Renewal Projection
Plan Year 2026

Prepared for: ABC Company

Renewal Highlights

Budget

Current Budget per employee per year: $15,129
Recommended Budget per employee per year: $15,514
Recommended Change in Budget: 2.5%

Claims

Net Tier 1 Medical Claims increased by 4.8% over the prior 12 months.
Net Tier 2 Medical Claims increased by 8.1% over the prior 12 months.

Net Tier 1 Pharmacy Claims increased by 0.3% over the prior 12 months.
Net Tier 2 Pharmacy Claims increased by 21.0% over the prior 12 months.

Trend

Internal 36 Month Medical Trend: 4.7%
National Medical Trend: 5.4%

Internal 36 Month Pharmacy Trend: 0.2%
National Pharmacy Trend: 14.5%

Demographics

Average Employee count has increased by 12.6% over the last 12 months.
Average Member count has increased by 10.8% over the last 12 months.

	Current	Prior	% Change
Average Age	35	36	-2.4%
Percent Male	38.0%	38.4%	-1.0%
Contract Size	1.98	2.02	-1.7%
Risk Score	1.040	0.980	6.1%

Plan Enrollment

Comparison: June 2025 to June 2024

	Current	Prior	% Change
PPO	879	809	8.7%
HDHP	155	133	16.5%

ABC Company

January 1, 2026

Medical/Rx Renewal Budget Projection

Renewal Period	1/1/2026	12/31/2026
Experience Period (Medical/Rx)	7/1/2024	6/30/2025
Current Participating Members	2,051	
Current Participating Employees	1,034	

	Medical - Tier 1	Medical - Tier 2	Pharmacy - Tier 1	Pharmacy - Tier 2
Paid Claims	$4,454,188	$4,501,119	$5,432,762	$948,861
Change in Reserve	$0	$0	$0	$0
Delete: Entire Large Claim	$0	($1,077,444)	($698,560)	$0
Adjusted Claims	$4,454,188	$3,423,675	$4,734,201	$948,861
Annual Trend Rate	4.9%	8.4%	4.5%	9.4%
Months of Trend	18.10	18.10	18.10	18.10
Trend Factor	1.08	1.13	1.07	1.14
Total Trended Claims	$4,788,500	$3,868,225	$5,058,965	$1,086,050
Adjustment to Exposure	1.026	1.026	1.026	1.026
MARA Risk Adjustment	1.043	1.043	1.043	1.043
Benefit Plan Adjustment	1.000	1.000	1.000	1.000
Prior Period Adjustment Factor	0.987	0.977	0.997	0.970
Large Claims below SSL Deductible ($150,000)	$0	$900,000	$600,000	$0
Final Expected Claims	$5,056,986	$4,941,726	$5,994,232	$1,127,509
Final Expected Claims PEPM	$407.56	$398.27	$483.09	$90.87

Final Projected Claims	**$17,120,453**
Projected Claims PEPM / PMPM	**$1,379.79 / $695.54**
Pharmacy Rebates (-$251.67 PEPM)	($3,122,719)
HSA Contributions	$115,500
Administrative Costs ($41.51 PEPM)	$515,056
Aspirant Case Management ($5.00 PEPM)	$62,040
Specific Reinsurance ($108.34 PEPM)	$1,344,283
Consulting Fee ($0.00 PEPM)	$0
PPACA Fees	
PCORI Fee	$7,118
Transitional Reinsurance Fee	$0
Total PPACA Fees	$7,118
Total Fixed Costs	**($1,078,722)**
Total Fixed Cost PEPM	**($86.94)**
Total Projected Costs	**$16,041,731**
Total Projected Costs PEPM	**$1,292.85**

Projected Renewal Action	
Total Required Revenue	$16,041,731
Current Budget	$15,642,890
Calculated Increase	**2.5%**
Budget Impact	**$398,841**

Please see notes page for additional information regarding this projection.

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ABC Company

Projection Notes

For Projection ending 12/31/2026

General:

1. This projection is based on Bim Group's assumptions and uses methodology from carrier rate builds of similar size groups.
2. Funding for IBNR claims is not included in this budget.

Trend Assumptions:

Internal trend is calculated using 36 months of PMPM adjusted claims data.
Actuarial trend is calculated using claims by place of service, weighted against the respective utilization and cost trend components.

Medical - Internal trend of 4.7% was blended 70%/30% with Milliman Medical Index trend of 5.4% for a composite of
Rx - Internal trend of 0.2% was blended 70%/30% with Milliman Medical Index pharmacy trend of 14.5% for a composite

Prior Experience Weightings:

Prior experience periods are adjusted and trended using the same methodology as the current experience period.

Medical Experience Period weightings are Current: 80%, Prior Experience 1: 15% and Prior Experience 2: 5%, for a cumulative Prior Period Adjustment of 0.987.
Rx Experience Period weightings are Current: 80%, Prior Experience 1: 20% and Prior Experience 2: 0%, for a cumulative Prior Period Adjustment of 0.997.

Manual

Plan manuals are calculated using Claros Analytics' actuarial tool, Actuarial Advisor, relying on a detailed claim distribution based on a claims data set that has more than 14.1 million lives and $153 billion in billed charges. The data set is updated annually in order to capture and utilize the most recent healthcare trends. The size and richness of the database allows for the development of claim distributions that reflect 34 medical service categories, 8 pharmaceutical categories. Your company's location, membership demographics, plan designs and average provider discounts are loaded into the tool to develop expected medical and pharmacy claims.

Based on your group size, actuarial models calculate your claims experience credibility relative to the manual to be 100.0%. Due to underwriter discretion Medical and Pharmacy credibility utilized were 100% and 100% respectively.

Reinsurance

1. Specific Stop Loss premium have been trended by 15% above current.
2. Stop Loss rates and terms will be updated as Carrier proposals are received. Final rates and terms will not be available until the completion of full disclosure.

Prepared on: 7/28/2025
Prepared by: MWC
Reviewed by: JOG

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