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MEMORANDUM

TO: County Commissioner's Association of West Virginia (CCAWV)

FROM: Pete Thackston, Senior Vice President

RE: **Guardian Dental and Vision Program Renewal**

DATE: February 12, 2021

I wanted to take this opportunity to provide you with an update as to the status of your upcoming renewal with the Guardian and a brief review of the plan.

In 2020 when CCAWV named me as agent of record you were in the middle of the renewal process with the Guardian. At that time, they were requesting a 5½% rate increase for both the dental and vision, however, after several discussions with my representative with the Guardian we were able to secure a no rate change for the plan year that began July 1, 2020.

As we all know, the past 12 months have been very challenging. This includes the challenges within employee benefits during this same time. Nationwide there is no question that COVID created a downturn in experience for medical, dental and vision services. This downturn was and is temporary and not only will there be a return to normalization of services provided, there will be pent up demand in all probability as we move forward.

With all this being said, the formula used for renewal terms, which includes a variety of factors, called for an increase of 16% for the 2021 dental renewal. To be clear, this number is nothing more than a computer formula and upon several discussions I was able to secure a revision in those terms. At this point, the Guardian has provided me with renewal terms for CCAWV of a 6% increase for both dental and vision plans. Furthermore, I secured a 2-year rate guarantee so there will be no adjustment in rates moving forward in 2022. While there are several reasons behind a 2-year rate guarantee, the main reason behind this is should we see an uptick in claims through the pent up demand I suggested earlier, we will not have to concern ourselves with a potential adverse renewal this time next year.

While I would never justify any rate increase, it should be kept in mind that the CCAWV plan has been fortunate to have the same rates in place for dental since 2017 and the same vision rates have been in force since 2019.

Also, all dental members were credited with an additional \$100 in their Dental Maximum Roll-Over Account effective January 1, 2021 as part of the Guardian's pandemic support program.

Upon my receipt of the formal renewal information I will provide it to you with the reiteration of this memorandum. In the meantime, upon your further review please feel free to call me to discuss in greater detail at 304-638-7281.