



Insider Readiness: VERIS-July Renewal Preview

[01]

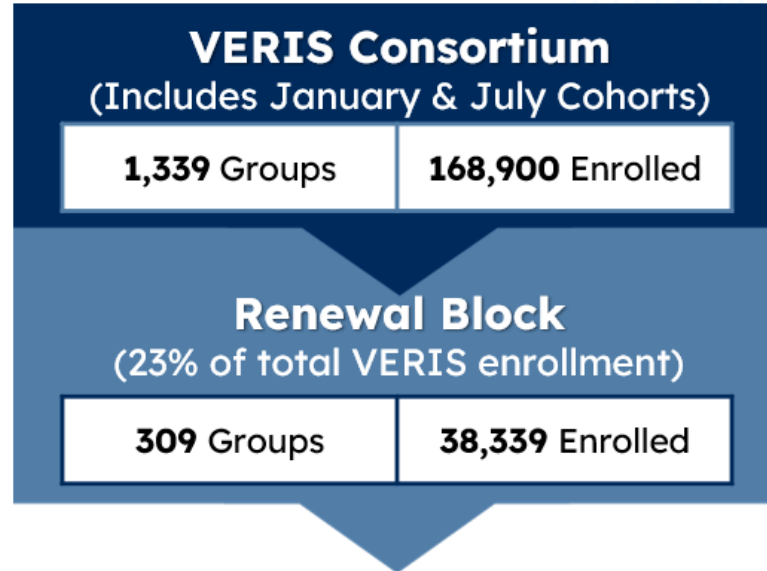
July 1, 2026 Renewal Overview
James Hechler, FSA, FCA, MAAA



Overview

- Growth of VERIS
- Renewal Parameters
- Benefits of the VERIS Model
- Review of the VERIS Model
- Historic Performance
 - Claim Fund
 - Stop-Loss
- Renewal Summary & Final Thoughts
- Structural Levers & Decision Support
- Pre-Renewal Calls
- Post-Renewal Support

2026 Renewal Parameters



124 average enrolled employees per group
198 of 309 groups have ≤ 100 enrolled employees
56 average enrolled employees per Small Group



2026 Renewal Parameters

Renewal calculations are based on claims data through January 31, 2026

- Aggregate Claim Fund is running at 98% of expected
- Blended Claim Fund experience over the prior 19 months
- Claims below the specific deductible are projected forward using 10% combined medical/Rx trend adjusted for credibility
- Specific stop-loss projected to finish above target MLR
- Aggregate stop-loss projected to finish above target MLR



Benefits of the VERIS Model



Superior risk protection with group focus

- No new lasers at renewal
- No punitive pricing
- Guaranteed renewable



Independent pricing of Stop Loss by Benecon actuaries

- Renewal rate caps on Stop Loss and Claim Fund



Stop Loss coordination by Benecon

- Coverage for fees typically not covered as claims
- 100% claim payment



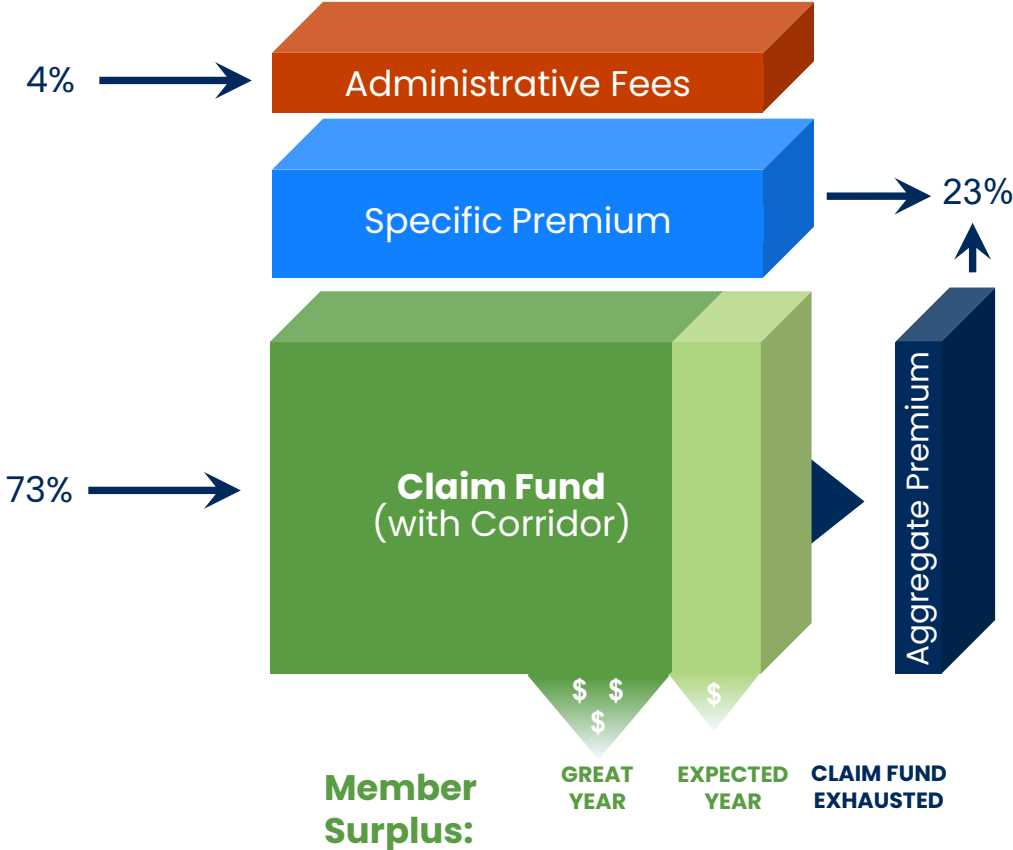
Savings

- Admin & tax savings
- Realistic aggregate protection
- Underwriting gains retained by groups

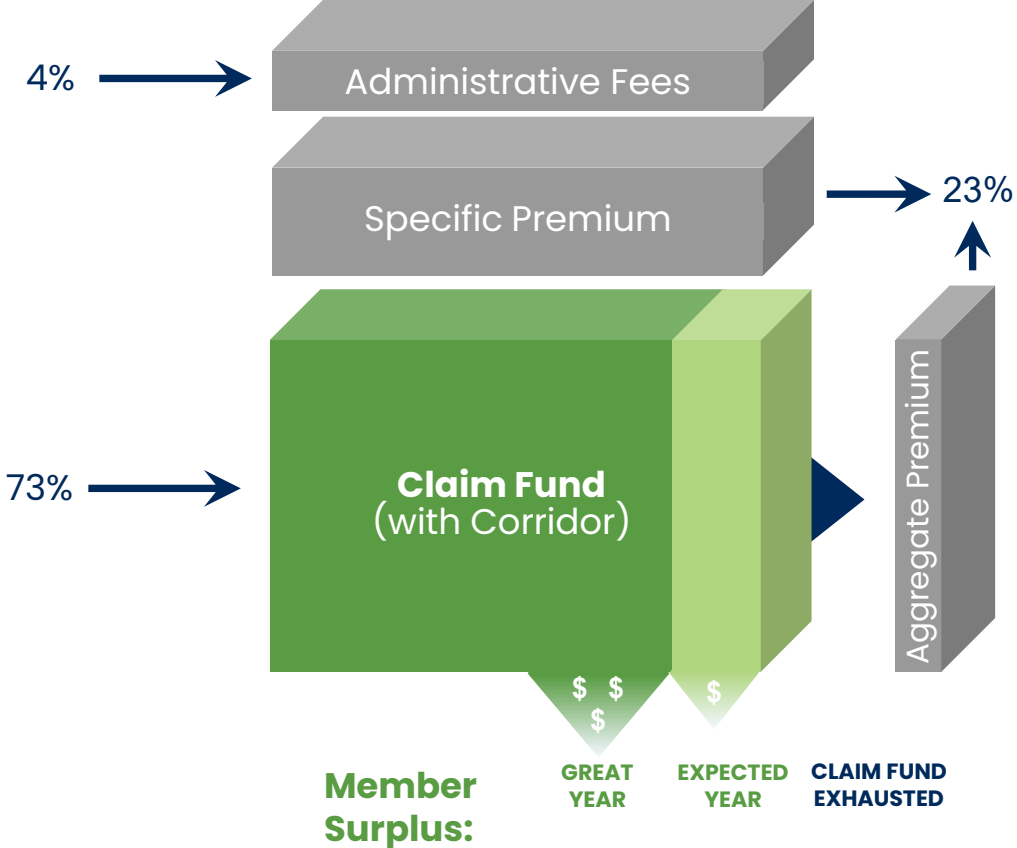
Allows groups to focus on **cost-containment solutions** vs. expending resources on finding fair renewal



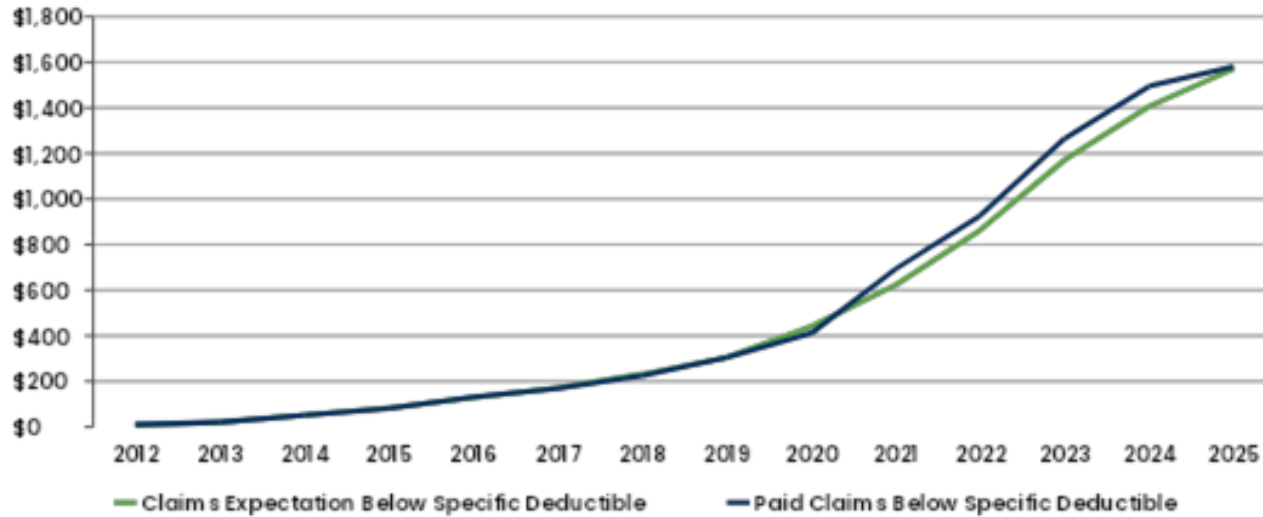
Review of the VERIS Model



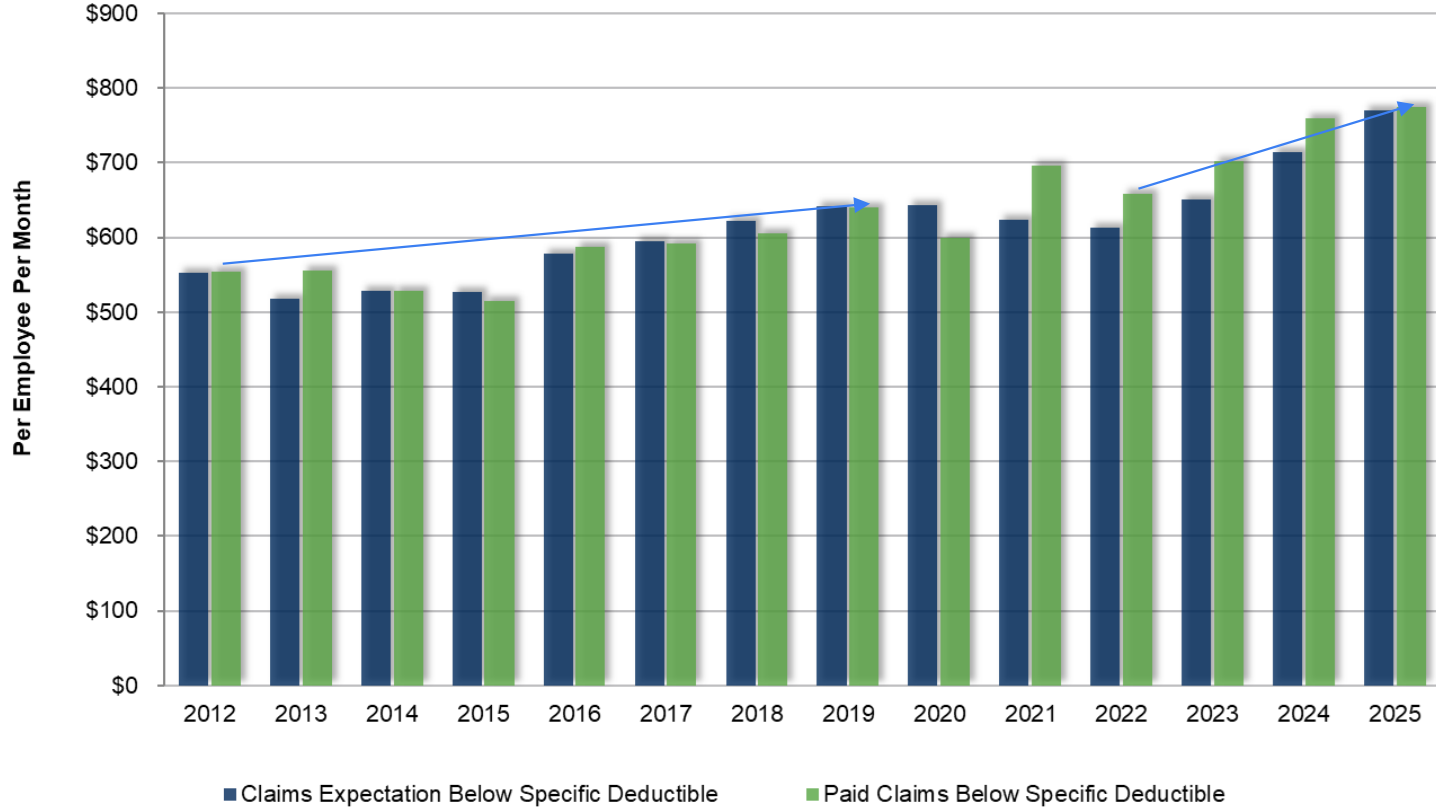
Historical Performance: Claim Fund



Historical Performance: Claim Fund



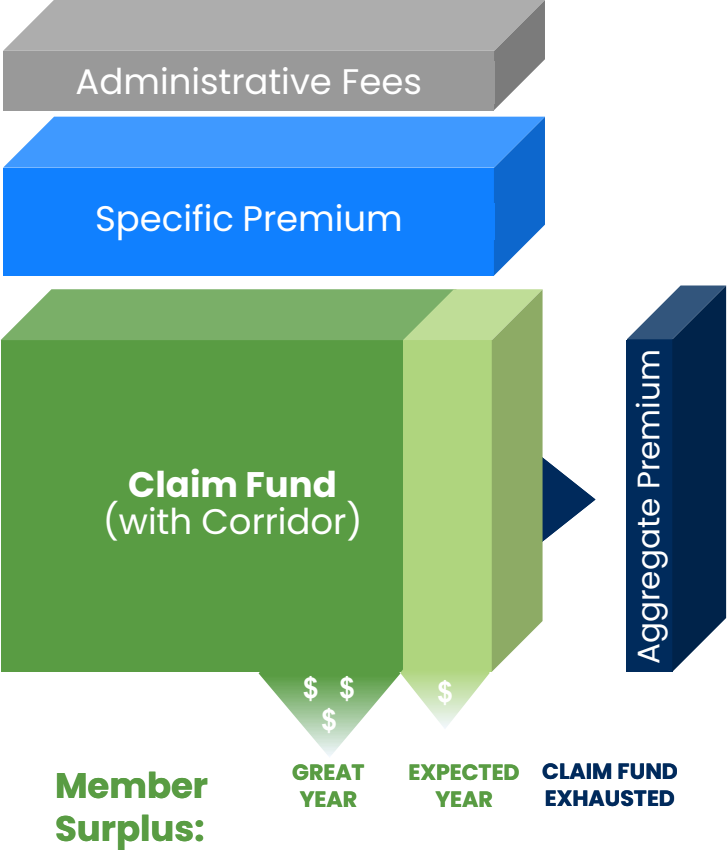
Historical Performance: Claim Fund



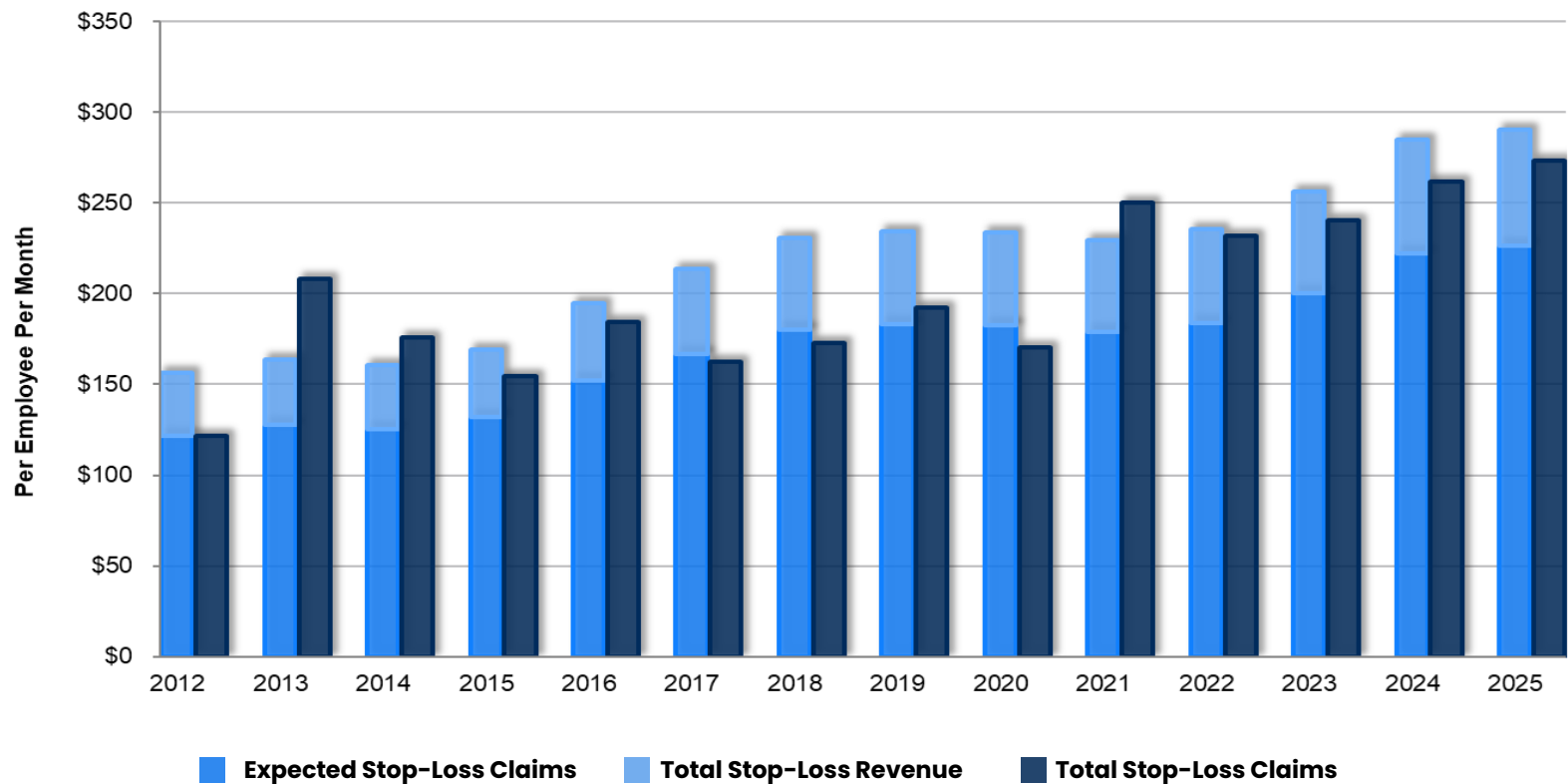
**2025 values are based on data available through 12/31/2025; Performance of combined VERIS Block (January + July cohorts)*



Historical Performance: Claim Fund



Historical Performance: Stop-Loss



**2025 values are based on data available through 12/31/2025 Performance of combined VERIS Block (January + July cohorts)*



2026 Cost Drivers

- Worsening Morbidity
(Chronic Disease Burden)
- Inflation/Provider Contracting/Provider Consolidation
- Provider implementation of AI tools
- New Treatments and Therapies
 - Gene Cell Therapy (CAR T-cell)
 - 40 FDA-approved gene therapies currently available
 - Costs ranging from \$1M to \$3M+
 - 3,400 in development, expect 10-20 new approvals per year
- Innovation
 - GLP-1s



2026 Renewal Summary

- Assumed increase in ASO fees – **please provide final ASO rates**
- 3% increase in the management fee schedule
- The **increase in stop-loss funding** is driven by the expected increase in the frequency & severity of large claims across the market
 - High costs associated with new & emerging specialty medications
 - Impact of the elimination of annual & lifetime benefit limits (PPACA)
- The **increase in claim funds** is primarily driven by each group's experience for claims below the specific deductible level, adjusted for trend & credibility
- Send all requests/updates through verisrenewals@benecon.com



Renewal History

July Cohort

| Cost Component | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|
| Admin Expenses | 2% | 2% | 1% | 0% | 3% | 1% | 1% |
| Stop-loss | 16% | 1% | 14% | 9% | 19% | 17% | 17% |
| Claim Fund | 12% | 9% | 9% | 12% | 13% | 16% | 16% |
| Overall Increase | 12.0% | 8.4% | 9.3% | 12.4% | 14.3% | 15.1% | 16% |
| Minimum Increase | 3.3% | -7.1% | -3.1% | -1.9% | -2.6% | -5.9% | -0.3% |
| Maximum Increase | 19.8% | 24.8% | 19.8% | 25.0% | 29.8% | 30.0% | 34.8% |

| | | | | | | | |
|---------------------------|-------|-------|--------|--------|--------|--------|--------|
| Groups Renewing | 45 | 95 | 157 | 243 | 343 | 417 | 372 |
| Average Enrollment | 2,804 | 9,527 | 15,293 | 25,890 | 38,802 | 46,411 | 42,659 |



Final Thoughts

- VERIS stop-loss is performing above target
- VERIS - July claims fund is performing at expected
- Ongoing impact of cost trends requires a long-term approach to financing employee benefits

- VERIS was built to benefit member groups by:
 - Leveraging the group purchasing power of the cooperative
 - Reducing administrative costs
 - Mitigating the impact of risk on individual members
 - Providing transparency in employee benefits financing



[02]

Structural Levers & Decision Support

Samantha Jones, ASA, CERA, MAAA



Model Flexibility at the Group Level

- Group renewal options for fixed vs. variable costs
 - **Increase Specific Deductible** (\$5k default) or leave as is
 - **Consider Attachment Point Options** (110%, 115%, 120%, 125%)
- **Funding Options** (PAG, PAM)
- **Revive** (Integrated option with \$ for \$ claim fund adjustment)
- Send all requests/updates through verisrenewals@benecon.com



+21%

**PEPM
Specific Claims**

Data thru 6/30/25 vs.
data thru 6/30/24

+24%

**PEPM
Specific Claims**

YTD data thru 1/31/26 vs.
YTD data thru 1/31/25

+63%

**PEPM
Catastrophic Claims**

(>\$500,000 FGU)
YTD data thru 1/31/26 vs.
YTD data thru 1/31/25



Performance Report

Administrative Fees

1% of your total PYE 2025 funding



Administrative Fees can be as much as 15-20% of fully insured premium. As a member of VERIS, you pay less in administrative fees and can see what you're paying for each year.

► For PYE 2025, you saved approximately \$607,000 in administrative fees.

Stop Loss Premium

17% of your total PYE 2025 funding
(Includes Specific & Aggregate coverages)



Stop Loss claims experience varies significantly from year to year. Specific Coverage protects you from the risk of high costs due to high or catastrophic claimants. Aggregate Coverage protects you from higher than average volume of low and mid-level claims.

► Since joining VERIS, your cumulative Stop Loss Loss-Ratio is 79%

Claim Fund performance is relatively consistent. Your Claim Fund is rated on your own experience:

- Your 2025 claims were **119%** of expected; your liability is capped at 110%, so you received an aggregate reimbursement of \$398,231
- Your 2024 claims were **96%** of expected with a surplus of \$645,471

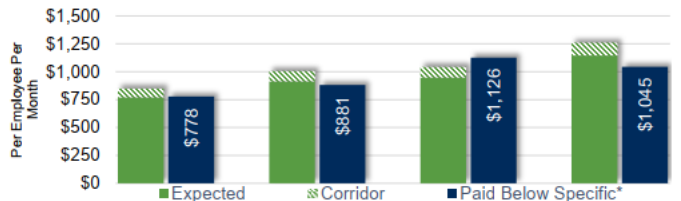
Maximum Claim Fund

Your Trust Account makes up
82% of your total PYE 2025 funding

Your cumulative surplus is **\$2,915,316**



In VERIS 100% of your Surplus remains in your Trust Account for you to access.



| PY Ending | 2023 | 2024 | 2025 | 2026 |
|---------------|------|------|------|------|
| % of Expected | 101% | 96% | 119% | 91% |

*PEPM Claims are shown net of any specific claim reimbursements but do not reflect any aggregate claim reimbursements, to best illustrate the "% of Expected" value

VERIS is a long-term solution.

Since Joining VERIS in April 2019, your Per Employee Per Month costs (on average):

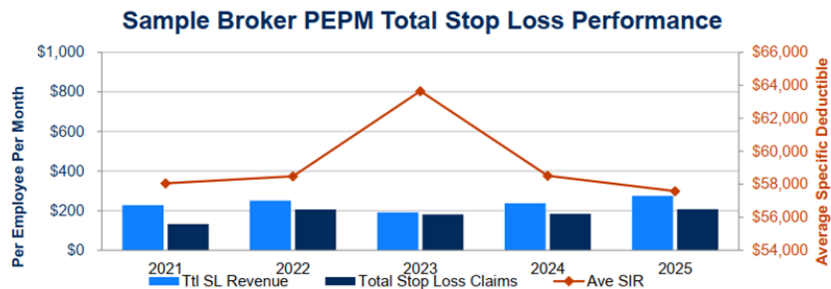
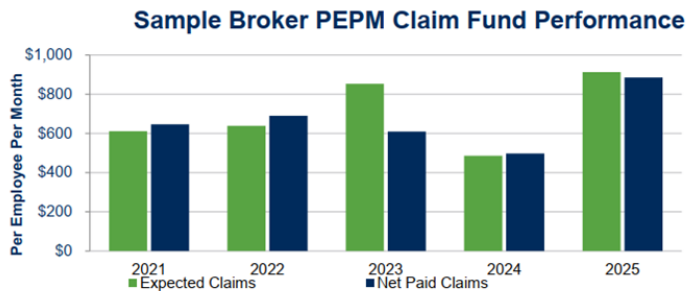
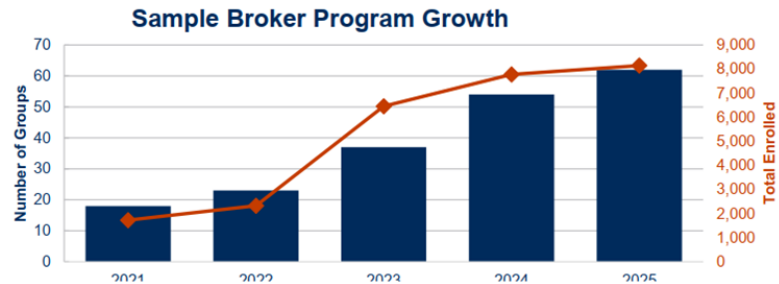
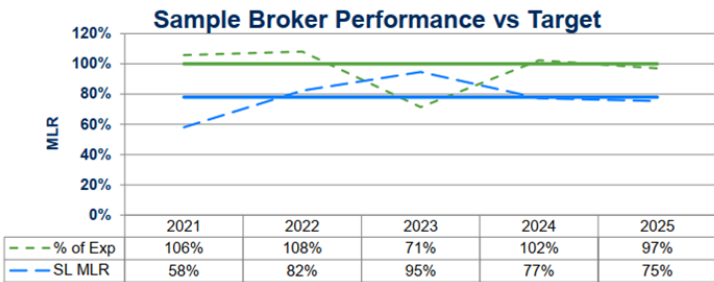
- Increased 12% per year (Actual costs)
- Increased 10% per year (Max budgeted costs)

Email sjones@benecon.com to opt in to regular/quarterly distribution



Your Block

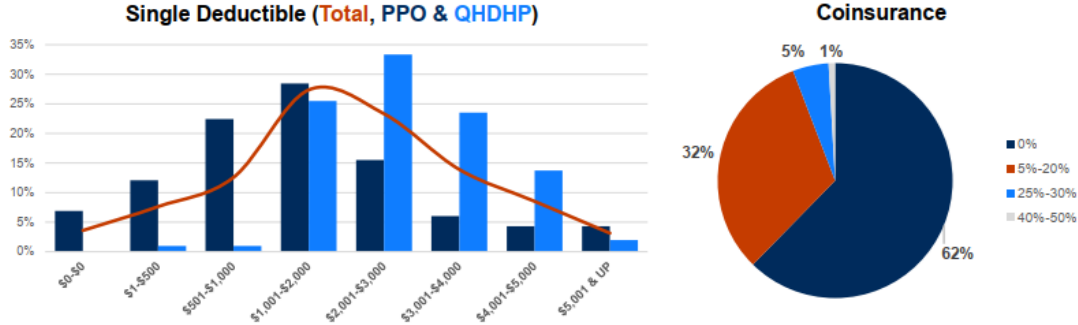
| PYE | Groups | Ttl Enr | Ave Enroll | Spec EEMO | Spec Px | # Spec | Spec Clx | Agg Px | Attach | Exp Clx | Net Claims | Surplus | Breach | % of Exp | SL LR | Spec LR |
|--------------|---------------|------------|----------------|---------------------|--------------|---------------------|--------------------|----------------------|----------------------|----------------------|---------------------|---------------------|-------------|------------|------------|---------|
| 2021 | 18 | 1,727 | 96 | 21,183 | \$4,400,177 | 36 | \$1,824,122 | \$419,909 | \$14,654,907 | \$12,934,962 | \$15,502,151 | \$1,950,364 | \$973,486 | 106% | 58% | 41% |
| 2022 | 23 | 2,327 | 101 | 28,252 | \$6,547,925 | 57 | \$4,620,812 | \$529,022 | \$20,577,449 | \$18,031,767 | \$24,114,053 | \$2,289,435 | \$1,205,227 | 108% | 82% | 71% |
| 2023 | 37 | 6,455 | 174 | 77,389 | \$14,020,704 | 129 | \$11,998,725 | \$805,843 | \$70,630,005 | \$66,016,119 | \$59,128,906 | \$25,530,228 | \$2,030,404 | 71% | 95% | 86% |
| 2024 | 54 | 7,775 | 144 | 91,937 | \$20,511,499 | 175 | \$14,248,100 | \$1,306,962 | \$50,696,194 | \$44,654,309 | \$59,922,547 | \$7,636,396 | \$2,614,649 | 102% | 77% | 69% |
| 2025 | 62 | 8,143 | 131 | 48,089 | \$12,303,772 | 67 | \$6,218,468 | \$904,264 | \$47,345,898 | \$43,902,931 | \$48,806,590 | \$8,504,104 | \$3,746,328 | 97% | 75% | 51% |
| Total | 27,790 | 130 | 283,618 | \$61,320,876 | 499 | \$42,920,298 | \$4,333,979 | \$214,044,472 | \$194,677,018 | \$220,030,675 | \$48,126,490 | \$11,192,395 | 91% | 82% | 70% | |



Benefit Benchmarking

100 Groups: Engineering, Accounting, Research, Management, And Related Services

Plan Design Benchmarks: Distribution of Cost Sharing



Average Benefits: PPO \$2,381/\$4,786; \$5,803/\$11,664 TMOOP; 7% coins; \$16/\$29 OV; \$138 ER

Average PPO Benefits

Mid-Atlantic & Southeast Services PPO \$1,421/\$2,914; \$1,968/\$4,036 TMOOP; 9% coins; \$22/\$43 OV; \$182 ER
100 to 249 enrolled PPO \$1,220/\$2,459; \$1,976/\$3,983 TMOOP; 6% coins; \$21/\$41 OV; \$163 ER
100 to 249 enrolled PPO \$1,269/\$2,551; \$2,088/\$4,197 TMOOP; 6% coins; \$22/\$41 OV; \$169 ER

Average QHDHP Benefits

Mid-Atlantic & Southeast Services QHDHP \$2,096/\$4,205; \$6,673/\$13,387 TMOOP; 7% coins
100 to 249 enrolled QHDHP \$2,140/\$4,287; \$6,610/\$13,242 TMOOP; 5% coins
100 to 249 enrolled QHDHP \$2,095/\$4,186; \$6,584/\$13,155 TMOOP; 5% coins

32% of Plans are QHDHP
 37% of Plans are QHDHP
 33% of Plans are QHDHP

& Plan Change Strategy



[03]

Pre-Renewal Calls

Joshua Kochsmeier, ASA



Leading Up to Renewal Release:

Pre-Renewal Calls

- Reporting is in hand, *now what?*
- VERIS Ops Team: scheduling, logistics
- Chance to discuss the upcoming renewal season:
 - Timeline
 - Experience review
 - Client concerns
 - Further education & re-education
- Avoid surprises during renewal season



[04]

Post-Renewal Steps

Nisha Katuwal, CSFS



After the Renewal Release:

- **Supporting Our Renewals**
 - Transparent conversations about the renewal with our team
- **Applying Plan Changes for Savings**
 - Provide specific targets
- **Reviewing Competing Proposals**
 - Complete competitive quotes
 - Fully Insured: premiums, plan designs
 - Self-Funded: rates, corridor, contract basis, spec ded, lasers, etc.
- **Cost-Containment Solutions**



[05]

Delivering the Renewal & Advising Your Clients

Brad Kopcha, FSA, FCA, MAAA



Optimal Risk Protection

VERIS

Self-Funding Platform

- Claim payment
- Realistic aggregate protection
- Transparency of performance
- Complete employer protection
 - Renewable
 - No new lasers
 - Rate caps
- Spreadsheets & jumping introduces risk
- Experience & relationship with stop-loss carrier
- “Uncomparable” quote



Renewal Plan

Properly Prepared Employer Group

- Anticipates risk & trend
- Risk is resolved
- Not shopping but acting on game plan
 - Multi-year plan for controlling costs
 - Known actions around
 - Plan design
 - Evaluation
 - Third-party vendor solutions



Renewal Plan

Properly Prepared Employer Group

2026 Renewal

Renewal Single Digit

- Plan Design Play 1
- Cost Solution Play 1
- Contribution Strategy 1

Renewal 10% to 20%

- Plan Design Play 2
- Cost Solution Play 2
- Contribution Strategy 2

Renewal Over 20%

- Plan Design Play 3
- Cost Solution Play 3
- Contribution Strategy 3



Renewal Plan

Properly Prepared Employer Group

- CFO & HR leadership are already aware of the plan from the summer meetings
- Will not be surprised by the number
- Have an aligned strategy with consultant for beyond the 2026 renewal



Shopping VS. Consulting

More Value Than a Shopper

- **Spreadsheets are bandages**

Don't stop the bleeding

- **Lead, don't agree**

- Yes &
- Let's see how that would benefit your plan & drawbacks
- Can we accomplish that in a different way?
- Not a conversation for renewal delivery
 - Should be part of the pregame plan

