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blankit**Manulife Financial**

Group Benefits Underwriting

**Re: Fair Renewal Assessment — The ABC Company — Policy G0080350 — Effective April 1, 2025**

We have reviewed the proposed renewal against the group's own claims experience. The figures below set out, by experience-rated line, the incurred claims this group generated against the premium it paid — the basis on which we believe a fair renewal should be priced.

**On \$703,255 of incurred claims against \$439,524 of net premium (a 160.0% blended net loss ratio), the experience supports a renewal of \$494,146 (+2.2%) — versus your proposed \$547,475 (+13.3%).**

That is \$53,329 per year above what this group's experience supports on these lines.

**Claims vs. Premium — Experience-Rated Lines**

BENEFIT LINE	CURRENT PREM.	INCURRED CLAIMS	NET LR	PROPOSED	FAIR	VARIANCE
Extended Health Care (EHC)	\$364,800	\$529,945	165.1%	\$418,310 +14.7%	<b>\$377,128</b> +3.4%	<b>\$41,182</b>
Dental	\$118,500	\$173,310	146.3%	\$129,165 +9.0%	<b>\$117,018</b> -1.3%	<b>\$12,147</b>
<b>TOTAL</b>	<b>\$483,300</b>	<b>\$703,255</b>	<b>160.0%</b>	<b>\$547,475</b> +13.3%	<b>\$494,146</b> +2.2%	<b>\$53,329</b>

**Why**

**Extended Health Care (EHC):** a net loss ratio of 165.1% does not support the proposed +14.7%. On experience, +3.4% is fair — a \$41,182 annual gap.

**Dental:** a net loss ratio of 146.3% does not support the proposed +9.0%. On experience, -1.3% is fair — a \$12,147 annual gap.

We ask that you revisit the renewal on these lines and return a revised offer reflecting the group's experience. Our full actuarial workbook — incurred-but-not-reported reserves, forward trend, credibility weighting, and your stated target loss ratios — is available on request.

Scope: this assessment addresses the experience-rated lines that price on claims — Extended Health, Dental, and Short-Term Disability. Long-Term Disability and the fully-pooled Life / AD&D lines are not included here and can be addressed separately if required.

Regards,

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