

Sample of **Non-PAK** Renewal

Census used in the renewal calculation

Benefit coverage detail

Rate per member by coverage tier (single, 2-person or family)

Vision rate will continue to be composite rated; however, rates will be shown for each coverage tier

COBRA rates

Please note

MESSA		2009 Rate Renewal Exclusively for ABC Schools		Quote #: 200941
1475 Kendall Boulevard, PO Box 2088 East Lansing, MI 48820-2940 800.252.4915		Renewal Effective 07/01/2009		MESSA Field Rep: Mark Tullis
NONPAK - 6000 Transportation, Maintenance		2008-09 Rates	Credited	2009-10 Rates
Medical	MESSA Choice II	\$576.15	Single: 33	\$599.35
COVUCER Capex	\$551042E	\$1,290.96	2-Person: 10	\$1,337.66
RX Drug Capex	\$05.10	\$1,443.12	Family: 18	\$1,488.11
Denial/ble:	In-Net, Out \$250000			
Return Included:	None			
Vision	VGP 2	\$12.11	Single: 22	\$12.29
		\$13.11	2-Person: 24	\$12.29
		\$13.11	Family: 22	\$12.29
Life Insurance:	\$0.000	\$0.19	00	\$0.19
Rate's 1000				\$340,000.00
Volume				
AD&D Coverage:	\$0.000	\$0.03	08	\$0.03
Rate's 1000				\$340,000.00
Volume				
NONPAK COBRA RATES:				
Medical	Single			\$601.86
	2-Person			\$1,236.16
	Family			\$1,484.61
Vision	Single			\$12.29
	2-Person			\$12.29
	Family			\$12.29

The above rates are based on plans and enrollment as of 04/03/2009. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements, or plan type require re-calculation of rates.

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**2009 Rate Renewal Exclusively for
Wyoming Public Schools
Renewal Effective 07/01/2009**

Quote #: 300813 **REVISED**
MESSA Field Rep: Larry Donston
Date Created: 08/12/2009

1475 Kendale Boulevard, PO Box 2560
East Lansing, MI 48826-2560
800.292.4910

Bundle 1 - 275D Trans,FoodServ,SchoolYrOffice		2008-09 Rates	Enrolled	2009-10 Rates
Medical:	MESSA Super Care 1	\$518.14	Single: 0	\$596.25
OV/UC/ER Copay:	N/A	\$1,163.96	2-Person: 0	\$1,339.69
RX Drug Copay:	\$10/\$20	\$1,293.11	Family: 0	\$1,488.39
Deductible:	\$ 50/\$100			
Riders Included:	XVA2, PCR			
<hr/>				
Life Insurance:	\$25,000	\$0.13	0	
Rate/\$1000				\$0.13
Volume				\$0.00
<hr/>				
AD&D Coverage:	\$25,000	\$0.03	0	
Rate/\$1000				\$0.03
Volume				\$0.00
<hr/>				
LTD Benefit	66 2/3% Max \$2,500	\$0.84	0	
Max Monthly Salary:	\$3,750			
Waiting Period:	120 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$1.12
Covered Salary				\$0.00
<hr/>				
NON-PAK 1 COBRA RATES:				
	Medical		Single	\$594.75
			2-Person	\$1,338.19
			Family	\$1,486.89

The above rates are based on plans and enrollment as of 04/29/2009. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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**2009 Rate Renewal Exclusively for
 Wyoming Public Schools
 Renewal Effective 07/01/2009**

Quote #: 300813 **REVISED**
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 Date Created: 08/12/2009

Bundle 2 - 275D Trans,FoodServ,SchoolYrOffice		2008-09 Rates	Enrolled	2009-10 Rates
Vision:	VSP 2	\$15.62 \$15.62 \$15.62	Single: 0 2-Person: 6 Family: 4	\$15.62 \$15.62 \$15.62
Life Insurance: Rate/\$1000 Volume	\$25,000	\$0.13	10	\$0.13 \$250,000.00
AD&D Coverage: Rate/\$1000 Volume	\$25,000	\$0.03	10	\$0.03 \$250,000.00
NON-PAK 2 COBRA RATES:				
	Vision		Single 2-Person Family	\$15.62 \$15.62 \$15.62

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Renewal Effective 07/01/2009

Bundle 3 - 275D Trans,FoodServ,SchoolYrOffice		2008-09 Rates	Enrolled	2009-10 Rates
Medical:	MESSA Choices II	\$462.61	Single: 2	\$532.94
OV/UC/ER Copay:	\$5/\$10/\$25	\$1,039.01	2-Person: 18	\$1,197.24
RX Drug Copay:	\$10/\$20	\$1,154.27	Family: 18	\$1,330.11
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	XVA2			
<hr/>				
Life Insurance:	\$25,000	\$0.13	38	
Rate/\$1000				\$0.13
Volume				\$950,000.00
<hr/>				
AD&D Coverage:	\$25,000	\$0.03	38	
Rate/\$1000				\$0.03
Volume				\$950,000.00
<hr/>				
LTD Benefit	66 2/3% Max \$2,500	\$0.84	38	
Max Monthly Salary:	\$3,750			
Waiting Period:	120 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$1.12
Covered Salary				\$81,866.00
<hr/>				
NON-PAK 3 COBRA RATES:				
	Medical		Single	\$531.44
			2-Person	\$1,195.74
			Family	\$1,328.61

The above rates are based on plans and enrollment as of 04/29/2009. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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NON-PAK - 275H Program Coordinators		2008-09 Rates	Enrolled	2009-10 Rates
Life Insurance:	\$25,000	\$0.13	0	
Rate/\$1000				\$0.13
Volume				\$0.00
AD&D Coverage:	\$25,000	\$0.03	0	
Rate/\$1000				\$0.03
Volume				\$0.00

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NON-PAK - 275I Para,Food Serv Less Than 20 Hr		2008-09 Rates	Enrolled	2009-10 Rates
Life Insurance:	\$15,000	\$0.13	40	
Rate/\$1000				\$0.13
Volume				\$600,000.00
AD&D Coverage:	\$15,000	\$0.03	40	
Rate/\$1000				\$0.03
Volume				\$600,000.00

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Bundle 1 - 275J Parapro Working 20+ Hours		2008-09 Rates	Enrolled	2009-10 Rates
Medical:	MESSA Super Care 1	\$518.14	Single: 0	\$596.25
OV/UC/ER Copay:	N/A	\$1,163.96	2-Person: 0	\$1,339.69
RX Drug Copay:	\$10/\$20	\$1,293.11	Family: 2	\$1,488.39
Deductible:	\$ 50/\$100			
Riders Included:	XVA2, PCR			
<hr/>				
Life Insurance:	\$25,000	\$0.13	2	
Rate/\$1000				\$0.13
Volume				\$50,000.00
<hr/>				
AD&D Coverage:	\$25,000	\$0.03	2	
Rate/\$1000				\$0.03
Volume				\$50,000.00
<hr/>				
LTD Benefit	66 2/3% Max \$2,500	\$0.84	2	
Max Monthly Salary:	\$3,750			
Waiting Period:	120 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$0.62
Covered Salary				\$2,671.00
<hr/>				
NON-PAK 1 COBRA RATES:				
	Medical		Single	\$594.75
			2-Person	\$1,338.19
			Family	\$1,486.89

The above rates are based on plans and enrollment as of 04/29/2009. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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Bundle 2 - 275J Parapros Working 20+ Hours		2008-09 Rates	Enrolled	2009-10 Rates
Vision:	VSP 2	\$15.62 \$15.62 \$15.62	Single: 0 2-Person: 5 Family: 6	\$15.62 \$15.62 \$15.62
Life Insurance: Rate/\$1000 Volume	\$25,000	\$0.13	11	\$0.13 \$275,000.00
AD&D Coverage: Rate/\$1000 Volume	\$25,000	\$0.03	11	\$0.03 \$275,000.00
NON-PAK 2 COBRA RATES:				
	Vision		Single 2-Person Family	\$15.62 \$15.62 \$15.62

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Bundle 3 - 275J Parapro Working 20+ Hours		2008-09 Rates	Enrolled	2009-10 Rates
Medical:	MESSA Choices II	\$462.61	Single: 8	\$532.94
OV/UC/ER Copay:	\$5/\$10/\$25	\$1,039.01	2-Person: 13	\$1,197.24
RX Drug Copay:	\$10/\$20	\$1,154.27	Family: 21	\$1,330.11
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	XVA2			
<hr/>				
Life Insurance:	\$25,000	\$0.13	42	
Rate/\$1000				\$0.13
Volume				\$1,050,000.00
AD&D Coverage:	\$25,000	\$0.03	42	
Rate/\$1000				\$0.03
Volume				\$1,050,000.00
<hr/>				
LTD Benefit	66 2/3% Max \$2,500	\$0.84	42	
Max Monthly Salary:	\$3,750			
Waiting Period:	120 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$0.62
Covered Salary				\$61,699.00
<hr/>				
NON-PAK 3 COBRA RATES:				
	Medical		Single	\$531.44
			2-Person	\$1,195.74
			Family	\$1,328.61

The above rates are based on plans and enrollment as of 04/29/2009. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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Renewal Effective 07/01/2009

PAK A - 275N 48 Week Cust, Secr, Teachers		2008-09 Rates	Enrolled	2009-10 Rates
Medical:	MESSA Super Care 1		Single: 6	
OV/UC/ER Copay:	N/A		2-Person: 7	
RX Drug Copay:	\$10/\$20		Family: 15	
Deductible:	\$ 50/\$100			
Riders Included:	XVA2, PCR			
Composite:		\$1,071.60		\$1,234.86
Dental:			Single: 6	
Class I:	100%		2-Person: 5	
Class II:	100%		Family: 14	
Class III:	90%			
Annual Max:	\$2,500			
Class IV:	50%			
Lifetime Max:	\$2,500			
Riders:	2 Cleanings, Adult Ortho			
Composite:		\$116.03		\$126.36
Dental:			Single: 0	
Class I:	50%		2-Person: 2	
Class II:	50%		Family: 1	
Class III:	50%			
Annual Max:	\$2,500			
Class IV:	50%			
Lifetime Max:	\$2,500			
Riders:	2 Cleanings, Adult Ortho			
Composite:				
Vision:	VSP 3		Single: 6	
			2-Person: 7	
			Family: 15	
Composite:		\$17.82		\$17.98
Life Insurance:	\$45,000		28	
Rate/\$1000				\$0.13
Volume				\$1,260,000.00
Composite:		\$5.85		\$5.85
AD&D Coverage:	\$45,000		28	
Rate/\$1000				\$0.03
Volume				\$1,260,000.00
Composite:		\$1.35		\$1.35
LTD Benefit	66 2/3% Max \$4,500		28	
Max Monthly Salary:	\$6,750			
Waiting Period:	90 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$0.43
Covered Salary				\$156,357.00
Composite:		\$21.61		\$24.01
Total Composite Rate per Member		\$1,234.26		\$1,410.41

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PAK A COBRA RATES:

Medical	Single	\$591.49
	2-Person	\$1,310.39
	Family	\$1,454.17
Dental	Single	\$126.36
	2-Person	\$126.36
	Family	\$126.36
Vision	Single	\$17.98
	2-Person	\$17.98
	Family	\$17.98

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Renewal Effective 07/01/2009

PAK B - 275N 48 Week Cust, Secr, Teachers		2008-09 Rates	Enrolled	2009-10 Rates
Dental:			Single: 0	
Class I:	100%		2-Person: 1	
Class II:	100%		Family: 16	
Class III:	90%			
Annual Max:	\$2,500			
Class IV:	50%			
Lifetime Max:	\$2,500			
Riders:	2 Cleanings, Adult Ortho			
Composite:		\$92.19		\$95.50
Dental:			Single: 1	
Class I:	50%		2-Person: 4	
Class II:	50%		Family: 14	
Class III:	50%			
Annual Max:	\$2,500			
Class IV:	50%			
Lifetime Max:	\$2,500			
Riders:	2 Cleanings, Adult Ortho			
Composite:				
Vision:	VSP 3		Single: 1	
			2-Person: 5	
			Family: 30	
Composite:		\$19.90		\$20.55
Life Insurance:	\$50,000		36	
Rate/\$1000				\$0.13
Volume				\$1,800,000.00
Composite:		\$6.50		\$6.50
AD&D Coverage:	\$50,000		36	
Rate/\$1000				\$0.03
Volume				\$1,800,000.00
Composite:		\$1.50		\$1.50
Dependent Life:	\$2,000		36	
Rate/\$1000				\$0.29
Volume				\$72,000.00
Composite:		\$0.64		\$0.58
LTD Benefit	66 2/3% Max \$4,500		36	
Max Monthly Salary:	\$6,750			
Waiting Period:	90 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$0.43
Covered Salary				\$140,912.00
Composite:		\$14.78		\$16.83
Total Composite Rate per Member		\$135.51		\$141.46

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PAK B COBRA RATES:

Dental	Single	\$95.50
	2-Person	\$95.50
	Family	\$95.50
Vision	Single	\$20.55
	2-Person	\$20.55
	Family	\$20.55

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Renewal Effective 07/01/2009

PAK C - 275N 48 Week Cust, Secr, Teachers		2008-09 Rates	Enrolled	2009-10 Rates
Medical:	MESSA Choices II		Single: 38	
OV/UC/ER Copay:	\$5/\$10/\$25		2-Person: 64	
RX Drug Copay:	\$10/\$20		Family: 200	
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	XVA2			
Composite:		\$1,016.49		\$1,177.64
Dental:			Single: 38	
Class I:	100%		2-Person: 55	
Class II:	100%		Family: 176	
Class III:	90%			
Annual Max:	\$2,500			
Class IV:	50%			
Lifetime Max:	\$2,500			
Riders:	2 Cleanings, Adult Ortho			
Composite:		\$116.03		\$126.36
Dental:			Single: 0	
Class I:	50%		2-Person: 9	
Class II:	50%		Family: 24	
Class III:	50%			
Annual Max:	\$2,500			
Class IV:	50%			
Lifetime Max:	\$2,500			
Riders:	2 Cleanings, Adult Ortho			
Composite:				
Vision:	VSP 3		Single: 38	
			2-Person: 64	
			Family: 200	
Composite:		\$19.13		\$19.20
Life Insurance:	\$45,000		302	
Rate/\$1000				\$0.13
Volume				\$13,590,000.00
Composite:		\$5.85		\$5.85
AD&D Coverage:	\$45,000		302	
Rate/\$1000				\$0.03
Volume				\$13,590,000.00
Composite:		\$1.35		\$1.35
LTD Benefit	66 2/3% Max \$4,500		302	
Max Monthly Salary:	\$6,750			
Waiting Period:	90 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$0.43
Covered Salary				\$1,515,256.00
Composite:		\$18.10		\$21.57
Total Composite Rate per Member		\$1,176.95		\$1,351.97

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PAK C COBRA RATES:

Medical	Single	\$520.81
	2-Person	\$1,171.82
	Family	\$1,302.03
Dental	Single	\$126.36
	2-Person	\$126.36
	Family	\$126.36
Vision	Single	\$19.20
	2-Person	\$19.20
	Family	\$19.20

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 Date Created: 08/12/2009

NON-PAK - 275X Transportation 10-19.99 Hours		2008-09 Rates	Enrolled	2009-10 Rates
Life Insurance:	\$15,000	\$0.13	2	
Rate/\$1000				\$0.13
Volume				\$30,000.00
AD&D Coverage:	\$15,000	\$0.03	2	
Rate/\$1000				\$0.03
Volume				\$30,000.00

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How to Read Your Renewal Exhibits

As a result of P.A. 106, the methodology used to determine the rates for your group has changed. Attached is the new MESSA Renewal Summary report and, if your group is rated as a group of 100 or more enrolled members, the Renewal Rate Calculation exhibit.

The MESSA Renewal Summary report combines the MESSA Cost Summary report and Benefit Program Statement into one new and condensed report. In addition to consolidating these reports, we have added a comparison of your current rates to your new rates. Please note, your PAK renewal rates include both the increase/decrease in the base rates plus rate changes due to any changes in the coverage status (single/family) of your covered members or census shift.

Effective July 1, 2009, groups with 100 or more members for rating purposes will be, in part or in whole, experience rated due to the impact of P.A. 106. The Renewal Rate Calculation exhibit shows how your actual claims experience has been used to adjust the MESSA base rates to reflect the utilization of health care services by your employees. The Renewal Rate Calculation illustrates the methodology used to determine the change in the base rates for your group using the MESSA experience rating formula. Please note, the actual change in your rates may differ from the percentage change shown on the Renewal Rate Calculation exhibit due to rounding or census shift.

The components used to calculate your rate increase/decrease are described below:

- 1. Member Months:** This is the number of members covered under your plan for each month of coverage during the experience period.
- 2. Average Covered Members per Month:** This is the average number of members during the experience period. (Member months divided by number of months in the experience period)
- 3. Experience Period:** For the 2009-10 Renewal, an experience period of twelve months beginning December 1, 2007 has been utilized. Claims data prior to December 1, 2007 is not maintained by MESSA and, therefore not available for the 2009-10 renewal.

Incurred claims represent claims based on the date the medical service was provided. Incurred claims more accurately represent the claims cost per member because the claims expenses are matched to the members that received the medical services.

It is important to note that "Paid Claims", as required by P.A. 106, is a less reliable indicator of the true cost of the medical plan because the date a claim is paid can be up to two years after the date the medical service was provided.

For determining the Incurred But Not Reported (IBNR) claims expense, the amount of time past the experience period is used by actuaries to estimate the IBNR. For 2009-10, the claims paid through date of January 2009 is used because 1) this is the most recent time available, 2) it is consistent with the method used by our underwriters and, 3) this represents sufficient time for most claims to be paid.

4. Incurred But Not Reported (IBNR) Factor: Based on the past history of claim service dates and payment dates, the amount of claims that have been incurred by eligible participants is estimated based on generally accepted actuarial principals. Because claim payment lag times are more predictable, the IBNR factors used are those developed for all of MESSA accounts combined and filed with the Office of Financial and Insurance Regulation.

5. Incurred But Not Reported (IBNR) Amount: This is the amount of estimated claims that have been incurred but not yet paid by MESSA. (Claims incurred and paid through January 2009 times IBNR factor.)

6. Estimated Fully Incurred Claims: The estimated fully incurred claims amount represents an estimate of the total claim expenses that will be paid for your members after all known and unknown claims expenses have been settled. The estimated fully incurred claims includes claims incurred during the experience period, paid within two months plus the IBNR claim expenses estimated by our underwriters and actuaries.

7. Annual Trend Factor: The expected annual change in health care costs. The annual trend factor includes the impact of general medical inflation, changes in healthcare utilization, impact of technological advances in healthcare, cost shifting, the leveraging effect upon deductibles and copays, and changes in provider contracting.

8. Number Months of Trend: The number months of trend from the experience period to the rating period.

9. Effective Trend: The amount of trend to be applied to the claims experience to reflect the expected claims cost during the rating period.

10. Trended Annual Claims Cost: This represents the projected claims cost for the rating period. The projected claims cost is the estimated fully incurred claims times the effective trend rate.

11. Claims in Excess of the Pool Point: To minimize the impact of unexpected high cost claims, MESSA's experience rating formula excludes claims in excess of a dollar threshold or pool point. The pool point, as determined by our actuaries, is based upon the size of the group and at a level of risk that is reasonable for the size of the group.

12. Pool Charge: Claims that exceed the pool point are shared by all MESSA groups. These pooled claims expenses are replaced by the pool charge which equitably distributes the cost of these unpredictable, high cost claims by sharing the risk through the pool charge.

13. Projected Claims Cost: This represents the estimated total cost of future benefit expenses for your group for the rating period beginning July 1, 2009.

14. Retention Expense: This represents the cost to operate the MESSA plans. The services provided for under the retention expense include administration (BCBSM, BCS, MESSA), risk or contingency charges (BCBSM, BCS), Other Than Group subsidy (BCBSM), and premium taxes (BCS).

15. Total Projected Plan Expense: This represents the expected total cost of the plan or projected claims cost plus retention expense.

16. Percent Actual Experience Used or Credibility Factor: Because claim costs are less predictable for smaller groups, a portion of a group's projected claims costs and a portion of MESSA's overall claims experience will be used to determine the experience adjusted total required plan expense. The credibility factor for a group increases as the size of a group gets larger. A group of 100 members is only considered to be 30% predictable while a group with 500 or more enrolled members is considered to be highly predictable and given 100% credibility.

17. Required Income before Application of Experience Rating: This represents the rates that would be charged if the projected plan expense for all MESSA groups of 100 or more enrolled members were combined for the 2009-10 plan year. In the absence of experience rating, this would be the projected cost of the group and is used to smooth the rates needed for groups that are not considered to be fully creditable.

18. Experience Adjusted Required Income: Combining the creditable portion of the group's actual experience with the MESSA overall average projected plan expenses, the experience adjusted plan expenses are used to determine the new rates for the 2009-10 renewal prior to any rate credit or recoupment.

19. Rate Credit or Recoupment: For the 2009-10 renewal year, a credit will be applied to each group to reflect their value of prior MESSA underwriting results. When MESSA experiences underwriting gains, future years' premiums are reduced or credited back to our members. When MESSA experiences underwriting losses, future years' premiums are increased in order to recoup underwriting losses.

20. Net Required Income: The projected amount of income required to cover all plan expenses after application of a rate credit or recoupment, if any.

21. Income at Current Rates: This represents the amount of premium that would have been charged to the group for the entire experience period at their current rates. If a rate occurred during the experience period, this may not be the actual amount that was billed to your group.

22. Percent Base Rate Increase (Decrease): The amount of increase or decrease in your group's current rates that is needed to cover the experience adjusted required income based on the projected plan expenses. This is arrived at by dividing the Net Required Income by Income at Current Rates.

Wyoming Public Schools

2009-10 Rate Renewal Calculation

1. Member Months				5,118
2. Average Covered Members Per Month				427
3. Claims Incurred Dec 2007 - Nov 2008 and Paid through January 2009	<u>Facility</u>	<u>Professional</u>	<u>Rx Drugs</u>	<u>Total</u>
	\$1,822,128	\$2,011,799	\$1,034,256	\$4,868,183
4. Factor: Paid to Fully Incurred	0.0229	0.0228	0.0000	0.0180
5. Amount: Incurred But Not Reported Claims	\$41,783	\$45,892	\$0	\$87,675
6. Estimated Fully Incurred Claims	\$1,863,911	\$2,057,691	\$1,034,256	\$4,955,857
<i>[3. + 5. = 6.]</i>				
7. Annual Trend Factor	8.54%	6.81%	1.50%	6.37%
8. Number Months Trend to July 2009	19	19	19	
9. Effective Trend	1.1385	1.1099	1.0239	1.1027
10. Trended Annual Claims Cost	\$2,122,062	\$2,283,831	\$1,058,974	\$5,464,868
<i>[6. x 9. = 10.]</i>				
11. Claims in Excess of \$100,000 Pool Point				(\$79,445)
12. Pool Charge				\$289,643
13. Projected Claims Cost				\$5,675,066
<i>[10. + 11. + 12. = 13.]</i>				
14. Retention Expense				\$708,729
<i>[Generated Amount based on Group Size]</i>				
15. Total Projected Plan Expenses for 2009-10				\$6,383,794
<i>[13. + 14. = 15.]</i>				
		<i>Retention as a Percent of Projected Expenses</i>		11.10%
16. Percent of Actual Experience Used for Rating (Credibility Factor)				84.52%
17. MESSA Average Required Income before Experience Rating				\$5,911,841
18. Experience Adjusted Required Income				\$6,310,745
<i>[(15. x 16.) + (17. x (1 - 16.))] = 18.]</i>				
19. Rate (Credit)/Recoupment				(\$279,926)
20. Net Required Income				\$6,030,820
<i>[18. + 19. = 20.]</i>				
21. Income at Current Rates				\$5,232,507
22. Percent Rate Increase (Decrease) in Base Rates				15.26%
<i>[(20. ÷ 21.) - 1] x 100 = 22.]</i>				

The above calculation explains the methodology used to allocate the overall MESSA rate increase by group. The rates for your group's plans are determined by the MESSA base rates adjusted for your creditable experience, geographic location, and group size. Final rates for a MESSA medical plan may vary due to changes in the definable group's demographics, plan changes and if PAK or Non-PAK coverage is offered.



1475 Kendale Boulevard, PO Box 2560
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MESSA Field Representative
Larry Donston
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Renewal Rates Effective: July 1, 2009



Wyoming Public Schools

Medical Renewal Report

Comparison to MESSA Average

Claims Incurred December 1, 2007 – November 30, 2008

Paid through January 31, 2009

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Introduction

This report is intended to provide an analysis of the cost and utilization of health care services to help explain your 2009 rates.

IMPORTANT: The analysis is based only on individuals enrolled in MESSA's medical plan between December 1, 2007 and November 30, 2008.

The report contains claims **incurred** from December 1, 2007 – November 30, 2008 and **paid** through January 31, 2009.

Please Note:

1. Data for this report is NOT the same as what is provided under the Public Employees Health Benefit Act (PA 106). The reports for PA 106 contain **paid** claims/claimant information from December 1, 2007 through February 28, 2009. **Paid** claims in that report are likely to be from an earlier time period – i.e. a time period that is not relevant for calculating current rates. This rate report contains data on an **incurred** period which means that these claims actually took place in the given time period and do factor into rate calculations. Similar to the PA 106 reports, however, this report does not identify claims on an individual level and maintains MESSA's commitment to member privacy.
2. Rates are calculated using a comparison of your group's claims experience this year to your group's experience last year. All of the analysis done in this report compares your group to the MESSA average, simply to give an indication of how your group utilizes health care relative to the rest of MESSA. Rates are **NOT** calculated based on your group's experience compared to the MESSA average.
3. The extent to which this report is relevant to your school depends on your group size. Larger groups have more of their rate determined by their own claims experience. Smaller groups, however, have some of their rate determined by their claims, but a significant portion may be determined by their pooled group. For example, in the 100-499 rating group, those groups closer to 100 members will have most of their rate determined by the entire 100-499 group, rather than their own claims. Those groups closer to 499 members will have more of their rate determined by their own claims.

We hope you find this report useful, but please keep in mind - rates are calculated based on a number of factors, and not all factors are weighted equally. The data from this report alone cannot be used to determine rates. This report will provide greater value in future years as MESSA accumulates data in order to better analyze your group's claims experience over time.

Demographics

Number of Employees: 427

Please Note: This number is based on the average number of employees enrolled in MESSA's medical plan between 12/1/2007 – 11/30/2008. This may not match the number of employees reported in the census for renewal calculations.

Number of Covered Lives: 1,313

Ratio of Covered Lives to Employees:

Wyoming Public Schools: 3.1

Total MESSA: 2.8

Percent Male (of all Covered Lives):

Wyoming Public Schools: 47.9%

Total MESSA: 48.3%

Percent Female (of all Covered Lives):

Wyoming Public Schools: 52.1%

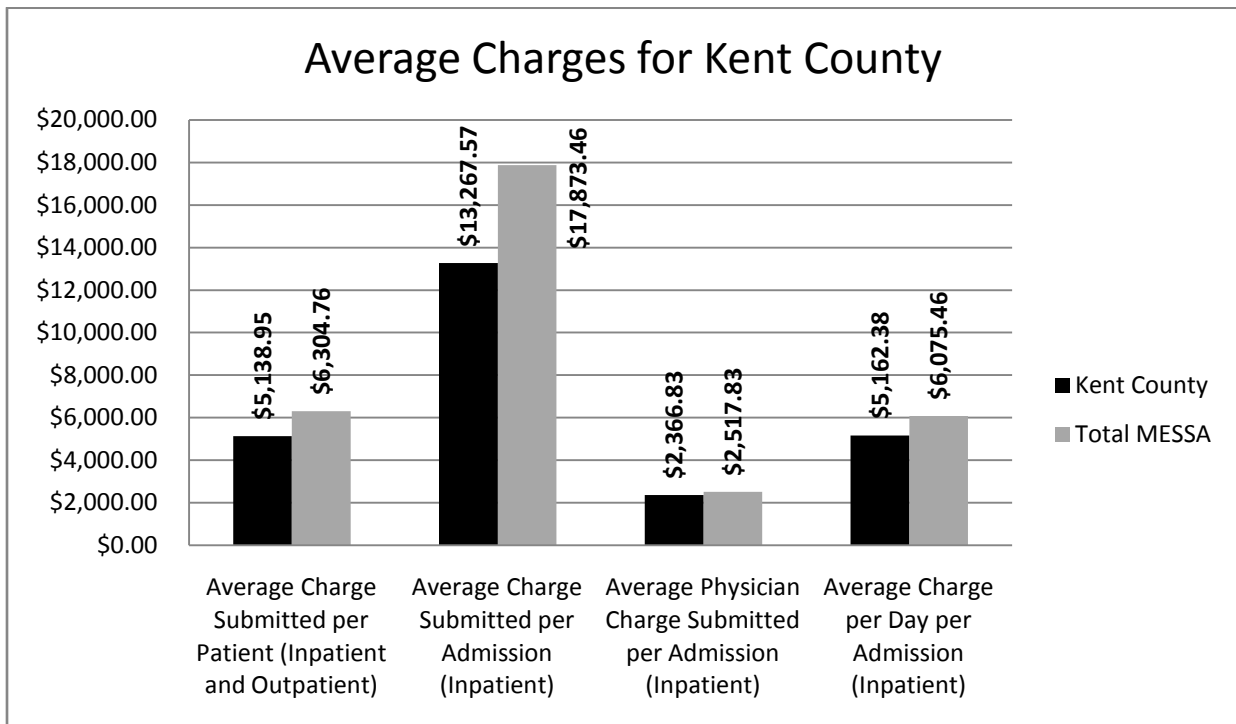
Total MESSA: 51.7%

Average Age

	<u>Wyoming Public Schools</u>	<u>Total MESSA</u>
Employees:	43.5	45.2
Spouses:	44.5	46.0
Children:	11.5	12.7

County Level – Average Charges

County level factors are used in the calculation of rates. The delivery of health care is more expensive in some areas than in others. For example, some areas have research facilities which serve as the only provider of highly specialized and innovative services. Costs in these facilities tend to be higher because of newer technology as well as a higher level of complication for the average patient. Therefore, those areas, on a county basis, that have higher costs will have a higher county adjustment factored into their rates.

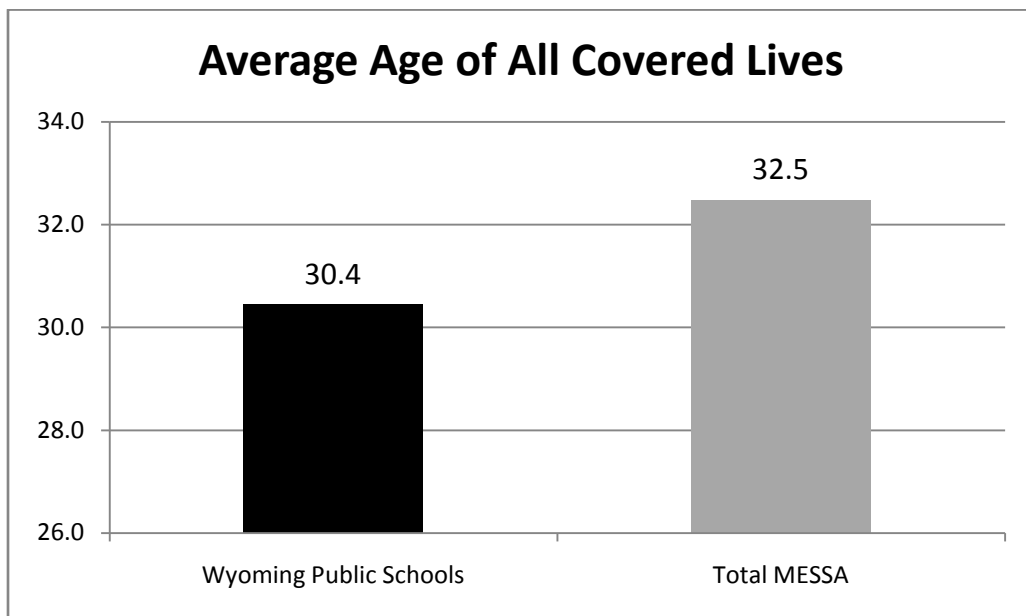


Kent County has lower overall costs than the rest of MESSA. Thus, the county factor will be lower than average when calculating rates for Wyoming Public Schools.

Average Age

The average age of all covered lives is depicted here. Claims costs increase as age increases, generally because of increases in utilization and an increased severity of conditions. For example, older patients require more screenings to detect conditions such as cancer; and they tend to have more chronic conditions.

The percent change in health care costs by year of age is approximately 1.5%.

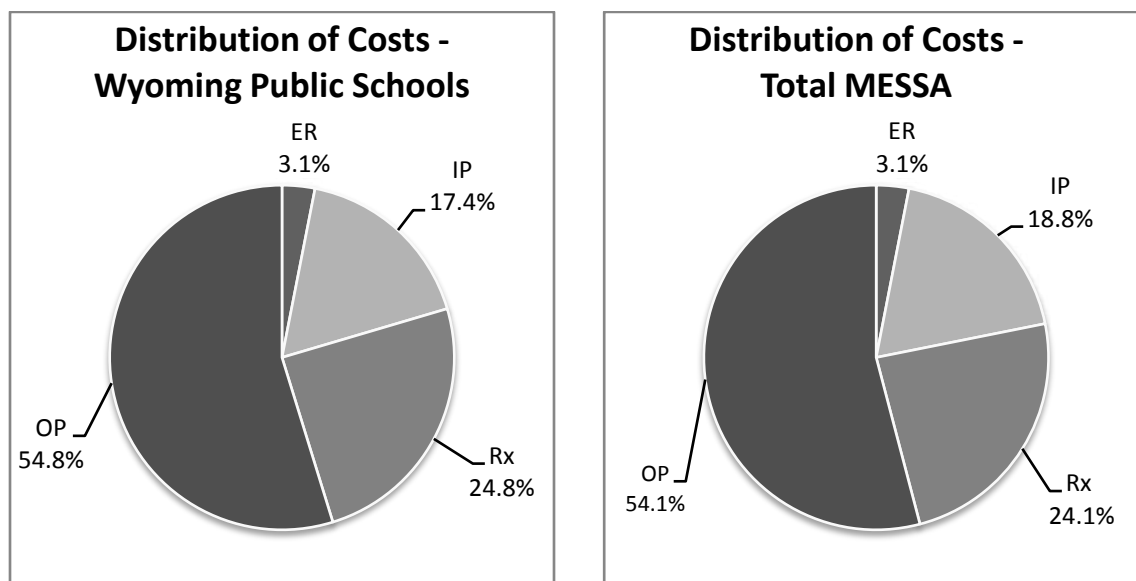


Wyoming Public Schools has an average age 2.1 years younger than the Total MESSA Population. Generally, this leads to approximately 3% less spending on health care than Total MESSA. As spending decreases, rates also decrease.

Wyoming Public Schools has a lower than average age factor in the calculation of rates.

Distribution of Costs

While total costs are important in determining rates, so is the distribution of costs. Determining where and how spending occurs gives some indication as to the severity of conditions in the population, thereby, helping predict future costs. For example, a high rate of inpatient hospitalizations or a high rate of Emergency Room visits indicates that the population in a given group has a higher level of severity. A high use of outpatient visits or prescription drugs does not necessarily indicate higher severity. In fact, when these services are used properly, these may be an indication of a well managed population. When outpatient visits or prescriptions are over-utilized, however, this leads to higher costs, and therefore adversely affects rates.

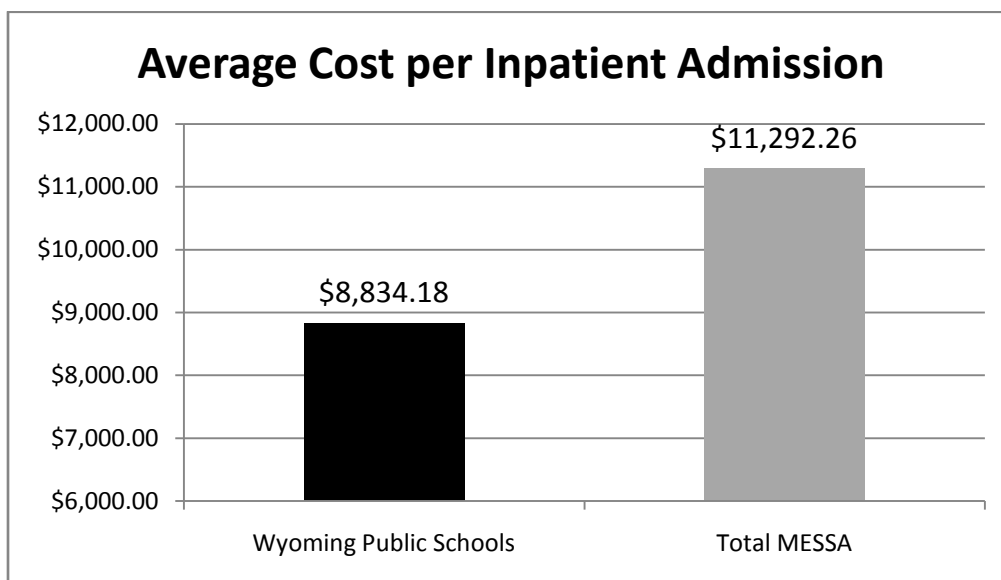
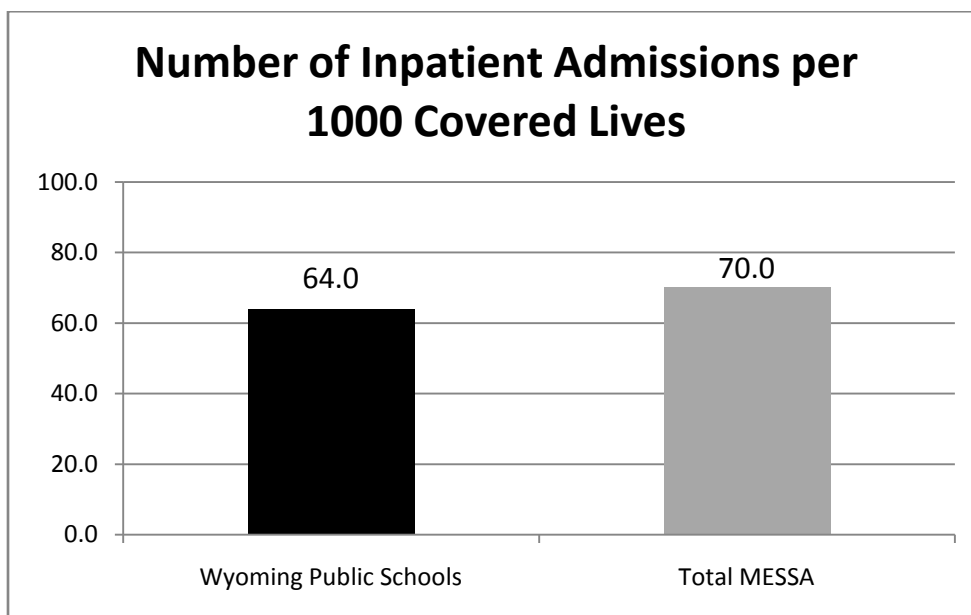


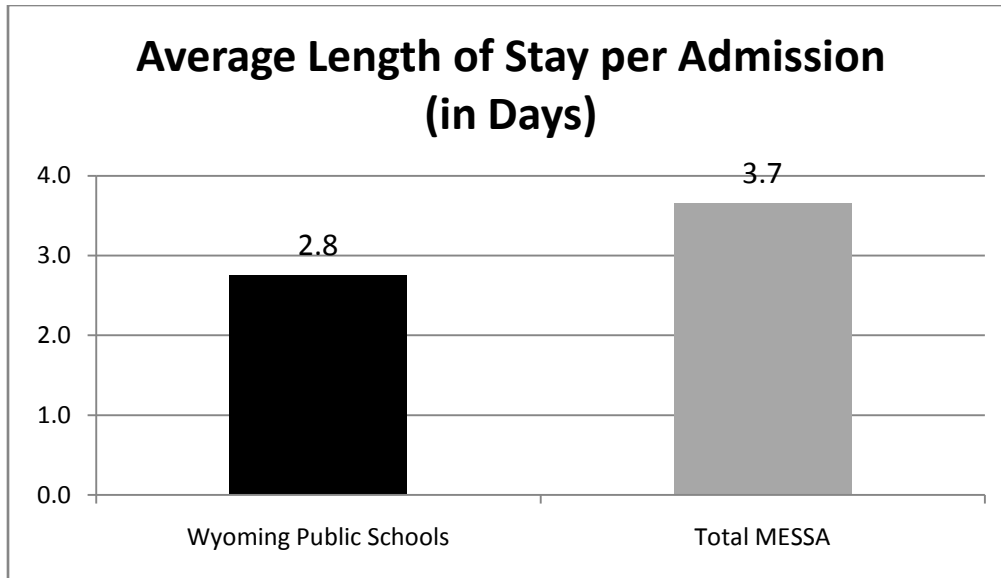
Emergency Room = ER, Inpatient = IP, Outpatient = OP, Prescriptions = Rx

Wyoming Public Schools has higher spending on Outpatient Services and Prescription Drugs than Total MESSA. Spending on Emergency Room visits is the same for Wyoming Public Schools. Spending on Inpatient Admissions is less for Wyoming Public Schools than for Total MESSA.

Inpatient Admissions

As described earlier, increased inpatient admissions lead to higher rates. Inpatient admissions cost more, on average, than outpatient services and indicate a higher severity of condition in the population. The following graphs depict the utilization of Inpatient hospital services through: the number of covered lives that have admissions, the average cost per admission, and the average length of stay (in days) per admission.



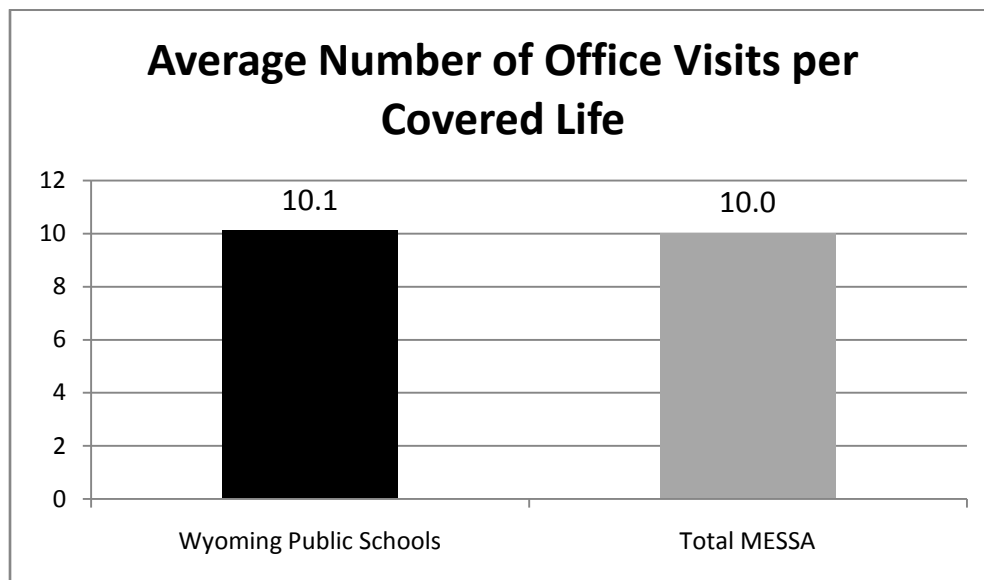


Wyoming Public Schools has lower admissions per 1000 covered lives than Total MESSA. The average cost per admission in Wyoming Public Schools is nearly \$2,458 lower than for Total MESSA. A lower average cost indicates that those patients being admitted from Wyoming Public Schools have decreased severity of illness than Total MESSA. The average length of stay per admission is shorter than the average for Total MESSA, also indicating lower severity.

Overall, the use and cost of Inpatient hospital services is lower in Wyoming Public Schools than in Total MESSA.

Office Visits

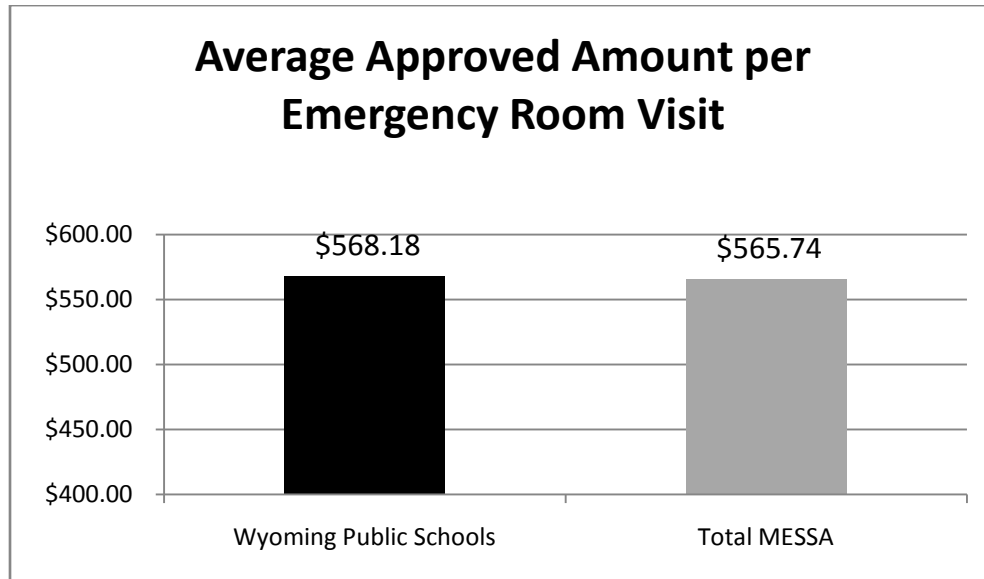
The effect of office visits on premium rates is not clear-cut. While an increase in office visits in the short-term can lead to increased rates, in the long term these services can actually lead to reduced rates, when utilized appropriately. This is especially true when a high use of office services leads to better management of chronic conditions or to an increased use of preventive care. Better management and the use of preventive services both lead to reduced severity of illness and, thereby, reduced rates.



Wyoming Public Schools has a similar average number of office visits per covered life to Total MESSA.

Emergency Room

The extent of emergency room use provides an indication as to how members are utilizing the health care system. Since care in the emergency room costs more, a high use of emergency room visits may increase rates. The cost per emergency room visit is important because it reveals, to some extent, the severity of each case. Higher average costs show that the average patient in your school generally has worse health status. In fact this may be an indication that patients are avoiding treatment of health conditions, until they are forced to use emergency room services.

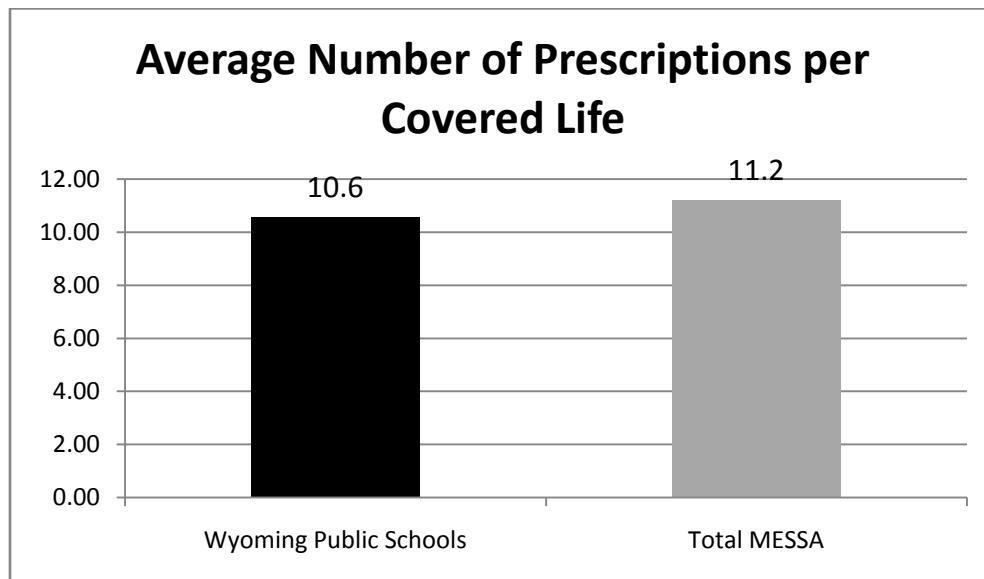


Wyoming Public Schools has an average cost of emergency room services that is similar to the Total MESSA average.

Prescription Drugs

As with Office Visits, the use of Prescription Drugs does not have a clear cut impact on rates. Inappropriate use and over-utilization does lead to higher rates. However, when used properly, prescription drugs can also reduce the cost of health care by preventing the need for more invasive treatments.

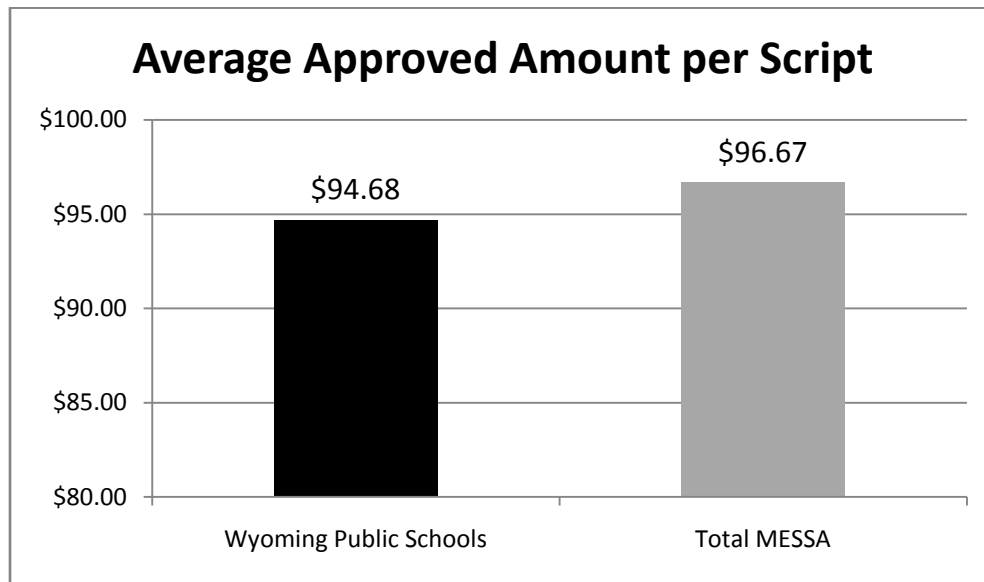
Rates are adversely affected when the cost per prescription is higher than average, such as the case with Brand Names. The following graph depicts the average number of prescriptions per covered life.



Wyoming Public Schools has a slightly lower number of average prescriptions per covered life than Total MESSA.

Average Cost per Prescription

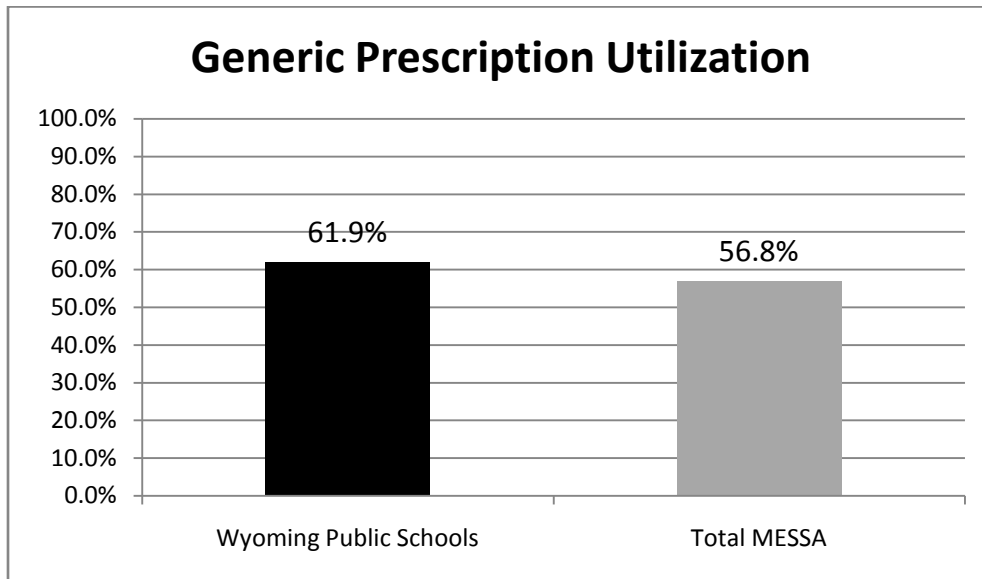
As the average cost per prescription increases, so do rates. The following graph depicts the average approved amount per prescription.



The average cost per prescription is \$1.99 less for Wyoming Public Schools than Total MESSA.

Generic Utilization

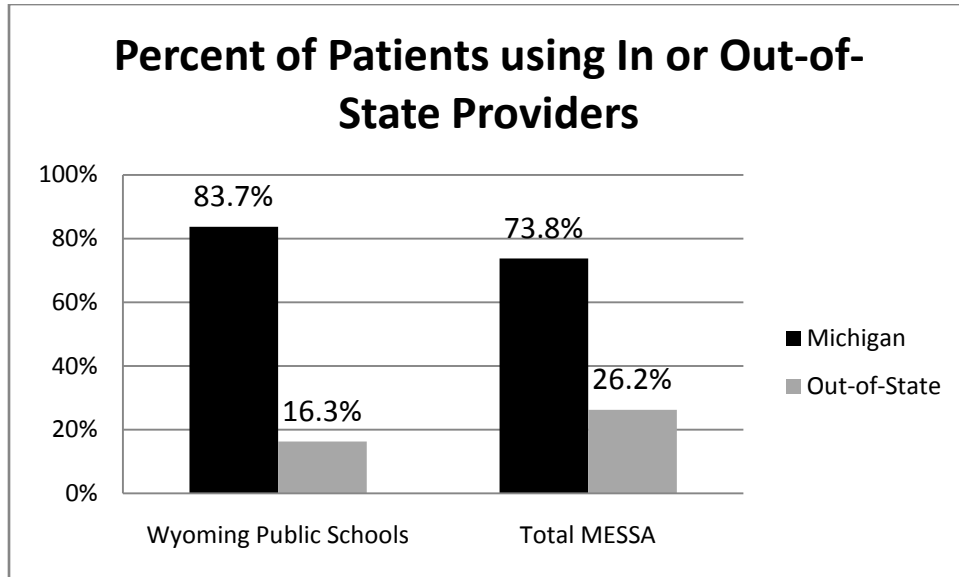
A higher utilization of generic drugs indicates an efficient use of dollars spent on prescriptions - since generics cost less and are equally effective to their brand name counterparts. The following graph depicts the utilization rate of generic medications.



Wyoming Public Schools has a 5.1% higher use of generic drugs than the Total MESSA population.

Providers: In or Out-of-State

Certain providers cost more than others when delivering care. MESSA is able to achieve substantial discounts with in-state providers. Therefore, the use of out-of-state providers tends to increase costs.

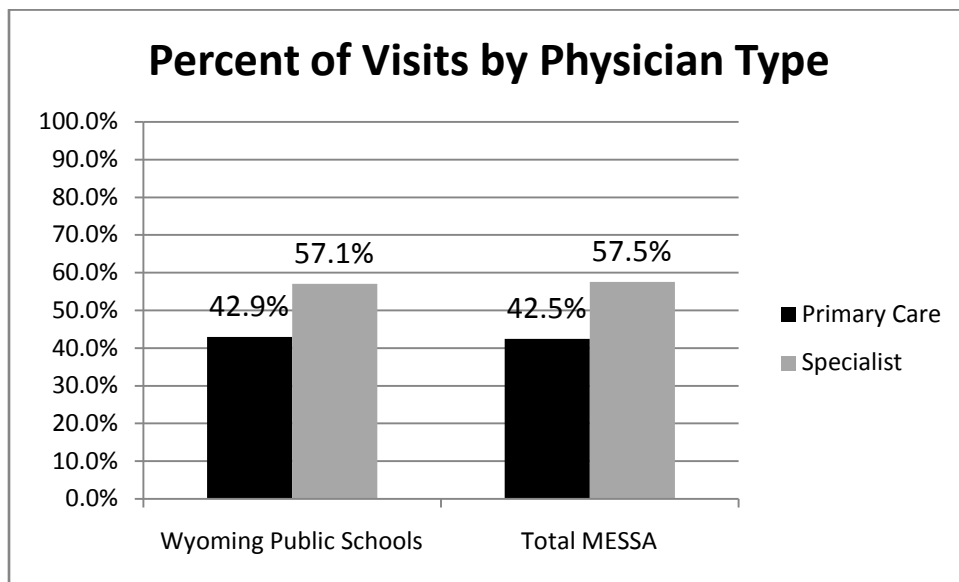


Wyoming Public Schools has a higher than average utilization of in-state providers.

Providers: Primary Care vs. Specialist

Visits are likely to be higher with specialist physicians because there is typically a greater supply of these types of providers in the health care market.

Specialist physicians generally have higher charges than primary care physicians. A high use of specialists increases overall costs and also indicates increased levels of severity for conditions.



Wyoming Public Schools has a similar percentage of office visits with specialist physicians compared to Total MESSA.

Recommendations

- **URAC Accredited MESSA Member Education Support Programs** for Asthma, Cardiovascular Health, and Diabetes can help patients with these conditions manage their illnesses better; avoid hospitalizations; and reduce severity.
- An increased use of **generic medications** will help lower prescription costs.
- **MESSA's Wellness Consultant** can help develop these types of initiatives in your school. We also offer a wellness program tool kit as well as other services. Overall wellness initiatives can help in detecting illness at an earlier stage so that patients can be treated more effectively. Examples of wellness initiatives include:
 - *Health Assessments* – to provide awareness to individuals of possible health risks and illnesses.
 - *Preventive Visits* – All preventive visits are covered by MESSA at 100%. These visits help in early detection, which lowers complication rates and severity levels, thereby reducing costs.
 - *Incentives* – for participation in wellness programs and education, such as gift cards, discounted gym memberships, etc.
- **MESSA Healthy Expectations** provides support for expectant mothers. When a mom-to-be enrolls in the program she will receive a simple health assessment questionnaire to complete and return. Healthy Expectations will then send a guide book and a customized response providing information on health guidelines for pregnant women.
- **MESSA Nurse Line** is a health information line staffed around the clock by registered nurses trained to answer medical questions and offer guidance.
- **URAC Accredited MESSA Medical Case Management** is a unique program tailored to meet the medical needs of our members who may need extraordinary care if diagnosed with a catastrophic illness or injury. It is designed to help MESSA members and their families through these difficult times by providing flexibility and direct involvement in the management of their health care.