



REVISED RENEWAL CALCULATION 36 MONTH CONTRACT

Group Name: Duluth ISD #709
 Group Number: 000694 & 000695
 Renewal Period: January 1, 2016 through December 31, 2018
 Experience Period: July 1, 2014 through June 30, 2015

| | | |
|--------------|-----------|-----------|
| Paid Claims: | Employee | \$571,271 |
| | Dependent | \$125,453 |
| | Total | \$696,724 |

| | | |
|---------------------------------------|--------|-------|
| Average Experience Period Enrollment: | Single | 1,553 |
| | Family | 220 |
| | Total | 1,773 |

Trend Factor: 5.30%
 Trend is calculated from the mid-point of the experience period to the midpoint of the renewal period using the following trend factors:
 3.50% in 2013 & 2014
 3.50% in 2015

Benefit Adjustment Factor (BAF): 0.00%

Benefit Adjustment Factor is needed if any benefit changes are proposed for the upcoming contract period.

Projected Paid Claims (Annualized Paid Claims * (1+Trend Factor) * (1+BAF)):

| | Total | Enrollment | PEPM |
|------------|-----------|------------|---------|
| Employee: | \$601,524 | 1,773 | \$28.27 |
| Dependent: | \$132,097 | 220 | \$50.04 |
| Total: | \$733,620 | | |

Proposed ASO Fee (per employee per month): \$2.64
 This is a change to the current ASO fee of: 3.5%

| Equivalency Rates: | Claims Cost | ASO Fee | Total Rate |
|--------------------|-------------|---------|------------|
| Single | \$28.27 | \$2.64 | \$30.91 |
| Family | \$78.31 | \$2.64 | \$80.95 |

Revised Renewal calculation changes increase in ASO fee to 3.5%.
 The projected claims and equivalency rates reflect the first 12 months of the 36 month contract period: 1/1/16 through 12/31/18.

Delta reserves the right to re-evaluate the fee and restrict funding options if during the contract period:

- * the number of enrolled employees deviates from the above enrollment by 10% or more
- * any changes are made to the plan design, contractual benefits or networks that are utilized.