Metropolitan Health Insurance Fund
9 Campus Drive, Suite 216
Parsippany, NJ 07054
Telephone (201) 881-7632 Fax (201) 881-7633

November 26, 2025

RE: Filing of 2026 Budget and Actuarial Certification

Notice:

In accordance with State Regulations, enclosed are the adopted 2026 budget and assessments. Because there are so many plans per member, we will retain the rate tables and are available to you at your request, at any time. Also enclosed, is the actuarial certification provided by the Fund's Actuary.

If you have any questions on these materials, please contact me.

Very truly yours,

Jordyn Robinson

Jordyn Robinson, Assistant Account Manager
PERMA Risk Management Services

Enc.

METRO Municipal Employee Benefits Fund
2026 Proposed Budget

Print Date: 11/26/2025 12:24

Census:	Monthly	Annual	
Medical Aetna	**2,435**	**29,220**	2614.003012
Rx	**598**	**7,176**	645
Rx Bloomfield	**260**	**3,120**	
Dental	**2,045**	**24,540**	
Medicare Advantage - Medical	**2,164**	**25,968**	
Rx No Medical (Incl in Rx above)	**260**	**3,120**	
Dental Only (Incl in Dental above)	**687**	**8,244**	
Medicare Advantage - Only (Incl above)	**1,766**	**21,192**	
DMO Only	**1**	**12**	

	LINE ITEMS	Annualized Budget FY2025	Proposed Budget FY2026	$ Change	% Change
1	**Medical Claims Aetna**	**$ 64,008,271**	**$ 76,381,168**	**$ 12,372,897**	**19.33%**
2	**Prescription Claims**	**$ 4,012,986**	**$ 4,628,492**	**$ 615,506**	**15.34%**
3	**Prescription Formulary Rebates**	**$ (1,284,156)**	**$ (1,388,548)**	**$ (104,392)**	**8.13%**
4	**Prescription- Vaccinations Only**	**$ 88,920**	**$ 88,733**	**$ (187)**	**-0.21%**
5	**Dental Claims**	**$ 1,570,926**	**$ 1,644,220**	**$ 73,294**	**4.67%**
6					
7	**Subtotal Claims**	**68,396,947**	**81,354,065**	**$ 12,957,118**	**18.94%**
8					
9	**HMO/DMO Premiums**	**$ 31,291**	**$ 31,291**	**$ -**	**0.00%**
10					
11	**Medicare Advantage / EGWP**	**$ 12,143,051**	**$ 14,242,869**	**$ 2,099,818**	**17.29%**
12					
13	**Reinsurance**				
14	Specific	$ 2,562,384	$ 3,335,204	$ 772,820	30.16%
15					
16	**Total Loss Fund**	**$ 83,133,673**	**$ 98,963,429**	**$ 15,829,756**	**$ 0**
17					
18	**Surplus Retention Regeneration**	**$ 800,000**	**$ 1,500,000**	**$ 700,000**	**87.50%**
19			`		
20	**Expenses**				
21	Legal	$ 30,600	$ 31,212	$ 612	2.0%
22	Treasurer	$ 27,000	$ 30,000	$ 3,000	11.1%
23	Administrator/Benefits Consultant	$ 942,312	$ 942,312	$ -	0.0%
24	Risk Management Consultants	$ 1,869,961	$ 1,907,361	$ 37,400	2.0%
25	Fund Coordinator	$ 943,668	$ 943,668	$ -	0.0%
26	TPA - Claims Agent Aetna	$ 1,155,359	$ 1,002,246	$ (153,113)	-13.3%
27	Dental TPA	$ 81,964	$ 81,964	$ -	0.0%
28	Actuary	$ 17,850	$ 18,207	$ 357	2.0%
29	Auditor	$ 22,440	$ 22,889	$ 449	2.0%
30	QPA	$ 3,000	$ 3,000	$ -	0.0%
31					
32	**Subtotal Expenses**	**$ 5,094,154**	**$ 4,982,859**	**$ (111,295)**	**-2.18%**
33					
34	**Miscelleneous and Special Services**				
35	Misc/Cont	$ 18,048	$ 18,048	$ -	0.00%
36	Wellness, Disease, Case Management	$ 100,000	$ 275,000	$ 175,000	175.00%
37	Affordable Care Act Taxes	$ 15,713	$ 15,713	$ -	0.00%
38	A4 Surcharge	$ 697,033	$ 834,969	$ 137,936	19.79%
39	Plan Documents	$ 10,000	$ 10,000	$ -	0.00%
40	Claims Audit	$ 40,000	$ 40,000	$ -	0.00%
41	**Subtotal Misc/Sp Svcs**	**$ 880,794**	**$ 1,193,730**	**$ 312,936**	**35.53%**
42					
43	**Total Expenses**	**$ 5,974,948**	**$ 6,176,589**	**$ 201,641**	**3.37%**
44					
45	**Total Budget**	**$ 89,908,621**	**$ 106,640,018**	**$ 16,731,397**	**18.61%**

METRO Municipal Employee Benefits Fund

ASSESSMENT COMPARISON FY2025 vs. FY2026

Group Name	Annualized Assessment FY2025 Total	Proposed Assessment Total	Difference $ Total	Difference % Total
Bloomfield Township	$ 15,765,756	$ 18,867,768	$ 3,102,012	19.68%
Bloomfield Library	$ 578,400	$ 692,976	$ 114,576	19.81%
Chester Township	$ 1,853,112	$ 2,216,820	$ 363,708	19.63%
East Amwell	$ 238,752	$ 286,056	$ 47,304	19.81%
East Hanover	$ 493,272	$ 582,192	$ 88,920	18.03%
East Orange	$ 1,093,500	$ 1,290,600	$ 197,100	18.02%
Irvington	$ 2,128,944	$ 2,512,560	$ 383,616	18.02%
Maplewood	$ 4,398,720	$ 5,250,828	$ 852,108	19.37%
Millburn	$ 9,695,052	$ 11,574,432	$ 1,879,380	19.38%
Town of Morristown	$ 662,760	$ 782,460	$ 119,700	18.06%
Orange Township	$ 1,361,784	$ 1,557,180	$ 195,396	14.35%
Passaic Valley Sewerage Co	$ -	$ -	$ -	0.00%
Plainfield BOE	$ 40,070,040	$ 47,772,528	$ 7,702,488	19.22%
Scotch Plains Township	$ 4,055,400	$ 4,858,740	$ 803,340	19.81%
Union Township	$ 2,915,640	$ 3,438,960	$ 523,320	17.95%
West Caldwell	$ 2,538,288	$ 3,040,512	$ 502,224	19.79%
West Orange Township	$ 2,632,680	$ 3,107,304	$ 474,624	18.03%
Totals:	$ 90,482,100	$ 107,831,916	$ 17,349,816	19.17%

ACTUARIAL SOLUTIONS, LLC

November 18, 2025

Mr. Brandon Lodics
Executive Director
PERMA Risk Management
Connor Strong Companies, Inc.
Park 80 West, Plaza One
Saddle Brook, NJ 07663

Dear Mr. Lodics:

Metropolitan Health Insurance Fund 2026 Actuarial Certification

I, John Vataha, am an Associate of the Society of Actuaries and Member of the American Academy of Actuaries, have been retained by the Metropolitan Health Insurance Fund (METRO) to provide an opinion with respect to the actuarial elements of the expected Loss Fund contained in the proposed 2026 pro forma budget. I have examined the data and assumptions used in determining the Expected Loss Fund to be funded by the METRO, as well as the expected costs of reinsurance for the affiliated METRO membership, for the twelve months from January 1, 2026 to December 31, 2026 as listed below:

Budget Item	2026 Pro Forma Budget
xpected Losses	
Medical Claims Fund	$76,381,168
Pharmacy net of Rebates	3,328,677
Dental	1,644,220
Medicare Advantage / EGWP	14,242,869
HMO/DMO Premiums	31,291
Cost of Reinsurance	3,335,204
Total Loss Fund	$98,963,429
Surplus Retention	$1,500,000
Expenses	$6,176,589
Total Expense Budget	$106,640,018

Data:

Claim related data and expense information for the METRO was provided by PERMA. This information was relied upon for this certification. The participating municipal health funds providing information and included in the Loss Fund and expense estimates for the Pro Forma Expense Budget include:

Bloomfield Township, Bloomfield Library, Chester Township, East Amwell, East Hanover, East Orange, Irvington, Maplewood, Millburn, Morristown, Orange Township, Plainfield BOE, Scotch Plains Township, Union Township, West Caldwell, West Orange Township.

The expense items shown in the above Pro Forma Budget are the responsibility of METRO's management; my responsibility is to express an opinion on the Loss Fund based on my review. This review included such tests and reviews of the actuarial assumptions, methods, and calculations as considered necessary under the circumstances. The actuarial methods, considerations, and analyses relied on in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board.

In my opinion, the 2026 Loss Fund year estimates:

- Make a reasonable provision for all expected loss obligations of the METRO for the period January 1, 2026 to December 31, 2026.
- Conform to the Appropriate Standards of Practice of the Actuarial Standards Board.
- Are computed on a basis consistent with methods used by similar funds.
- Are intended to meet the relevant requirements of the insurance laws of New Jersey.
- Are based on the factors relevant to fund policy issues as presented to us at this time.
- Rely on data and information supplied to me, with said data and outcomes subject to change.
- Assume the final METRO composition is neither adversely selected nor assessed at a level not consistent with the overall risk factors.

Although my analysis employed standard actuarial methodologies, Loss Fund estimates are subject to deviations in estimation arising from future contingencies which cannot always be anticipated. The possible occurrence of such contingent events, as well as the uncertainty associated with statistical estimates, afford no guarantee that the Loss Fund levels described in this report will prove to be either inadequate or excessive.

This review is related only to the Loss Fund levels identified herein and does not express an opinion on the METRO's viability taken as a whole. This opinion was prepared solely for the purpose of filing with regulatory agencies, and is not intended for any other purpose.

Sincerely,

John Vataha

John Vataha, ASA, MAAA, FCA
Consulting Actuary