Ambition go hand-in-hand
- + Work day hours increasing
- + Prefer to work in teams
- + Mentor crucial in career growth
- + Competitive and thrive off promotions
- + Easily distracted yet can multi-task

Method of Communication



33% of Population

Engagement Drivers

- Interactive meetings
- Health & financial benefits
- Step-By-Step assistance
- Focus on savings & family

Method of Communication



35% of Population

Engagement Drivers

- Financial rewards
- Variety and portability
- Opinion is encouraged
- Health and goal setting

Method of Communication



29% of Population

Engagement Drivers

- Motivated by rewards
- Simplicity & convenience
- Social connectivity
- Job satisfaction & freedom

19. What assistance do you provide in developing a well-being program for our employees by providing market research on wellness strategies, no-cost and low cost wellness tools, etc.?

Many carriers and vendors have value added wellness, financial wellness tools, employee assistance plans, identify theft support and other resources but employees often are not aware of these resources. We make it a priority to educate your HR team and employees on these resources.

When it comes to a more strategic approach, we go far beyond wellness and deliver Population Health strategies. Wellness programs typically only include prevention and lifestyle programs. Population health includes care and benefits navigation, condition management, and targeted solutions. 76% of an employer's health plan spend is incurred by 8% of the population. Wellness programs target the 78% of the population that only incur 9% of claim costs.

Population health is an innovative approach to help employers improve health outcomes, reduce medical costs, and increase workplace productivity. Population health provides clinical expertise and innovative insight to help employers manage population health risk and improve employee experience. Our proprietary analytics Total Impact Estimator Tool calculates the total cost of top chronic conditions including medical, Rx, absence and absenteeism costs.

Our Innovation Hub provides a database of over 750 vendors and access to early state digital health innovators. Our Vendor Collectives offer preferred terms with best-in-class population health vendors.

Our team of Population Health consultants provide clients with a Population Health Strategy Roadmap informed by actionable analytics and innovative insights.



20. Provide an overview of the open enrollment process.

We create an open enrollment strategy with you. First, we identify any changes that may be disruptive or cause employees uncertainty and concern and develop a communications strategy directed at these concerns. We also identify benefits that are being underutilized and focus educating employees on the value of these benefits. Early communication is important. We strive to deliver our recommendations to you quickly so open enrollment can occur timely and implementation is smooth. Written communications are finalized and distributed. Face to face employee meetings are held to educate employees on their benefits and to give employees and their family members an additional opportunity to meet with our team one on one to ask questions and discuss any concerns they may have.

Two years ago, we implemented online, paperless enrollment. This has significantly reduced the workload of the HR team and increase accuracy of enrollment information. Employees can also meet with the Brown & Brown team face to face or complete their elections via phone if they choose one of these options. The reporting capability of the online enrollment platform allows the team to audit and reconcile invoices efficiently and accurately.

Our goal during open enrollment is to educate employees, provide assistance and encourage them to utilize our services throughout the year, and to alleviate as much of the administrative burden on the City's HR team as possible.

21. Please provide your approach to benefits administration.

To reiterate the response above, our goal is to alleviate as much of the administrative burden on the City's HR team as possible while holding plan performance and compliance to the highest standard. Even HR teammates who have dedicated roles wear many hats and oftentimes become the "catch all" resource for administration within an organization. With the support of our benefit experts nearby and access to our team of compliance, regulatory, and certified HR professionals we provide support to your team regarding employee benefits so they are free to focus on other tasks.





SECTION 5

Strategic Planning

22. Describe your approach to supporting our programs throughout the plan year.

We take a holistic approach to supporting our clients. We have resources to reduce the day to day administrative burden on your HR team including but not limited to access to our HR consultant services, online benefit administration, 1094/1095 form preparation, compliance checklists, and employee notices ready for distribution.

We provide an “employee helpline” which gives direct access to our local service team in Pryor to your employees and their spouses. Employees are encouraged to contact us to save your HR team time and to keep personal matters private. Employees and their spouses can also visit our team at our office for more in-depth support or guidance.

Our ongoing employee education and communication campaigns help employees understand how to use their benefits and the value of the City’s investment in their benefits as a part of their overall compensation package. A well communicated benefit program is a key factor in employee recruitment and retention and reduces employee turnover costs.

Through ongoing communication and frequent meetings, we can react quickly when changes need to be made and be well prepared for renewal in advance for a smooth transition.

Our regulatory and compliance services and education resources help build your HR team’s expertise and helps them stay up to date with changes and requirements.

We are available anytime the Ordinance/Insurance committee and/or City Council would like a state of the plan update.

23. What resources do you have available to help us manage our benefits and outline a benefits strategy consistent with current and future business plans?

Our most valuable resource when helping you outline a benefits strategy is our willingness and ability to listen to understand your future business plans. Pairing that with our extensive experience, subject matter expertise, collective wisdom, and proprietary technology and innovations, we can develop a long-term strategic plan to help you reach your goals. Innovations like our Risk Pool Management strategy, Population Health, proprietary Compliance Tools and others are unique resources to Brown & Brown that differentiate us from other brokers.

We bring multiple solutions and recommendations to you and help you identify the solution that best fits your goals and timeframe.

24. How will you help us with the competitive marketing and placement of our plans, evaluation of proposals, negotiations, and placement of insurance contracts and annual renewals?

We see the renewal as a year-round process more so than an event and take a very proactive approach to the renewal to de-emphasize the transactional component. Mid plan year, we will initiate an objective setting session (pre-renewal) for the next plan year with City of Pryor Creek. We will discuss service issues, market trends, benchmarks, and how they relate to your program.



We will also present our medical claims analysis and identify any problem areas. We will look for solutions (plan design, network, chronic disease programs, wellness program opportunities, marketing, etc.) to any problematic areas. After this pre-renewal, we will request renewals from all vendors and conduct strategic and/or competitive marketing for the benefit plans.

Placement of your insurance, aka the marketing process, involves many steps. We begin with an extensive review of your organization to ensure we thoroughly understand your business and exposures, followed by a thorough review of the existing insurance policies. In addition, Brown & Brown provides objective benchmarking regarding the limits, retention and premiums. With these reviews, we offer a complete analysis of your existing program and work closely with you to develop an action plan.

Our first order of business is to agree on a planning calendar, which builds the foundation for the written service plans that establish accountabilities. We have numerous guidelines to make certain everyone understands the information and communication needs of the process. We work with you to develop strategies and tactics and are accountable for their execution to achieve desired outcomes.

The following guidelines help organize the information needed to develop a meaningful marketing strategy that has clear objectives agreed to by the client.

Data Review

We recommend completing stewardship plans 120 days prior to the next annual policy inception or sooner; this process can be combined with developing a marketing strategy for the next policy period. Our overall goal is to review information with the client and determine how you would like us to modify our services to bring better value.

To establish the marketing strategy, tactics and required depth of market penetration for upcoming insurance placements, the following information should be reviewed:

- Changes in client operations
- Prior underwriting submission
- Policy summary
- Earlier marketing plans
- State of the market materials
- Service plans
- Loss summaries
- Other documents

Prioritize Client Objectives:

Working with the client, we rate the importance of the client's priorities in the following areas:

- Insurer rating
- Cost
- Coverage
- Cash flow
- Retention-level appropriateness
- Limit adequacy
- Service requirements
- Unique expositors/coverages
- Other

Creating the Written Marketing Plan

To make certain Brown & Brown and the client agree on outcomes to be achieved, we develop a short, written plan that summarizes meeting participants, a clear statement of marketing goals and a critical timeline.




Establishing the Critical Timeline:

- Agree on final marketing strategy
- Agree on depth of market penetration and specific insurers, if necessary.
- Develop submission.
- Preliminary discussions with underwriters.
- Provide submissions to underwriters.
- Negotiate according to agreed plan.
- Analyze results and present to client.
- Modify underwriter offerings as agreed with client.
- Bind program.
- Establish and implement service plans.

Review Market Plan Execution with The Client

After we have executed the plan, we circle back to learn from the client what they thought of the process, how satisfied they were with the outcome, and how we can improve the interaction in the future.



| Renewal Analysis | Negotiations & Actions Plans | Vendor Selection | Make Presentation to Key Stakeholders | Implement & Monitor |
|--|---|--|---|--|
| <p>Confirm scope and objectives</p> <p>Request all renewals to be received by Brown & Brown</p> <p>Evaluate initial renewal proposals from vendors</p> <p>Analyze premium levels, claims, reserves, retention, pooling levels, underwriting methodology and margins</p> <p>Utilize claims experience and financial reports to assist in analyzing and negotiating renewals</p> | <p>Develop plan alternatives and pricing for your consideration</p> <p>Provide a review of alternative funding contract options and offer recommendations</p> <p>Negotiate the appropriate renewal action with the insurance carriers</p> <p>If necessary, conduct vendor selection process</p> | <p>Establish Request for Proposal (RFP) objectives</p> <p>Pre-select vendors based on objectives</p> <p>Create RFP using standardized templates</p> <p>Health care: cost of administration, claim turnaround time and accuracy, customer service, performance guarantees, financials, unit discounts, provider access, network depth, utilization/ care management initiatives and quality of care metrics</p> <p>Ancillary lines: premiums, contract provisions, funding alternatives, performance guarantees</p> <p>Evaluate proposals</p> | <p>Conduct finalist site visits</p> <p>Present vendor recommendations and rationale in a high-level executive summary</p> | <p>Post implementation review</p> <p>Monitor costs, associate satisfaction and consumer behavior</p> <p>Measure vendors' performance against guarantees</p> <p>Conduct claim audit when appropriate</p> <p>Monitor vendors' continuous quality improvement progress</p> <p>Contract review</p> |

25. How will you negotiate all benefit plan renewals on all issues, including those related to premiums, benefit levels, plan design and special terms and conditions?

Our in-house underwriting specialists will review both current vendor renewals and market options to determine the best fit to meet your plan objectives. Our underwriters will also leverage their analysis with the market options against the incumbents' renewal. Both the renewal and market options are scheduled to be delivered at the same time. This strategy provides both the reasons and motivation for incumbent carriers to significantly modify their initial evaluations.

Through this process, we define what our clients currently have in place, their goals and objectives, and identify appropriate vendor partners for their programs. Our goal is to provide superior service to our clients by establishing a long-term relationship with the client, our professional staff and insurance carriers and administrators.



26. How are plan design changes handled?

It is important the plan design changes be determined as early as possible prior to the effective date to minimize employee disruption and to give the HR team ample time to collect signatures, if needed. Once the employer makes a decision, Brown & Brown works with the carrier/vendor to secure all necessary forms. Brown & Brown prefills the forms as much as possible and reviews the information with our client in detail before returning the signed documents to the carrier. We also draft communications for employees and present the changes at employee meetings. If the change requires employee election information, Brown & Brown collects this information via the online enrollment portal and submits it to the carrier on the employer's behalf. We also provide payroll deduction and change reports to the HR team.

Brown & Brown does not cancel coverage until the replacement coverage has been bound and confirmed.

27. Describe how you propose to transition our account to your organization, should your organization be selected.

Brown & Brown is currently City of Pryor Creek's employee benefits consultant. We approach each year with fresh eyes and analyze each group as if we were trying to win your business for the first time. We understand employee benefits is one of the City's largest budget items and a critical element of attracting and retaining employees. We also understand the responsibility of elected officials to be good stewards of City funds and resources, and the importance of performing due diligence when making decisions. We have made significant progress implementing the long term strategies established several years ago when we were first hired by the City and look forward to continue to advise the City as Pryor Creek grows and your goals and objectives change.

28. Will you provide monthly reports on claims and premiums?

Yes, when available. Currently the health insurance carrier releases claim information on a monthly basis. Some health insurance carriers limit this information to quarterly or semi-annual reports. Dental, vision, life and disability claims are typically only released once a year for employers the size of City of Pryor Creek.

29. Will you review contracts and summaries of coverage with providers for accuracy in rates, benefits and eligibility and coverage definitions?

Yes, our internal audit procedures require our local service team to review all contracts, summaries, rates, eligibility, and coverage definitions and to document the review within 30 days of the effective date.

30. How would you help us protect ourselves from escalating medical costs over the next 10 years?

Many of our clients utilize self-funding or some other form of alternative funding for their medical plans. We have influenced many organizations to consider self-funding when reviewing potential financial savings



opportunities. Using fact-based underwriting, we help our clients decide whether it makes financial and sense for them to move to a self-funded plan.

In addition to our Health Plan Intelligence analytics, we have several strategies, tools, and resources to aid our self-funded clients to control trends. Brown & Brown regularly uses the following innovative strategies and tools to drive cost reduction and member values for our clients:

1. Risk Pool Management/Proper Financial Management of Benefit Plan Resources
2. Data Analytics/Benefit Modeling + High Case Analysis Tool (Stop Loss Analytics)
3. Brown & Brown' Stop Loss Risk Rewards
4. Pharmacy Benefit Management Consulting

Risk Pool Management/Proper Financial Management of Benefit Plan Resources

Brown & Brown employs a proprietary approach to plan design and contribution analysis that we call Risk Pool Management. This core service has been a major contributor to assist clients in reducing trend costs. The cost of providing medical benefits is based on a complicated interaction of multiple parties, including insurers, providers, employers, employees and so on. Employers who are not correctly informed of the relationship between plan design, employee elections and insurance companies' underwriting of their medical plans are at risk to create a structural dynamic that increases their own expenses. Risk Pool Management is the examination of that dynamic and how it drives cost.

Most brokers and employers are either unaware of this concept or of how to functionally apply it. Brown & Brown' Risk Pool Management analysis leverages our knowledge of insurer practices in an applied manner that helps position our clients to experience a positive outcome, year after year. Our track record with renewals for groups that use our analytics and consulting is impressive and Risk Pool Management is instrumental in helping our clients create favorable medical trends.

Data Analytics/Benefit Modeling

In connection with our Risk Pool Management plan design and contribution analysis, we will utilize our HPI benefit analytics software to run various contribution strategy models that will show you the financial impact of all plan design changes and the percentage of participants affected by the changes. We know how important it is for you to try to save money without major disruption to your employees and families. Using HPI, we will run these different scenarios based on City of Pryor Creek information only. HPI also identifies claims related to unhealthy behavior and other areas we can target for savings.

High Case Analysis Tool (Stop Loss Analytics)

In addition to our proprietary analytics platforms, Brown & Brown offers all our partially self-insured clients with valuable information needed to properly evaluate risk. The High Case Analysis Tool assists in appropriately establishing Stop Loss levels to offset the effects of leveraged trend on high-cost claims. Depending upon 12 case characteristics, including the level of chronic conditions, measured by our HPI analytics, Brown & Brown uses this proprietary tool to recommend either increasing or lowering Stop Loss levels to avoid risk or improve cash flow. We measure 12 case characteristics, including level of chronic conditions measured by HPI, to recommend proper stop loss levels, helping to avoid risk and/or improve cash flow.

Brown & Brown' Stop Loss Risk Rewards

Brown & Brown formed a Stop Loss program designed to offer a new level of cost efficiency to self-funded plans without an increase in risk. This program allows participating plan sponsors the flexibility of purchasing catastrophic insurance without the considerable downside of pooled risk insurance platforms such as captives or exchanges. All participant groups are individually underwritten for their own population to ensure against the subsidizing of poor performers; groups pay only for their own risk. So, while there is



no additional risk, all participants will benefit from the increased leverage and efficiency from the considerable scale and negotiating power.

The Risk Reward program offers the same flexibility as if purchasing stop loss outside the program. Participants can elect to participate on a one-year basis and will have the freedom to elect any specific deductible levels, aggregate coverage level, contract basis, and third-party administrator (TPA).

Stable reductions in premium costs are achieved through volume discounts on both the administrative fee and the risk charge. Groups can also include disability and life coverage for additional savings.

Six months after the plan year ends, accounting will be completed and there is an opportunity for participants to receive up to 18 percent of their premium paid depending on the financial performance.





SECTION 6

Legislative/Compliance

31. What resources do you have to keep us in compliance?

Through our Compliance and Research Department, Brown & Brown provides ongoing updates to changes in all federal laws regarding the operation of client's benefit programs. This includes monthly communication pieces on topical subjects, a quarterly newsletter, periodic webinars, white papers and e-mail messages of importance. We will review client materials and make suggestions on how to best meet the requirements.

At the beginning of any new engagement, we complete a thorough review and compliance audit with the HR staff to make sure they are in compliance. We employ our sophisticated proprietary technology application, **CoreCompliance**. If compliance issues are found, we move quickly to amend the situation. We will conduct periodic audits, as necessary, throughout the lifetime of the relationship.

The CoreCompliance application operates on a proprietary platform that adapts to each client's specific needs. The items for review are determined based on responses to specific compliance questions during the live compliance exploration. Use of the proprietary platform enables a more detailed review of applicable compliance issues while forgoing compliance topics that do not apply to the employer.

On an annual basis, Brown & Brown compiles a **Compliance Calendar** for every client. Any time there is a new requirement or update on existing regulations, Brown & Brown notifies all the affected clients and ensures full understanding by the client. In short, Brown & Brown provides our clients with the answers they need before they need it, rather than expecting them to figure it out for themselves.

Brown & Brown has the ability to monitor regulatory and legislative developments at both the state and federal level and will advise City of Pryor Creek regarding compliance, legislation, and regulations affecting employee benefits and recommend solutions. We have a dedicated Research & Compliance team to assist you with specific guidance as it relates to HIPAA, COBRA, FMLA, Section 105, Section 125, and ERISA requirements. We will provide this service information pieces to both your local Brown & Brown staff and City of Pryor Creek at no additional charge.

Our services include preparation of the necessary HIPAA documents (e.g. Business Associate agreements, SPD privacy and security language, privacy notices and training materials), in addition to assistance with all other applicable laws and regulations.

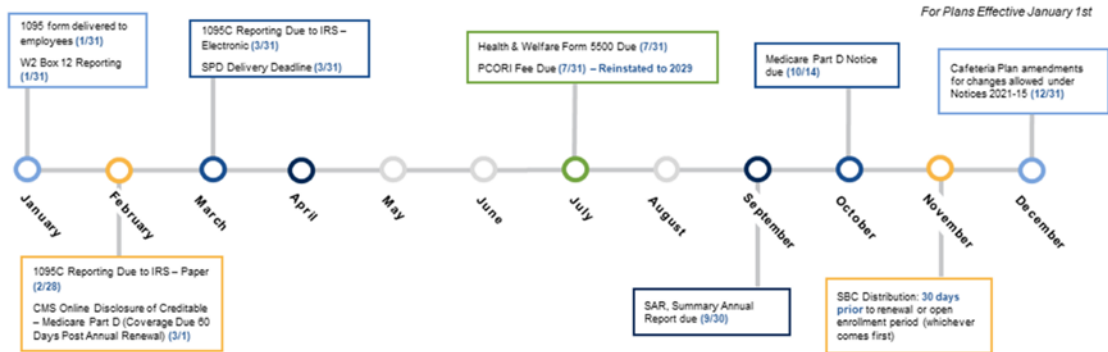
Brown & Brown will provide City of Pryor Creek with numerous services both to our own employees and to our clients in the areas of research, support and compliance assistance. Listed below are additional services we will deliver:

- Assistance with COBRA, FMLA, ERISA, etc.
- Form 5500 preparation
- Access to Brown & Brown's Client Portal
- Recent and proposed regulations
- HIPAA Privacy assistance
- Document and policy review
- In addition, we also provide assistance with preparing formal wrap documents, and completing an internal compliance audit

We will complete a thorough review and compliance audit with the HR staff to make sure that you are in compliance. If you are not, then we move quickly to amend the situation. After that initial assessment is completed, your Brown & Brown service team will work as an extension of your HR staff to advise on any upcoming compliance requirements.



Important Compliance Dates and Requirements



| ACA | COBRA | ERISA | | | | | | | | | | | | |
|--|---|--|-----------------|----------|---|--------------------|---------|-----------------|---------|---|-----------------|---------|---------------|---------|
| <p>The ACA created several notice and disclosure obligations for group health plans, such as:</p> <ul style="list-style-type: none"> Statement of Grandfathered Status Notice of Rescission Uniform Summary of Benefits and Coverage Notice of Patient Protections and Selection of Providers Exchange Notice | <p>Notice/disclosure requirements:</p> <ul style="list-style-type: none"> Initial/General COBRA Notice QE Notice to Plan Administrator COBRA Election Notice Termination Notice Notice of Unavailability of COBRA Notice of Insufficient Payment Premium Change Notice | <p>Notice/disclosure requirements:</p> <ul style="list-style-type: none"> SPD/Plan Document Summary of Material Modifications (SMM) Summary Annual Report (SAR) Notice of Special Enrollment Rights HPAA CHIPRA NMHPA MEDICARE PART D WHCRA | | | | | | | | | | | | |
| <p>2022 HDHP Max OOP Limits</p> <table border="1"> <tr> <td>Self-only coverage</td> <td>\$7,050</td> </tr> <tr> <td>Family coverage</td> <td>\$14,100</td> </tr> </table> | Self-only coverage | \$7,050 | Family coverage | \$14,100 | <p>2022 HSA Contribution Limits</p> <table border="1"> <tr> <td>Self-only coverage</td> <td>\$3,650</td> </tr> <tr> <td>Family coverage</td> <td>\$7,300</td> </tr> </table> | Self-only coverage | \$3,650 | Family coverage | \$7,300 | <p>2022 FSA Limits</p> <table border="1"> <tr> <td>Health Care FSA</td> <td>\$2,850</td> </tr> <tr> <td>Dependent FSA</td> <td>\$5,000</td> </tr> </table> | Health Care FSA | \$2,850 | Dependent FSA | \$5,000 |
| Self-only coverage | \$7,050 | | | | | | | | | | | | | |
| Family coverage | \$14,100 | | | | | | | | | | | | | |
| Self-only coverage | \$3,650 | | | | | | | | | | | | | |
| Family coverage | \$7,300 | | | | | | | | | | | | | |
| Health Care FSA | \$2,850 | | | | | | | | | | | | | |
| Dependent FSA | \$5,000 | | | | | | | | | | | | | |

This information is provided for general informational purposes only and should not be considered legal or tax advice or legal or tax opinion on any specific facts or circumstances. Readers are urged to consult their legal counsel and tax advisor concerning any legal or tax questions that may arise. Any information contained in this communication is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under ERISA or the U.S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.



5

32. Please provide any professional education opportunities your firm will deliver to our staff.

We provide professional education opportunities to our clients throughout the year in multiple formats including in person seminars, webinars, white papers, legislative and regulatory updates, industry trends publications, etc. Many of our events include opportunity to earn SHRM credits including our Benefits Breakdown podcast with subject matter experts from our team on various topics of interest to employers. There are no costs to attend these trainings.

33. Do you assist clients in the preparation of their Form 5500s and Summary Annual Reports? Is there a cost for these services?

We provide signature ready Form 5500s and Summary Annual Reports for our clients who are required by ERISA to report. The City of Pryor Creek is exempt from this requirement.



34. Describe how your firm maintains records in a HIPAA secure environment?





SECTION 7

Fees/Legal

35. Describe how you prefer to be compensated for your services.

Brown & Brown is flexible regarding how we are compensated, whether it be a flat fee, commissions, or a combination of both. We have many clients who prefer a flat fee for our services. This will make it known and a true line item on the P&L. Others prefer us paid a combination of fee based on the medical plan and commissions on ancillary/voluntary benefits. Regardless of the model, we will be fair open, and transparent.

Brown & Brown is proposing to continue the compensation agreement that has been in place with City of Pryor Creek for the current year. Current compensation includes \$18 per employee per month enrolled on the group medical plan, 10% commission on dental premiums paid and standard commission paid by AFLAC on policies sold since Brown & Brown became the agent of record on those polices on _____. Mutual any commission?

36. Does your firm have any reservations in making available documentation of the commissions received from insurers.

Our company was founded on a core principle of full transparency to our client. Even before Federal law began to require brokers to disclose all compensation to customers, our standard practice was to fully disclose all compensation in writing to our clients on an annual basis.

As stated earlier **we are very flexible regarding how we are compensated and are willing to receive our compensation from commissions, an agreed upon fee, or a combination of both.**

Our compensation should reflect the service we provide and we hold ourselves accountable to deliver value to our clients. We communicate our services through stewardship reports so our clients can see the value of the service we provide throughout the year.

37. Describe our right to terminate a contract with you. Is there a minimum contract period?

Our standard broker service agreement is written for a 12-month time frame. However, it is a month to month fee arrangement and the agreement can be cancelled at any time.

We strongly believe our customers have the right to know what their consultant makes in compensation. Many consultants are not transparent and aren't proactive in disclosing their compensation, specifically contingency commissions, overrides, retainers, bonus payments and additional compensation. Many of our new clients thought they had a transparent relationship only to discover that there were hidden commissions/fees built into the programs. We believe in disclosing all received forms of compensation.





SECTION 8

References

Current Client References

Cleveland Area Hospital Holdings, Inc.

Nicole Lake
Director of Human Resources
918-358-2501
nlake@clevelandareahospital.com

Miller Truck Lines, LLC

Sara Carter
Director of Human Resources
918-447-2103
sara@millertrucklines.com

Northeastern Tribal Health System

Audrey Fenoughty
918-332-4453
audrey.fenoughty@ihs.gov

Trece, Inc.

Marcia Flocks
Office Manager
918-785-3061
mflocks@trece.com

Iowa Tribe of Oklahoma

Shaun Patten
Human Resources Director
405-547-2402 x 3001
spatten@iowanation.org

Past Client Reference

Innovative Interfaces, Inc.

Linda Legg

315-254-6740



Scope of Services

Our firm's expertise is set forth in the continuum of service we extend dedicated to health and welfare program design, administration, efficiency and efficacy. Our service model is set forth in both short and long-term strategy development at intake and details a calendar of activities and deliverables designed to align with your organizational goals and Health & Welfare management needs. A sample scope of work would include the following activities executed on a day-to-day basis depending on the time of year:

A. Strategic Review & Development

1. Work with City of Pryor Creek to create short- and long-term benefits strategy which aligns with employer's overall goals for employee benefits package.
2. Conduct annual and ongoing meetings to monitor and adjust strategic needs of the organization's benefits program.
3. Keep City of Pryor Creek abreast of changes in industry practices and evolving strategy trends in healthcare industry and the local marketplace.

B. Analysis and Reporting

1. Analyze existing coverage and identify or develop cost-saving alternative benefit strategies and plans.
2. Assist in the development of long-range goals and strategies, including making projections of potential savings to avoid the ACA Shared Responsibility Penalty.
3. Assist City of Pryor Creek in monitoring and analyzing experience trends and providing timely alerts on changing patterns and appropriate recommendations.
4. Provide, maintain and update benchmarking reports of other public and private companies' benefit plan offerings and costs to determine their competitiveness against the City of Pryor Creek programs.
5. Provide financial and/or performance reviews of self-funded and fully insured plans and programs
6. Be available to provide various types of reports as needed, such as cost analysis for benefit changes, and other statistical, financial, forecasting, trend, or experience reports.
7. Regularly monitor and evaluate performance measures and guarantees for providers.

C. Liaison and Problem Intervention

1. Act as liaison between City of Pryor Creek and insurance providers and third-party vendors providing services such as COBRA, FMLA, HRIS, Wellness programs, reporting and compliance administration.
2. Provide day-to-day consultation on plan interpretation and problem resolution for City of Pryor Creek, including but not limited to escalated claims problems, billing questions, and other carrier and vendor issues.
3. Analyze all plan documents and summaries from insurance carriers and make recommendations.
4. Assist City of Pryor Creek in proactive mitigation of negative impacts or disruption of services to employees from benefit and/or provider network changes.

D. Compliance

1. Assist with ongoing plan administration and ensure that programs are in compliance with Local, State, and Federal legislation.
2. Conduct periodic seminars and webinars on pertinent legislative topics.
3. Review SPDs and insurance contracts for City of Pryor Creek specific plan provisions and language.
4. Assist with compliance questions and answers on topics regarding ERISA, COBRA, FMLA, HIPAA, ACA etc.
5. Provide on-site training to City of Pryor Creek as needed, regarding regulatory updates and/or best practice seminars for the effective administration of benefits plan.



6. Review and disseminate information to City of Pryor Creek on new or revised State, and Federal legislation that impacts benefits programs.
7. Assist City of Pryor Creek with annual audit to ensure compliance with all mandated reporting and posting/notice requirements for benefit plans.

E. Annual Renewal Process and Evaluation

1. Work with City of Pryor Creek to establish a strategy for benefits, both annually and three to five years in the future. Consider trends, prospective legislations, new delivery systems and geographic health-care practices to make long-term projections.
2. Review and make cost-saving recommendations regarding the modification of plan design, benefit levels, premiums, communications and quality of current employee benefit plans.
3. If partially self-insured, recommend appropriate premium rates and reserves to maintain the viability of the plans to ensure that quality and cost-effective benefits are provided by the plans.
4. Conduct thorough and applicable market research in preparation for all contract renewals.
5. Conduct thorough and applicable market research for third party vendors for such administration services as COBRA, FMLA, ERISA, HIPAA, HRIS, Wellness programs, and ACA reporting services.
6. Represent City of Pryor Creek in all negotiations with providers on various topics, including, but not limited to, premiums, benefit levels and plan design, performance measures and guarantees, contractual terms and conditions, and quality assurance standards.
7. Make recommendations for items of negotiation with providers, including, but not limited to, benefit levels and plan design, premiums, quality of service, performance measures and guarantees, and return on investment, where applicable.
8. Prepare specifications and compile data, obtain quotes and proposals, negotiate rates and analyze and compare proposals.
9. Review rate proposals to ensure underlying assumptions are appropriate and accurate for City of Pryor Creek.
10. Provide communication development and support for the annual open enrollment period, new benefit offerings and/or changes to the existing benefits offerings.
11. Attendance at, and assistance with, coordination of the annual benefits open enrollment meetings

F. Other Services

1. Assist in the development and implementation of an employee population health program to improve employee health and well-being and to reduce employee healthcare costs, both in the short-term and long-term.
2. Recommend and assist in developing enhancements and improvements for communications which meet the specific needs of City of Pryor Creek employees.
3. Develop and/or assist in developing and evaluating employee needs and satisfaction surveys.
4. Benefit Administration and online enrollment platform
5. Online Human Resource library of forms and resources
6. Monthly employee wellness newsletter
7. Monthly employee education communication piece
8. ACA 1094/1095 form preparation
9. Podcasts
10. Webinars
11. Employee handbook draft and/or review
12. Unlimited access to HR hotline
13. BenefitHub Employee Engagement Source



Many of our value-added services have been noted throughout this proposal. Brown & Brown is your all-in-one brokerage solution. We provide consultative support you can count on for all your needs. Our broker capabilities run the gamut from risk management to employee benefit services.

Brown & Brown' best-in-class industry talent, coupled with proprietary client resources and risk pool management services, has positioned our firm among the most highly sought after in the country. We are on the cutting edge of analytics consultancy services and value the strategic partnership achievements we drive for our client base. We are very proud of our service model that utilizes our benefits professionals' experience and expertise while establishing partnerships with outside vendors to provide superior products and services to our clients.

Some additional value-added services not detailed thus far include:

- Population Health Consulting
- Coffee & Compliance Podcast
- Benefits Breakdown Podcast
- Employee Handbook draft and review
- Spot on Resources: HR library
- HR Hotline
- Brown & Brown licensed online enrollment platforms with EDI feeds to carriers
- ACA 1094/1095 form creation
- BenefitHub Employee Engagement Source
- Signature ready Form 5500



Our service philosophy is one of the clear differentiators for Brown & Brown. HR is being stretched more than ever and we view our service role as a literal extension of your HR department. We offer a unique “extension of staff” service model that equally supports your benefit administration needs and the challenge of managing rising benefit costs. The best way for us to explain how Brown & Brown is differentiating ourselves from other consulting firms is to tell you how and why we are winning new clients. Time and time again, our clients are telling us that they chose Brown & Brown because of the following reasons:

Our People & Integrity

The integrity of the individuals at Brown & Brown is one of our key differentiators. Brown & Brown strives to hire honest professionals who demonstrate ethical standards on behalf of our clients and the insurance marketplace always and in all places. We are individuals of integrity and care about the results we deliver for our clients.

We talk a lot about our company growth over the years, but a big reason for the growth is due to the talent we have brought into this organization. Our model is to hire top talent and provide them with the resources to be successful. Our people are nimble with national and local resources, and we don't work in silos.

Comprehensive Service with a Sense of Urgency

City of Pryor Creek's service team will have a sundown policy, which means that if by sundown we haven't been able to provide you an answer to an inquiry, we will call, email, or even text you and let you know the status by sundown. We will make every effort to have an answer or resolve the benefits issue within the then required 24-48 hours.

Innovation & Creativity - Risk Pool Management Strategy

Brown & Brown is not the typical consulting firm that follows industry standards. We challenge the status quo, and we challenge our clients. We do not follow carrier benchmarks as most of the time they are in the insurance carrier's or broker's best interest and not City of Pryor Creek's. As such, we have developed a proprietary strategy we call “Risk Pool Management” (RPM). This strategy is innovative, creative and has proven to lower medical/pharmacy spend and ongoing trend for current Brown & Brown's clients.

So, what is risk pool management? It starts by addressing employee choice before utilization to create healthier and more efficient risk pools which leads to lower total cost. We understand the importance of focusing on the choices individuals are making to enroll in your medical plan before City of Pryor Creek spends one dollar.

Risk pool management is one of the fundamental principles we will address with City of Pryor Creek whereas other consulting firms focus on addressing utilization habits first. Your risk pool is comprised of the employees and dependents in your medical plan. Your risk pool is dictated by the choice you offer your employees, how they choose, and then how they utilize your medical plan. We have found that most employers have encouraged adverse selection between plan designs. This is due to misaligned plan design values, employee contributions and plan tier/budget structures.

We will thoroughly evaluate your plan designs, benefit plan values, employee/employer premium and contribution strategies and employee tier structures. We will then help you effectively align these items to ensure your risk pool is optimal and efficient. In doing so, you can reduce the level of “bad risk” while attracting “good risk” to the health pool of participants. This is one of the reasons why many of our clients are running well below standard medical trend nationally.

Auditors First



We are skilled auditors who listen, do our homework and transform data into smart solutions. We can't tell you today exactly what strategies make sense for City of Pryor Creek because we don't have all your claims data to know what factors are driving your costs. Everything we do and all decisions we make will be driven by your claims information and the culture of your organization. Once we know WHY your plan is running the way it is, then we can implement a strategic plan to determine HOW we are going to structure a plan of attack to resolve whatever it is that is driving your plans costs. We focus on the WHY!

We are successful at helping our clients in part because of the reporting analytics available through our proprietary Health Plan Intelligence (HPI) reporting tool. We are experts at building efficient medical/pharmacy plans to meet your financial, recruitment and retention needs. Our financial strategies empower our clients to obtain real results.

Transparency

We strongly believe our customers have the right to know what their consultant makes in compensation. Many consultants are not transparent and aren't proactive in disclosing their compensation, specifically contingency commissions, overrides, retainers, bonus payments and additional compensation. Many of our new clients thought they had a transparent relationship only to discover that there were hidden commissions/fees built into the programs. We believe in disclosing all received forms of compensation.

Strategic Focus

Our approach to benefits management is based upon sophisticated analysis of data, awareness of local and regional options and the strategic focus to help our clients chart a course for the long term and not just the next renewal or the next open enrollment.

Part of our strategic approach is to challenge clients to think "out over the horizon" – to plan today's tactics regarding health care management based on tomorrow's needs. Business issues such as Health Care Reform, employee recruitment and retention, workforce demographic composition, financial limitations or opportunities, employee satisfaction, merger/acquisition expectations and market conditions need to be analyzed in developing benefit program strategies to meet the needs of the future.

Brown & Brown will receive an annual data feed containing ICD-10 code and CPT code claims information from your carriers to create a comprehensive medical and prescription drug claims dashboard for utilization review and benchmarking. This process will collect data for multiple years for trend analysis.

Our Approach

Brown & Brown's professionals are bolder, more creative, more energetic and less afraid of failure than our competition. Brown & Brown growth is premised on a simple philosophy of hiring only the best talent and then providing them with the support they need to service their clients in an environment devoid of red tape and bureaucracy. We foster this attitude in our local work environment. Our local management team continually encourages our consulting teams to bring new ideas to clients, to present new thresholds of performance expectations to the insurance carriers we do business with, and to spare no expense in acquiring whatever resources are necessary to bring the best solution to each specific client in each unique circumstance.

Your Brown & Brown service team will deliver a customized service package for City of Pryor Creek and will have the focus and experience to guide you through the ever-changing employee benefits environment.





Ready to find your solutions? Let's chat.

Jennifer M. Brittain, GBA
Vice President Employee Benefits

Direct (918) 381-8056
jennifer.brittain@BBrown.com



Any solicitation or invitation to discuss insurance sales or servicing is being provided at the request of Brown & Brown of Oklahoma, Inc., an owned subsidiary of Brown & Brown, Inc. Brown & Brown of Oklahoma, Inc. only provides insurance related solicitations or services to insureds or insured risks in jurisdictions where it and its individual insurance professionals are properly licensed.

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208 N. Mill Street - Pryor, OK 74361 | BBrown.com | (918) 825-3295

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Sample Scope of Services

Our firm's expertise is set forth in the continuum of service we extend dedicated to health and welfare program design, administration, efficiency and efficacy. Our service model is set forth in both short and long-term strategy development at intake and details a calendar of activities and deliverables designed to align with your organizational goals and Health & Welfare management needs. A sample scope of work would include the following activities executed on a day-to-day basis depending on the time of year:

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5. Provide on-site training to City of Pryor Creek as needed, regarding regulatory updates and/or best practice seminars for the effective administration of benefits plan.
6. Review and disseminate information to City of Pryor Creek on new or revised State, and Federal legislation that impacts benefits programs.
7. Assist City of Pryor Creek with annual audit to ensure compliance with all mandated reporting and posting/notice requirements for benefit plans.

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5. Conduct thorough and applicable market research for third party vendors for such administration services as COBRA, FMLA, ERISA, HIPAA, HRIS, Wellness programs, and ACA reporting services.
6. Represent City of Pryor Creek in all negotiations with providers on various topics, including, but not limited to, premiums, benefit levels and plan design, performance measures and guarantees, contractual terms and conditions, and quality assurance standards.
7. Make recommendations for items of negotiation with providers, including, but not limited to, benefit levels and plan design, premiums, quality of service, performance measures and guarantees, and return on investment, where applicable.
8. Prepare specifications and compile data, obtain quotes and proposals, negotiate rates and analyze and compare proposals.
9. Review rate proposals to ensure underlying assumptions are appropriate and accurate for City of Pryor Creek.
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5. Online Human Resource library of forms and resources
6. Monthly employee wellness newsletter
7. Monthly employee education communication piece
8. ACA 1094/1095 form preparation
9. Podcasts
10. Webinars
11. Employee handbook draft and/or review
12. Unlimited access to HR hotline
13. BenefitHub Employee Engagement Source



BROKER SERVICES AGREEMENT

THIS **BROKER SERVICES AGREEMENT** (this "Agreement"), effective _____ (the "Effective Date"), is made by and between _____ ("Company"), and **BROWN & BROWN OF OKLAHOMA, INC.** ("Broker").

Background

Company wishes to retain Broker to perform certain specified insurance services as described in this Agreement. Broker wishes to perform such services according to the terms and conditions in this Agreement for the compensation set forth in this Agreement. The parties agree as follows:

1. **Term.** The term of this Agreement shall commence on the Effective Date and continue for a period of one (1) year, unless sooner terminated as herein provided.

2. **Relationship of Parties.** Broker is an independent contractor and nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship, a joint venture relationship or partnership relationship. In consideration of the compensation paid to the Broker by the Company, Broker will provide services to the Company as an insurance broker. Company acknowledges that Broker, or its parent company, Brown & Brown, Inc. ("Parent"), and related or affiliated companies (collectively with Parent, "B&B Affiliates"), may provide services as an insurance agent on behalf of certain insurance carriers or risk-bearing entities. Company expressly consents to such relationship, if applicable, in the rendition of services by Broker under this Agreement.

3. **Broker Services.** Broker, subject to the terms of this Agreement, shall provide certain services set forth in the attached Schedule A (the "Services"), but only in relation to the lines of insurance identified in Schedule A ("Lines of Insurance").

Nothing in this Agreement shall be construed to impose any obligations on Broker or limitations on Broker's compensation, relative to any lines of insurance or coverages other than as specifically delineated in Schedule A.

4. **Company Responsibilities.** In consideration of the Services provided by Broker, Company agrees as follows:

(a) Company shall cooperate fully with Broker and the insurance companies with whom Broker solicits in the performance of Broker's obligations under this Agreement.

(b) Company shall timely produce and complete accurate information including, but not

limited to, current financial information, statements of values, loss information and any other information, necessary for the effectuation of insurance coverage at the request of Broker. Company further agrees to provide Broker with notice of any material changes in Company's business operations, risk exposures or in any other material information provided under this Agreement. In addition, Company shall carefully read each insurance policy issued to Company in order to confirm the accuracy of the facts reflected therein and that the policy(ies) contain(s) the terms and coverages desired. Company is responsible for recommending any changes to insurance policies issued to Company.

(c) Company shall timely pay all premiums and fees.

(d) Company shall provide Broker with at least ninety (90) days notice in advance of any policy effective date in the event Company intends to allow competing agents or brokers to solicit or market insurance to Company.

5. **Compensation.** In consideration of the Services, Company shall compensate Broker as set forth in Schedule B (the "Broker Services Fee"). With regard to the Broker Services Fee, Company and Broker acknowledge and agree as follows:

(a) **The Broker Services Fee is not a part of, but rather is in addition to, any premium that may be paid by the Company for the Lines of Insurance.**

(b) It is understood and agreed that Broker, or B&B Affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. Such contingent payments or allowances are not subject to this Agreement, and will not be credited against the balance of the Broker Services Fee owed to Broker pursuant to this Agreement or paid to Company.

(c) Broker may utilize insurance intermediaries (such as a wholesale insurance broker, managing general agent (MGA), managing general underwriter or reinsurance broker) for the placement of Company's insurance. In addition to providing access to the insurance company, the intermediary may provide the following services: (i) risk placement; (ii) coverage review; (iii) claims liaison services with the insurance company; (iv) policy review; and (v) current market intelligence. The compensation received by the insurance intermediary for placements and, if applicable, the services above is typically in the range of 5% to 15% of policy premium. There may be an intermediary utilized in the placement of your insurance, which may or may not be a B&B Affiliate. Any payments or allowances paid to the intermediary are not subject to this Agreement, and will not be credited against the balance of the fee owed to Broker pursuant to this Agreement or paid to Company.

(d) If Company chooses to finance its premiums, Broker may assist Company in the arrangement of such financing. Any payments or allowances paid to Broker for arranging premium financing are not subject to this section, and will not be credited against the balance of the fee owed to Broker pursuant to this Agreement or paid to Company.

(e) Broker may, in the ordinary course of its business, receive and retain interest on premiums paid by the Company from the date received by Broker until the date the premiums are remitted to the insurance company or intermediary. Any interest income retained by Broker on these premiums are not subject to this section, and will not be credited against the balance of the fee owed to Broker pursuant to this Agreement or paid to Company.

(f) Compensation for the Services specified under this Agreement is exclusive of all federal, state and local sales, use, excise, receipts, gross income and other similar taxes and governmental charges and fees. Any such taxes, charges or fees for the Services under this Agreement, now imposed or hereafter imposed during the term of this Agreement, shall be in addition to the compensation, premiums and charges set forth in this Agreement and shall be paid by Company upon request.

(g) Company acknowledges and agrees that the Broker Services Fee is reasonable in relation to the Services to be provided by Broker hereunder.

6. **Confidentiality.** To the extent consistent with performances of Broker's duties under this Agreement, Broker and Company agree to hold in confidence Confidential Information (defined below). Company acknowledges, however, that Broker will disclose Confidential Information as reasonably required in the ordinary course of performing the Services to insurance companies and other insurance intermediaries. "**Confidential Information**" means all nonpublic information and all documents and other tangible items (whether recorded information, on paper, in computer readable format or otherwise) relating to the disclosing party's business (including without limitation business plans, manner of doing business, business results or prospects), proposals, recommendations, marketing plans, reports, any of which (i) at the time in question is either protectable as a trade secret or is otherwise of a confidential nature (and is known or should reasonably be known by receiving party as being of a confidential nature) and (ii) has been made known to or is otherwise learned by receiving party as a result of the relationship under this Agreement. Confidential Information should be protected with the same reasonable care as each party protects its own Confidential Information.

Confidential Information will not include any information, documents or tangible items which (i) are a matter of general public knowledge or which subsequently becomes publicly available (except to the extent such public availability is the result of a breach of this Agreement), (ii) were previously in possession of receiving party as evidenced by receiving party's existing written records, or (iii) are hereafter received by receiving party on a non-confidential basis from another source who is not, to receiving party's knowledge, bound by confidential or fiduciary obligations to disclosing party or otherwise prohibited from transmitting the same to receiving party. In the event that Broker or Company become legally compelled to disclose any of the Confidential Information, they shall provide the other party with prompt notice so that such party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that such protective order or other remedy is not obtained, or that the other party waives compliance with the provisions of the Agreement, such party may disclose such information as is necessary or advisable to comply with the legal process.

7. **Termination.**

(a) Either party may terminate this Agreement, without cause and for any reason whatsoever, by giving written notice of termination to

the other party at least thirty (30) days prior to the effective date of termination, which shall be specified in such written notice.

(b) Notwithstanding the provisions in sub-paragraph (a) above, Company may terminate this Agreement upon the happening of any one of the following causes: (i) Suspension or termination of Broker's insurance license in the State of Oklahoma if not cured by Broker within sixty (60) days following such suspension or termination; (ii) Broker's participation in any fraud; or (iii) Broker's material failure to properly perform its duties and responsibilities hereunder because of Broker's gross neglect, proven dishonesty, or commission of a felony.

(c) Notwithstanding the provisions in sub-paragraph (a) above, Broker may terminate this Agreement upon the happening of any one of the following causes: (i) Company's failure to pay any Broker Services Fee more than five (5) days after such payment is due; (ii) Company's participation in any fraud; or (iii) Company's material failure to properly perform its duties and responsibilities hereunder because of Company's gross neglect, proven dishonesty, or commission of a felony.

Termination for any cause enumerated in sub-paragraphs (b) or (c) shall become effective upon the delivery of written notice of termination to the breaching party or at such later time as may be specified in the written notice.

(d) Termination of this Agreement shall not release Company from any accrued obligation to pay any sum to Broker (whether then or thereafter payable) or operate to discharge any liability incurred prior to the termination date.

8. **Notices.** Any notices required or permitted to be given under this Agreement shall be sufficient if in writing by Certified Mail to:

If to Company:

If to Broker:

Brown & Brown of Oklahoma, Inc.
208 N. Mills
Pryor, OK 74361
Attn: Tommy Harvey
Email: tharvey@bb-ok.com

With copy to:

Brown & Brown, Inc.
220 S. Ridgewood Avenue
Daytona Beach, FL 32114
Attn: General Counsel
Email: legaldept@bbins.com

or such other address as either shall give to the other in writing for this purpose.

9. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision.

10. **Oklahoma Law Applies; Venue.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Oklahoma without regard to its conflicts of laws principles. Exclusive venue is agreed to be in a state or federal court of competent jurisdiction in or for Mayes County, Oklahoma.

11. **Limitation of Liability; Waiver of Jury Trial.** THE PARTIES WAIVE ANY RIGHT TO A TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF THIS AGREEMENT. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, OR INCIDENTAL DAMAGES, INCLUDING LOSS OF PROFITS, REVENUE, DATA OR USE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH POTENTIAL LOSS OR DAMAGE.

12. **Assignment.** Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. This Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and permitted assigns.

13. **Entire Agreement.** This Agreement (including the schedules, documents and instruments referred to herein or attached hereto) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. The Agreement shall not be modified except by a written agreement dated subsequent to the date of this Agreement and signed on behalf of Company and Broker by their respective duly authorized representatives.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

COMPANY:

A _____ corporation

BROKER:

Brown & Brown of Oklahoma, Inc.
an Oklahoma corporation

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Certificate of Insurance - Sponsored
Agent Errors and Omissions Liability Policy
For Life Insurance Company Sponsored Agents



This insurance is provided by the Company designated by a "X" in the box below:

- Zurich American Insurance Company
- Steadfast Insurance Company

Policy Number: EOC 9319136-10

THIS IS A CLAIMS MADE AND REPORTED POLICY. "CLAIMS" MUST FIRST BE MADE AND REPORTED IN WRITING TO THE COMPANY DURING THE "CERTIFICATE PERIOD" OR ANY APPLICABLE EXTENDED PERIOD OF THE POLICY. THE PAYMENT OF "DEFENSE COSTS" REDUCES THE LIMITS OF LIABILITY. PLEASE READ THE POLICY CAREFULLY. TERMS IN QUOTATION MARKS HAVE MEANING SET FORTH IN THE POLICY.

- Item 1. "Named Certificate Holder" and Address: BOULANGER, MICAH - 7200 W 13TH ST N WICHITA, KS 67212

- Item 2. "Additional Insured": Aflac of Columbus, GA - Aflac of New York - CAIC

- Item 3. Producer Mailing Address: 8430 ENTERPRISE CIRCLE, STE 200 LAKEWOOD RANCH, FL 34202

- Item 4. Limits of Liability:
 - \$1,000,000.00 Each "Claim"/Each "Named Certificate Holder"

 - \$2,000,000.00 Aggregate Each "Named Certificate Holder"

- Item 5. "Certificate Period": From: 1/1/2022 To: 1/1/2023

12:01 am local time at the address shown in Item 1.

- Item 6. Deductible: \$0 for AFLAC product claims, \$500 for non AFLAC product claims.

- Item 7. Premium: See premium schedule.

- Item 8. Endorsement Effective at Inception: Please see Form and Endorsement Schedule

THIS "CERTIFICATE OF INSURANCE" IS ISSUED IN ACCORDANCE WITH THE "MASTER POLICY" ISSUED TO THE BY ACCEPTANCE OF THE POLICY THE "NAMED CERTIFICATE HOLDER" AGREES THAT THE STATEMENTS IN THE "CERTIFICATE OF INSURANCE" AND THE APPLICATION AND ANY ATTACHMENTS HERETO ARE THE "NAMED CERTIFICATE HOLDER'S" AGREEMENTS AND REPRESENTATIONS AND THE POLICY EMBODIES ALL AGREEMENTS EXISTING BETWEEN THE "NAMED CERTIFICATE HOLDER" AND THE COMPANY OR ANY OF ITS REPRESENTATIVES RELATING TO THIS INSURANCE.

Request a Copy of the Policy:

Contact Producer above at (800) 593-7657 or go to <http://www.napa-benefits.org/aflac>.

NOTICE TO CERTIFICATE HOLDER

THIS DOCUMENT CERTIFIES THAT THE POLICY OF INSURANCE LISTED ABOVE HAS BEEN OR SHALL BE ISSUED TO THE "NAMED CERTIFICATE HOLDER" NAMED ABOVE FOR THE "CERTIFICATE PERIOD" INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THIS "CERTIFICATE OF INSURANCE" IS NOT A CONTRACT OF INSURANCE, BUT ATTESTS THAT A POLICY AS NUMBERED HEREIN, AND AS IT STANDS AT THE DATE OF THIS CERTIFICATE, HAS BEEN OR SHALL BE ISSUED BY THE COMPANY. RIGHTS UNDER THE INSURANCE POLICY EVIDENCED BY THIS "CERTIFICATE OF INSURANCE" CAN BE DETERMINED ONLY WITH REFERENCE TO THE ACTUAL "MASTER POLICY". THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE "CERTIFICATE HOLDER".

THIS "CERTIFICATE OF INSURANCE" NEITHER AFFIRMATIVELY NOR NEGATIVELY AMENDS, EXTENDS, OR ALTERS THE COVERAGE AFFORDED BY THE POLICY OF INSURANCE LISTED ABOVE. NOTWITHSTANDING ANY REQUIREMENT, TERM, OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS "CERTIFICATE OF INSURANCE" MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICY DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF THE POLICY. A "CERTIFICATE HOLDER" SHOULD OBTAIN THE INSURANCE POLICY TO ASCERTAIN THE SPECIFIC TERMS, EXCLUSIONS AND CONDITIONS OF THE POLICY. THIS CERTIFICATE OR VERIFICATION OF INSURANCE IS NOT AN INSURANCE POLICY.

Agents should report actual or potential "claims" to:

As a condition precedent to the right of insurance coverage afforded under the described policy, you shall as soon as practicable, but no later than sixty (60) days after the "Termination of Coverage", give the Company written notice to the following:

Zurich North America Commercial
NY Specialties Claims
P.O.Box 968041
Schaumburg, IL 60196-8041

Immediately forward to the above every claim, notice, summons, or other process received by you or your representative. You have specific duties in the event of the claim for which you should consult the Company above. Do not disclose or discuss any facts or information relating to your claim with anyone other than the above or a representative of the E&O carrier or someone appointed by the E&O carrier to handle your claim.

NOTICE TO CERTIFICATE HOLDER OF POLICY EXCLUSIONS

THE POLICY REFERENCED ABOVE DOES NOT APPLY TO THE FOLLOWING TYPES OF "CLAIMS" (SEE SUMMARIES BELOW):

- Arising out of dishonest, fraudulent, criminal, malicious or knowingly wrongful purpose or intent.
- Alleging bodily injury, sickness or death of any person or destruction or damage to any tangible property, including loss of use thereof.
- Alleging liability of others assumed by the "Insured" under a contract.
- By an enterprise owned, operated, controlled or managed by an "Insured"; or any "Claim" by an enterprise which owns, operates, controls or manages an "Insured".
- Arising out of services performed by the "Insured" as an actuary, accountant, attorney, real estate agent or broker, named fiduciary or third party claims administrator.
- Arising out of any commingling of, or use of client funds.
- Arising out of insolvency, receivership or bankruptcy of any organization in which the "Insured" has obtained coverage, unless at the time of placement, that organization had an AM Best Rating of "A-" or better.
- Arising out of the "Insured's" activities in computer programming or processing if the resulting programs or software are sold or distributed or if a fee is charged for use of such program or software.
- Arising out of disputes between the "Insured" and the insurance companies through which the "Insured" did business.
- Arising out of the use of confidential information by the "Insured".

- Arising out of the "Insured's" inability to pay or collect premium, claim or tax monies.
- Arising from the placement of client's coverage or funds with any organization that is not licensed to do business in the state or jurisdiction with authority to regulate such business.
- Arising out of the ownership, formation, operation, or administration of a HMO, PPO, risk retention group, MEWA, self-insurance program, or purchasing group.
- Arising out of any law that imposes liability for unlawful communications and collection of personal information.
- Arising out of the purchase, sale or the giving of advice regarding certain investments, including commodities, viatical settlements, reverse mortgages, pay phone investments, junk bonds, qualified retirement plans, employer welfare benefit funds.
- Brought by SIPC or any other governmental entity.
- Brought by any clearing agency.
- Arising out of the "Insured's" activities in exercising discretionary authority over a customer's account.
- Arising out of the infringement of intellectual property rights.
- For "Personal Injury" sustained by the "Insured" or "Additional Insured", caused by the "Insured", arising out of oral or written publication of material, or out of an electronic chatroom or bulletin board, or out of the unauthorized use of another's name or product.
- Arising out of alleged discrimination of any kind.
- Prior to the first effective date of coverage.
- Arising out of pollution.
- Arising out of the quality of care rendered by, lack of care rendered by, or the alleged malpractice of a participating provider of health-related services.
- Based upon or arising out of any Pension, Profit Sharing, Health and Welfare or other Employee Benefit Plan or Trust sponsored by the "Insured" as an employer.
- Arising out of the "Insured" making representations, promises or guarantees as to the future value of any investment including but not limited to, representations, promises or guarantees as to interest rates, fluctuation in interest rates, future premium payments or market value(s).
- Arising out of or involving investment products partially or totally owned by the "Insured".
- Arising out of the brokering of structured settlements; however, this exclusion does not apply to any "Claim" arising from or contributing to the sale of annuity products used to fund the structured settlements.



 November 2022

Response to Request for **Proposal**



Corporate Benefits



Pryor Creek
OKLAHOMA

Prepared by
THAD LEDFORD
Vice President - Sales

SPENCER LONDAGIN
Benefits Advisor

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spencer.lonadgin@nfp.com

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Introduction

We appreciate the opportunity to partner with the City of Pryor Creek to manage your benefits plans. We believe there is an exceptionally strong match between the needs identified by the City of Pryor Creek and NFP's strengths. We are confident that our team's passion, energy, expertise, and oversight will bring a fresh approach from a strategy, resources, and ideation perspective.

What excites us most about being part of NFP is how we are different. While this RFP will go into greater detail, we would summarize our competitive advantage in five key points:

- **Dedication:** Our dedication to our clients and their employees, as well as to our own team members, results in exceptionally high retention of both our clients and associates. We believe these two facts are inextricably connected and that the work ethic, commitment to excellence, and longevity of our staff is the outgrowth of a corporate culture that is based upon teamwork and mutual respect.
- **Expertise:** We pride ourselves on being health and welfare benefits experts, as well as on our responsiveness, expertise, and execution. Our Oklahoma team alone boasts well over 100 years of industry experience.
- **Strength of Relationships:** As one of the biggest national presences and the largest employee benefits consultant in the country, we leverage our relationships to get our clients the attention, resources, and support they need.
- **Advocacy:** We work with carriers and administrators to obtain the most competitive plans and financial terms available. Our deep analytics provide carrier representatives and underwriters invaluable information about our clients so they recognize what proactive steps are necessary to mitigate risk, address concerns, and ensure the most effective and efficient programs are in place.
- **Diversity:** NFP celebrates and leverages the individuality and diversity of our employees for the betterment of our organization, and it shows in everything we do. Our respect for every person regardless of gender, ethnicity, religion, sexual orientation, and cultural beliefs is a matter of principle. The result is that our diverse and unique pool of talent fully embodies what it means to be part of the NFP culture — and we wouldn't have it any other way.

We are a national and global presence that operates with local values. We are problem solvers with deep resources. We are builders of long-standing relationships who care about the people we work with, both internally and externally.

As you work through the RFP process and review the responses, please keep in mind we are always available to discuss any questions you have about compensation and the services we can offer the City of Pryor Creek — as well as any additional services that you would like to take advantage of when moving into your next renewal.

On behalf of NFP, we would like to thank you for considering us in this process.

Thad Ledford and Spencer Londagin

Your Company

1. Briefly describe your organization’s history and background.

NFP was established in 1999, a publicly traded company between 2003 and 2013, and is currently majority owned by its employees and private equity firms Madison Dearborn Partners, LLC and HPS Investment Partners, LLC. NFP is a leading property and casualty broker, benefits consultant, wealth manager, and retirement plan advisor that provides solutions enabling client success through the expertise of over 6,900 global employees, investments in innovative technologies, and enduring relationships with highly rated insurers, vendors, and financial institutions.

NFP is the 9th best place to work for large employers in insurance, 7th largest privately-owned broker, 5th largest benefits broker by global revenue, and 13th largest broker of US business (all rankings according to *Business Insurance*). Headquartered in New York City, with a full-service resource center in Austin, TX, the company has grown organically and through acquisitions across benefits, insurance, and wealth management. We have:



2. Provide details of your organization’s financial status and stability.

NFP’s leadership team has been in place for over 20 years. NFP is financially stable and well positioned. We do not foresee any changes in our organization that could have any type of impact on the delivery of services for the City of Pryor Creek. NFP is currently a privately held company and in strong financial condition. Total revenue figures for the last five years are:



3. Discuss any known or impending changes in your organization that could impact the delivery of services.

We do not anticipate any changes that would negatively impact the services delivered to the City of Pryor Creek. The only changes that we envision would be enhancements to the services we can offer to the City of Pryor Creek and our other clients.

4. Please provide your Errors and Omissions insurance coverage.

NFP maintains Errors and Omissions limits of \$10 million per claim and \$10 million in aggregate.

Service Team

5. Discuss the proposed team that would work with City of Pryor Creek and provide information about the qualifications and expertise of each team member during implementation and ongoing support.

We have assembled a team of industry professionals who specialize in employee benefits, finance, human resources, and benefits administration technology. Your dedicated team of experts includes:



CORE TEAM

- Thad Ledford**, Vice President - Sales
- Spencer Londagin**, Benefits Advisor
- David Spence**, Vice President – Client Services
- Karson Hudelson**, Benefits Analyst
- Robyn Setzer**, Account Executive
- Jill Zamudio**, Account Manager

ADDITIONAL RESOURCES

- Underwriting/Claim Analytics
- Retirement Plan Advisors
- Benefits Administration Technology Consultants
- Property/Casualty Consultants
- International Benefits Consulting

In addition to the core team, we can assign additional resources from our Austin resource center. These resources include:

- **Pete Panno, VP, ASA, MAAA and Geoff Seibel, VP, ASA, MAAA** – co-lead the team of actuaries and support staff who provide actuarial services and financial guidance including consultations, analyses, and valuations related to all employee benefits programs and plans.
- **Suzanne Spradley, SVP, Associate General Counsel and Chief Compliance Officer Legal & Compliance** – oversees the Benefits Compliance Department, which provides consulting services on all aspects of employee benefits compliance.

- **Mark J. Rieder, Head of Innovation & SVP, HR Technology and Benefits Administration** – serves as a leader in developing ideas for new technologies, products, services, and practices. Mark works to drive adoption and manage high-quality execution across organizational lines.
- **Deb Smolensky, SVP, Well-Being and Engagement** – consults with our clients to develop programs and practices that empower employees to lead healthy, productive lifestyles through innovative and highly engaging solutions. Deb is also a subject matter expert for the insurtech, fintech, and digital health verticals of Distributed Ventures.
- **Kim Heald, VP, Voluntary Benefits Practice Leader** – helps employers build comprehensive and competitive supplemental health programs with a disciplined focus on technology platforms and enrollment best practices designed to enhance each employee’s experience and overall level of understanding.
- **Heidi Cottle, SVP, Cost Containment Strategies** – Heidi brings specialized insights on medical/Rx cost containment and emerging trends in traditional and non-traditional strategies. She also has expertise in risk mitigation solutions, advanced primary care, disease management, direct to provider/surgical/hospital solutions, and care access and quality enhancements. Heidi was a finalist for the 2019 World Health Congress “Innovator of the Year” award, a reflection of her engagement in digital transformation efforts designed to enhance the client experience.
- **Maria Trapenasso, VP, Human Capital Solutions** – Maria works with clients to assess workforce practices, policies, and technologies while creating solutions to enhance their organizational efficiency and effectiveness. She is an expert on a wide variety of HR-related topics, including employee relations, policies/procedures, and audits/compliance. She focuses on helping clients clarify objectives, being more strategic in their approach to HR solutions and employee engagement and investing in the necessary HR infrastructure.

See Appendix **A** for the Oklahoma team resumes.

6. **Outline the organizational bench-strength that could be deployed to the account in the event of employee turnover within your organization.**

NFP is organized along levels of responsibility rather than a rigid reporting structure. Our team is equipped with specialists to include an analyst, communication specialist, and other professionals with expertise in servicing clients like the City of Pryor Creek. The number of clients managed by any individual service team member is commensurate to the size and scope of the services provided to those clients. We work diligently to properly handle any exceptional workload situations. Our office is adequately staffed to handle the City of Pryor Creek account and will not be constrained by current or potential future support activities performed on behalf of any other client. Our intent is to saturate our clients with exceptional service and exceed their expectations.

7. **How often does your team meet with your clients and for what purposes?**

NFP has built a standard stewardship process that includes monthly calls and quarterly meetings conducted in person (or video due to COVID-19); however, the NFP team will meet **as often as needed**. There are no hourly fees for time or limits on the amount of face-to-face meetings. NFP prides itself on client service and would fail to live up to this promise of HR partnership if time were inappropriately limited. NFP encourages open communication throughout the year and commits to respond to ALL requests within 24 hours, typically much sooner. Meetings are typically tactical and/or strategically focused.

The process begins with some form of weekly or bi-weekly contact (face-to-face or conference call). Depending on the tasks at hand and your preference, this may vary. Once the transition has taken place, some clients prefer

monthly meetings while others may desire quarterly meetings with bi-weekly conference calls. When a new plan is implemented or if exceptional issues arise, NFP meets with clients more frequently to discuss ongoing issues. The City of Pryor Creek will also receive monthly executive dashboard reports as well as quarterly performance reports.

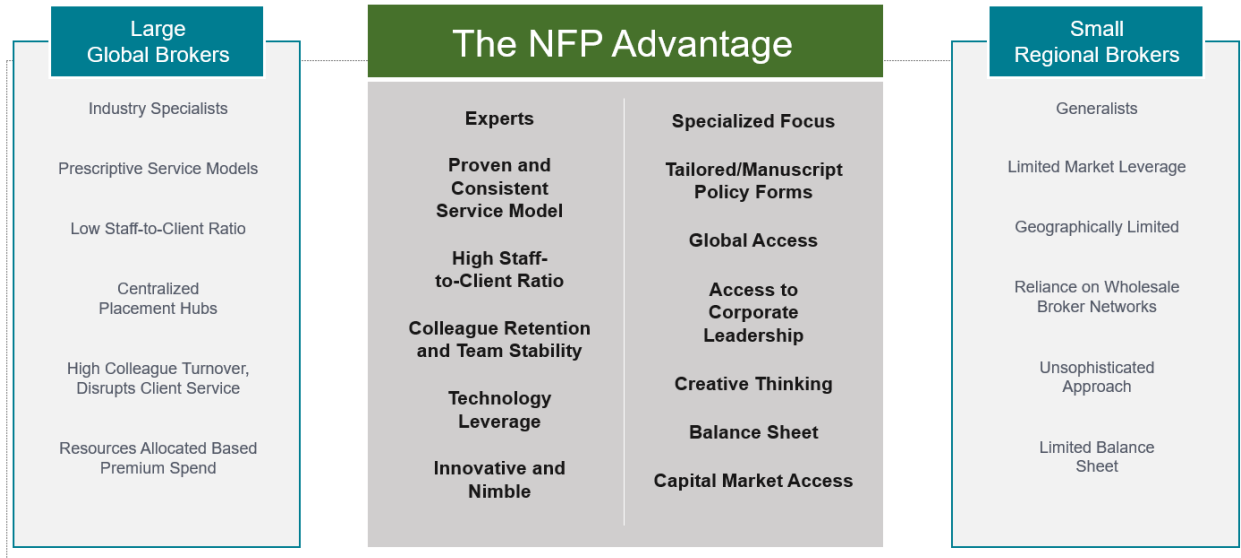
No matter what timeframe is chosen by the City of Pryor Creek, the service team will manage your plans through ongoing action item lists and plan year calendars, so everyone is on the same page concerning due dates, execution, etc. Action items lists keep all parties on task and ensure accountability.

8. Describe what makes your firm uniquely qualified to work on our account.

NFP has a deep bench of experienced specialists who stand out from our competition. NFP has dedicated resources to specific core services such as compliance and legislative support, well-being and medical management, communication and education, vendor selection and support, plan operations, plan analysis and reporting, and strategic planning.

NFP’s success differentiates us from our competitors because of our ability to be flexible and act as an extension of your benefits department. Our regional and national leverage gives us the ability to negotiate best-in-class competitive pricing and contracts.

How We’re Different



NFP sets the standard for strategic consultation, customer service, and leadership across chosen markets as well as charitable actions in communities in which we do business in.

NFP is unlike the competition: large consulting firms with high price tags and standardized delivery models or smaller traditional brokers with limited resources and reactive, rather than proactive approaches. We are strategic in our solutions, accountable for implementation, and responsible for all outcomes. We listen, learn, and leverage to go beyond the expected and deliver results.

9. Please describe the succession plan for the primary contact(s) who will be working with our plan.

Thad Ledford and Spencer Londagin are the lead consultants assigned to the City of Pryor Creek team. If, for any reason, Thad Ledford or Spencer Londagin become unavailable, our senior leadership would assign another equally qualified plan consultant from our staff to take over team leader responsibilities. Our team approach and process-driven environment ensures transitions are accomplished with minimal impact on client relationships and the delivery of our services.

Account Services

10. What sort of benchmarking can you provide and what data sources would you use and why?

The NFP benchmarking process helps you determine how your benefits plans compare to others in your competitive marketplace, while also showing you ways to potentially control costs. NFP would be able to provide the City of Pryor Creek benchmarking insights through the following channels:

- **NFP's Proprietary Benefits Plan Benchmarking Database:** provides benefits plan data details representing NFP employer groups (deductibles, copays, co-insurance percentages, premiums, and more) which are entered by NFP advisors. From there, we can run and compare benchmark reports by employer size, industry classification, and region. The reports pull from a dedicated NFP database with information from more than 2,500 employer groups located in 45 states, including the District of Columbia, with more than 442 unique NAICS classifications.
- **Industry-Specific Normative Database:** To supplement our hands-on experience in the marketplace, our research teams obtain current reports and data on your industry from various national sources, including Kaiser Family Foundation's *Employer Health Benefits Annual Survey* and Willis Towers Watson's yearly *General Industry Employee Benefit Policies & Practices Report*. Depending on the scope of the benchmarking project, we will pull from the most appropriate sources.

The benchmarking process uncovers the prevalence of various benefits practices, cost-sharing arrangements, eligibility requirements, and plan provisions, while also quantifying the value of those plan provisions. The dataset includes information on the prevalence, costs, and provisions of different benefits types, and can be reported by:

- Company size
- Industry
- Geographic region
- Plan design specifications
- Contribution levels

Successful benefits benchmarking will support:

- Increased awareness about plan performance, including relative strengths and weaknesses
- A higher level of confidence in developing and managing benefits plans
- Greater involvement and motivation of HR staff in effective cost controls
- Increased willingness to share solutions to common problems and build consensus about what is needed to accommodate changes
- Better understanding of the big picture and a broader perspective of the interplay of factors that facilitate the design of a competitive benefits package

11. Does your firm provide general Human Resources consulting services or support?

Human Capital Solutions keeps your business running as efficiently and profitably as possible. We create strategies and processes that enable employees to perform their jobs successfully, so you can retain the talent you invested in. Human Capital Solutions also helps implement and support those strategies and processes while keeping people, process, and technology at the forefront. Some of our specialties include:

| People and Process | Technology |
|---|--|
| <ul style="list-style-type: none">• Due diligence/Mergers and acquisitions• Regulatory reporting• Policy compliance• Recruiting and onboarding efficiencies• Performance management• Handbooks• Leave administration• Compensation and total rewards | <ul style="list-style-type: none">• HR systems evaluation• Vendor assessments• Project management/implementation support• Data warehousing• Electronic data interchange (EDI) programming• Web services and application programming interface (API) support |

Human Capital Solutions will take you through a process of discovery that will allow us to listen to your needs, ask questions, and gather documents on the HR challenge or need you have. When the opportunity exists to prepare a baseline assessment, we will present that assessment to you with our recommendations on how to best achieve your objective. At that time, if you would like to undertake an HR project, the team will scope out the time and level of resource needed to accomplish the project for you and present a proposal that outlines the scope of work to be performed, outcomes and deliverables, and the hourly or project fee cost based on competitive HR consulting rates in your area of the country.

12. What resources do you use to analyze medical and pharmacy claims?

Springbuk Solutions is a web-based decision support system emphasizing the use of the plan’s various data components to provide a more comprehensive and ongoing evaluation specifically targeting the underlying cost drivers. Plan data is secured by a monthly file-feed from all of the necessary and various components of the plan. Typically, this includes information from medical, Rx, and well-being vendors and, if desired, may also include payroll system and workers’ compensation data.

NFP uses the Springbuk Solutions platform to secure, combine, and analyze these various data feeds to give a complete understanding of employee, spouse, and dependent costs. This data analytics tool allows us to drill down by disease state, member type, and more to target engagement levels and project future cost drivers within your benefits program. By using the most current data to isolate these cost drivers and forecast your future spend, you will:

- Get ahead of the spending curve by seeing a 360-degree view of your whole population — not just a small population that attended biometric screenings last year.
- Identify prevention treatment compliance and gaps in care, and apply a risk stratification to your population, identifying those at high risk.

- Have an important resource tool for coordinating with your well-being vendor or to support other employer initiatives to engage the right members at the right time.

In addition to the comprehensive health analytics resources, Springbuk also includes benchmarking and plan modeling capabilities — two very important tools to help elevate your decision-making process to the next level. The cost for Springbuk Solutions is determined based upon the scope and customization necessary to meet the City of Pryor Creek’s objectives.

Please see Appendix **B** for more information about Springbuk Solutions.

13. Do you have actuaries and or underwriters on staff? Are actuarial and/or underwriting services included?

NFP’s Actuarial Services Team provides our clients with the precision required in today’s complex benefits landscape. Their services include consultations, analyses, and valuations related to all Employee Benefits Programs and Plans. Our actuarial staff is committed to assisting in implementing the financing, risk, administration, and marketing of healthcare arrangements.

Services are included.

Please see Appendix **C** for our Self-Funding Renewal Analysis and Actuarial Brochure.

Please see Appendix **D** for a sample GASB report.

14. What cost projections and analysis can you provide to support our fiscal goals?

NFP is a data-driven organization. As such, the process for developing cost projections begins with creating data transparency. We work in conjunction with your finance and HR teams to set a budget with confidence and accuracy. Below is a list of the major items we consider in our budget process, assuming this data is available:

- Prior 10 years’ loss ratios and renewal calculation. For fully insured contracts, our internal underwriting team analyzes the carrier’s renewal to better understand their pricing model and determine its accuracy.
- Changes to the plan design that have not been implemented
- Claims on an incurred basis which include adjustment for incurred but not paid claims
- Changes to administrative contracts
- Leveraging effect of high cost claims
- Claim trends for benefits utilization and unit cost assumption are forecasted
- Company’s business plans that could influence the size and location of workforce
- Shifts among employees between plan options are anticipated in our forecasts
- Change in federal and state regulation
- Employee contribution structures

15. How do you manage vendor relationships?

NFP actively manages your various vendor relationships by aggressively negotiating, coordinating, and providing comprehensive product and service due diligence. New and established vendors are regularly reviewed to ensure their compliance with the highest standards of client satisfaction. These standards encompass areas including key contract provisions, rate stability, underwriting criteria, data transfer capabilities, and innovation

and competitiveness within the marketplace and within a client’s specific industry. Regular communication with the client and vendor ensures issues are caught early enough to allow for adjustments and appropriate actions.

We also meet with HR staff on a quarterly basis to discuss and analyze claims experience and review trends and costs. We will actively participate in regularly scheduled meetings with the insurance committee, board, and other appropriate staff. Issues of cost containment, trends, benefits, and new developments in the industry are discussed.

If for some reason you are not completely satisfied with the service you receive from a vendor, you can have confidence when providing feedback because NFP is receptive to evaluation and holds our vendors accountable for the level of their services.

16. Describe your approach to innovation?

NFP is an active acquirer of businesses, having acquired approximately 145 firms over the last five years. These moves have solidified NFP’s footing as a leading international insurance broker and consultant that provides property and casualty, corporate benefits, and individual solutions. While we strive to expand our physical footprint, NFP knows that providing innovative ideas, tools, and services is key to truly expanding our influence in the industry.

With that in mind, NFP launched our innovation efforts in 2018 with the Innovation Lab – a dedicated area to help source innovative companies based on a standard evaluation and scoring format – to keep pace with the insurtech startups and emerging technologies that were changing and disrupting the insurance industry. As part of our Innovation Lab, NFP established a venture fund, Distributed Ventures, focused on strategic partnerships and investments in the fields of insurtech, fintech, and HR tech, where NFP can help to accelerate revenue traction, lend its expertise, and accelerate development of data-driven assets for innovative companies. Distributed Ventures backs late Seed and Series A companies; we build meaningful relationships with the founders we back and we are deeply passionate about the product they build. Our Innovation Lab, in conjunction with the venture fund, conducts market research to identify platforms for use by our advisors and clients.

The insurance industry continues to undergo significant technological, regulatory, and marketplace changes — prompting organizations to reimagine how they address shifting customer needs and compliance dynamics. With the emergence and pervasiveness of intelligent automation and artificial intelligence (AI) technologies, NFP understands the importance of, and is committed to, leveraging these AI applications to better respond to customer needs, address risk and compliance threats, and drive process efficiencies.



Since the Innovation Lab’s inception, we have sourced over 500 startups, insurtechs, and brands. Through this, we have been able to partner with, or develop, numerous tools and products for our clients.

Employee Communication, Employer Education/Well-Being and Open Enrollment

17. What overall communications plan would you develop to assist City of Pryor Creek around communication to, and education of, employees about our benefits programs?

NFP is committed to employee education. Our goals are to:

- Elevate each employee’s understanding and appreciation of their benefits package.
- Educate the employees to become better, more cost-efficient consumers of their healthcare.

Education and behavioral change doesn’t happen overnight. In order to truly create an effective and consistent message, employee communication must be a year-round initiative, not just one time during open enrollment.

An effective communications strategy is customized to each employer client and comes in many forms, including face-to-face meetings, written materials, webinars, teleconferences, and apps intended to enhance the member experience.

NFP partners with your organization’s leadership group and HR staff to create a communications strategy that extends beyond annual open enrollment. Through in-house marketing, third-party resources, and carrier resources, NFP can help the City of Pryor Creek enhance its communication strategies with the following:

| FOR THE EXECUTIVE AND HR TEAM | |
|--|--|
| <i>Executive Communications</i> | <i>HR Team</i> |
| Executive Board Presentations | Benefit Renewal and Plan Modeling |
| Overview of Benefits and Financial Results | Plan Results and Impact Analysis |
| Benefit Plan Modeling and Design Impact Analysis | Process Maps and Procedure Documentation |
| Research Reports and White Papers | New Vendor Analysis |
| Carrier Performance Summaries | Normative Comparisons |
| Health Reform and Compliance Impact Analysis | Vendor/Broker Change |
| Employee Engagement Results/Well-Being ROI | Compliance |
| Strategic Planning | Training |

| FOR THE PARTICIPANT | |
|--------------------------------|--|
| <i>Annual Enrollment</i> | <i>Well-Being</i> |
| Benefits Guide | General Education and Awareness |
| What’s New Highlights | Program Introduction Letters |
| Employee Meeting Presentations | Program Logo/Branding |
| Health Plan Comparison Charts | Benefit Highlights and Coordination with Health Plan |

| | |
|---|---|
| Posters/Postcards | Emails/Posters/Postcards |
| Emails | Newsletters |
| Enrollment Instruction Guide | <i>Miscellaneous</i> |
| Personalized Enrollment Forms | Employer SPDs/SMMs/Notifications |
| Beneficiary Solicitation | Total Compensation Statements |
| Manager FAQs and Checklists | Dependent Audits (announcements and instructions) |
| <i>New Hire</i> | Surveys and Questionnaires |
| All Annual Enrollment Services/Welcome Packet | HR Benefits Newsletters (manager and employee versions) |
| Orientation Presentations/ How to Use Your Benefits | Voluntary Benefits |

NFP’s PeopleEQ Total Engagement Platform

Our PeopleEQ Total Engagement Platform helps drive engagement by clearly communicating with your employees so they understand that their participation in your well-being program can help keep them healthy, contribute to reducing their need for medical care, and potentially lower the cost of their healthcare benefits.

Engagement and well-being are keys to employee performance and productivity. Employers want to give their employees easy access to their benefits information and, at the same time, address their physical, mental, and financial well-being as efficiently as possible. PeopleEQ addresses those needs by combining a benefits and communications hub and lifestyle well-being program into one comprehensive platform. PeopleEQ provides:



Comprehensive Benefits Hub

- At-a-glance access for all your employee benefits offerings
- Highlight the key programs in your benefits plan (Tele-med, 401k, etc.)
- All benefits contact information available in one convenient location



Employee Resource Dashboard

- Provides high visibility for employees to view HR guides
- Internal training documents
- Option to include forms and other important documents (SBCs, beneficiary forms, etc.)



Financial Well-Being

- Stress meter measures financial stress in 14 categories
- Award-winning financial content
- Contest that helps employees learn to manage money



Lifestyle Well-Being

- Increase engagement with fun challenges in activity, nutrition, weight, and mindfulness
- Device integration, leaderboards, and steps tracking
- Fresh well-being content to keep employees engaged and motivated

PeopleEQ’s communications capabilities include:

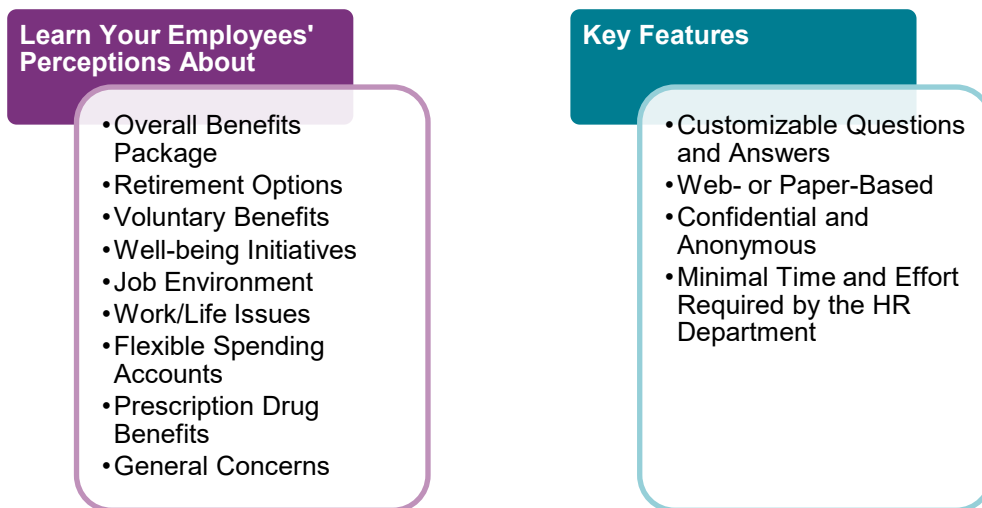
- **A primary landing page**, which can house the City of Pryor Creek’s news, updates, benefits, and employee resources. These can be tailored to groups of employees with the same benefits package.
- **The City of Pryor Creek’s company announcements**, which can be loaded per “group” so your offices can communicate more precisely and effectively.
- **Various documents**, which can be loaded into each benefits groups’ dashboard in their primary language, etc.

PeopleEQ is recommended to our clients who are interested in moving the needle on employee communication, well-being, and engagement, but do not have substantial budgets, headcount, or the desire to implement a third-party solution. With PeopleEQ, you can attract and retain talent, increase employee productivity and engagement, and take better care of your greatest asset.

18. What assistance does your company provide both, technically and creatively, in the ongoing development and preparation of various employee communication materials and annual employee surveys and required regulatory notices?

Employee surveys function as a communication tool that provides feedback for the employer when considering any plan alterations or employee satisfaction. All surveys are customized to the employer and distributed anonymously online. NFP collects this information to aid the employer in selecting a benefits package that best suits employee needs.

The employee benefits survey is designed to capture associates' attitudes, perceptions, and understanding of their company's benefit package. You can choose to use both stock templates and questions or fully customize the survey with questions specific to your employee group. Surveys can be administered either online or by paper. The results are formulated in full color charts and tables that give you quantitative data about your associates and their perceptions about the benefits that you provide them.



NFP utilizes employee focus groups as an effective means of engaging, educating, and soliciting input from a cross-section of the organization. We work with clients to identify the goal of the focus group and to determine appropriate representation. We develop all materials, facilitate meetings, and distribute meeting notes to all participants.

19. What assistance do you provide in developing a well-being program for our employees by providing market research on wellness strategies, no-cost and low cost wellness tools, etc.?

NFP offers Creating Organizational Resource Excellence (CORE) Solutions, a well-being consulting platform that provides a suite of programs and resources to help your organization promote a culture of health and well-being. The NFP CORE Solutions team will help you identify the most cost-effective resources that are best suited to meet your needs. Components of our approach include:



In addition to the consulting services, tools, and numerous resources we offer, we provide you with access to a nationwide best-in-class proprietary network of partners in all areas of well-being culture and engagement, including nutrition, mental health, financial well-being, and fitness. Our network provides a wide variety of resources to bring innovative solutions that are tailored to your programs.

The NFP CORE team will lay the groundwork for building well-being programs that drive meaningful change for both your employees and your organization.

NFP's CORE Solutions provides a wide-ranging menu of services to establish a successful employee well-being program.

We offer support when establishing a worksite well-being program or we can help enhance your existing program. Our tools include:

- Employee surveys and communications
- Education and awareness campaigns
- Program design
- Proprietary RFP platform
- Mission statements
- Challenges and initiatives
- Newsletters and blogs

Our experience has taught us that the most essential factor contributing to your organization's ability to achieve its well-being goals is communication. NFP CORE will facilitate your ability to communicate with your employees

and their families beyond annual enrollment. Our experience has taught us that consistent year-round health and well-being messaging keeps healthy living at the forefront while effective communication brings lasting culture change.

20. Provide an overview of open enrollment process.

NFP is committed to employee education. Our team members support your annual open enrollment, while providing the expertise your organization requires. We will run group meetings to review the benefits programs, followed by delivery of educational videos and supplemental communications on an as-needed basis. In addition, health fairs provide an opportunity to inform associates of their benefits and the best way to use them, while health risk assessment programs help to inform associates of potential health issues and emphasize the value of regular well-being examinations. In assisting the City of Pryor Creek with open enrollment, we would:

- Develop, and continuously review, effective communication methods to educate your associates on their benefits package.
- Deploy one of our most innovative approaches with our web-based video meetings that provides all employees access to accurate consistent messages from the employer.
- Create, if needed, an Enrollment Guide that would provide information on eligibility, summaries of all available benefits, important phone numbers/web sites, the enrollment process, and timeline. After open enrollment, this guide can be modified for use with new hires throughout the year.
- Prepare a presentation for use in conducting employee education meetings related to the City of Pryor Creek's benefits programs. These meetings can be delivered in-person (locally) or via webinars.
- Coordinate with vendors to order meeting materials and arrange for representation at the meetings, as necessary.
- Track enrollment progress, as well as issuance of ID cards, etc.
- Serve as your first call if you need assistance with eligibility issues, plan-specific questions, enrollment errors, etc.

Virtual Open Enrollment via NFP Connect

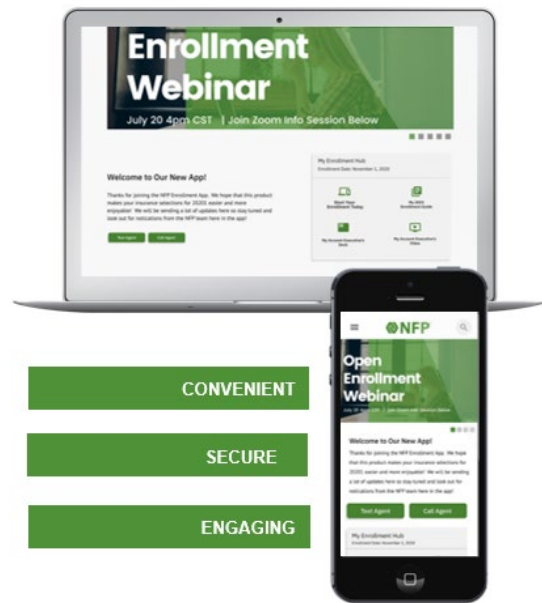
NFP offers an interactive landing page for our clients to help ensure their employees are educated, engaged, and enabled through processes such as open enrollment. In a world where we are more virtual than ever, these customized landing pages help clients deliver convenience, accessibility, personalization, and cost-effective communications to all of their employees across the globe. Easily accessible by each of your employees via computer or mobile device, each page is configurable to include a variety of images, messages, links, and functionality, including:

- Benefits guides
- Announcements and messages from HR
- "What's New" information and links to webinars and employee meetings

- Educational videos and content
- Virtual health fair information
- Contact information (call centers/hotlines)
- Links to enrollment systems and carriers/vendors

NFP recognizes that now more than ever a virtual enrollment platform is necessary for a successful enrollment season. Our virtual open enrollment platform includes:

- **NFP Connect Custom Landing Page:** All your enrollment information in one place that is easy to access. Customized with your group information and logo and full integration with your ben admin platform, benefit guide, and enrollment videos.
- **Communications Hub:** Allows you to send push notifications, email campaigns, and resources all relevant to your enrollment.
- **Mobile Interface:** The mobile interface is accessible on all mobile devices with a unique login for each employee.



21. Please provide your approach to benefits administration.

When it comes to HR solutions and benefits administration, businesses are faced with numerous challenges. The right HR technology solution can improve your business’ efficiency and productivity while positioning your company for future growth. Unfortunately, there are numerous options in the market and choosing the wrong technology can be costly.

NFP does not believe in a “one size fits all” approach — we work with each client to identify solutions that are ideally suited to their unique programs, organizational culture, reporting needs, and budget requirements. We are vendor-agnostic, offering completely unbiased expert advice on which solutions will work best for you. We capitalize on our team’s vast experience with administrative processes, technology, and outsourcing solutions within the health and welfare benefits and human resources environment. As such, we enable our clients to implement the right technology to cost-effectively solve their communication and administration challenges.

At NFP, we focus on several areas which we believe to be critical to the success of any Benefits Admin/HRIS search:



ONE
NEEDS ANALYSIS/BUSINESS PROCESS REVIEW



TWO
SOFTWARE EVALUATION AND SELECTION



THREE
PROCESS AND POLICY VERIFICATION



FOUR
PROJECT MANAGEMENT/IMPLEMENTATION SUPPORT

1. A thorough, holistic needs analysis – it’s important to make sure you take a step back and take an all-around look at your needs. Don’t simply look at the issue of the day.
2. Match technology with the user – are you or the individuals that will be using the system beginners, intermediates, or advanced?
3. Verify existence of sound business processes – it is important the underlying policies are in place to maximize productivity and human capital development.
4. Dedicate the proper time and resources to implementation – make sure you have resources you can dedicate to the project; be sure they can “speak the language” of the implementation team so that they do not get the runaround; and seek out professional assistance when needed.

This approach, coupled with our industry knowledge and hands-on experience, provides the support needed to ensure you meet your overall business strategies and maximize your return on investment.

NFP’s client service model provides our clients with the human capital needed for a successful implementation and ongoing support for any technological platform that meets employer needs. We act as both your advocate and your resource network.

Please see Attachment E for more information about our Benefits Administration services.

Strategic Planning

22. Describe your approach to supporting our programs throughout the plan year.

Our brokerage and consulting services are structured to add value to our clients' programs and administration and to support their business objectives. Each year, we build a strategy and develop a roadmap to lead us through the process of meeting goals and achieving results. We use our robust analytics to review our accomplishments and hold ourselves accountable to the plan.

NFP's benefits management process is a customized continuum of events, processes, and tasks – including in-depth analysis and strategic planning – aimed at ensuring your objectives are met year after year. In addition to key benefits cycle milestones, we include comprehensive support services provided by your NFP consulting team throughout the entire year.

At the onset of our engagement, we will conduct a comprehensive environmental analysis that will examine every nuance of your benefits program at a granular level. This comprehensive review of your program will serve as a roadmap for both your short- and long-term strategic plans. Once this report is complete, we will present it to your executive team, prioritize the findings, and create both short- and long-term action plans. On an annual basis, at our Mid-Year Strategic Planning Meeting, we will establish a game plan for the upcoming renewal based upon short-term goals and the evolving marketplace and simultaneously update our long-term strategic plan.

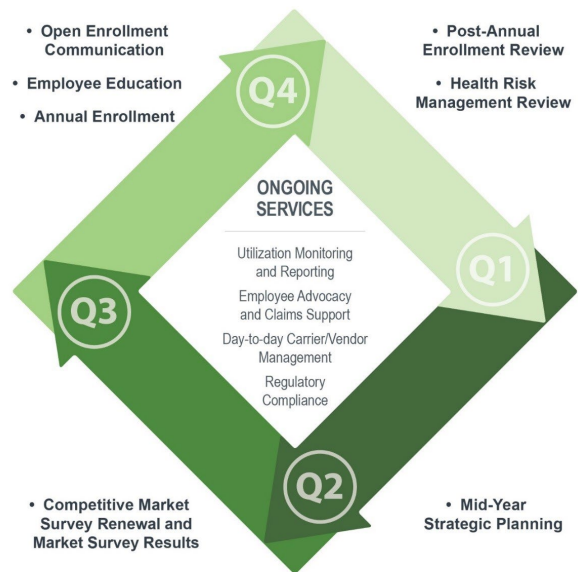
To ensure the overall management of your program, NFP will hold meetings throughout the year.

Mid-Year Strategic Planning Meeting

Once we have gathered enough data and information to recognize the trends impacting the current plan year, we hold a Mid-Year Strategic Planning Meeting. Utilizing this information in conjunction with normative data specific to plans of your size, NFP will conduct a detailed analysis of your existing program and propose program changes and items for consideration. This can include standard areas such as network performance, funding analyses, plan design changes, carve-out strategies, and implementation of health management and well-being programs. It can also include innovative strategies such as high-performance networks, value-based plan design, patient-centered medical homes, and accountable care organizations. Once we identify areas for analysis and implementation, we will add these items to the benefits blueprints. Often, these strategies are multi-year initiatives (for example, moving from a PPO plan to a full-replacement CDHP plan; in that case, we will develop both a first-year and a multi-year calendar).

Pre-Renewal Meeting

At the end of the second quarter, armed with six months of performance data, NFP will conduct a Pre-Renewal Meeting. At this meeting, we will project plan costs for the next year using our internal underwriting models. This will help us determine our plan marketing strategy. We will also be able to project the general impact of any proposed changes to the current plan design, including dynamic contribution and plan design modeling. We will also conduct a full network discount and provider disruption analysis.



Renewal Meeting

Approximately six to eight weeks after the Pre-Renewal meeting, we will conduct a Renewal Meeting where we will review the marketing results and finalize plan design, contribution strategies, and pricing. At this meeting, we would also implement the employee communication plan, outlining any plan design changes as well as an enrollment process for the upcoming plan year. Following the meeting, we will set up and conduct (if desired) employee enrollment meetings, coordinate vendors, and prepare employee communications. We will ensure the enrollment process is completed in a timely and accurate manner.

Stewardship Meeting

Post renewal, at the start of the following plan year, we will hold a Stewardship Meeting. At this meeting, the NFP account management team and your HR staff will review plan performance for the recently concluded plan year. We will review the progress and success of any strategic initiatives. We will also take this opportunity to review any issues raised during the enrollment meetings and set the agenda for any employee meetings or seminars to be conducted during the current plan year (e.g., educational seminars and/or wellbeing programs).

At each of these meetings, we will analyze current plan performance, comparing it to prior year and plan projections. In addition to these structured meetings, NFP will create a comprehensive calendar and timeline that outlines the key planning initiatives, timing to complete those initiatives, and responsibility within the team to ensure success. These include:

- Statutory requirements
- Strategic and legislative change
- Marketing of risk management
- Plan design
- Contribution strategies
- Engagement and well-being strategies
- Communication with employees
- Open enrollment

We set this annual strategic calendar for our clients at the onset of the plan year. While this can be a fluid document, since the needs of our clients change daily, we believe outlining timeframes and deliverables is a crucial component to a successful benefit plan. In the strategic calendar, all aspects of the above items are addressed with deadlines and timeframes.

NFP Connect

NFP Connect is our commitment to building a better user experience — for you and your employees. It organizes the many solutions that come together to support your comprehensive employee benefits strategy.

Your benefits administration system, your HCM/HRIS platforms, your carriers, your flex administrator, our claims team, our advocacy team, compliance, well-being, the list goes on. We believe having one site to go to – as opposed to several – to access this kind of information is just easier. We also believe this single point of entry is critical as the insurtech boom continues and more point solutions are adopted.

It also provides you with 365/24/7 access to your policies, contacts, plan designs, presentations, and any other document that we maintain to support our engagement. This is not a push toward self-service — we are still happy to email you what you need when you need it. We do understand, however, that we live in an instant access world, so providing you the ability to pull documents when you want is critical. Lastly, it aggregates and enriches your data and helps turn that data into information. Census data, plan data, rate, and contribution data, claims data, benchmark data, etc.

NFP Connect also provides an employee-facing portal that is mobile-optimized. Like your employer portal, the employee portal organizes the various tools they access to manage their benefits, providing a better, more

seamless user experience. It provides a digital wallet where they can upload their ID cards, a branded “My Employer Benefits” section where all of the employer-sponsored plans and resources are organized, a section for newsletters, and tips promoting well-being.

See Appendix **F** for more information about NFP Connect.

23. What resources do you have available to help us manage our benefits and outline a benefits strategy consistent with current and future business plans?

NFP will conduct an in-depth analysis and review of your group benefits plan. Your account team will set a strategic planning/benefits audit meeting where we will gain a better understanding of your culture, employee demographics, employee benefits programs, perceived value of the benefits programs, and any challenges or issues that you currently face or expect to encounter in the near future as they relate to employee benefits.

As a result of the strategic planning/benefits audit meeting, NFP will summarize and recommend an action plan, establishing short- (one year), mid- (three years), and long- (five or more years) term goals. This information will be provided to your benefits team addressing immediate and future action items for consideration.

Recommendations may include evaluation of carriers, exploring alternative funding arrangements, implementing plan design changes, benefits communication plans, well-being initiatives, employee surveys, and/or evaluating new benefits for your associates.

Careful strategic planning includes ongoing evaluation of your plan’s characteristics to ensure a comprehensive and competitive benefits package is offered to your employees. We approach strategic planning by defining your objectives and developing an organized action plan based on meeting those objectives. Our approach is to coordinate the research, design, and implementation of your employee benefits programs to align with your employment culture and financial goals. Our process consists of the development, implementation, and management of a multi-year, long-term benefits strategy that incorporates the following:

- Determine objectives
- Benchmark, diagnose, analyze, and identify core cost drivers
- Proactively identify and evaluate recommendations
- Implement and communicate
- Review, analyze, and refine
- Closely manage problem areas and adjust processes

Our ability to provide clients with proven strategies while being flexible enough to adjust the process to their specific needs is vital to the achievement of our clients’ goals and the success of our relationship.

24. How will you help us with the competitive marketing and placement of our plans, including development of marketing specifications, identification of market conditions, evaluation of proposals, negotiations, and placement of insurance contracts for annual renewals?

Most competent brokers can develop and provide carriers with comprehensive RFP questionnaires. This has been the cornerstone of the traditional broker for years. Our value in this process is demonstrated by our comprehensive process and by our ability to turn raw data results into useful, actionable, recommendations.

Selecting best-in-class benefits program designs and vendors requires an effective game plan that is consistent with establishing and understanding the client’s objectives. Over the years, NFP has established itself as a strong force in the national employee benefits arena. As a result, NFP’s service teams have established strong

relationships with the carriers. NFP is a wholesaler for Blue Cross Blue Shield as well as Cigna, Aetna, and Kaiser as well as a Gold Producer with United, which affords us the highest level of service on behalf of our clients. NFP's department head of service conducts weekly calls with the dedicated representatives from each carrier or TPA to ensure the timely resolution of any outstanding issues.

Clients typically look to us to facilitate and support the entire process. A sample renewal presentation can be made available via webcast or during an in-person meeting.

Utilizing our robust RFP database, we can effectively draw from a wide variety of benefit line and carrier-specific questionnaires and scorecards to begin the process. Entirely independent from all insurance carriers, our process includes the following:



- Select benefit line and carrier-specific RFPs from our database and customize to meet client needs
- Utilize industry experience and client feedback to determine the list of vendors that will receive the RFP
- Aggressively manage the RFP process and hold carriers to firm deadlines
- Aggregate data and prepare a “scorecard” which is designed to weigh different elements of the RFP according to the client’s desires and our counsel
- Utilize market leverage and plan analysis to negotiate the most competitive offering
- Perform contract and carrier due diligence (client site meetings and/or carrier site meetings)
- Evaluate and select a provider with client and prepare for implementation

Plan Design and Benefit Trends

We also ensure our clients are on the leading edge of tracking benefit trends — what is prevalent, what is changing, and how effectively these plans are meeting the needs of sponsoring companies and the participating employees. This includes benchmarking your program against relevant industry competitors.

Part of the selection process includes the identification of competitive practices and plan design alternatives. We will list and describe the various features and options available in the marketplace. Each option is reviewed in relation to the plan’s objectives as well as for its upside and downside risk. We also utilize our actuarial modeling tools to quantify the impact design alternatives can have on carrier selection.

25. How will you negotiate all benefit plan renewals on all issues, including those related to premiums, benefit levels, plan design and special terms and conditions?

Once negotiations begin, the extensive underwriting, financial, and analytical ability of our staff enables us to identify opportunities and challenges other brokers and consultants miss. This puts us at a distinct advantage when negotiating with carriers and vendors on your behalf. NFP has the ability to dive into the financial components driving a rate and intelligently negotiate it to the best possible price. We use our knowledge of underwriting methodologies to put logical business cases in front of the carriers and demonstrate proper risk assessment.

In addition to tracking individual client renewals and carrier rate concessions, we also track ASO fees, performance guarantees, plan design decrements, plan design attributes and associated costs (tied to

geographic region and demographics), and carrier data reporting availability. This helps us to negotiate the best possible deal for each of our clients. This data is updated throughout the year as we renew client business.

Our first goal is to always optimize the client's current carrier arrangements; however, obtaining alternative proposals remains an effective strategy during the renewal process. Upon completion of our internal and external analysis and armed with the appropriate level of "intelligence," we will coordinate meetings with the respective carriers.

26. How are plan design changes handled?

Our process of plan recommendations starts with the most critical element: data. The efficacy of our plan recommendations is directly correlated to the quality of the data being analyzed. Furthermore, we work with our clients closely to understand how the proposed changes impact the overall benefits strategy. In short, our process is as follows:

- Compare our projections to the carriers' projections
- Establish the pros/cons of each proposed solution from both the employer and employee perspective
- Use appropriate communication; implement the chosen solution
- Measure the impact of the change from both a quantitative and qualitative standpoint
- Utilize employee surveys and/or HR feedback to measure employee understanding and satisfaction

We will quantify the financial impact of plan changes by performing sensitivity analyses to evaluate plan design strategies, comparing your plan's performance to existing benchmarks, and developing financial projections.

We model plan design changes in three ways. We have a plan modeling tool that can be used as the first and high-level evaluation of potential changes. This tool is useful when considering a number of different options and gives savings in a percentage estimate format.

Once the plan design changes are more narrowly focused, we ask the claim administrator/carrier to confirm these findings utilizing their own modeling tools. In addition, if the plan changes are significant, or include additional factors such as new locations, demographic changes, or the impact of outside medical services such as on-site clinics, we provide all of the necessary information to our actuarial team for a certified actuarial opinion.

NFP is committed to providing the best service solutions to our clients and developed the following proprietary plan modeling tool:

| **MedFactor**

Developed in partnership with Milliman, NFP's MedFactor modeling tool is a proprietary plan value modeling tool that enables your account team, in NFP Connect, to estimate the relative value of plan design changes. Using this tool, your account team can enter major plan features into a template, easily create a comparison plan, and then review the estimated percentage change in the actuarial value between plans.

Through MedFactor, your Account Team can consider:

- Employer goals – save money, better benefits, more control, etc.
- Financing mechanisms – fully insured or self-insured evaluation
- Quality of carrier or administrator

- Cost of product delivery
- Administrator service capabilities

27. Describe how you propose to transition our account to your organization, should your organization be selected.

NFP will work directly with the City of Pryor Creek’s HR team. Key team members will lead and remain involved on an ongoing basis. Our transition framework includes the following:

- Setting expectations and establishing a communication structure that will set the tone for the relationship
- Meeting with key constituents to learn about the City of Pryor Creek’s culture, internal processes, technology, philosophy, etc.
- Efficiently gathering/analyzing data
- Establishing a transition timeline with key items and ownership

Broker Transition Checklist

We implement a number of processes to ensure no “ball” is dropped during the transition, including utilizing the following checklist, establishing regular (weekly or other) conference calls, and building an action item list to ensure all milestones are met. We are confident in our ability to transition an account and are willing to include your transition satisfaction in our performance guarantee metrics.

| Immediate Broker Transition Checklist | |
|--|---|
| Transition Item | Responsible Party |
| Broker of Record (BOR) letters – This allows NFP to collect data and negotiate with the carriers on the City of Pryor Creek’s behalf | NFP to pre-populate BOR letters and facilitate submission |
| Schedule on-site kick off meeting | NFP/The City of Pryor Creek to coordinate |
| Set up ongoing conference calls and establish action item list | NFP/The City of Pryor Creek to coordinate, NFP to manage action item list |
| Data gathering from insurance carriers | NFP to work directly with carriers to obtain necessary data |
| Data gathering from the City of Pryor Creek | NFP to work with the City of Pryor Creek to obtain plan data not housed with the insurance carriers |
| Understand current or outstanding benefits projects (determine the current broker’s involvement) | NFP/The City of Pryor Creek |
| Understand current or outstanding individual employee claim issues (determine the current broker’s involvement) | NFP/The City of Pryor Creek |

| | |
|---|--|
| Understand other immediate open items that NFP needs to address (determine the current broker's involvement) | NFP/The City of Pryor Creek |
| Understand the current resources/tools that will be discontinued (if there are any) in the broker transition (Portal, communication resources, Health Advocate, etc.) | NFP/The City of Pryor Creek |
| If necessary, NFP to implement those terminated resources/tools immediately to ensure no break in service. Insurance contracts will NOT be affected | NFP/The City of Pryor Creek |
| Conduct Compliance Audit | NFP typically prefers to conduct a benefits compliance audit within the first 30 days of the transition. |

The list above simply represents the first two to three weeks following award notification. These immediate, logistical items need to be addressed before any real strategic planning can take place. During the initial onsite kick-off meeting, we will jointly work together to build the annual calendar, discuss priorities, and begin building the strategic roadmap. We also recognize the City of Pryor Creek may prefer to move at a faster or slower pace than the chart above. This chart is simply shown to illustrate what typically occurs in our model.

28. Will you provide monthly reports on claims and premiums?

Our benefits management process is quantitatively based and supported by a full-service analytics team, including licensed actuaries. We provide a wide range of actuarial and financial management services, including:

- Rate equivalent development
- Incurred but not reported (IBNR) reserve analysis
- Plan design modeling
- Claim analytics (financial and clinical)
- Rx testing
- Financial forecasting/budgeting
- Employee contributions (by tier, well-being, etc.)
- Internal underwriting and pre-renewal calculations
- M&A due diligence financial implications
- ACA valuation
- Alternative funding analysis (self-funding, fully insured, combinations, etc.)
- Stop-loss simulation and alternative analysis
- Ongoing reporting (as outlined below)

In order to provide the services above, we must be able to aggregate and analyze data with the intent of drawing meaningful and actionable conclusions. We accomplish this through our ability to create data transparency and identify cost drivers. Unless you can turn raw insurance carrier data into useful information, health plan decision-making is nothing more than guesswork. Our process will increase your ability to better manage healthcare costs by creating the necessary level of data transparency to make educated and effective decisions.

We start the process by constructing a client-specific data warehouse built with direct feeds from the insurance carrier. Once the data is aggregated, we offer our clients a comprehensive reporting package with a focus on actionable outcomes and dashboard/executive reports. Performance is measured versus normative benchmarks and prior year data. Trends, risks, gaps, etc. are identified through this process and solutions are offered when appropriate.

We will then have regular meetings (quarterly, annually, and as needed) to discuss claims experience, exposure changes, and general administrative matters that affect overall plan performance. The level of detail included in each of these reports varies depending on the amount of claims experience available but may include the following reports:

Monthly Reports

- Claims analysis
- Plan performance – budget to actual
- Inflationary trend information
- Spot reports for high cost drivers

Quarterly Reports

- Financial overview
- Claim utilization
- Claim trend analysis
- Reserve analysis
- Stop-loss deductible and attachment point tracking

Midterm Reports

- Budget projections
- Rate promulgations
- Reserve adjustment analysis
- Actuarial opinions

Year-End Reports

- Full financial overview
- Reserve calculation with actuarial opinion provided
- Cost comparisons (historical and industry wide)
- Budget and rate update and review
- Deficit/Surplus analysis

NFP has managed medical benefits programs for hundreds of employer groups in an effort to keep costs below comparable levels. Our aggressive management technique includes a number of internal medical management and preventive health initiatives. As the healthcare industry continues to change, NFP has remained ahead of the game. With leading-edge technology, we are able to obtain meaningful information that helps us evaluate cost drivers, trends, and savings opportunities associated with our clients' medical benefits.

We believe the best decisions regarding your health plan design will be based on careful observations of trends, utilization patterns, and normative comparisons over multiple years. We are confident our claims data analysis services will help us produce the results necessary to consistently meet your employee medical benefits objectives.

29. Will you review contracts and summaries of coverage with providers for accuracy in rates, benefits and eligibility and coverage definitions?

Plan documents are reviewed annually by NFP staff to ensure accuracy and compliance. If a legal review is necessary, NFP will utilize the services of a partner firm to complete the review.

30. How would you help us protect ourselves from escalating medical costs over the next 10 years?

We have developed an extensive framework and process (sample below) to identify the areas of cost, categorize those costs, and assist us in designing a strategic multi-year plan to systematically “*Shift, Extract, or Avoid*” each cost. Adherence to this systematic approach over the long term will equate to a leveling off of your annual healthcare increases and a direct financial savings.

There are no “magic wands” for healthcare cost control. There is, however, an intelligent approach to these challenges. First, we must acknowledge that an employer can categorize costs in one of the following three methodologies:



Then we can evaluate the pros and cons of the following strategies that NFP has at its disposal:

| Action | Methodology | | | Time Horizon | | |
|---|-------------|------------|-----------|--------------|------|------|
| | Shifting | Extraction | Avoidance | Short | Mid | Long |
| Financial Management and Claim Analytics | | | | | | |
| Strategically adjust plan design | Yellow | | Red | Grey | | |
| Strategically adjust contributions, rate equivalents, cost sharing | Yellow | | Red | Grey | | |
| Utilize optimal funding arrangement | | Blue | Red | Grey | | |
| Enhance network performance including discounts, fees, etc. | | Blue | Red | Grey | Grey | |
| Enhance PBM arrangements and Rx utilization | | Blue | Red | | Grey | Grey |
| Increase purchasing efficiency on commodity items | | Blue | Red | Grey | | |
| Utilize predictive modeling and claim analytics processes | | Blue | Red | Grey | Grey | Grey |
| HR Administration | | | | | | |
| Increase HR and benefit administration efficiency | | Blue | Red | | Grey | Grey |
| Manage risk and address compliance | | | Red | | Grey | Grey |
| Strategically manage and ensure accurate eligibility | Yellow | Blue | Red | Grey | | |
| Vendor Management | | | | | | |
| Ensure vendor accuracy and performance (audits) | | Blue | Red | | Grey | Grey |
| Improve fixed cost contractual provisions | | Blue | Red | Grey | | |
| Health and Wellness | | | | | | |
| Promote consumerism where possible | | Blue | Red | | | Grey |
| Utilize targeted wellness strategies when appropriate | | Blue | Red | | | Grey |
| Bolster disease and case management where appropriate | | Blue | Red | | | Grey |
| Communications | | | | | | |
| Implement a comprehensive and/or targeted communication strategy to address costly areas and overall utilization patterns | | | Red | | Grey | Grey |

Legislative/Compliance

31. What resources do you have to keep us in compliance?

Compliance is challenging. The uncertainty and complexity of the US benefits market only adds to this complex dynamic. NFP does not simply rely on email blasts to notify clients of important regulatory updates. Our team of compliance attorneys are highly proficient in ACA, HIPAA, ERISA, etc. Should you need to speak to an ERISA attorney about a particular compliance issue or employee circumstance, we will assign a resource from Austin, TX. Their services are included in our pricing.

NFP will provide the City of Pryor Creek a compliance process that includes:

| | |
|------------------------|---|
| Compliance Team | In-house attorneys who are well-versed in ACA, COBRA, FMLA, etc. They report on current trends and provide timely legislative updates |
| Newsletters | Keep abreast of new legislation and learn about new trends in HR |

| | |
|------------------------------|---|
| Compliance Portal | Comprehensive tool that assists with compliance efforts with federal requirements such as the ACA, ERISA, COBRA, HIPAA, FMLA, Non-discrimination, and Section 125 |
| Compliance Audit | A complete and customizable benefits compliance audit |
| Seminars and Webinars | Education and clarification regarding complex compliance topics |
| HR Risk Management | HR/Employment law risk management and compliance |
| COVID-19 Education | Webinars, white papers, and education regarding COVID-19 |

Compliance Team

Our dedicated team of in-house compliance professionals aggregate, interpret, disseminate, and provide specific action steps for each piece of legislation. Our compliance team, which works closely with our consulting team, is well versed in a variety of benefits compliance topics, including ACA, HIPAA, COBRA, etc.

Our team is entirely focused on keeping up to speed with the rapidly changing environment and ensuring content is provided to our consultants in a timely manner. NFP will provide clients with ad-hoc industry update notices when significant events take place.

Newsletters

Our regular compliance newsletter, *Compliance Corner*, is distributed on a bi-weekly basis, updating clients on changes in the legislative and regulatory environment. While this is not meant to be the sole source of compliance communication to our clients, the email's format was created based on feedback from our clients to ensure we are giving you quick updates of the most noteworthy and timely items.

In addition, *Washington Update* is an ad hoc white paper that is issued after major developments surrounding the ACA or any other legislative changes that may impact the employee benefits and/or Human Resources world.

Compliance Portal

Our Benefits Compliance Portal is a comprehensive tool to assist employer plan sponsors with their compliance efforts with federal requirements such as the ACA, ERISA, COBRA, HIPAA, FMLA, Nondiscrimination, and Section 125. Each requirement is identified on a checklist containing model notices, an employer's obligation, and a timeline for compliance and penalties for non-compliance.

Our web-based compliance portal helps you adhere to numerous federal health and welfare plan rules and provides model notices that employers are required to provide.

Compliance Audit

Using the portal, NFP works with you to conduct a complete benefits compliance audit which is customized by size and plan type. The compliance audit was designed to respond to an actual IRS/DOL audit.

Seminars and Webinars

Regular seminars and webinars on complex compliance topics help you gain a thorough understanding of legislation. We also provide you with one-on-one compliance training, if desired.

HR Risk Management

Enquiron has revolutionized the way that HR and employment law professional services are brought to the workplace by providing nationwide advice and support resources to organizations of all sizes and across all industries. Enquiron's unique, "high touch" relationship and knowledge-management approach is protected by a US patent and seamlessly integrates human contact with cutting-edge technology to create a highly successful value-add, retention, and risk-management solution for NFP's clients.

Enquiron provides you toll-free and online access to attorneys from a national law firm for documented responses to your specific HR/Employment Law risk management and compliance questions no later than the end of the next business day.

Other HR compliance resources are available, including access to:

- Employment law attorneys for advice and counsel on over 50 issues, as often as necessary
- A state-specific employee handbook builder
- Online unlawful harassment training
- Required state and federal employment posters
- State and federal human resources and employment law news and information
- Model forms, job descriptions, and more

COVID-19 Education

NFP is on top of educating our clients on all things related to COVID-19. We are distributing a weekly e-newsletter with the latest updates and perspectives on a variety of pertinent topics, including:

- Benefits compliance and legislative developments
- HR policies and best practices
- Employee well-being/engagement resources and guidance
- Work-from-home best practices
- Employee communication tips
- Carrier and coverage insights (by state/region)
- Rx updates

32. Please provide any professional education opportunities that your firm will deliver to our staff.

We provide various educational and training programs for our clients, including informative seminars and frequent webinars that focus on compliance and legislative topics. The topics are chosen to reflect timely issues of interest to our clients.

Recent webinar examples include:

MHPAEA: Check Yourself Before You Wreck Yourself

The Mental Health Parity and Addiction Equity Act (MHPAEA) continues to be an enforcement priority for the Department of Labor. Still, many compliance questions remain. Join us as we review the law's requirements, recent enforcement activity and notable litigation.

Open Enrollment Comes But Once a Year

In addition to giving employees an opportunity to elect benefits, open enrollment serves as a time that employers can meet several compliance obligations. In this webinar, we will provide a refresher on the rules pertaining to annual elections and highlight compliance best practices.

Don't Let Vendor Solutions Lead to Compliance Problems

Employers have increasing opportunities to engage with vendors who provide specific solutions to improve health conditions. However, these solutions can impose various health and welfare compliance obligations. Join us for a discussion of the compliance implications inherent in offering certain programs.

These programs have been approved for general recertification credit hours toward PHR, SPHR, and GPHR recertification through the HR Certification Institute. (For more information about certification or recertification, visit the HR Certification Institute website at www.hrci.org.)

33. Do you assist clients in the preparation of their Form 5500s and Summary Annual Reports? Is there a cost for these services?

No, NFP delivers signature-ready 5500 documents and provides ERISA-compliant Summary Annual Reports and Summary Plan Descriptions. NFP also creates and provides an ERISA approved WRAP document as a basic service to our full-service clients.

34. Describe how your firm maintains client records in a HIPAA-secure environment?

NFP deploys patch management, IPS/IDS, anti-virus protection, anti-malware protection, network segmentation, Endpoint Detection and Response (EDR), SIEM, and DLP. Logs are reviewed and employees report suspicious activity through the ticketing systems. Access to records and systems is granted on a least-privilege, job-function basis by the appropriate manager. All data is subject to our Data Governance and Classification policy. Data is encrypted both in transit and at rest. All employees and contractors undergo annual HIPAA and IT Security training, with monthly supplemental IT security training. All training is mandatory and tracked, with penalties for noncompliance.

Fees/Legal

35. Describe how you would prefer to be compensated for your services?

NFP is flexible with compensation arrangements with clients, and can accommodate commission, fee-based, or a combination of the two. If agreed upon, this can be built into the carrier contracts in the form of commissions to keep the City of Pryor Creek budget-neutral, or billed as a set fee and invoiced quarterly or monthly. The latter process allows members who pay a premium to share in the cost; when this is spread across hundreds of people it minimizes the financial responsibility of the employer without negatively impacting membership. This may be further discussed during the finalist presentation.

36. Does your firm have any reservations in making available documentation of the commissions received from insurers?

NFP believes in full transparency and does not have reservations making documentation of commissions received available. NFP will also prepare and provide (through a third-party specialist) the City of Pryor Creek's required Form 5500 filings which clearly disclose any compensation received.

37. Describe our right to terminate a contract with you. Is there a minimum contract period?

NFP does not require clients to enter into binding contractual obligations. We feel that our work speaks for itself and a client should have the right to make a consultant change at any time.

References

38. Provide at least 3 current references and 1 past client. References provided should be like City of Pryor Creek. For each reference include contact name, title and phone number.

We encourage you to speak directly with our clients to gain a better understanding of our abilities. To respect the time constraints of our clients, however, we ask that you let us know which clients, from the sample list below, you would like to contact. We will contact that client(s) to let them know to expect your call. We would provide the City of Pryor Creek with the same respect as a current client.

| | City of Guymon | City of Miami | City of Altus | City of Weatherford (Past Client) |
|--------------|----------------|--------------------------|-------------------------|--------------------------------------|
| Contact | Mike Shannon | Cindy Vanover | Jan Neufeld | Lisa Young |
| Title | City Manager | Human Resources Director | Chief Financial Officer | Human Resources Director |
| Phone Number | 580-338-3396 | 918-542-6685 | 580-481-2210 | 580-774-4563 |

Appendix



Any information regarding insurance coverage contained herein is intended only to provide you with a brief overview, not a comprehensive list of policy exclusions, limitations and conditions. The insurance policy issued will contain the specific terms, conditions, and exclusions of the coverage. Please read the entire policy carefully, including all endorsements. NFP and its subsidiaries or affiliates are not responsible for decisions or actions of any insurance company or intermediary, including those related to rating or pricing practices, coverage interpretations, post-policy audits, claims handling, or otherwise. Information provided herein is for general informational purposes. NFP and its subsidiaries do not provide legal or tax advice and we recommend that our clients consult an attorney or tax professional. We believe the information is accurate, however, we make no warranty or guarantee regarding the accuracy or reliability of the content.

This material was created by NFP Corp. (NFP), its subsidiaries, affiliates or membership organizations for distribution by registered representatives, investment advisor representatives, agents or members.

Appendix A

Oklahoma Team Resumes

Oklahoma Team Resumes

T. Thad Ledford, Vice President - Sales

Thad joined NFP in 2008 after playing 4 years of collegiate baseball and graduating with a B.B.A. in Marketing and a minor in Finance.

Thad focuses on delivering better outcomes for clients in the mid to large market. Thad currently helps employers in a variety of industries including Municipalities, Counties, Manufacturing, Banking, Transportation, Non-Profit, Family Foundations, Oil and Gas, Technology, Construction, Retail, Tribal Government and Gaming, Accounting and Healthcare.

He is an expert in funding arrangements including self-funded, fully insured, partially self-funded and captive environments. He is a market leader with strategic benefit plans designs, claims analysis, reporting, contract and rate negotiations, health care legislation, HR compliance, employee communications, wellness programs and employee life cycle management.

Spencer Londagin, Benefits Advisor

Along with Thad Ledford, Spencer will be a lead consultant for the City of Pryor Creek. He is responsible for providing employee benefits consulting and brokerage services for fully insured clients and large self-funded clients. Spencer works with his clients to provide solutions that help companies grow and keep their employees healthy. He does this by taking an analytical approach when designing benefits packages to tailor each solution to meet his client's specific needs.

Spencer joined NFP in 2021 after spending three years in Corporate Finance. Spencer attended the University of Arkansas where he earned his bachelor's degree in Finance and Financial Management Services with a Minor in Information Systems. Spencer currently serves on the Oklahoma Hall of Fame's Second Century Board.

David Spence, Senior Consultant and Plan Analyst

David brings over 25 years of diverse insurance experience to the NFP team, specializing in the design, implementation, and administration of employee benefit programs. While managing the client service, eligibility and excess insurance departments of a third-party administrator, he worked with large employers to build customized employee benefit programs targeted to accomplish corporate goals. David's expertise as a plan analyst allows him to continually review the ongoing performance of a benefit plan and is a powerful tool for our clients who often need creative benefit design options and innovative cost-saving strategies.

In addition to working with an employer's management team, David has spent his entire career working directly with employees by performing education meetings and developing communication materials designed to help them become responsible purchasers of health care services. David carries industry designations as both a Registered Employee Benefits Consultant (REBC) and a Registered Health Underwriter (RHU).

Karson Hudelson, Associate Consultant

Karson began his journey in benefits in 2016 when he was hired at NFP. After a year of successfully assisting various service teams, Karson was brought onto NFP full-time as an Account Manager. He has always gone above and beyond for our clients, and he proved it in this position.

Karson has since been promoted to Associate Consultant. His unique way of thinking and problem solving makes him a valuable asset as a Consultant. He brings a young, eager mind to the team and is always ready for a new project.

Robyn Setzer, Senior Account Executive

Robyn has a wealth of knowledge in the insurance industry with over 20 years of experience. She began her career with Provident Life and Accident (now UNUM) as a Claims Examiner. As an Account Executive and a Client Service Director for Principal, Robyn managed a team of insurance professionals with a book of business that covered Oklahoma and Arkansas. In addition, she later managed Marketing Administration for CommunityCare of OK. Her years of experience in all areas of client service uniquely qualifies her to assist clients in consulting with compliance issues and marketing new accounts.

Robyn enjoys working face-to-face with clients to understand their goals and objectives and enjoys developing solutions to employer challenges in today's rapidly changing environment

Jill Zamudio, Account Manager

Jill joined NFP in April 2017 as an Account Advocate, with a background in payroll, human resources, and customer service.

Currently as an Account Manager, she assists with claim issues, new hire and open enrollments, benefit questions and the marketing process. She enjoys working at the employee and group level with the ability to build positive relationships, resolve complex issues and win client loyalty. She is licensed as a producer in the State of Oklahoma. Jill also enjoys working with her peers in the PeopleFirst Committee, building a positive company culture through special events and training opportunities.

Before joining the NFP team, Jill was a senior payroll specialist at a national PEO firm in Oklahoma City. She worked closely with key accounts and was responsible for high volume, multi-state, payroll processing for clients including termination and separation checks. Her experience in assisting employees with resolutions regarding sensitive, personal, and financial matters has carried over positively into the benefits and healthcare industry.

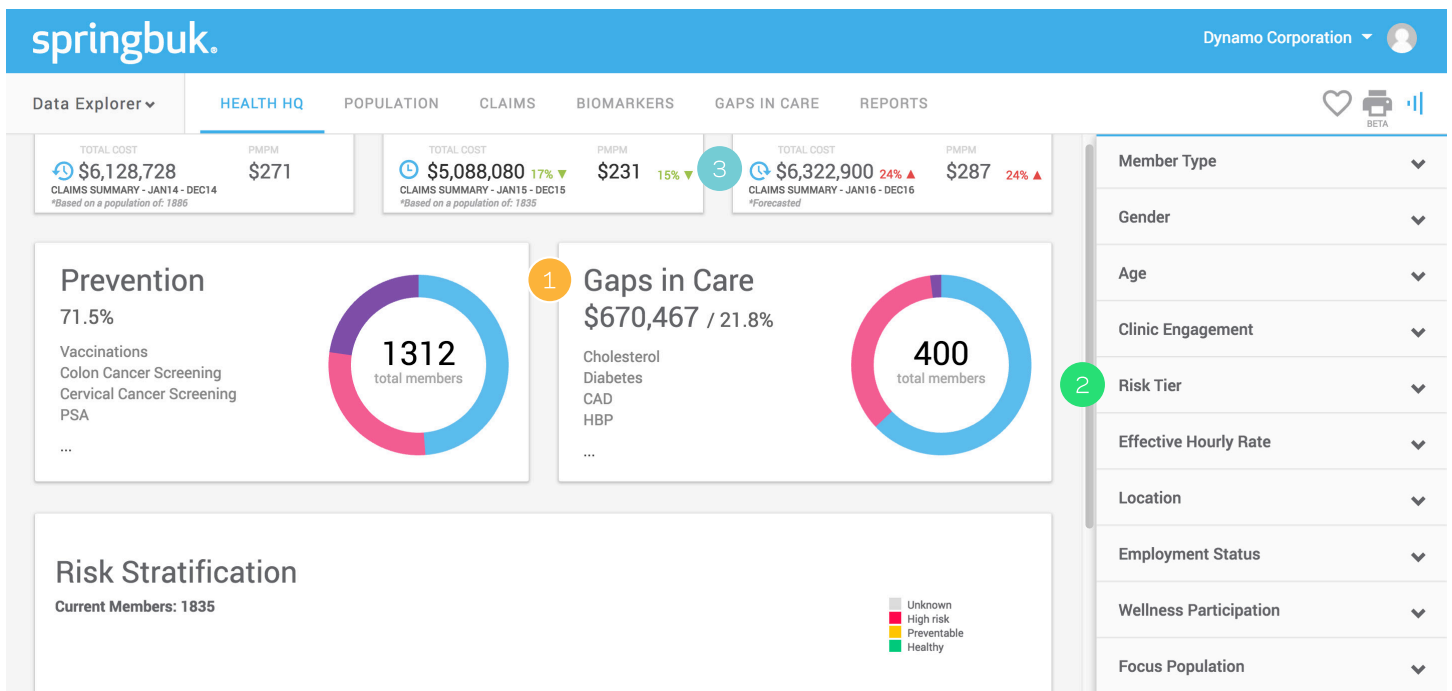
Appendix B

Springbuk Solutions

Identify Savings + Drive Results in Your Population

Today's employer faces two certainties: healthcare costs are rising and it's nearly impossible to optimize preventive dollars. With growing pressure to deliver results, the real challenge is unifying data to identify and measure health strategies.

Solving a modern day problem requires a modern day tool. Spreadsheets, queries and legacy technologies built to look backward result in missed savings opportunities, heightened risk and inaccurate reporting. Today's Health Intelligence Platforms help employers identify immediate savings opportunities, engage the right members and predict future spending.



1 Identify

With data in one place, identify immediate savings. Drill-down by disease state, member type, and more to target engagement and close tomorrow's cost drivers.

2 Engage

Budgets are limited, but your ability to target engagement is not. With key cost drivers identified, tailor strategies to members with the greatest impact.

3 Predict

Imagine predicting future spending on high-cost claimants with certainty. With forward-looking accuracy, you can model plans and program recommendations with confidence.

Why Springbuk®?

Employer Expertise

Our unmatched expertise with over 8,000 employers arms you with a tool that is ahead of industry standards.

Gaps in Care

Springbuk helps you identify and close “gaps” in compliance and care to save immediate dollars.

360° View of Population

With a complete view of the employee, spouse and dependent, you can optimize programs.

Reporting

Financial, health status and risk stratification are just a few of the customized, real-time reports in Springbuk.

Broker + Vendor Friendly

With intelligence and data in a single place, Springbuk supports your entire health management team.

Secure + Compliant

Our HIPAA compliant and cloud-based platform eliminates the burden of managing paper and files.

Results from Springbuk Employers

18% reduction in medical spend

\$1.2M in healthcare savings

0% increase in mid-size employer medical spend

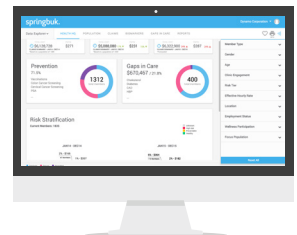
100% increase in engagement

Learn more at springbuk.com/case-studies

Request Demo
info@springbuk.com

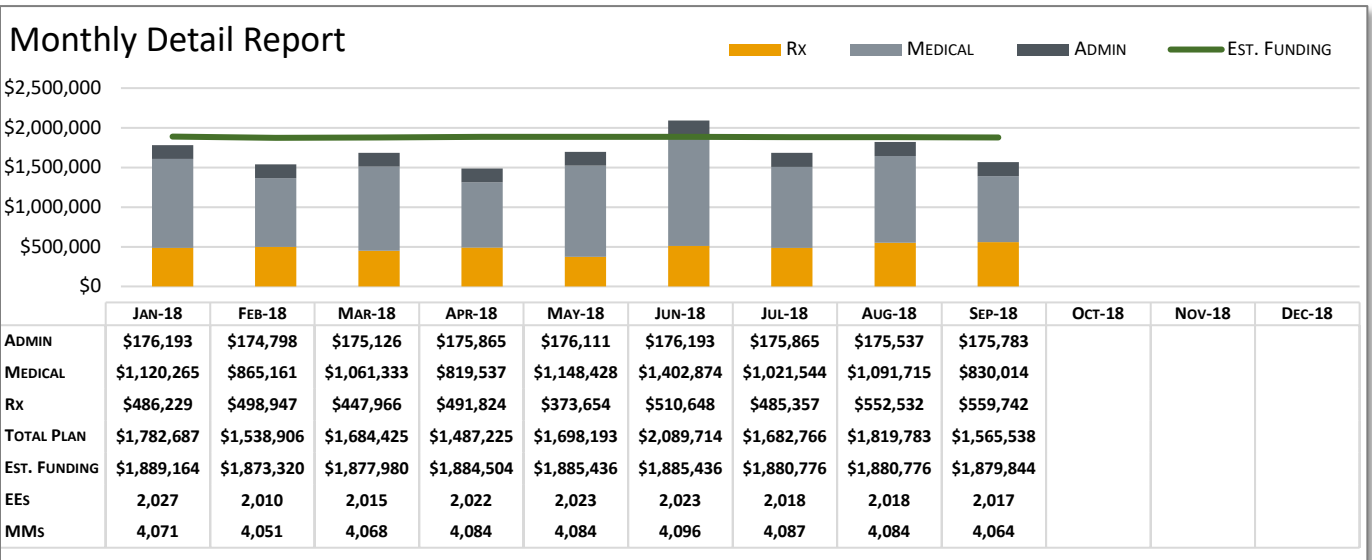


Learn More
springbuk.com

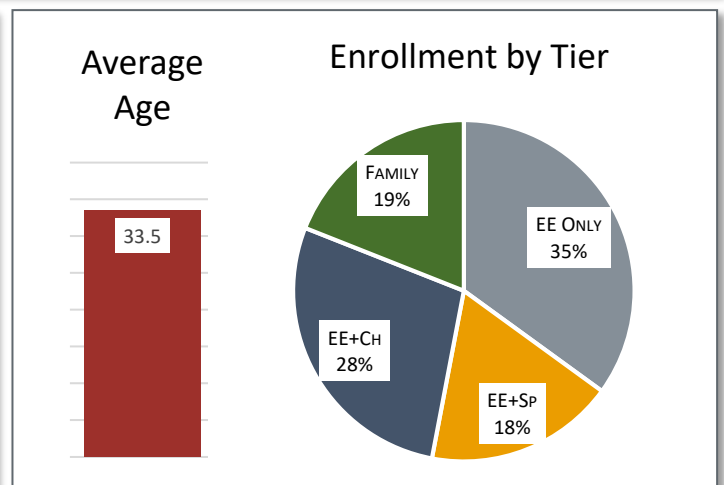
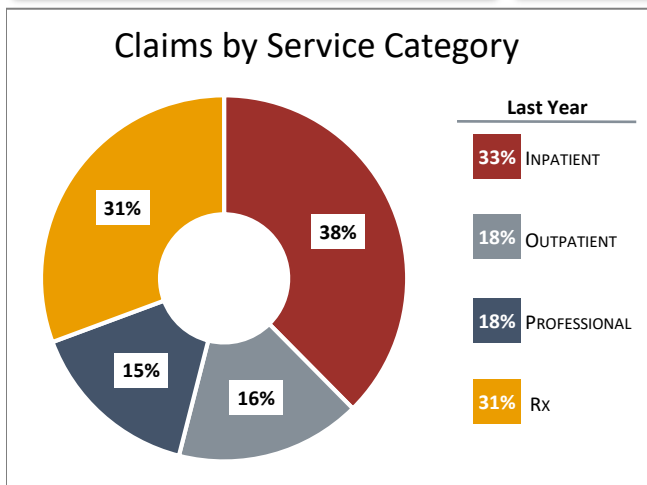
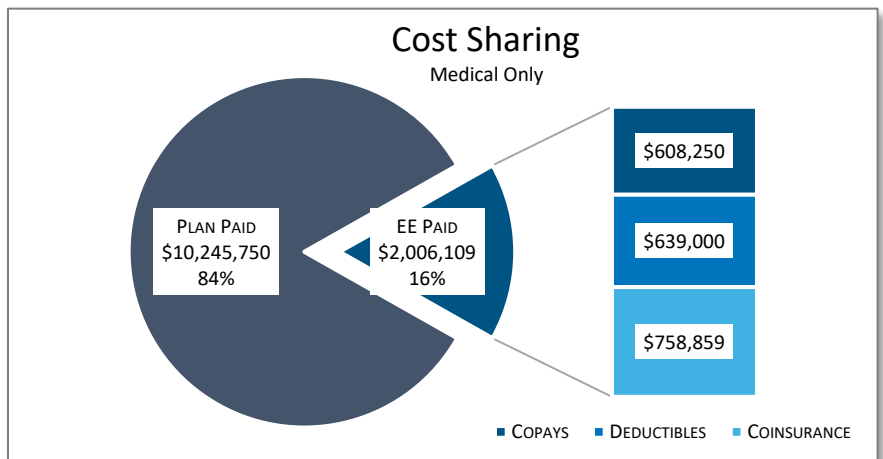
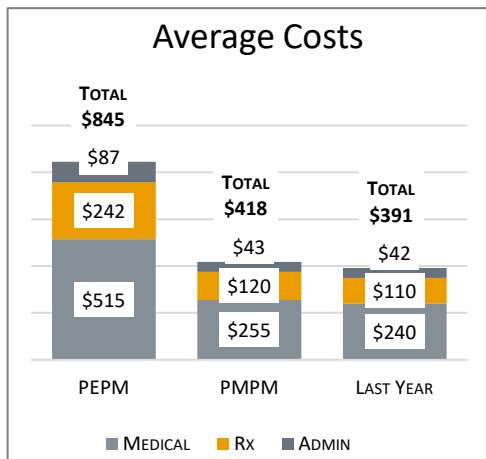
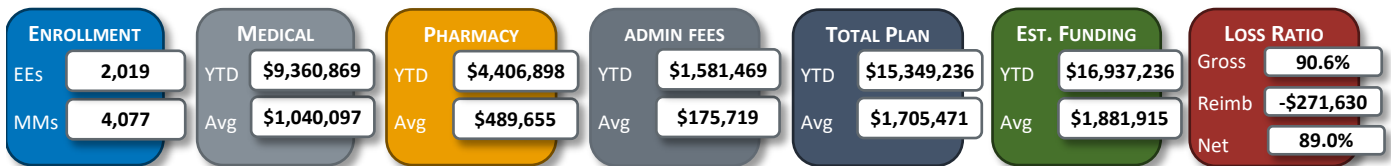


Appendix C

Self-Funding Renewal Analysis
Actuarial Brochure

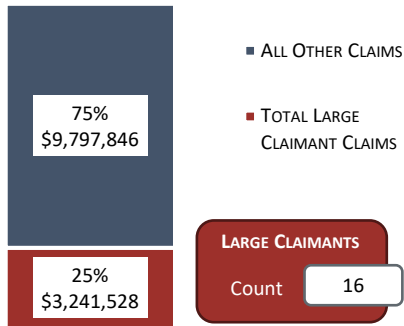


Summary Metrics

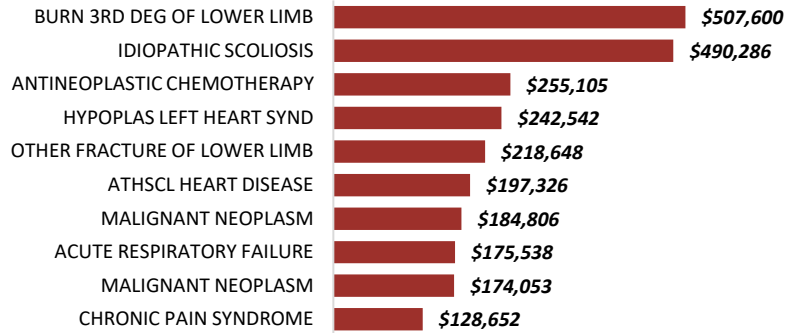


Large Claimant Impact

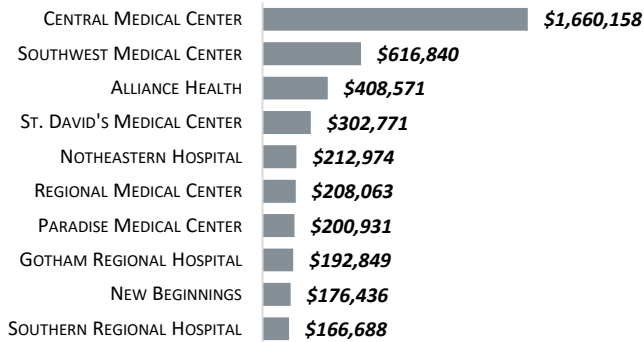
Threshold - \$100,000



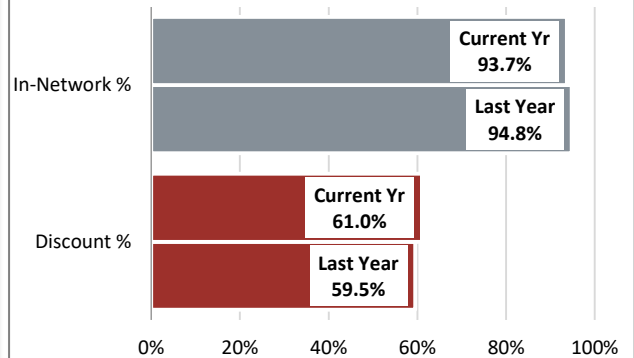
Large Claimant Diagnosis Detail



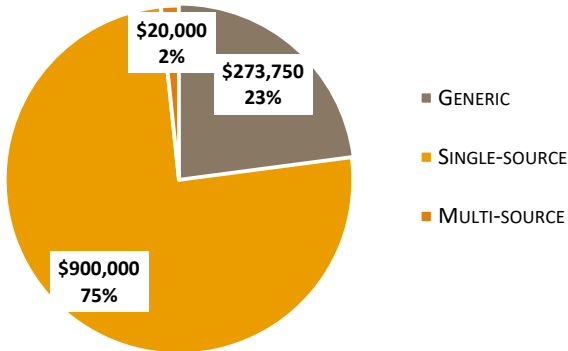
Facilities by Paid Amount



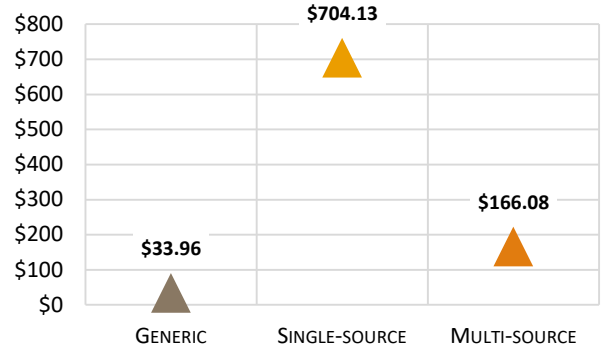
Network Performance



Rx Utilization by Paid Amount



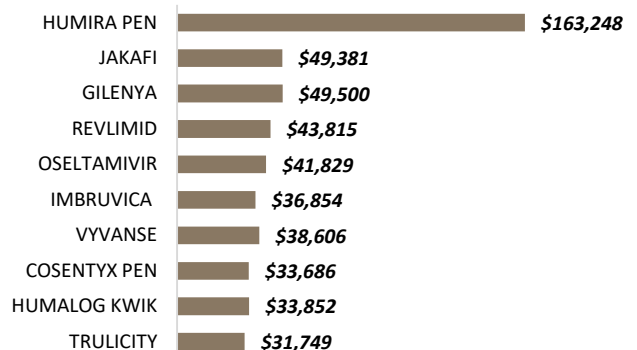
Average Paid per Rx Claim



Key Pharmacy Metrics

| | |
|---------------------------|----------|
| CLAIMS PER MEMBER | 3.10 |
| AVERAGE PAID PER CLAIM | \$126.41 |
| AVERAGE COPAY PER CLAIM | \$14.01 |
| GENERIC DISPENSING RATE | 85.4% |
| GENERIC SUBSTITUTION RATE | 98.5% |

Top Specialty Drugs



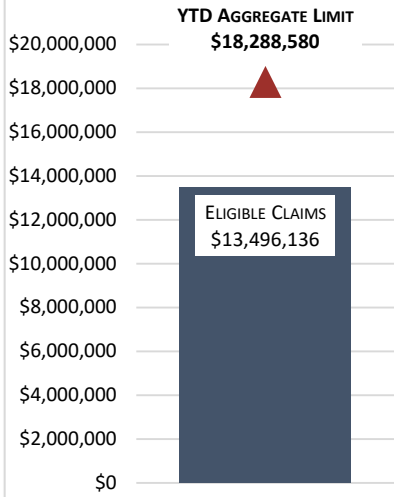
Stop-loss Performance Reports

POLICY TERMS

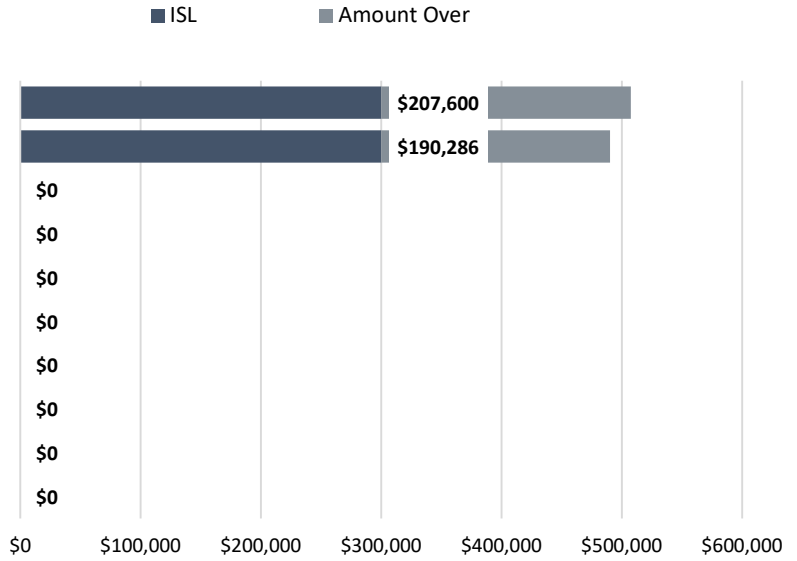
| | |
|------------------|------------|
| Carrier | Superior |
| Contract Basis | Paid |
| ISL Deductible | \$300,000 |
| Aggregate Factor | \$1,006.36 |

AGGREGATE PERFORMANCE

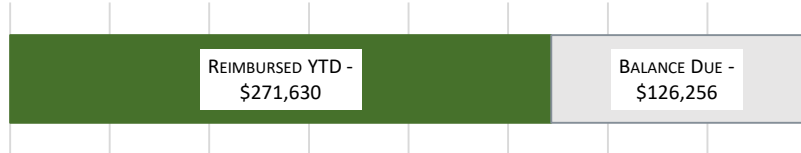
Loss Ratio - **73.8%**



CLAIMANTS OVER INDIVIDUAL STOP-LOSS LIMIT: 2



ISL REIMBURSEMENT REPORT

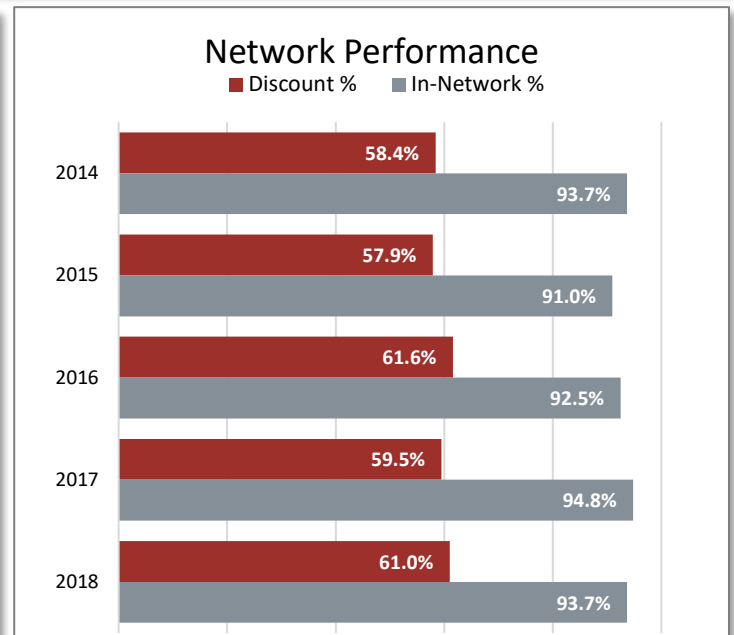
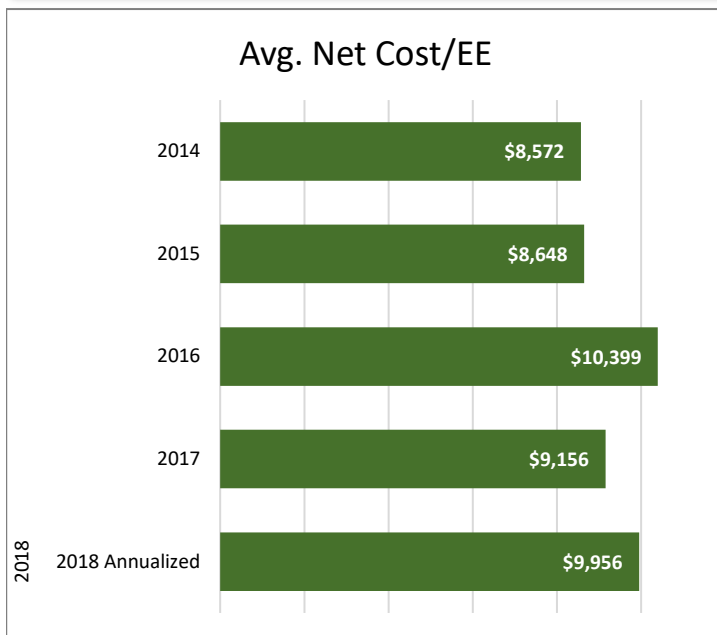


Sample Client

Historical Dashboard Report



| | 2014 | 2015 | 2016 | 2017 | 2018 | Yr 6 | Yr 7 | 2018 ANNUALIZED |
|------------------|--------------|--------------|--------------|--------------|--------------|------|------|-----------------|
| ▲ Total Net Cost | \$16,520,184 | \$16,706,449 | \$20,402,462 | \$18,506,045 | \$15,077,606 | | | \$20,103,474 |
| ■ Funding | \$20,328,633 | \$18,175,472 | \$20,294,928 | \$21,265,086 | \$16,937,236 | | | \$22,582,981 |
| ADMINISTRATION | \$1,671,521 | \$1,772,125 | \$2,081,653 | \$2,032,372 | \$1,581,469 | | | \$2,108,626 |
| RX CLAIMS | \$3,785,303 | \$4,567,861 | \$5,708,613 | \$5,389,720 | \$4,406,898 | | | \$5,875,864 |
| MEDICAL CLAIMS | \$12,450,748 | \$12,176,308 | \$13,149,558 | \$11,718,083 | \$9,360,869 | | | \$12,481,159 |
| STOP-LOSS | -\$1,387,389 | -\$1,809,845 | -\$537,362 | -\$634,131 | -\$271,630 | | | -\$362,174 |
| TOTAL NET COST | \$16,520,184 | \$16,706,449 | \$20,402,462 | \$18,506,045 | \$15,077,606 | | | \$20,103,474 |
| FUNDING | \$20,328,633 | \$18,175,472 | \$20,294,928 | \$21,265,086 | \$16,937,236 | | | \$22,582,981 |
| LOSS RATIO | 81.3% | 91.9% | 100.5% | 87.0% | 89.0% | | | 89.0% |
| EMPLOYEES | 1,927 | 1,932 | 1,962 | 2,021 | 2,019 | | | 2,019 |



Report Comments:

Discussion Items:

**Actuarial Services
that Combine Strategy
with Guidance**

The corporate benefits landscape is evolving and regulations are ever-changing, making it difficult for employers to craft sustainable and successful risk management plans. When these challenges aren't addressed, companies make uninformed decisions, incur higher costs, and are left with disappointing outcomes.

Effectively addressing challenges in a dynamic environment requires a partner with expertise, experience, and an appreciation of the specific issues you face. NFP's Actuarial Services team works with companies to learn about their biggest challenges and objectives and design sound strategies that meet their unique business needs.

With our highly personalized advice and guidance, you'll understand your liabilities and obligations so you can comply with statutory requirements, make better medical/Rx and employee benefits decisions, and create a stable plan that aligns with your goals for the future.

OUR TEAM IS YOUR TEAM

NFP has assembled an expert team of actuaries with deep industry knowledge, project management capabilities, communication and consulting skills, and a keen understanding of what businesses want and need. With our expertise and nearly 75 years of collective experience in the health and welfare actuarial field, we create personalized solutions that include objective guidance, practical strategies, and a focus on adhering to the highest standards.

PRECISION SOLUTIONS

Our insightful team provides the precision required in today's complex benefits landscape. Services include consultations, analyses, and valuations related to all health and welfare programs and plans.

We have expertise to provide a wide range of services, including:

- Incurred but not reported (IBNR) estimates and certifications
- Cost projections, including rate development and adequacy certifications
- Pricing of alternative health plan designs
- Review and analysis of rate renewal proposals
- Self-insurance feasibility and cost analysis
- Analysis and determination of proper stop-loss retention levels, stop-loss rates, and proposals
- Calculation and certification of COBRA rate equivalents
- Other post-employment benefits (OPEB) valuations, in accordance with the FASB and GASB accounting rules
- Mental health parity testing
- Medicare Part D creditability testing
- Actuarial value determination
- Domestic partner imputed income determination
- Spousal surcharge/incentive analysis
- Grandfathering analysis
- RDS attestation
- Plan relativity analysis
- HRA cost analysis
- Acquisition benefit plan analysis

FRESH PERSPECTIVES

Our approach begins with establishing a shared understanding of your business and goals. This means we take time to listen, ask questions, and build context for creating customized solutions.

Then we use mathematical and statistical modeling to help you identify, quantify, project, and mitigate risk, no matter how specialized. Our best practice actuarial methods for evaluating and reporting are complemented by consistent communication that focuses on extracting clarity from complexity.

You want resources that will help you expertly determine and execute your health benefits strategies. NFP has them. Contact your NFP advisor for more information.

Actuarial Services — And a Whole Lot More

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New York, NY 10173

Appendix D

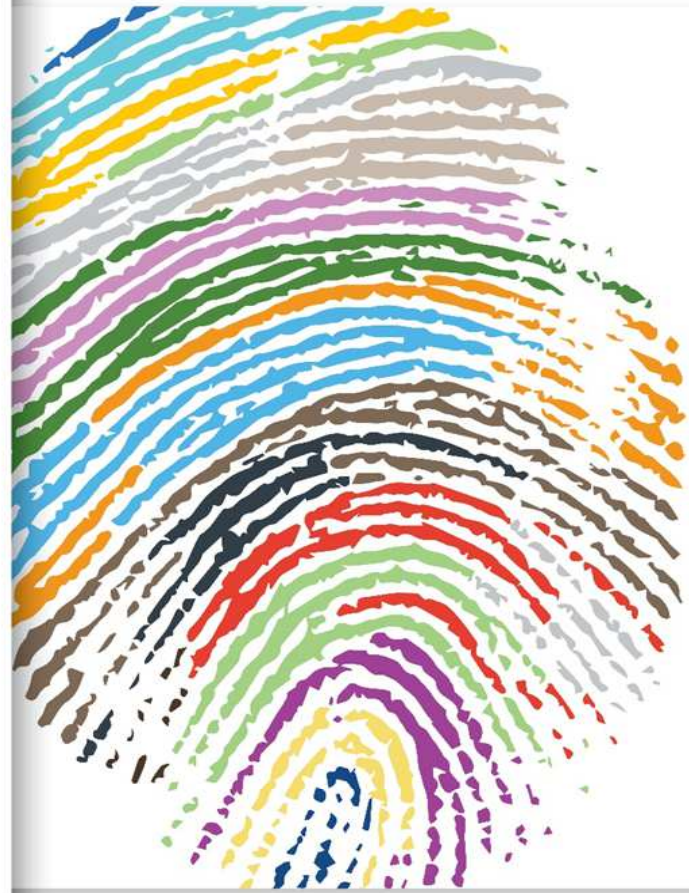
Sample GASB Report

SAMPLE

GASB 74/75 Report

*Actuarial Valuation
January 1, 2020*

*For Fiscal Year Ending
December 31, 2020*



Prepared by:

Geoffrey S. Seibel

ASA, MAAA

Vice President, Actuarial Services

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Austin, TX 78746

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Sample Client
Actuarial Valuation as of January 1, 2020

Actuarial Certification

I, Geoffrey S. Seibel, am Vice President, Actuarial Services, NFP Insurance Services, Inc. I am a member of the American Academy of Actuaries and meet its qualification standards to provide statements of actuarial opinion for actuarial valuations of Other Post-Employment Benefits (OPEBs). I have completed an actuarial valuation of the OPEB plan for the Sample Client as of January 1, 2020. This report contains the results of the valuation.

To the best of my knowledge, the information supplied in this report is complete and accurate. In my opinion, the methods and assumptions used in the valuation comply with the Governmental Accounting, Standards Board (GASB), particularly GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension". The assumptions are related reasonably to the past experience of the Plan, and they represent our best estimate of anticipated experience under the Plan. Nevertheless, the actual costs of the plan in the future will differ from the results of the valuation, as the emerging experience varies from the assumptions projected in the valuation.

I have relied on the Client for the accuracy and completeness of the benefit plans, assets, claims and premium data, and employee census. While I have not audited the data, I have reviewed it for reasonableness and consistency. A summary of our understanding of the plan features is provided in this report.

This report has been prepared for the use and benefit of the Client in assessing the effect of GASB Statement No. 75 on accounting for OPEB plans. It should not be relied upon for other purposes, and it is not intended to benefit any other party. It may be shared in its entirety with all auditors and the general public.

Neither NFP Insurance Services, Inc. nor any of the employees working on this engagement has any relationship with the Sample Client that may impair, or appear to impair, the independence and objectivity of our work.

This actuarial valuation was prepared in accordance with the applicable Statements of the Governmental Accounting Standards Board and the Actuarial Standards of Practice issued by the American Academy of Actuaries.

Sincerely,

A handwritten signature in black ink that reads "Geoffrey S. Seibel".

Geoffrey S. Seibel, ASA, MAAA
Vice President, Actuarial Services

March 19, 2021



Sample Client
Actuarial Valuation as of January 1, 2020

Summary of Valuation Results

Measurement Date 1/1/2020

Participant Data

| | |
|------------------|-----------|
| Active Employees | 255 |
| Retirees | <u>18</u> |
| Total | 273 |

Total OPEB Liability (TOL)

| | | |
|----------------------|------|------------------|
| Active Employees | \$ | 1,253,416 |
| Retirees | + \$ | 799,570 |
| Total OPEB Liability | \$ | <u>2,052,986</u> |

Fiduciary Net Position (FNP) - \$ -

Net OPEB Liability (NOL) \$ 2,052,986

FNP as a Percentage of TOL 0.00%

Annual Payroll of Active Employees \$19,157,848

Net OPEB Liability as a % of Covered Employee Payroll 10.72%

Estimated OPEB Expense for Fiscal Year Ending:

| | | |
|-------------------|----|---------|
| December 31, 2020 | \$ | 356,567 |
| December 31, 2021 | \$ | 336,717 |

Discount Rate Sensitivity

A 1 % increase in the discount rate would decrease the Net OPEB Liability by \$75,867.
A 1 % decrease in the discount rate would increase the Net OPEB Liability by \$65,037.

Healthcare Trend Sensitivity

A 1 % increase in the healthcare trend would increase the Net OPEB Liability by \$200,763.
A 1 % decrease in the healthcare trend would decrease the Net OPEB Liability by \$184,263.



Sample Client
Actuarial Valuation as of January 1, 2020

Development of Fiduciary Net Position at Valuation Date

Statement of Changes in Fiduciary Net Position

| | 1/1/2020 - 12/31/2020 | | |
|---|-----------------------|----------------------|--------------|
| | <u>OPEB Trust</u> | <u>Pay-as-you-go</u> | <u>Total</u> |
| Balance as of Beginning of Year | \$ - | \$ - | \$ - |
| Employer Contributions | \$ - | \$ - | \$ - |
| Participant Contributions | - | - | \$ - |
| Implicit Subsidy | - | \$ 118,304 | \$ 118,304 |
| Investment Income, net of investment expenses | \$ - | - | \$ - |
| Total Additions | \$ - | \$ 118,304 | \$ 118,304 |
| Benefit Payments, including implicit subsidy | - | \$ (118,304) | \$ (118,304) |
| Non-Investment Expenses | \$ - | - | \$ - |
| Total Deductions | \$ - | \$ (118,304) | \$ (118,304) |
| Net Change | \$ - | \$ - | \$ - |
| Balance as of End of Year | \$ - | \$ - | \$ - |
| Money-Weighted Rate of Return | 0.00% | 0.00% | 0.00% |



Sample Client
GASB Statement No. 75

OPEB Expense (Income)

| | Fiscal Year Ending | |
|---|---------------------------|----------------|
| | 12/31/2020 | |
| OPEB Expense (Income) as of 1/1/2020 | | |
| 1. Service Cost | \$ | 232,046 |
| 2. Interest Cost | \$ | 69,016 |
| 3. Expected Return On Plan Assets | \$ | - |
| 4. Recognition of Deferred Outflows/(Inflows) related to: | | |
| Net difference between projected and actual earnings | \$ | - |
| Differences between expected and actual experience | \$ | 58,905 |
| Changes in assumptions | \$ | <u>(3,400)</u> |
| 5. OPEB Expense (Income) | \$ | 356,567 |

Key Assumptions for OPEB Expense (Income)

| | |
|---------------------------|-------|
| Discount Rate | 3.36% |
| Salary Scale | 3.50% |
| Expected Return on Assets | 3.36% |

Deferred Outflows/(Inflows) - Amortization Schedules

| Fiscal Year Established | Original Amount | Amortization Amount | Original Amortization Period | Remaining Amortization Period | Outstanding Balance at End of Year |
|---|-----------------|---------------------|------------------------------|-------------------------------|------------------------------------|
| <u>Net difference between projected and actual earnings</u> | | | | | |
| 2020 | \$ - | \$ - | 5.00 | | \$ - |
| 2019 | \$ - | \$ - | 5.00 | | \$ - |
| 2018 | \$ - | \$ - | 5.00 | | \$ - |
| <u>Differences between expected and actual experience</u> | | | | | |
| 2020 | \$ 873,556 | \$ 58,905 | 14.8 | 13.8 | \$ 814,651 |
| 2019 | \$ - | \$ - | 9.6 | 7.6 | \$ - |
| 2018 | \$ - | \$ - | 9.6 | 6.6 | \$ - |
| <u>Changes in assumptions</u> | | | | | |
| 2020 | \$ - | \$ - | 14.8 | 13.83 | \$ - |
| 2019 | \$ (62,281) | \$ (6,458) | 9.6 | 7.6 | \$ (49,365) |
| 2018 | \$ 29,486 | \$ 3,058 | 9.6 | 6.6 | \$ 20,312 |



Sample Client
GASB Statement No. 75

Net OPEB Liability

| | Fiscal Year Ending |
|---|---------------------------|
| | 12/31/2020 |
| Reconciliation of Total OPEB Liability | |
| 1. Total OPEB Liability at Beginning of Year 1/1/2020 | \$ 1,179,430 |
| 2. Service Cost | \$ 232,046 |
| 3. Interest Cost | \$ 69,016 |
| 4. Net Benefits Paid by Employer | \$ (118,304) |
| 5. Differences between expected and actual experience | \$ 603,396 |
| 6. Changes in assumptions | \$ - |
| 7. Total OPEB Liability at End of Year 12/31/2020 | \$ 1,965,584 |
| Reconciliation of Fiduciary Net Position | |
| 1. Fiduciary Net Position at Beginning of Year | \$ - |
| 2. Projected Earnings on Fiduciary Net Position | \$ - |
| 3. Net Difference Between Projected and Actual Earnings | \$ - |
| 4. Employer Contributions | \$ 118,304 |
| 5. Total Benefits Paid | \$ (118,304) |
| 6. Expenses | \$ - |
| 7. Participant Contributions | \$ - |
| 8. Fiduciary Net Position at End of Year | \$ - |
| Money-Weighted Rate of Return | 3.10% |
| Net OPEB Liability (Asset) | |
| 1. Total OPEB Liability | \$ 1,965,584 |
| 2. Fiduciary Net Position | \$ - |
| 3. Net OPEB Liability (Asset) | \$ 1,965,584 |
| Fiduciary Net Position as % of Total OPEB Liability | 0.00% |
| Key Assumptions for Net OPEB Liability | |
| Discount Rate | 3.10% |
| Salary Scale | 3.50% |
| Expected Return on Assets | 3.10% |



Sample Client
GASB Statement No. 75

Deferred Outflows (Inflows)

| | Fiscal Year Ending |
|---|---------------------------|
| | 12/31/2020 |
| Deferred Inflows of Resources Related to OPEB | |
| 1. Net difference between projected and actual earnings | \$ - |
| 2. Differences between expected and actual experience | \$ - |
| 3. Changes in assumptions | \$ 49,365 |
| 4. Total | \$ 49,365 |
| Deferred Outflows of Resources Related to OPEB | |
| 1. Net difference between projected and actual earnings | \$ - |
| 2. Differences between expected and actual experience | \$ 814,651 |
| 3. Changes in assumptions | \$ 20,312 |
| 4. Benefit payments subsequent to the measurement date | \$ 118,304 |
| 5. Total | \$ 953,267 |

Schedule of Deferred Outflows (Inflows)

Amounts reported as deferred outflows or deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

| | FYE | |
|--|------------|------------|
| | 2020 | \$ 55,505 |
| | 2021 | \$ 55,505 |
| | 2022 | \$ 55,505 |
| | 2023 | \$ 55,505 |
| | 2024 | \$ 55,505 |
| | 2025 | \$ 55,505 |
| | Thereafter | \$ 452,570 |



Sample Client
GASB Statement No. 75

OPEB Expense (Income)

| | Fiscal Year Ending |
|---|---------------------------|
| | 12/31/2021 |
| OPEB Expense (Income) as of 1/1/2021 | |
| 1. Service Cost | \$ 233,732 |
| 2. Interest Cost | \$ 66,452 |
| 3. Expected Return On Plan Assets | \$ - |
| 4. Recognition of Deferred Outflows/(Inflows) related to: | |
| Net difference between projected and actual earnings | \$ - |
| Differences between expected and actual experience | \$ 39,933 |
| Changes in assumptions | \$ (3,400) |
| 5. OPEB Expense (Income) | \$ 336,717 |

Key Assumptions for OPEB Expense (Income)

| | |
|---------------------------|-------|
| Discount Rate | 3.10% |
| Salary Scale | 3.50% |
| Expected Return on Assets | 3.10% |

Deferred Outflows/(Inflows) - Amortization Schedules

| Fiscal Year Established | Original Amount | Amortization Amount | Original Amortization Period | Remaining Amortization Period | Outstanding Balance at End of Year |
|---|-----------------|---------------------|---------------------------------|----------------------------------|---------------------------------------|
| <u>Net difference between projected and actual earnings</u> | | | | | |
| 2021 | \$ - | \$ - | 5.00 | | \$ - |
| 2020 | \$ - | \$ - | 5.00 | | \$ - |
| 2019 | \$ - | \$ - | 5.00 | | \$ - |
| 2018 | \$ - | \$ - | 5.00 | | \$ - |
| <u>Differences between expected and actual experience</u> | | | | | |
| 2021 | \$ (270,160) | \$ (18,972) | 14.2 | 13.2 | \$ (251,188) |
| 2020 | \$ 873,556 | \$ 58,905 | 14.8 | 12.8 | \$ 755,747 |
| 2019 | \$ - | \$ - | 9.6 | 6.6 | \$ - |
| 2018 | \$ - | \$ - | 9.6 | 5.6 | \$ - |
| <u>Changes in assumptions</u> | | | | | |
| 2021 | \$ - | \$ - | 14.2 | 13.2 | \$ - |
| 2020 | \$ - | \$ - | 14.8 | 12.8 | \$ - |
| 2019 | \$ (62,281) | \$ (6,458) | 9.6 | 6.6 | \$ (42,907) |
| 2018 | \$ 29,486 | \$ 3,058 | 9.6 | 5.6 | \$ 17,254 |



Sample Client
GASB Statement No. 75

Net OPEB Liability

| | Fiscal Year Ending |
|---|---------------------------|
| | 12/31/2021 |
| Reconciliation of Total OPEB Liability | |
| 1. Total OPEB Liability at Beginning of Year 1/1/2021 | \$ 1,965,584 |
| 2. Service Cost | \$ 233,732 |
| 3. Interest Cost | \$ 66,452 |
| 4. Net Benefits Paid by Employer | \$ (112,295) |
| 5. Differences between expected and actual experience | \$ - |
| 6. Changes in assumptions | \$ - |
| 7. Total OPEB Liability at End of Year 12/31/2021 | \$ 2,153,473 |
| Reconciliation of Fiduciary Net Position | |
| 1. Fiduciary Net Position at Beginning of Year | \$ - |
| 2. Projected Earnings on Fiduciary Net Position | \$ - |
| 3. Net Difference Between Projected and Actual Earnings | \$ - |
| 4. Employer Contributions | \$ 112,295 |
| 5. Total Benefits Paid | \$ (112,295) |
| 6. Expenses | \$ - |
| 7. Participant Contributions | \$ - |
| 8. Fiduciary Net Position at End of Year | \$ - |
| Money-Weighted Rate of Return | 3.10% |
| Net OPEB Liability (Asset) | |
| 1. Total OPEB Liability | \$ 2,153,473 |
| 2. Fiduciary Net Position | \$ - |
| 3. Net OPEB Liability (Asset) | \$ 2,153,473 |
| Fiduciary Net Position as % of Total OPEB Liability | 0.00% |
| Key Assumptions for Net OPEB Liability | |
| Discount Rate | 3.10% |
| Salary Scale | 3.50% |
| Expected Return on Assets | 3.10% |



Sample Client
GASB Statement No. 75

Deferred Outflows (Inflows)

| | Fiscal Year Ending | |
|---|---------------------------|---------|
| | 12/31/2021 | |
| Deferred Inflows of Resources Related to OPEB | | |
| 1. Net difference between projected and actual earnings | \$ | - |
| 2. Differences between expected and actual experience | \$ | 251,188 |
| 3. Changes in assumptions | \$ | 42,907 |
| 4. Total | \$ | 294,095 |
| Deferred Outflows of Resources Related to OPEB | | |
| 1. Net difference between projected and actual earnings | \$ | - |
| 2. Differences between expected and actual experience | \$ | 755,747 |
| 3. Changes in assumptions | \$ | 17,254 |
| 4. Benefit payments subsequent to the measurement date | \$ | 112,295 |
| 5. Total | \$ | 885,296 |

Schedule of Deferred Outflows (Inflows)

Amounts reported as deferred outflows or deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

| FYE | | |
|------------|----|---------|
| 2021 | \$ | 58,564 |
| 2022 | \$ | 58,564 |
| 2023 | \$ | 58,564 |
| 2024 | \$ | 58,564 |
| 2025 | \$ | 58,564 |
| 2026 | \$ | 58,564 |
| Thereafter | \$ | 127,522 |



Sample Client
GASB Statement No. 75

Schedule of Changes in the Net OPEB Liability

| Reconciliation of Total OPEB Liability | Fiscal Year Ending 12/31/XXXX | | | | | | | | | |
|---|-------------------------------|-------------|-------------|-------------|------|------|------|------|------|------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| 1. Total OPEB Liability at Beginning of Year | \$1,965,584 | \$2,052,986 | \$1,122,639 | \$984,263 | | | | | | |
| 2. Service Cost | \$233,732 | \$232,046 | \$116,420 | \$106,249 | | | | | | |
| 3. Interest Cost | \$66,452 | \$69,016 | \$41,948 | \$40,506 | | | | | | |
| 4. Net Benefits Paid by Employer | -\$112,295 | -\$118,304 | -\$39,296 | -\$37,865 | | | | | | |
| 5. Differences between expected and actual experience | \$0 | -\$270,160 | \$873,556 | - | | | | | | |
| 6. Changes in assumptions | \$0 | \$0 | -\$62,281 | \$29,486 | | | | | | |
| 7. Total OPEB Liability at End of Year | \$2,153,473 | \$1,965,584 | \$2,052,986 | \$1,122,639 | | | | | | |



Sample Client

Actuarial Valuation as of January 1, 2020

Projected Retiree Benefit Payments

Exhibit A is a graph that shows the projection of expected benefit payments under the OPEB plan. These payments only reflect those participants who have already been hired or who are retired. Expected benefit payments are equal to the number of retirees each year times the per retiree cost to the employer. The first year's projected benefit payments total \$118,305. As the last participants retire and then reach the end of their benefit period, the benefit payments decline and eventually would reach zero. Exhibit B is a table showing the first 10 years of expected benefit payments.

Exhibit A - Expected Benefit Payments to Retirees

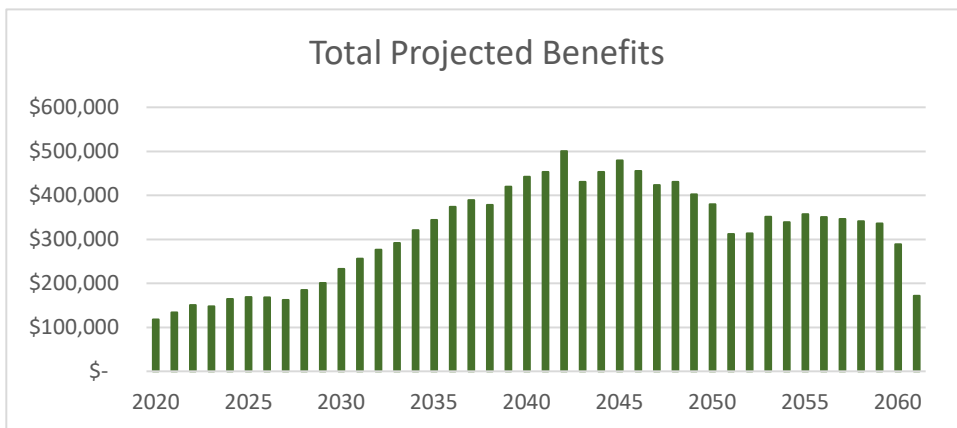


Exhibit B: First 10 Years of Expected Benefit Payments

| Plan Year Beginning January 1, | Total Projected Benefits |
|--------------------------------|--------------------------|
| 2020 | \$ 118,305 |
| 2021 | \$ 133,798 |
| 2022 | \$ 150,819 |
| 2023 | \$ 147,731 |
| 2024 | \$ 164,525 |
| 2025 | \$ 168,760 |
| 2026 | \$ 168,323 |
| 2027 | \$ 162,674 |
| 2028 | \$ 184,808 |
| 2029 | \$ 201,271 |



Sample Client
Actuarial Valuation as of January 1, 2020

Plan Provisions and Participant Summary

Retiree Benefits Continuation of medical and pharmacy benefits under the City's group plan. Pre-Medicare retirees are enrolled in the same fully-insured plan as active employees. Since the premiums for retirees and active employees are the same, retirees receive an implicit subsidy. Disabled police injured in the line of duty are also eligible to maintain the same coverage as prior to the disability.

Eligibility Per Minnesota Statutes 471.61 and 299A.465 for local government entities, City employees receiving a retirement or disability benefit, or eligible to receive a benefit, from a Minnesota public pension may continue to participate in the City's group health plan that the employee was a participant of immediately prior to retirement.

Police or Firefighters (other than volunteers) disabled in the line-of-duty, may continue coverage for themselves and dependents, so long as they were covered at the time of the disability, under the City's group health plan with the same contribution requirements as an active employee as required by Minnesota Statute 299A.465 until age 65.

Volunteer Firefighters are not eligible for the group health plan.

Dependent Coverage Spouses of eligible retirees are eligible for the plan. It is assumed no children are covered under the plan and that all eligible retirees and spouses would leave the plan by age 65 or elect the Medicare Supplement at age 65.

Survivor Eligibility Upon the death of a covered retiree, coverage can continue for a spouse until age 65.

2020 Premium

| Plan | Employee Only Coverage |
|---------------------------------|------------------------|
| CG347 HSA \$2800-100% | \$ 621.56 |
| HA414 OA Choice \$20-100% | \$ 827.35 |
| CG348 HSA \$2800-100% | \$ 584.27 |
| HA405 OA Choice Ded \$2800-100% | \$ 631.91 |
| HA404 OA Choice Ded \$2800-100% | \$ 593.99 |

* Claim costs were determined to be 92.43% of the premiums shown above.

Member Contributions Retirees or single eligible spouses are required to contribute 100% of the fully insured premium for their coverage. Police injured in the line-of-duty are required to contribute the fully insured premium less the City's contribution of \$1,060 per month, but no less than \$0. The City's contribution increases with medical trend each year.

Changes Since Prior Valuation

1. Premiums were updated to reflect current rates.
2. Discount rates were updated to reflect the change in the 20-year AA municipal bond rate.
3. Claim costs were updated to reflect most recent experience, which are materially higher than the prior valuation.
4. Healthcare trend was shifted to maintain the same immediate rate, in addition to reflecting the known premium increase for 2020.
5. Mortality was updated to reflect more current rates based on the 2014 SOA study with SOA 2019 improvement scale as shown in the mortality assumptions.



Sample Client
Actuarial Valuation as of January 1, 2020

Plan Provisions and Participant Summary

Participant Summary

| Metric | Actives* | Inactives** |
|-----------------|----------|-------------|
| Count | 255 | 18 |
| Average Age | 45 | 60 |
| Average Service | 12 | N/A |
| Percentage Male | 67% | 44% |

* Active employees who have waived medical coverage were excluded from the calculations.

** Inactive count includes retirees electing the Medicare Supplement even though there is no implicit subsidy or liability associated with these retirees.

Age and Service Chart

| Attained Age | Years of Credited Service | | | | | | | | | | Total |
|--------------|---------------------------|-----|-----|-------|-------|-------|-------|-------|-------|-----|-------|
| | <1 | 1-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | >40 | |
| Under 25 | 5 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 |
| 25-29 | 3 | 13 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23 |
| 30-34 | 2 | 10 | 9 | 3 | 2 | 0 | 0 | 0 | 0 | 0 | 26 |
| 35-39 | 3 | 9 | 14 | 7 | 4 | 1 | 0 | 0 | 0 | 0 | 38 |
| 40-44 | 0 | 9 | 2 | 8 | 9 | 5 | 0 | 0 | 0 | 0 | 33 |
| 45-49 | 2 | 7 | 5 | 2 | 7 | 12 | 1 | 0 | 0 | 0 | 36 |
| 50-54 | 2 | 5 | 3 | 4 | 6 | 11 | 5 | 0 | 0 | 0 | 36 |
| 55-59 | 0 | 3 | 2 | 4 | 4 | 4 | 1 | 4 | 0 | 0 | 22 |
| 60-64 | 0 | 2 | 2 | 3 | 6 | 3 | 2 | 1 | 2 | 0 | 21 |
| 65-69 | 0 | 0 | 0 | 0 | 1 | 2 | 0 | 1 | 0 | 1 | 5 |
| >70 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 3 |
| Total | 17 | 65 | 45 | 31 | 39 | 38 | 10 | 6 | 2 | 2 | 255 |



Sample Client
Actuarial Valuation as of January 1, 2020

Actuarial Methods and Assumptions

| | |
|---------------------------------------|--|
| Actuarial Valuation Date | January 1, 2020 |
| Actuarial Cost Method | Entry Age Normal as % of Pay |
| Discount Rate* | 3.10% |
| Payroll Growth Rate | 3.50% |
| Price Inflation | 2.75% |
| Investment Rate of Return* | 3.10% |
| Actuarial Value of Assets | Market Value |
| Funding Policy | Pay-as-you-go |
| Annual Per-Capita Claims Costs | Per capita claims costs were developed the projected claim costs from the fully insured renewals from 2020 and 2021. Claim costs were calculated to be 92.43% of the fully insured premiums, with the other 7.57% assumed to be fixed costs as noted below. Pooling charges were included as claim costs and trended at the same rate as medical trend. Claim costs were then adjusted for age/gender factors based on the table below. Since the retirees are required to pay 100% of the fully insured premiums, the liability for the City is the implicit subsidy. |

Age/Gender Factors

| Age | Age/Gender Factor |
|-----|-------------------|
| 40 | 0.844 |
| 45 | 1.000 |
| 50 | 1.215 |
| 55 | 1.482 |
| 60 | 1.757 |
| 64 | 1.987 |

Annual Fixed Costs Assumed to be 7.57% of the fully insured premiums.

* Since the plan is funded 'Pay-as-you-go', the 20 year AA rated municipal bond rate was used as both the discount and investment rate of return. This rate was determined from <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-municipal-bond-20-year-high-grade-rate-index/#overview> on January 1, 2020.



Sample Client
Actuarial Valuation as of January 1, 2020

Actuarial Methods and Assumptions

Annual Healthcare Trend

| Year | Med/Rx |
|-------|--------|
| 2020 | 8.33% |
| 2021 | 8.00% |
| 2022 | 7.67% |
| 2023 | 7.33% |
| 2024 | 7.00% |
| 2025 | 6.67% |
| 2026 | 6.33% |
| 2027 | 6.00% |
| 2028 | 5.67% |
| 2029 | 5.33% |
| 2030+ | 5.00% |

Claims costs and City contributions for disabled retirees are assumed to increase according to the above healthcare trend. Fixed costs are assumed to increase at 3% each year.

Participation

40% of future retirees are assumed to continue medical coverage. 45% of those are assumed to elect spousal coverage.

Spouse Age

Male participants assumed to be three years older than their spouse and female participants are assumed to be two years younger than their spouse.



Sample Client

Actuarial Valuation as of January 1, 2020

Actuarial Methods and Assumptions

Mortality Rates

Non-Police

Healthy Pre-Retirement

SOA RP-2014 Employee White Collar Mortality Table with Scale MP-2019 from a base year of 2014. Rates set forward one year for males and set back one year for females.

Healthy Post-Retirement

SOA RP-2014 Healthy Annuitant White Collar Mortality Table with Scale MP-2019 from a base year of 2014. Rates set forward two years for males and female rates are multiplied by a factor of 0.90.

Disabled

SOA RP-2014 Disabled Mortality Table with Scale MP-2019 from a base year of 2014. Rates set forward one year for males and set forward six years for females.

Police

Healthy Pre-Retirement

SOA RP-2014 Employee White Collar Mortality Table with Scale MP-2019 from a base year of 2014.

Healthy Post-Retirement

SOA RP-2014 Healthy Annuitant White Collar Mortality Table with Scale MP-2019 from a base year of 2014. Male rates are multiplied by a factor of 0.96.

Disabled

SOA RP-2014 Healthy Annuitant White Collar Mortality Table with Scale MP-2019 from a base year of 2014. Male rates are multiplied by a factor of 0.96.



Sample Client
Actuarial Valuation as of January 1, 2020

Actuarial Methods and Assumptions

Disability Disabilities rates for active police/fire are (city employees are not eligible for disability retiree benefits):

| Age | Probability of Disability |
|-----|---------------------------|
| 20 | 0.10% |
| 25 | 0.12% |
| 30 | 0.14% |
| 35 | 0.14% |
| 40 | 0.20% |
| 45 | 0.40% |
| 50 | 0.81% |
| 55 | 1.54% |



Sample Client
Actuarial Valuation as of January 1, 2020

Actuarial Methods and Assumptions

Salary Increase Rates

| Service | Non-Police | Police |
|---------|------------|--------|
| 1 | 11.50% | 12.50% |
| 2 | 8.50% | 10.75% |
| 3 | 7.00% | 9.00% |
| 4 | 6.00% | 8.00% |
| 5 | 5.50% | 6.50% |
| 6 | 5.20% | 6.00% |
| 7 | 4.90% | 5.50% |
| 8 | 4.80% | 5.25% |
| 9 | 4.70% | 5.00% |
| 10 | 4.50% | 4.75% |
| 11 | 4.25% | 4.50% |



Sample Client
Actuarial Valuation as of January 1, 2020

Actuarial Methods and Assumptions

Withdrawal Rates Sample rates shown in the table below:

| Service | Non-Police | | Age | Police | |
|---------|------------|--------|-----|--------|--------|
| | Male | Female | | Male | Female |
| 5 | 0.0900 | 0.1000 | 20 | 0.0300 | 0.0300 |
| 10 | 0.0400 | 0.0500 | 25 | 0.0260 | 0.0260 |
| 15 | 0.0250 | 0.0325 | 30 | 0.0210 | 0.0210 |
| 20 | 0.0150 | 0.0225 | 35 | 0.0160 | 0.0160 |
| 25 | 0.0100 | 0.0175 | 40 | 0.0125 | 0.0125 |
| 30+ | 0.0100 | 0.0150 | 45 | 0.0125 | 0.0125 |
| | | | 50+ | 0.0000 | 0.0000 |



Sample Client

Actuarial Valuation as of January 1, 2020

Actuarial Methods and Assumptions

Retirement Rates

Non-Police - The 'Rule of 90' retirement rates apply to employees hired before 7/1/1989 that have a combined age plus years of service of at least 90. Tier 1 -No Rule of 90 refers to employees hired prior to 7/1/1989 that do not have a combined age plus years of service of at least 90. Tier 2 - No Rule of 90 refers to employees hired after 7/1/1989.

Police - Rates as shown in the table below.

| Age | Non-Police | | | Police |
|-----|------------|---------------------------|---------------------------|--------|
| | Rule of 90 | Tier 1 - No Rule of 90 | Tier 2 - No Rule of 90 | |
| 50 | 0.0000 | 0.0000 | 0.0000 | 0.1000 |
| 51 | 0.0000 | 0.0000 | 0.0000 | 0.0700 |
| 52 | 0.0000 | 0.0000 | 0.0000 | 0.0700 |
| 53 | 0.0000 | 0.0000 | 0.0000 | 0.1000 |
| 54 | 0.0000 | 0.0000 | 0.0000 | 0.1000 |
| 55 | 0.2000 | 0.0500 | 0.0500 | 0.2000 |
| 56 | 0.1500 | 0.0500 | 0.0500 | 0.2250 |
| 57 | 0.1500 | 0.0500 | 0.0500 | 0.2250 |
| 58 | 0.1500 | 0.0600 | 0.0500 | 0.2250 |
| 59 | 0.1500 | 0.0700 | 0.0600 | 0.2000 |
| 60 | 0.1500 | 0.0800 | 0.0700 | 0.2250 |
| 61 | 0.1800 | 0.1000 | 0.0900 | 0.2500 |
| 62 | 0.3500 | 0.2000 | 0.1500 | 0.3000 |
| 63 | 0.2500 | 0.2000 | 0.1500 | 0.3000 |
| 64 | 0.2500 | 0.2500 | 0.1500 | 0.3000 |
| 65 | 0.3250 | 0.3250 | 0.2500 | 0.5000 |
| 66 | 0.2500 | 0.2500 | 0.2500 | 0.5000 |
| 67 | 0.2000 | 0.2000 | 0.2000 | 0.5000 |
| 68 | 0.1750 | 0.1750 | 0.1750 | 0.5000 |
| 69 | 0.1500 | 0.1500 | 0.1500 | 0.5000 |
| 70 | 0.1750 | 0.1750 | 0.1750 | 1.0000 |
| 71+ | 1.0000 | 1.0000 | 1.0000 | 1.0000 |

Appendix E

Benefits Administration Services



The Burden of Choice...

...The Freedom of Discovery.



Knowledge Is Power

When it comes to human resource services and benefits administration, businesses are faced with numerous challenges today, including rising costs, ever-evolving compliance regulations, disengaged employees, and increased reporting and paperwork.

The right HR technology solution can improve efficiency and productivity while at the same time position your company for future growth, but the wrong solution can be costly. As HR technology continues to evolve at a rapid pace, navigating the ever-confusing field of options can be a frustrating exercise—particularly when many of those solutions are intrinsically tied to specific providers.

How can you know where to spend your time and money wisely? Moreover, do you have the resources needed to help you fully implement that solution?

The Art of Partnering

At NFP, we are vendor-agnostic, offering completely unbiased expert advice on which solutions will work best for you. We enable our clients to leverage their existing investments and / or find independent third-party technology solutions that cost-effectively solve communication and administration challenges.

Unyielding Support

HR Technologies and Benefits Administration Services consultants take an outcomes-driven, collaborative approach to help you define your needs so that you can be confident that you're getting the right solution.

We are with you every step of the way, offering:

- Deep benefits experience and impartial recommendations
- A preferred-provider network with well-vetted vendors that are unsurpassed in expertise, technology and support, and can offer best-in-class solutions
- Our proprietary HR Tech Vendor Selection Tool, which uses algorithms to match your needs to the most appropriate vendor

Our dedicated team focuses on the key areas we know to be critical to the success of any payroll / HRIS selection and implementation:



Holistic Audit / Needs Analysis



Disciplined RFP Scoring Process to Filter the Results



Finalist Selection and Demonstrations



Implementation

And our implementation models can include our HR Technologies and Benefits Administration Services Team, who act as both your advocate and your resource network.



Client Relationship Manager

Your technology specialist in the selection process



Project Manager

Manages all aspects and participants in the implementation process



Implementation Specialist

Manages the data gathering / quality process and site builds for specific preferred-vendor relationships



Account Manager

Manages the day-to-day issues that arise after implementation, including data issues for specific preferred-vendor relationships



EDI Team

Facilitates EDI builds for specific relationships

Our Promise

We understand that technology doesn't replace face-to-face communication and intuitive problem-solving; it supports and enables them. We take your solution, personally.

Corporate Benefits — And a Whole Lot More

NFP is a leading insurance broker and consultant that provides employee benefits, specialized property and casualty, retirement, and individual privateclient solutions through our licensed subsidiaries and affiliates. Our expertise is matched by our commitment to each client's goals and is enhanced by our investments in innovative technologies in the insurance brokerage and consulting space.

NFP has more than 5,800 employees and global capabilities. Our expansive reach gives us access to highly rated insurers, vendors and financial institutions in the industry, while our locally based employees tailor each solution to meet our clients' needs. We've become one of the largest insurance brokerage, consulting and wealth management firms by building enduring relationships with our clients and helping them realize their goals.

For more information, visit NFP.com.

Contact Us

844-ASK-NFP1

340 Madison Avenue

20th Floor New York, NY 10173

NFP Corp. and its subsidiaries do not provide legal or tax advice. Compliance, regulatory and related content is for general informational purposes and is not guaranteed to be accurate or complete. You should consult an attorney or tax professional regarding the application or potential implications of laws, regulations or policies to your specific circumstances.

Appendix F

NFP Connect

Digital Transformation via NFP Connect

As the world around us changes, the need for digital transformation has taken on a new and urgent context. Simple tasks like going to work now require numerous steps only made possible by technology.

In the insurance industry, **understanding and managing risk is paramount**. Fortunately, it appears the bubble that had previously surrounded the industry, isolating it from the digital world, has popped. With the advancement of technology, the rise of the Internet of Things and the resulting influx of new solutions, capturing data to help mitigate risk is more possible now than ever before.

While the application of digital technologies has distinct impact, the **actionable data behind the technology is where the true opportunity lies**.

But with so many disparate solutions, how can an organization navigate the market, how can they capitalize on the data capture and how can they maintain a unified user experience?



NFP Connect: The Gateway to Your Technology Ecosystem

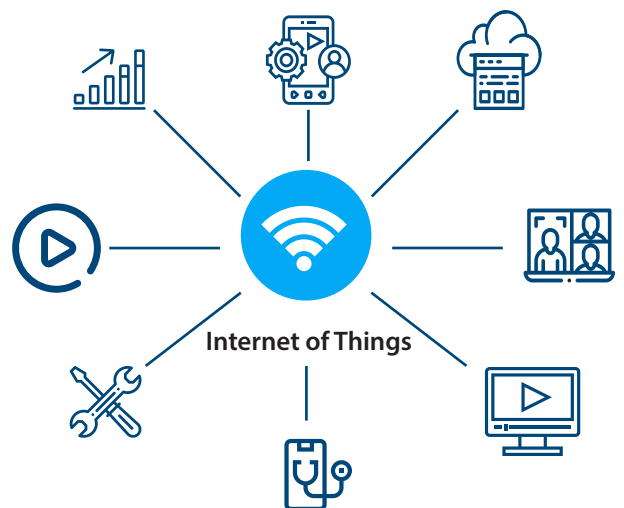
NFP Connect is an integrated digital platform that combines frictionless access to best-in-class technology within an enterprise-wide data aggregation framework. Whether you're engaging NFP to manage your employee benefits, retirement, property and casualty, executive benefits, or all of the above, let NFP Connect help you unlock the power of your data.

- Seamless connection with best-in-class technology
- Private data lake
- AI supported data enrichment
- Customized and dynamic data visualization
- 24/7/365 access
- Secure and private document exchange
- Digital content delivery
- Mobile-first employee level access
- And much more

Creating a personalized experience with deeper insights to drive better business decisions: that's NFP Connect.

Interested in learning more?

Please reach out to your advisor.



NFP Corp. (NFP) provides employee benefits, property and casualty, retirement, and individual private client solutions through its licensed subsidiaries and affiliates to clients across the U.S. and abroad. Securities may be offered through Executive Services Securities, LLC, member FINRA/SIPC, and investment advisory services may be offered through NFP Retirement, Inc., subsidiaries of NFP. Securities may also be offered through Kestra Investment Services, LLC, member FINRA/SIPC, and investment advisory services may be also offered through the affiliate RIA, Kestra Advisory Services, LLC, neither of which are affiliated with NFP. PartnersFinancial and Benefits Partners are membership platforms of NFP Insurance Services, Inc. (NFPIS), which is a subsidiary of NFP. Some members of the membership platforms are not owned or affiliated with NFP. Please check with your advisor for more information. 9/20 (20-CB-CB-GEN-0282) Copyright © 2020 NFP. All rights reserved.



Employee Benefits Brokerage Consulting Services

Proposal

Prepared for:

The City of Pryor Creek

November 15, 2022

Presented by:

RCI Risk Consulting Service
Catrena Charles, VP Life and Health
918-825-8400
catrena.charles@insure-iis.com



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About RCI Risk Consulting

1.) RCI History and Background

RCI Risk Consulting Service LLC dba RCI Insurance Group (RCI) is an independent insurance agency with physical locations in Pryor and Claremore, Oklahoma. RCI was established in 1972 as a 'bank agency' in Chelsea, Oklahoma and then in 1980 Mike and Marilyn Brunson purchased the agency. The Brunson's brought it to its current Claremore location and operated it until 1990.

RCI was then purchased by C.J. Fraley, who owned it until November 1, 1994, at which time, Michael Cottom acquired the agency. Michael Cottom, who is still with the agency, has over forty years of experience in the insurance industry. Mr. Cottom continued to operate RCI since it was established as a corporation. Then, on August 1, 2016, Kyle Beggs, current owner/operator purchased RCI Insurance Group.

Mr. Beggs has since gone on to acquire Integrated Insurance Services, Inc. (IIS). IIS was established in May 2005 by Mr. John C. Hawkins. Mr. Hawkins, who is still with the agency, was the principal owner of IIS until 2020 when he sold the agency to Kyle Beggs.

RCI currently has a staff of 24 employees. We are a full-service independent agency providing insurance to meet the needs of all our customers. i.e., commercial insurance, personal auto and homeowners, group benefits, such as health, dental, life, vision, worksite benefits and pensions. We currently have a team of 14 customer services reps.

Our area of specialization is to meet our clients' needs no matter the type of coverage they need. We strive on "**Services You Can Depend On**". With our team we have a combined 250 years' experience in the insurance industry. Our benefits division alone has over 80 years' experience.

Our Philosophy

Because every person and business are unique, we work with our clients to establish a plan that fits their specific needs.

2.) RCI Financial Status and Stability

RCI financial status is very stable and has continued to grow each year since inception. RCI is happy to provide the following confidential documentation if considered.

- Cash flow statement
- Income statement
- Balance sheet

3.) Impending Changes

None

4.) Error and Omission Insurance Coverage (see attached certificate of coverage)

Arch Insurance Company

Policy Number: IAL0257183-01

Policy Period: 08/01/2022 to 08/01/2023

Limits of Liability and Deductible

Aggregate Limit of Liability: \$5,000,000 Policy Period

| COVERAGE | LIMITS OF LIABILITY | DEDUCTIBLE |
|------------------------|-------------------------------|--|
| Professional Liability | \$5,000,000 Each Wrongful Act | \$10,000 Each Wrongful Act \$30,000 Aggregate |

5.) Ongoing Support and Implementation Team Qualifications/Expertise

Catrena Charles – Account Executive

Catrena has over 30 years' experience in the insurance industry working for both an independent agency as well as a carrier in servicing group benefit clients. She joined RCI in September of 2005 and previously worked for 5 years servicing group benefit plans for a carrier giving her a keen understanding of how to work with carriers, how to educate and direct her staff and how to advocate for the needs of our clients. Having worked for a large carrier, she has received extensive education and training in underwriting procedures and guidelines, claim resolutions, compliance such as HIPPA, ERISA, COBRA and basic HR laws and standards.

Catrena will be responsible for:

- Meeting with client and coordinating all task and implementation strategy
- Promptly responding to inquiries and addressing individual needs for the products and services our agency provides.
- Overseeing internal support staff assisting with City benefits for accuracy and timely completion and resolution of issues.
- Renewal Marketing and Strategy
- Analyzing data to forecast potential risk and developing action plan
- Carrier negotiations, contracts, and implementation
- Compliance requirements are met
- Incorporating programs to improve cost
- Benefit system integration

Tiffany Couch – Account Manager

Tiffany is from Chouteau and graduated from Northeastern State University with a degree in Healthcare Administration. Before starting with RCI in December 2020, she worked in healthcare management and accounting, closely dealing with insurance billing, coding, and claims.

Tiffany will be responsible for:

- Collaboratively working with Account Executive on all client needs
- Coordinates and provides day-to-day service for clients
- Communicating with carriers on implementation, plan changes, enrollment, and eligibility
- Assistance with billing and eligibility
- Manages claims and coverage issue resolution
- Client enrollment audits

Aspen Nelson – Account Coordinator/Processor

Aspen is from Pryor and graduated from Tulsa Community College with a degree in Business Administration. Before starting with RCI in August 2022, she worked at Brown & Brown as an Employee Benefits Accounts Assistant where she assisted Account Managers with numerous responsibilities.

Aspen will be responsible for:

- Collaboratively working with Account Manager on all client needs
- Intake all completed enrollment/change materials and scrub for accuracy and missing information
- Process all enrollment benefit changes
- InsureOK monthly invoice submission

6.) Organizational Bench-Strength

Succession Plan: RCI Risk Consulting

| Position | Current In | Potential Successor | Candidate Readiness | Successor Current Title | Readiness Rating ***** |
|-------------------------------|-----------------|---------------------|---------------------|-------------------------|------------------------|
| Account Executive | Catrena Charles | Tiffany Couch | Long Term | Account Manager | **** |
| Account Executive | Catrena Charles | John Hawkins | Short Term | Producer | ***** |
| Account Executive | Catrena Charles | Darrin Darnell | Long Term | COO | **** |
| Account Executive | Catrena Charles | Kyle Beggs | Short Term | Producer Owner | *** |
| Account Executive | Catrena Charles | Jill Adams | Long Term | Account Executive | ** |
| Account Manager | Tiffany Couch | Catrena Charles | Short Term | Account Executive | ***** |
| Account Manager | Tiffany Couch | Aspen Nelson | Long Term | Benefit Coordinator | *** |
| Account Manager | Tiffany Couch | Jill Adams | Long Term | Account Executive | *** |
| Account Coordinator Processor | Aspen Nelson | Tiffany Couch | Long Term | Account Manager | ***** |
| Account Coordinator Processor | Aspen Nelson | Catrena Charles | Short Term | Account Executive | ***** |
| Account Coordinator Processor | Aspen Nelson | Jill Adams | Long Term | Account Executive | *** |

7.) Client Meetings

This depends on the client's need and the types of plans in place. Account Executive Catrena Charles will plan a strategic meeting with the benefit administrator to discuss meeting best practices for The City of Pryor Creek and their employees. Every client is different, so we do our best to meet the specific needs of each client.

We do not have a cookie cutter approach to meeting regularly with our clients. We have some groups that we meet monthly to review plan performances and discuss possible plan changes to improve costs and manage high claims; others we meet quarterly.

Anytime there are changes made by the carriers, legislation, or ACA etc., that impact a groups plan, we will request a meeting to review those changes and discuss disruption to employees if any regarding benefit changes and next steps to inform employees.

8.) Unique Qualities to Work on City Account

Our agency has serviced multiple municipalities throughout the years servicing employee benefits along with property and casualty and 401K's. RCI currently services 3 city plans. This experience has provided us with an extensive understanding of special plans and benefits offered to municipalities of all sizes.

Our agency is local and able to provide local support to The City and its employees daily if needed. Your support team, Account Executive Catrena Charles, Account Manager Tiffany Couch and Processor Aspen Nelson are officed out of our Pryor office. City employees are welcome to stop by our office should they need assistance with ID cards, claim matters or questions regarding their benefit coverages or assistance with online enrollment.

9.) Succession Plan for Primary Contact for the City

Succession plan for primary contact, Catrena Charles would be successor Tiffany Couch. Tiffany Couch would move into the primary role with supervision from John Hawkins and Darrin Darnell.

10.) Benchmarking

The City of Pryor Creek will be provided with the following employee benefits Benchmarking and Key Performance Indicators (KPI's) based on internal plan performance compared to industry standards.

- Plan design
- Functionality
- Claims
- Premiums
- Demographics
- Contributions

We utilize multiple trusted sources to pull industry specific data to capture baseline information to compare to client data such as:

- Healthcare trends
- Average consumer cost of healthcare services
- Average employer plan deductible and out-of-pocket cost
- Most utilized employee benefits
- Average employer benefit contributions

This data is input into our agency management system to generate benchmarks and identify gaps and compliance to determine strengths and weaknesses within the benefits offered. Using trend analysis and historical data helps to determine current and future costs. This practice allows us to better understand the employee benefit needs of your industry, which allows us to better manage your plan cost.

11.) Human Resources and Consulting Services Support

We have a partnership with an HR Specialist to assist our clients with general HR support.

12.) Medical and Pharmacy Claims Analysis

A request for 2 years of medical and pharmacy claim reports from current carrier to capture client's utilization to determine trend and project possible future cost based on claims history.

13.) Actuarial and Underwriting Services

We do not have underwriters or actuaries on staff. However, Account Executive Catrena Charles has 30 years of education, knowledge, and experience to understand the actuarial and underwriting components.

14.) Projection and Analysis Fiscal Goals Support

Utilizing benchmarking and KPI's we can provide competitive data to assist with setting plan and employee benefit cost projections to determine cost effective measures to support The City of Pryor's fiscal goals.

15.) Managing Vendor Relationships

Account Executive Catrena Charles is a member of the National Association of Health Underwriters (NAHU) and Society for Human Resource Management (SHRM). These memberships allow her to stay informed of new carriers and plan designs, legislative changes, new and changing compliance requirements and emerging technology within our market. She attends webinars and in-person meetings with all our carriers to stay informed of their products, requirements, and changes to their personal staff that support our agency and our clients.

16.) Approach to Innovation

The changing landscape of employee benefits over the last several years due to ACA and COVID-19 has impacted employers significantly by requiring additional reporting, fees, taxes, compliance, COBRA and FMLA changes. We understand the impact this has had on our clients and as an extension of their team as an advisor/consultant we continuously research our industry for process improvements, new products, and technologies to streamline changes to minimize redundancies and improve efficiencies to better serve our clients and their employees.

Communication, Education/Well-Being, and Open Enrollment

(Employer and Employee)

17.) Overall Communication Plan

Account Executive Catrena Charles will plan a strategic meeting with the benefit administrator to discuss best communication practices for The City of Pryor Creek and their employees. Every client is different, so we do our best to meet the specific needs of each client.

18.) Communication Materials

RCI provides an annual employee benefit guide that includes information such as:

- Broker contact information
- HR contact information
- Carrier contact information
- Benefits employees have access to
- Changes to be aware of
- Who is eligible
- How to enroll
- When to enroll
- When changes can be made
- Plan options with rate grids
- Special program information

This guide can be ...

- printed and handed out to employees during open enrollment and new hires
- added to any intranet or employee benefit admin system
- provided as a video with audio review

Employee Surveys

RCI can assist with employee surveys by ...

- working with The City of Pryor Creek to customize a template
- provide an industry standard employee survey

Regulatory Notices

RCI will provide regulatory notices to The City of Pryor Creek to distribute to their employees if the carriers do not automatically send.

19.) Well-Being Program

Account Executive Catrena Charles will work directly with The City of Pryor Creek on developing a well-being program for their employees by providing carrier specific details with a benefit and cost comparison. Will assist with implementation and employee education.

20.) Open Enrollment Process

Account Executive Catrena Charles will plan a strategic meeting with the benefit administrator to discuss open enrollment best practices for The City of Pryor Creek and their employees. Every client is different, so we do our best to meet the specific needs of each client.

At the discretion of The City of Pryor Creek's benefit administrator we will provide the following services for open enrollment.

- Coordinate open enrollment meetings
- Prepare employee benefit guide
- Lead enrollment meetings
- Provide support at open enrollment, including explaining choices and assisting enrollment

- Provide video presentation of open enrollment benefit guide
- Provide custom enrollment forms
- Assist with online enrollment
- Provide paycheck stuffers
- Assist employees with Insure Oklahoma program
- Provide one on one consult with employees

21.) Benefits Administration Approach

Account Executive Catrena Charles will plan a strategic meeting with the benefit administrator to discuss benefit administration best practices for The City of Pryor Creek and their employees. Every client is different, so we do our best to meet the specific needs of each client.

At the discretion of The City of Pryor Creek’s benefit administrator, we will provide the following benefit administration services:

- Assist with eligibility questions
- Process all enrollment and eligibility changes
- Help facilitate claim issues to resolve quickly
- Assist with billing issues.
- Provide guidance on requirements and notices
- Assist as needed with employer/employee plan specific questions and concerns
- Provided compliance reminders and notices when not provided by carriers such as Medicare Part D Creditable Coverage notice.
- Manage Insure Oklahoma renewal, enrollment and provide carrier monthly invoice for subsidy reimbursement.
- Provide training on carrier websites
- Provide carrier specific flyers on special programs such as:
 - COVID-19 At-Home Test Coverage
 - Member Rewards
 - Pharmacy mail order

Strategic Planning

22.) Supporting Programs Approach

Account Executive Catrena Charles will plan a strategic meeting with the benefit administrator to discuss supporting your program’s best practices for The City of Pryor Creek. Every client is different, so we do our best to meet the specific needs of each client.

23.) Managing Benefit Strategy with Current and Future Business Plans

We use all necessary resources in the industry to provide metrics to track and build models for pricing and implementation to help keep within The City’s business plan and regulatory requirements.

24.) Marketing, Negotiation and Placement

We use all resources necessary to design, market, and negotiate your benefit coverages and premiums.

We request 2 years claims data from incumbent carrier to determine plan trend on claims. This data is requested 4 months from renewal so we can start the RFP process to determine possible plan direction such as quoting fully insured, partial self-funded (level funded) and self-funded plans. Once quotes are received, we prepare a proposal to present with comparison of current and expiring plan and rate information along with suggested carrier plans and rates.

Benchmarking report will be provided to assist with identifying key factors to assist The City with making informative decisions based on industry standards to stay competitive within their industry.

RCI completes all carrier contracts. The contract is then reviewed with the company benefit administrator for accuracy and signatures.

25.) Plan Benefit and Premium Negotiations

Once we receive competitive plans and premiums, we provide competitive quotes to your current carriers to negotiate concessions. If we are unable to obtain competitive quotes, we work directly with our carrier representatives to determine what can be done to lower rates. Every carrier is different, some will want competitive quotes, or they won't budge; some will want additional claims information on high-cost claimants to determine longevity of certain claims. Some will request packaging benefits such as health, dental and vision to receive package credits to reduce premiums.

26.) Handling of Plan Design Changes

When plan design changes are made at renewal, RCI will submit a plan design change form to the carrier and request enrollment changes as well with the new plan.

When a mid-year plan change is needed, we will work with the carriers on implementation; complete all carrier contracts for The City to review and sign off on. We will work with The City to facilitate the special enrollment for employees, provide a benefit flyer of changes so employees can make an educated decision on benefit changes if needed. Provide one on one consultation with employees if needed.

27.) Propose Account Transition to RCI

Account Manager Tiffany Couch would prepare Broker of Record (BOR) change letters; these letters would be sent to the benefit administrator to print on The City of Pryor Creeks letterhead to be signed by an authorized representative of The City of Pryor Creek. Our office will submit BOR changes to carriers on the City's behalf.

Account Executive Catrena Charles will plan a strategic meeting with the benefit administrator to introduce the RCI Team and discuss best practices for:

- Transitioning benefit plans
- Gathering information
- Takeover of Online benefit management system, Employee Navigator (*Will, incumbent broker release platform data to be moved to new BOR?*)
- Preference on
 - Communication to employees of change
 - Managing eligibility and enrollment/changes
 - Managing InsureOk
 - Open enrollment meetings
 - Renewal meetings
 - Communication between RCI team and City benefits administrator
- Set expectations for moving forward

28.) Monthly Reporting on Claims and Premiums

Account Executive Catrena Charles will provide claims and premium reports monthly if requested providing the carriers will release data monthly.

29.) Carrier (providers) Review: Accuracy of Rates, Benefits and Eligibility

Account Executive Catrena Charles and Account Manager Tiffany Couch will audit all benefit accounts for accuracy in rates, benefit design and eligibility. Terms of coverage will be reviewed for understanding and accuracy.

30.) Approach: Protecting from Escalating Medical Cost Over 10 Years

Account Executive Catrena Charles works diligently with a proactive approach to protecting the assets of our clients year-round by monitoring claims, employee turnover, group market segment changes and staying informed of changes approaching that could impact our clients' best interest and its employees.

Continuous reviews have been proven to reduce customer costs, so we analyze past, present, and future experiences quarterly to determine if plan design, rate structure and funding methods are in line with plan performance and experience.

Legislative/Compliance

31.) Resources to Keep Compliant

RCI partnered with FlexPlan to manage our client's compliance needs such as COBRA, ERISA, FSA, and Section 125. Some services are covered by RCI at no cost to the client.

RCI provides at no cost a benefit management system called EASE that supports employer compliance requirements. However, we understand that The City currently utilizes a benefit management system, Employee Navigator that is provided by incumbent broker that should support compliance requirements. RCI would continue to offer Employee Navigator at no cost to The City and their employees to minimize any disruption.

32.) Education Opportunities

RCI staff has over 80 years of experience within the employee benefit industry. We are happy to provide training for your staff on employee benefit-related topics.

33.) Preparation of Form 5500 and Summary Annual Reports

RCI is happy to provide the reports needed for clients to complete their annual reports. RCI is willing to discuss further assistance preparing these reports with a cost for services.

34.) Client Records-HIPPA Secured

RCI complies with the Hi-Tech HIPPA regulations. Clients and their employees' data are stored within our secure server. All PHI data is sent in a secure email.

Fees/Legal

35.) Compensated Services

Depending on the market segment of the client and type of plan and services offered, RCI may receive compensation in the following manner:

- Paid a percentage based off premiums by the carriers
- A direct contract with the client on a per employee per month fee. When we contract directly with a client, we request all carriers provide revised rates excluding all commissions which reduces premiums and taxes paid on premiums where applicable.

36.) Compensation Disclosure

RCI has no reservations on disclosing compensation to client.

37.) Contract Termination

RCI does not have a minimum contract period for clients.

References

38.) Current Reference Contact

1. Broken Arrow Firefighters
Rick Snyder – Chairman
gary.snyder@baffhealth.com
918-830-3178
2. Cherokee Telephone
Janice Bates – Human Resources/Payroll Director
jbates@cherokeecomm.com
580-434-5375
3. ServiceMaster by RSI
JD Robinson – Human Resources Manager
jd@smrsi.com
405-528-6600 Ext 105

Past Client Reference Contact

1. Water Products
Kathy Freet – Human Resources/Benefit Coordinator
Kathyfreet1950@gmail.com
918-629-6258



Home Office Address:
2345 Grand Blvd, Suite 900
Kansas City, MO 64108

Arch Insurance Company
(A Missouri Corporation)

Administrative Address:
Harborside 3
210 Hudson Street, Suite 300
Jersey City, NJ 07311-1107
Tel: (866) 413-5550

**INSURANCE AGENTS, BROKERS AND CONSULTANTS
PROFESSIONAL LIABILITY POLICY**

DECLARATIONS

Policy Number: IAL0257183-01

Renewal Of: IAL0257183-00

THIS IS A CLAIMS MADE POLICY. COVERAGE UNDER THIS POLICY IS LIMITED TO LIABILITY FOR WRONGFUL ACTS COMMITTED SUBSEQUENT TO THE RETROACTIVE DATE. ALSO, THE COVERAGE PROVIDED UNDER THIS POLICY APPLIES ONLY TO THOSE CLAIMS FIRST MADE AGAINST THE INSURED WHILE THIS POLICY IS IN FORCE OR DURING ANY APPLICABLE EXTENDED REPORTING PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AGAINST YOU BEFORE THE BEGINNING OF THE POLICY PERIOD. ALSO, NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AGAINST YOU AFTER POLICY TERMINATION UNLESS, AND TO THE EXTENT, AN EXTENDED REPORTING PERIOD APPLIES.

- Item 1. **Named Insured:** RCI Risk Consulting Service LLC
Mailing Address: DBA: RCI Insurance Group
621 N Cherokee Ave
Claremore, OK 74017

- Item 2. **Program Administrator:** CITA Insurance Services
A Division of Brown & Brown Program Insurance Services, Inc.

Program Administrator Address: 681 South Parker Street, Suite 300
Orange, CA. 92868

Program Administrator License Number and State: CA Insurance License #0B02587

- Item 3. **Policy Period:** **From:** 08/01/2022 **To:** 08/01/2023
(12:01 A.M. Standard time at the address stated in Item 1.)

- Item 4. **Retroactive Date:** See Schedule of Retroactive Dates
(If a date is listed, this insurance will not apply to a Claim arising out of a **Wrongful Act** which occurred before the retroactive date.)

- Item 5. **Limits of Liability and Deductible**
Aggregate Limit of Liability: \$5,000,000 **Policy Period**

| COVERAGE | LIMITS OF LIABILITY | DEDUCTIBLE |
|------------------------|--------------------------------------|--|
| Professional Liability | \$5,000,000 Each Wrongful Act | \$10,000 Each Wrongful Act \$30,000 Aggregate |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF NAMED INSURED'S ENDORSEMENT

This endorsement modifies Insurance provided under the following:

**INSURANCE AGENTS, BROKERS AND CONSULTANTS PROFESSIONAL LIABILITY
INSURANCE POLICY**

Item 1. Named Insured on the Declarations is amended as follows:

Named Insured:

RCI Risk Consulting Services LLC
DBA: RCI Insurance Group
Cotton & Associates Inc
RCI Special Risk LLC
Integrated Insurance Services a Division of RCI Risk Consulting Service LLC

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 3

Policy Number: IAL0257183-01

Named Insured: RCI Risk Consulting Service LLC

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

00 IAL0040 00 12 18

Page 1 of 1



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/08/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | | |
|--|--------------------------------------|------------------------------------|
| PRODUCER Brown & Brown Program Insurance Services, Inc. DBA: CITA Insurance Services P.O. Box 7048 Orange, CA 92863-7048 | CONTACT NAME: | |
| | PHONE (A/C. No. Ext): (800) 280-7250 | FAX (A/C. No.): (714) 978-2692 |
| E-MAIL ADDRESS: LIFE@CITAInsurance.com | | INSURER(S) AFFORDING COVERAGE |
| | | NAIC # |
| | | INSURER A : Arch Insurance Company |
| | | INSURER B : |
| | | INSURER C : |
| | | INSURER D : |
| | | INSURER E : |
| | | INSURER F : |

COVERAGES CERTIFICATE NUMBER: 6417150 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSR | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|---|-----------|----------|---------------|-------------------------|-------------------------|--|
| | COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC | | | | | | EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (EA occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY | | | | | | COMB'D SINGLE LIMIT (EA accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| | UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$ | | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| | WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICEMEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N | N/A | | | | PER STATUTE <input type="checkbox"/> OTH ER <input type="checkbox"/> \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$ |
| A | OTHER <input checked="" type="checkbox"/> Errors & Omissions Liability CLAIMS MADE | | | IAL0257183-01 | 8/1/2022 | 8/1/2023 | Each Wrongful Act Aggregate \$5,000,000 Deductible \$10,000.00 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Claims Made

Coverage applies only to the wrongful acts as the result of Professional Services as defined in the policy and subject to all terms, conditions and exclusions of the policy and all its endorsements.

| | |
|---|--|
| CERTIFICATE HOLDER RCI Risk Consulting Service LLC DBA: RCI Insurance Group 621 N Cherokee Ave Claremore, OK 74017 | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE |
|---|--|

Questionnaire

Your Company

1. Briefly describe your organization's history and background.

Micah Chance Healthcare Consulting was founded in 2009, but our passion for helping employers provide top quality healthcare at an affordable price date back to 2002. We have created a specialty firm that is dedicated to superior customer service while driving down the cost of healthcare for our clients and their employees across the Midwest.

2. Provide details of your organization's financial status and stability.

Our financials and stability are very strong.

3. Discuss any known or impending changes in your organization that could impact the delivery of services.

There are no known changes that would affect our delivery and commitment to Pryor Creek.

4. Please provide your Errors and Omissions insurance coverage.

Provided

Service Team

5. Discuss the proposed team that would work with City of Pryor Creek and provide information about the qualifications and expertise of each team member during implementation and ongoing support.

Micah Boulanger, MBA and Christopher Hopper will be the lead consultants for Pryor Creek.

Both Micah and Chris are cost containment specialists. We will look at the claims and evaluate opportunities for savings. Claims are the real driver of cost. Once hired we will do a deep dive into the medical and pharmacy claims, as data is available from the carrier. We are both experts at recognizing savings opportunities and are leaders in the industry at implementing strategies that will lower your healthcare spend.

Both Chris and Micah are well versed in fully insured pricing models, underwriting, and medical loss ratios. We will gain leverage and negotiate with your carrier each year to ensure Pryor Creek has the best benefits for your employees as well as ensure you're paying the best price available.

Jennifer Deschner will be your lead account manager and day-to-day contact. Jennifer is wonderful and passionate when working with your members. She will handle all member questions and service with great speed and excellence. Jennifer will be assisted by Kaylea Hopper, the co-account manager, as needed.

6. Outline the organizational bench-strength that could be deployed to the account in the event of employee turnover within your organization.

Micah and Chris are co consultants for the City of Pryor Creek. Between the two of us we will lead our team of in-house account managers, Jennifer and Kaylea. Nicole Winter is also on deck to handle any service needs and open enrollment meetings.

Dave Husted is also a member of our team and will participate in HR related topics and strategies. He too will be available to serve your employees.

7. How often does your team meet with your clients and for what purposes?

In the beginning we will need to meet more frequently to develop strategy and get a good handle on the current situation. Once we have established a road map to get us moving in the right direction, we would meet on a quarterly basis to review strategies, provide education and to make sure the plan is set to meet your goals. We will also need to meet more frequently when discussing renewal objectives. We will also assist with open enrollment.

8. Describe what makes your firm uniquely qualified to work on our account.

Our firm is a boutique firm that implements cost containment strategies to help our clients gain control of their healthcare spend. We understand how health insurance works and have proven strategies that will reduce your cost to provide healthcare to your employees while increasing the benefits for your employees.

9. Please describe the succession plan for the primary contact(s) who will be working with our plan.

At Micah Chance we work together as a team. We meet daily to discuss any service issues or problems that might arise in a strategy. All team members are well informed with the road map we work off and the direction and goals of our clients. If one of us is unable to be at a particular the other step up and fill in understanding the goals and directions of our clients.

Account Services

10. What sort of benchmarking can you provide and what data sources would you use and why?

Depending on the Carrier or TPA we use they typically provide some great software packages to benchmark from. We prefer to work with carriers and TPA's that allow us to analyze data and claims.

11. Does your firm provide general Human Resources consulting services or support?

Yes, we provide Human Resource support. We also have on staff an HR consultant that has led large companies and has completely improved the work environment and production cycle. Dave has over 20 years' experience in human capital management.

12. What resources do you use to analyze medical and pharmacy claims?

Fully Insured plans are sometimes difficult to analyze. Carrier models try and limit claims data as their business model is structured to make more money as you send more in premium. I would suggest we lay out a road map to eventually move to a self-funded plan.

There are plans geared to limit risk for smaller employers like a level funded plan or self-funded plans designed for small employers. These types of plans allow us claims data to benchmark and compare claims cost for service providers in the area. With data we can use third party software to compare claims cost.

13. Do you have actuaries and or underwriters on staff? Are actuarial and/or underwriting services included?

We typically use software packages provided by our preferred independent TPA's. We also use our stop loss providers to help when comparing data and actuarial analysis. If needed, we contract with a third-party independent firm to provide this type of analysis. We have found having a third party provides better resources and analysis for our clients.

14. What cost projections and analysis can you provide to support our fiscal goals?

We will look at past renewals from your fully insured carriers to evaluate claims data and cost models to predict future costs. We will implement cost containment strategies to change the medical inflation you typically see with these carrier models.

15. How do you manage vendor relationships?

We work very well with vendors. We communicate often explaining goals and measure outcomes and hold them to these outcomes.

16. Describe your approach to innovation?

We take advantage of all current technology in our industry. We participate in leading educational programs and conferences with leading consultants in our industry. We also are up to date with all market changing initiatives in the Oklahoma Market as we serve clients all across Oklahoma.

Employee Communication, Employer Education/Well-Being and Open Enrollment

17. What overall communications plan would you develop to assist City of Pryor Creek around communication to, and education of, employees about our benefits programs?

Communication strategies are specific to each client's current situation. We have communication plans available and deliverable to clients at all stages. Priority is to evaluate with your team what is working now and what you would like to see. Below are some examples of communication tools used by other clients.

Education is the key to controlling costs. We work with several vendors that supply apps that support this education. We also create employee benefit booklets as a reference for employees. We conduct educational meetings, open enrollment meetings and email campaigns to help educate. Educate early and often teaching your employees how to best use the plan and take advantage of low-cost providers. We do work with Employee Navigator and will build you site to help in these areas.

18. What assistance does your company provide both, technically and creatively, in the ongoing development and preparation of various employee communication materials and annual employee surveys and required regulatory notices?

Our HR and compliance team make available all required docs needed for compliance. They offer a system to ensure tracking etc. We have educational libraries and surveys available based on current and future needs.

19. What assistance do you provide in developing a well-being program for our employees by providing market research on wellness strategies, no cost and low cost wellness tools, etc.?

Wellness tools and initiative are available from a variety of sources through our relationships. Wellness systems delivered without a well thought out strategy and ROI projections are a recipe for disappointment. Depending on what you are looking to accomplish, we have solutions to deliver value after we complete an analysis of current status.

20. Provide an overview of open enrollment process.

Open enrollment is a time to deliver new plans, ideas, changes, and opportunities. Our goal with clients is to make OE a time to not only educate but a time to show how great your benefits are and how much you appreciate your employees.

21. Please provide your approach to benefits administration.

Our approach to benefits administration is driven by the goals and objectives of our clients. We have at our disposal multiple technologies to deliver at the scale required or desired of the client.

Strategic Planning

22. Describe your approach to supporting our programs throughout the plan year.

Client support is driven by team partnership. We establish the 3-5 yr client goals and breakdown the quarterly objectives that are the top priority, and develop a strategic plan to deliver set objectives

23. What resources do you have available to help us manage our benefits and outline a benefits strategy consistent with current and future business plans?

Risk management Decisions are driven by claims utilization and future claim utilization. We analyze claims to identify opportunities to drive cost control and benefit improvement opportunities both achieved and missed opportunities. Missed ops are discussed to see how can educate employee and member to engage with plan concierges

24. How will you help us with the competitive marketing and placement of our plans, including development of marketing specifications, identification of market conditions, evaluation of proposals, negotiations, and placement of insurance contracts for annual renewals?

Competitive marketing requires good access to past data and the ability to capture new claims data for Underwriters and plan administrators to give sound advice. Data is the engine to drive benefit decisions that are consistent with your goals.

25. How will you negotiate all benefit plan renewals on all issues, including those related to premiums, benefit levels, plan design and special terms and conditions?

We have long-standing relationships with all carriers and carrier reps, fully insured and self-funded. That gives us the flexibility to not only get you the best value, but our relationships with other top advisors in the benefits space that are focused on improving benefits and lowering costs give us additional resources when needed.

26. How are plan design changes handled?

Communication is the key to plan design changes for employees and members. To minimize disruption, we implement a multiple touch approach, before renewal, at renewal and following renewal to ensure that members are educated on plan design changes and enhancements

27. Describe how you propose to transition our account to your organization, should your organization be selected.

Work with you team to evaluate all lines of coverages, submit agent of change letters to carriers for processing, complete an evaluation of carrier connections with current benefits administration system to ensure a smooth transition and that all adds and terms are processed accordingly.

28. Will you provide monthly reports on claims and premiums?

Monthly Claims reports will be available as they are made available dependent upon carriers and reviewed monthly to ensure plan is running efficient and on track for goals.

29. Will you review contracts and summaries of coverage with providers for accuracy in rates, benefits and eligibility and coverage definitions?

Benefits and contracts will be reviewed by our compliance and HR teams along with our TPA advisors to ensure you are covered.

30. How would you help us protect ourselves from escalating medical costs over the next 10 years?

The only way to protect anyone from rising costs is to work as a team to design and develop benefit plans that encourage members to engage with plan concierge and Strive to utilize high quality and high value providers and avoid low quality and low outcome providers and facilities along with transparent PBM, lab and imaging partners.

Legislative/Compliance

31. What resources do you have to keep us in compliance?

We provide access to our HR and legal teams to all clients.

32. Please provide any professional education opportunities that your firm will deliver to our staff.

We can provide continuing education training as well as a compliance audit and additional employee training and HR resources

33. Do you assist clients in the preparation of their Form 5500s and Summary Annual Reports? Is there a cost for these services?

We have partners that provide those services as part of our client relationship at no additional cost.

References:

Professional Fire Fighters of Oklahoma: 507 Employees. Self Funded with Direct Contracts and Low-Cost High Quality Preferred Providers where employees go for \$0 Out of Pocket Cost. 10-year current client with Millions in Savings.

Lance Haines Insurance Board President – 580-421-4736. Tim Bonea Pryor Fire Dept- 918-864-6374

Montgomery County, Kansas: 171 Employees. Moved to a Self-Funded plan after a 20 year Fully Insured Plan with BCBS. 10-year current client relationship with Millions in Savings. Direct Contracts and Preferred Providers where Employees can go for \$0 Out of Pocket Cost. Charlotte Scott Schmidt County Clerk – 620-330-1200

EMI- Current Client – Kristal Flury 405-282-8510

Timber Automation – Megan Weber 501-655-9994 Former client. Company got aquired.