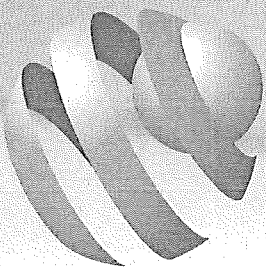


MEDICAL STOP LOSS

ENHANCED PROPOSAL AND BENCHMARKING



TOKIO MARINE
HCC

This proposal includes information which constitutes trade secrets and/or other proprietary and confidential commercial information of Tokio Marine HCC. Such information is being provided to you solely for the purpose of evaluating the proposal contained herein. You acknowledge the confidential nature of such information and agree not to duplicate, use, or disclose such information for any purpose other than evaluating the proposal contained herein without the express, written consent of Tokio Marine HCC.

WE VALUE WHAT

MAKES YOU UNIQUE

Montgomery County-NY - 01/01/2019

20 Park Street 2nd Floor | Fonda, NY 12068

Marketing Representative: Paul Gendron, pgendron@tmhcc.com,

Underwriter: Eric Turner, eturner@tmhcc.com, 781-716-5058

Dear Montgomery County-NY,

Today's healthcare market is an ever changing and evolving market. Employers and Plans are looking at more regulation, higher costs, changing delivery options and all the financial impacts of providing employment-based healthcare. While the overall picture may be getting more complicated, our goal in this proposal is to provide you with the tools and references to make your stop loss decision simple.

Tokio Marine HCC - Stop Loss Group is the new marketing name for HCC Life Insurance Company identifying us with our new parent company, Tokio Marine, one the largest global insurers in the world. The change has not impacted the hundreds of US-based employees who drive our company to be one of the oldest and most committed stop loss partners in the market.

The attached proposal has been created specifically for you. We have a belief that every risk is as unique as the client who undertakes it. This is why our company is built on offering stop loss insurance with concentrations of expertise that allow us to truly underwrite each risk, not merely apply a template to it.

In a commoditized world of insurance, this process, combined with our highly-rated entities, means the policies we write have real value. It means we will be there when called upon. In other words, it lets you take on opportunities with confidence, a process of insurance we call Mind Over Risk.

Should you have any questions about the proposal, Tokio Marine HCC or any other aspect of our business, please contact me at your earliest convenience.



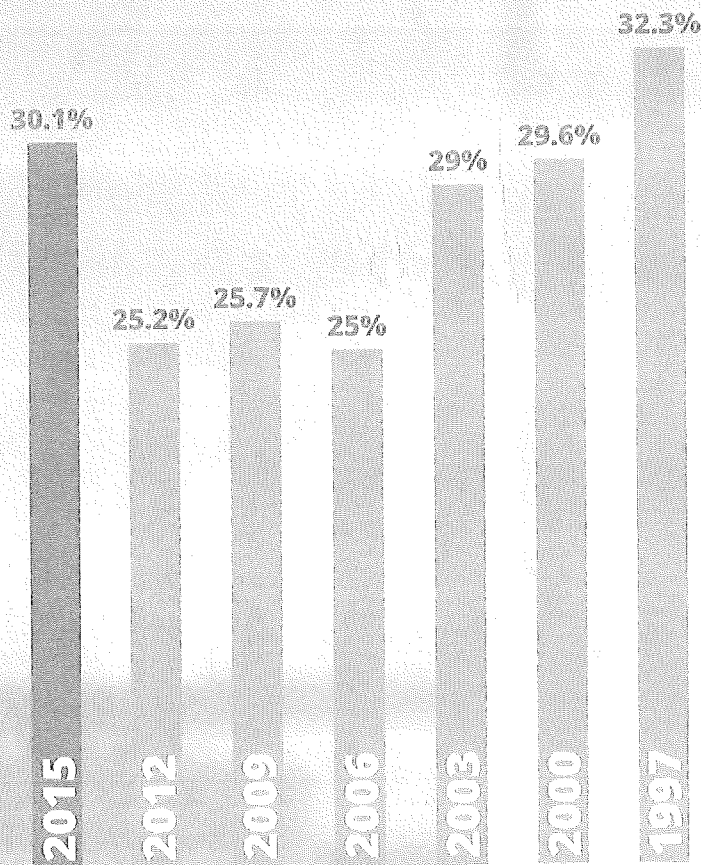
Eric Turner

Senior Consulting Underwriter

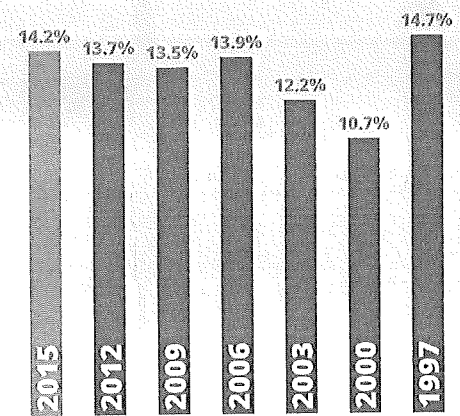
PERCENTAGE OF

PRIVATE-SECTOR

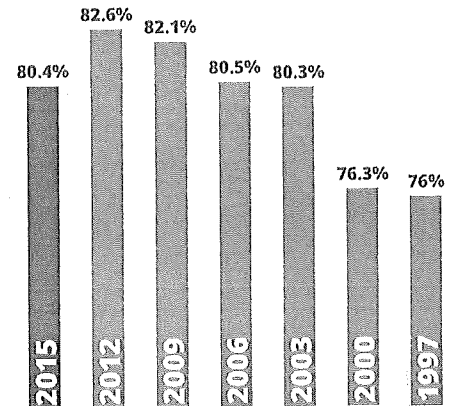
ESTABLISHMENTS THAT SELF-INSURE



100-499 EMPLOYEES



<100 EMPLOYEES



500+ EMPLOYEES

EBRI - Percentage of Private-Sector Establishments
that Self-Insure at Least One Plan, by Firm Size, 1996-2015

Source: Various tables that can be found at http://meps.ahrq.gov/mepsweb/data_stats/quick_tables.jsp

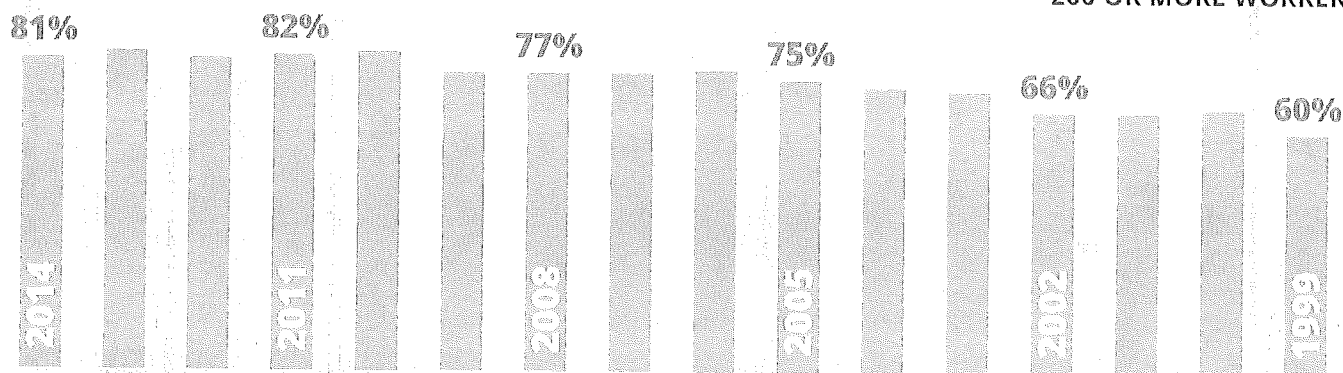
PERCENTAGE OF COVERED WORKERS IN PARTIALLY OR COMPLETELY SELF-FUNDED PLANS

KFF 10.2

The Kaiser Family Foundation and Health Research & Educational Trust. Plan Funding, Exhibit 10.2, 2016 Employer Health Benefit Survey, Survey of Employer-sponsored Benefits 1999-2016.

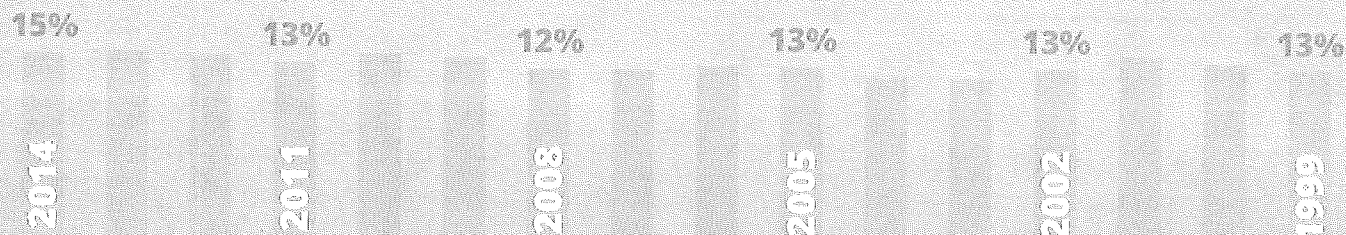
2015
83%

LARGE FIRMS
200 OR MORE WORKERS



2015
17%

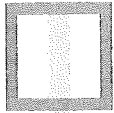
SMALL FIRMS
3-199 WORKERS



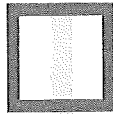
ADVANTAGES OF

SELF-FUNDING

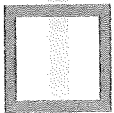
SELF-FUNDING CONTINUES TO GROW. WHY IT IS GROWING?



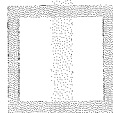
GROUP CONTROL
of the plan and claims data



Group can take advantage of its own
GOOD MEDICAL EXPERIENCE



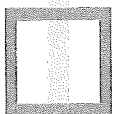
Group has greater control over healthcare
COST AND ADMINISTRATIVE EXPENSES



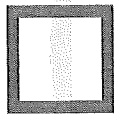
ELIMINATES MOST RISK CHARGES
and profit margins charged by insurers



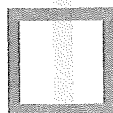
Improves employer cash flow - only pay claims as incurred
NO PRE-FUNDING OR UP-FRONT RESERVE PAYMENTS



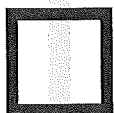
RESERVES HELD BY EMPLOYER
Interest paid on these reserves remains with the employer



Stop loss insurance creates predictability and helps to
REDUCE EMPLOYER EXPOSURE TO CATASTROPHIC CLAIMS



ELIMINATES
most state premium taxes



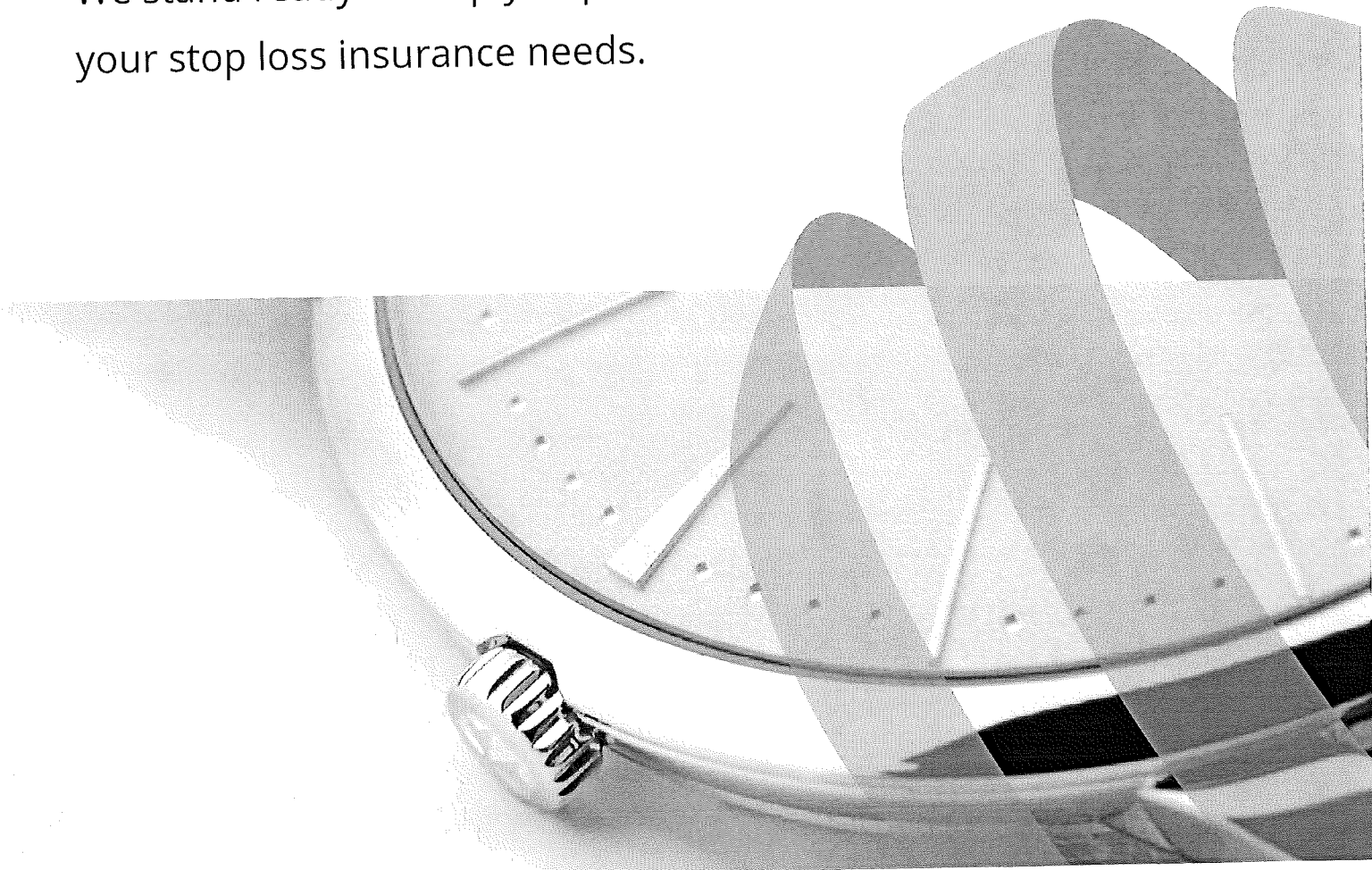
ERISA applies and employers can tailor plans to
FIT THE NEEDS OF EMPLOYEES

WHAT IS

MEDICAL STOP LOSS

Medical stop loss insurance is a layer of coverage that provides insurance protection to employers who choose to self-fund their health benefit plans. Self-funding is an effective approach employers use to significantly reduce health benefit costs and maintain control over reserves without sacrificing coverage. In addition to avoiding the excessive overhead costs frequently associated with fully-insured plans, employers also receive some tax benefits from self-funding. However, self-funding can incur risks from large, catastrophic claims. Medical Stop Loss insurance from Tokio Marine HCC - Stop Loss Group is designed to protect employers from that risk.

We stand ready to help you process
your stop loss insurance needs.



WHY CHOOSE

TOKIO MARINE HCC

STOP LOSS GROUP

WHO WE ARE

HCC Life Insurance Company, operating as Tokio Marine HCC - Stop Loss Group, is an Indiana-domiciled life insurance company with an extensive product portfolio including medical stop loss, group term, life and disability, and short term medical insurance. The Stop Loss Group has an A++ (Superior) rating for financial strength by A.M. Best Company, as well as AA (Very Strong) ratings by Standard & Poor's and Fitch Ratings.

The Stop Loss Group has more than 35 years of experience and is a leading provider of medical stop loss insurance through brokers, consultants and third party administrators. Guided by a 7-person executive management team whose members have, on average, more than 20 years of insurance experience, the entire Stop Loss Group staff works together with third-party administrators and brokers to find the best solution to managing risk for our mutual clients. Our commitment to medical stop loss enables the Stop Loss Group to remain a stable partner for producers in a constantly changing marketplace. Unlike many providers of medical stop loss, the Stop Loss Group assumes 100 percent of the risk and is therefore responsible for all underwriting, claims, and administrative decisions.

The Stop Loss Group's corporate headquarters is located in the Atlanta suburb of Kennesaw, Georgia providing claims, premium accounting and policy administration services. Four strategically-located offices throughout the U.S. meet the specialized needs of each region and provide underwriting and marketing services. Value-added services available to policyholders provide cost containment programs that consistently help reduce claims costs to Plans in areas such as neonatal care, oncology, transplants, and dialysis.

A++

SUPERIOR

A.M. Best Company

AA

VERY STRONG

Standard & Poor's
& Fitch Ratings

35+

**YEARS OF
EXPERIENCE**

4

LOCATIONS

Headquartered in
Kennesaw, Georgia

TOKIO MARINE HCC

WORLDWIDE

LEADING EXPERTS

Tokio Marine HCC is a leading specialty insurance group with offices in the United States, the United Kingdom, Spain and Ireland, transacting business in approximately 180 countries and underwriting more than 100 classes of specialty insurance. Tokio Marine HCC products and capabilities set the standard for the industry and many of the Company's 2,600 employees are industry-leading experts.



UNITED STATES - UNITED KINGDOM - SPAIN - IRELAND

MIND OVER RISK PHILOSOPHY

At Tokio Marine HCC, we have a belief that every risk is as unique as the client who undertakes it. It is why our company is built on lines of specialty insurance, with concentrations of expertise that allow us to truly underwrite each risk, not merely apply a template to it. This process, combined with our highly-rated entities, means that policies we write have real value. In other words, it lets clients take on opportunities with confidence, a process of insurance we call Mind Over Risk.

TOKIO MARINE HCC'S

GREATEST STRENGTHS

OUR PEOPLE

With one of the most qualified, dedicated teams in the business, the Tokio Marine HCC - Stop Loss Group staff applies its industry knowledge to help advance the success of our clients. Our seven-person executive management team collectively has an impressive 265 years of insurance experience.

A++

SUPERIOR

A.M. Best Company

FINANCIAL STRENGTH

Tokio Marine HCC - Stop Loss Group is top-rated and backed by the financial resources of our parent company, Tokio Marine HCC. The Stop Loss Group retains 100% of all stop loss risks through our insurance carrier, HCC Life Insurance Company.

35+

YEARS OF EXPERIENCE

REGIONALIZED STRUCTURE

Tokio Marine HCC - Stop Loss Group's Medical Stop Loss and Group Benefits offices are strategically located throughout the United States to focus on the unique needs of each region. Our employees work hard to know the value propositions in each geographic region of the country.

4

LOCATIONS

Headquartered in
Kennesaw, Georgia

CLAIMS SERVICE

With a prompt average turnaround time and dedication to quick and efficient service, the claims staff is second-to-none in the industry and always available to quickly address clients' needs. Tokio Marine HCC - Stop Loss Group's Specialty Claim Unit (SCU) and Preliminary Claim Unit (PCU) work with clients to directly control costs to the plan.

AA

VERY STRONG

**Standard & Poor's &
Fitch Ratings**

PRODUCTS & POLICY

The products we offer in conjunction with our policy allow underwriters to customize coverage and price for each prospect. We frequently offer new products to reflect the needs of a changing marketplace.

CUSTOMIZED

PRODUCTS & SERVICES

We customize each proposal to match your needs with our products and services.

- Specific (individual) coverage
- Aggregate (group) coverage
- Flexible contract terms

COVERAGE OPTIONS

- Aggregate Terminal Liability
- Split Funded (Aggregating Specific) Arrangement
- Incurred Contract Available
- Aggregate Accommodation
- Unlimited Annual Maximums
- Contract Advantage Plan
- Family Deductible
- Split Funded Aggregate
- No Gap 12/15 Contract

EVERY PROPOSAL INCLUDES THESE VALUE-ADDED FEATURES:

- Qualified Clinical Trials Endorsement - Mirrors requirements of the Affordable Care Act
- Straight-forward contract that incorporates the employer's plan document
- Simultaneous funding
- IRO Endorsement - Reimburses plan claim denials overturned by an Independent Review Organization determination
- Access to our Specialty Claim Unit (SCU) and Preliminary Claim Unit (PCU) - The SCU and PCU assist clients with managing large claims such as transplants and premature births and help clients directly control costs to the plan.
- HCC Logix - On-staff nurses help plans identify opportunities to impact the cost of care.
- Experience and Expertise - With one of the most qualified, dedicated teams in the marketplace, the Tokio Marine HCC - Stop Loss Group staff applies its industry knowledge to help advance the success of our clients.
- Direct Contact with Key Personnel - Clients have direct access to decision-making personnel.
- Commitment to prompt, responsive claims service

BENCHMARKING

YOUR PROPOSAL

Tokio Marine HCC – Stop Loss Group is one of the largest Stop Loss providers in the country. With our experience, we have created the industries' largest database of Stop Loss statistics. In an effort to help you make an informed decision, we are including benchmarking metrics for your review.

	GROUP NAME	EMPLOYER SIZE	INDUSTRY	STATE
	Montgomery County-NY	300 to 399	Public Administration	New York
AVERAGE NUMBER OF EMPLOYEES	304	350	515	632
AVERAGE AGE OF EMPLOYEES	49	45	47	46
MALE/FEMALE EMPLOYEES	71/29	65/35	66/34	64/36
AVERAGE SPECIFIC DEDUCTIBLE		\$120,000	\$110,000	\$155,000

BENCHMARKING

YOUR PROPOSAL

PERCENT CONTRACT TYPE

	RUN IN	RUN OUT	12/12
EMPLOYEES 300 to 399	72%	26%	3%
INDUSTRY Public Administration	78%	19%	3%
STATE New York	55%	43%	1%

PERCENTAGE WITH SPLIT FUND

43%
Employer Size

45%
Industry

39%
State

AVERAGE SPLIT FUND CORRIDOR

21% - Employer Size

20% - Industry

26% - State

PERCENTAGE WITH AGGREGATE COVERAGE

69%
Employer Size

80%
Industry

59%
State

IF AGGREGATE CLAIM OCCURS, THE AVERAGE AGGREGATE REIMBURSEMENT IS:

\$398,739 - Employer Size

\$54,905 - Industry

\$74,148 - State

BENCHMARKING

YOUR PROPOSAL

CLAIMS BY COST**EMPLOYER SIZE INDUSTRY STATE****CLAIMS
ABOVE
\$50,000**

PERCENTAGE THAT HAVE A CLAIM	90%	78%	70%
AVERAGE NUMBER OF CLAIMS	5.9	3.2	3.2
AVERAGE SPECIFIC REIMBURSEMENT	\$67,563	\$74,976	\$51,805

**CLAIMS
ABOVE
\$100,000**

PERCENTAGE THAT HAVE A CLAIM	88%	59%	64%
AVERAGE NUMBER OF CLAIMS	3.2	2.4	2.2
AVERAGE SPECIFIC REIMBURSEMENT	\$93,344	\$99,575	\$103,233

**CLAIMS
ABOVE
\$250,000**

PERCENTAGE THAT HAVE A CLAIM	38%	35%	29%
AVERAGE NUMBER OF CLAIMS	1.4	1.7	1.7
AVERAGE SPECIFIC REIMBURSEMENT	\$165,300	\$151,278	\$171,124

**EXPECTED
TRANSPLANTS**

0.2	0.2	0.3	0.3
------------	------------	------------	------------



PROPOSAL

MEDICAL STOP LOSS

Underwriter: Eric Turner
Group: Montgomery County-NY
Proposal Number 4

TOKIO MARINE HCC - STOP LOSS GROUP

401 Edgewater Place, Suite 400 | Wakefield, Massachusetts 01880
(781) 224-4300 | TMHCC.com/hcclife



TOKIO MARINE
HCC

Tokio Marine HCC - Stop Loss Group
401 Edgewater Place, Suite 400, Wakefield, MA 01880
Telephone: (781) 224-4300 Facsimile: (781) 245-1042

Underwriter **Turner, Eric**
Group **Montgomery County-NY**
Carrier **HCC Life Insurance Company**

Proposal **08/16/2018** Proposal No **4**
Effective Date **01/01/2019** Valid Thru Date **08/31/2018**
Expiration Date **12/31/2019**

INDIVIDUAL STOP LOSS COVERAGE

		Option 1	Option 2	Option 3
		Medical, Rx Card	Medical, Rx Card	Medical, Rx Card
Coverages				
Contract Type		24/12	24/12	24/12
Annual Specific Deductible per Individual		200,000	350,000	500,000
Lifetime Reimbursement	Unlimited			
Maximum Contract Period Reimbursement		Unlimited	Unlimited	Unlimited
Inpatient Mental & Nervous	365 Days			
Quoted Rate Per Month	Enrollment			
Single	123	35.40	19.72	14.25
Family	181	106.79	61.73	44.67
Composite	304	77.91	44.73	32.36
Estimated Annual Premium		284,198	163,184	118,056
Quoted Rate(s) includes Commissions of		20.00%	20.00%	20.00%

OVERALL COST SUMMARY

	Option 1	Option 2	Option 3
Total Annual Fixed Costs	284,198	163,184	118,056
Maximum Annual Liability	284,198	163,184	118,056

PROPOSAL QUALIFICATIONS AND CONTINGENCIES

Quoted terms and conditions are subject to possible revision based upon receipt and review of the following items:

- Paid claims experience to the effective date including monthly enrollment figures.
- Updated shock loss information to the date HCC Life Insurance Company has been notified that the proposal has been accepted by the group. Shock loss information should include injuries, illnesses, diseases, diagnoses, or other losses of the type, which are reasonably likely to result in a significant medical expense claim or disability, regardless of current claim dollar amount. In addition, shock loss information should include any claimant that has incurred claim dollars in excess of \$ 100,000, regardless of diagnosis. Information is also needed on any claims processed and unpaid, pending or denied for any reason. Please refer to our Trigger Diagnosis Disclosure List, which provides examples of some, but not all, types of shock losses.
- We will accept final shock loss disclosure no earlier than 30 days prior to the effective date.
- Please see the attached exhibit for plan document assumptions and requirements.
- Should a large claim(s), (non-reoccurring and/or ongoing) become known and the initial date of service is prior to the date of written acceptance by HCC Life Insurance Company, we reserve the right to re-underwrite the case.
- In the event there is a greater than 10% change in enrollment between the submitted initial enrollment data and the final enrollment data, rates and factors may be recalculated.
- Minimum participation level of 75% of all eligible employees is required.
- Our proposal includes Simultaneous Funding on Specific reimbursements.
- Rates and Factors are calculated with the plan anniversary date and the Policy effective date as the same date, should the plan anniversary date and the stop loss policy effective date be different we reserve the right to modify our rates, factors and terms of coverage to accommodate for additional liabilities incurred by the plan due to state and/or federal mandates during the stop loss contract period.
- Quote rated with retirees covered. Quote rated with no COBRAs being covered based on the census information provided.
- Quote Rated with the following UR Vendors: MVP Healthcare, .
- Quote Rated with the following Cost Containment Programs(s): MVP Health Plan HMO, CIGNA HMO.
- Month by month enrollment totals from 01/01/2018 thru 09/30/2018 are required.
- Please be aware that this group has been quoted for another TPA.
- Proposal is contingent upon receipt of detailed Specific Disclosure.
- All ongoing claimants updated thru 9/30/2018 (including medical and drug reporting) must be reviewed by HCCL Medical Underwriting staff before coverage terms can be determined. Written approval from HCCL accepting all claimants at the group's specific deductible level is required. Higher Individual Specific Deductible(s) may apply.
- *Plan Benefits paid for Medicare eligible Retirees and their eligible dependents are not reimbursable under the policy.*
- Large claim reporting (medical and drug) for 1/1/2016-12/31/2016 and 1/1/2017 - 12/31/2017 are required.

PROPOSAL QUALIFICATIONS AND CONTINGENCIES

Initial the selected proposal option:

	Option 1	Option 2	Option 3
Specific			
Aggregate	N/A	N/A	N/A

The Premium and Aggregate Deductibles are based on the data submitted. Any inaccurate or incomplete data submitted may require changes at final underwriting. We will not be bound by any typographical errors or omissions contained herein.

Date: _____

By: _____

Agent of Record or Administrator

This proposal expires if applications are not requested before the valid through date.

PROPOSAL SUMMARY

WHY CHOOSE US

TOKIO MARINE HCC - STOP LOSS GROUP

SUPERIOR COMMUNICATIONS

We keep brokers, administrators and policyholders updated with industry news and product promotions.

RESPONSIVE SERVICE

The professional and knowledgeable staff in the underwriting, claims and administration departments are available to ensure successful implementation of our products.

FINANCIAL STRENGTH

Tokio Marine HCC - Stop Loss Group is rated A++ (Superior) by A.M. Best Company, AA- (Very Strong) by Standard & Poor's and Fitch ratings. We are also backed by the financial resources of our parent company, Tokio Marine HCC.

INNOVATIVE PRODUCTS

Tokio Marine HCC - Stop Loss Group listens to the needs of clients and uses feedback to generate innovative product enhancements. We also work with other subsidiaries to identify specialty insurance products for clients in addition to medical stop loss.

ACCESS TO KEY PERSONNEL

Clients have direct access to Tokio Marine HCC - Stop Loss Group's decision-making personnel in all functional areas including executive management.

EXPERIENCE & EXPERTISE

Tokio Marine HCC - Stop Loss Group's experience in medical stop loss spans more than 35 years. With one of the most qualified and dedicated teams in the marketplace, our staff applies its industry knowledge to help advance the success of our clients.

ON-STAFF MEDICAL RESOURCES

Tokio Marine HCC - Stop Loss Group has 16 registered nurses on staff.

CLAIM UNITS SCU & PCU

We offer Specialty and Preliminary claims units to better serve our customers with activity reports and out-of-network referrals.

LICENSING & APPOINTMENTS

Our paperless appointment process takes minutes to complete using an online portal.