



TOWN OF BOONSBORO

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MEMORANDUM

Date: September 25, 2020

Subject: LGIT Health Insurance Fund 2019 – 2020 Surplus

The Town received an update from LGIT Health on the surplus from the 2019-2020 plan year:

Town of Boonsboro ended the plan year with an 86.04% performance ratio resulting **\$36,710** in surplus to be returned in the January 2021 timeframe by LGIT.

As a reminder, surplus is the unused premium at the end of the plan year that wasn't needed to pay for claims. This is the biggest benefit of self-funding the Town's health benefits. This amount would have been the profit of an insurance company if the Town had a fully insured health plan.

Note: This total surplus could change slightly as stop-loss and run-out claims are finalized, but LGIT does not see this number changing by much at all.