

ASO VERSUS TRADITIONAL GROUP PROGRAMS

SENSITIVITY ANALYSIS

BASIC DENTAL

The analysis below is designed to illustrate the ultimate cost of the ASO program based on an increase in claims over the present level of 10%, 25% and 50%.

The administration charges required to pay claims is 17%.

This administration charge includes a 2% provincial premium tax.

Renewal premium requested by the current group carrier - \$ 17,100

	<u>CURRENT LEVEL</u>	<u>CURRENT +10%</u>	<u>CURRENT +25%</u>	<u>CURRENT +50%</u>
Claims	\$9,295	\$10,225	\$11,619	\$13,943
#Singles	4			
#families	11			
Administration	17%			
CLAIMS	\$ 9,295	\$ 10,225	\$ 11,619	\$ 13,943
Administration	\$ 1,580	\$ 1,738	\$ 1,975	\$ 2,370
TOTAL ASO COST	\$ 10,875	\$ 11,963	\$ 13,594	\$ 16,313
TOTAL COST ADVANTAGE OF ASO	\$ 6,225	\$ 5,137	\$ 3,506	\$ 787

SUMMARY

TOTAL SAVINGS SHOULD CLAIMS REMAIN AT PRESENT LEVELS	\$ 6,225
TOTAL SAVINGS SHOULD CLAIMS INCREASE BY 10%	\$ 5,137
TOTAL SAVINGS SHOULD CLAIMS INCREASE BY 25%	\$ 3,506
TOTAL SAVINGS SHOULD CLAIMS INCREASE BY 50%	\$ 787

