

GAP Plan Premium Savings Example*

In the example below, the 66-person group received a 15% rate increase on their major medical rate plan. If the group accepted the renewal, the cost for medical coverage would increase by over \$34,100 per year. The group could not afford the renewal rates, so they looked for alternatives. The current carrier gave a 30% rate decrease if the group changed from a \$500 deductible to a \$3,000 deductible plan. When you combine a \$500 deductible, \$2,500 maximum benefit GAP Plan with the \$3,000 deductible major medical plan, the group has roughly the same benefits as it currently has and a renewal cost of less than 1% more than the prior year's plan cost.



Current Rates

	Current Plan \$500 Deductible 100% Coinsurance		Number on Plan		Total Current Premium
Employee	\$ 500.77	X	35	=	\$17,526.95
EE + Child/ren	\$ 803.50	X	10	=	\$ 8,035.00
EE + Spouse	\$1,106.64	X	15	=	\$16,599.60
EE + Family	\$1,458.17	X	6	=	\$ 8,749.02
Total Current Monthly Premium					= \$50,910.57

Renewal Rates

	Renewal Plan \$500 Deductible 100% Coinsurance		Number on Plan		Total Current Premium
Employee	\$ 575.89	X	35	=	\$20,156.15
EE + Child/ren	\$ 924.03	X	10	=	\$ 9,240.30
EE + Spouse	\$1,272.64	X	15	=	\$19,089.60
EE + Family	\$1,676.90	X	6	=	\$10,061.40
Total Current Monthly Premium					= \$58,547.45

GAP Savings Plan

	\$3,000 Deductible 100% Coinsurance		GAP \$500 Deductible 100% Coinsurance \$2,500 Max Benefit	Total New Rates with GAP		Number on Plan		Total Current Premium
Employee	\$ 403.12	+	\$103.66	\$ 506.78	X	35	=	\$17,737.30
EE + Child/ren	\$ 646.82	+	\$166.32	\$ 813.14	X	10	=	\$ 8,131.40
EE + Spouse	\$ 890.85	+	\$229.07	\$1,119.92	X	15	=	\$16,798.80
EE + Family	\$1,173.83	+	\$301.84	\$1,475.67	X	6	=	\$ 8,854.02
Total Current Monthly Premium								= \$51,521.52
Total Monthly Savings								= \$ 7,025.93
Total Yearly Savings								= \$84,311.16

*Rates and savings will vary by group. This is only an example.