



# State of New Jersey

## State Health Benefits Program

Plan Year 2026 Rate Setting Recommendation  
Analysis

Dental Plans

**DRAFT**

**AON**

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# Executive Summary

The purpose of this analysis is to review the experience of the Dental Plans offered through the State Health Benefits Program (SHBP) to State Employees and Retirees, as well as Employees and Retirees of participating Local Employers, and recommend premium levels to support the Dental Plans for Plan Year 2026.

Historically, SHBP and SEHBP experience has been combined for credibility reasons for the purpose of developing premium rates. For Plan Year 2026, experience continues to be combined. As a result, this SHBP report includes SEHBP plan information and projected financials.

## Benefits Maintained by the SHBP

The SHBP Dental Program currently includes the following options:

- The self-insured Employee Dental Expense Plan (DEP), administered by Aetna and Horizon, which covers State Active Employees and Active Employees of participating Local Employers;
- The self-insured Retiree Dental Expense Plan (DEP) and SEHBP DEP Plus Plan (Local Education only), administered by Aetna and Horizon, which covers State Retirees and Retirees of participating Local Employers;
- The fully insured Employee Dental Plan Organizations (DPOs), administered by Aetna, which cover State Active Employees and Active Employees of participating Local Employers, and
- The fully insured Retiree Dental Plan Organizations (DPOs), administered by Aetna, which cover State Retirees and Retirees of participating Local Employers.

The rate change recommendations for Plan Year 2026 are provided in Exhibit 1 and are summarized in the chart below. Aon's Plan Year 2026 Dental Rate Setting Analysis does not include the impact of any pending or future federal or state legislation.

|                            | Actives | Retirees |
|----------------------------|---------|----------|
| <b>Dental Expense Plan</b> |         |          |
| Aetna SHBP DEP             | 6.1%    | 4.8%     |
| Horizon SHBP DEP           | 6.1%    | 4.8%     |
| <b>DPO Plans</b>           |         |          |
| Aetna                      | 0.0%    | 0.0%     |

## Benefit and Network Changes

The following plan design changes were approved by SEHBP Plan Design Committee for Plan Year 2025 and are maintained in Plan Year 2026:

Resolution 2023-1: On November 20, 2023, the SEHBP Plan Design committee approved resolution 2023-1, which adds implant coverage under major restorative services to the current SEHBP Retiree Dental plan without an Alternative Benefit Provision on January 1, 2025. Under this resolution, the annual maximum is \$3,000 for in-network and \$2,000 for out-of-network on an integrated basis. This change is estimated to increase SEHBP Retiree DEP plan claims 9.7%, which was provided by Aetna.

Resolution 2023-2: On November 20, 2023, the SEHBP Plan Design committee approved resolution 2023-2 which creates a new Retiree DEP plan available to SEHBP Retirees beginning on January 1, 2025. This new plan provides coverage for Orthodontia services under age 19 and includes an additional 4th Tier. In addition, consistent with Resolution 2023-1, this plan has implant coverage under major restorative services without an Alternative Benefit Provision and the annual maximum is \$3,000 for in-network and \$2,000 for out-of-network on an integrated basis. Claims impacts are based on estimates provided by Aetna. Projected Plan Year 2025 SEHBP DEP Retiree enrollment is based on census data through April 2025 provided by the State. For purposes of this analysis, this plan is referred to as the SEHBP DEP Plus plan. Based on impacts provided by Aetna, projected average claims for this plan are estimated to be 14.7% higher compared to projected average Retiree SEHBP DEP plan costs.

On September 23, 2024, Aon was notified that the dental contract was awarded via NJSTART. As a result of the RFP award, the following changes became effective January 1, 2025.

Dental Expense Plan (DEP): Effective January 1, 2025, the SHBP & SEHBP Dental Expense Plan options will be administered by both Horizon and Aetna. This includes the Active DEP, the Retiree DEP, and the Retiree DEP Plus (SEHBP only) plan options.

Dental Plan Organization (DPO): Effective January 1, 2025, the SHBP & SEHBP Active and Retiree DPO plans will be administered solely by Aetna.

## Federal Mandates

There are currently no new federal mandates that are projected to impact the 2026 dental plans.

## Enrollment Changes

Exhibit 2 shows historical enrollment patterns among the SHBP and SEHBP Dental Plan offerings for Plan Years 2023 through 2025 and includes Aon's projection of Plan Year 2026 enrollment.

Plan Year 2026 enrollment is based on actual census data provided by the State through April 2025 and includes a projection of enrollment through December 2026. This projection assumes that State Active and Local Education Active enrollment will remain flat in 2026 and that Local Government Active will decrease 2.5%. State Retiree enrollment is projected to remain flat in Plan Year 2026, Local Education Retiree enrollment is projected to increase 1.0%, and Local Government Retiree enrollment is projected to decrease 2.5%. These increases are based on projected changes in the medical enrollment for Plan Year 2026.

The following are the Plan Year 2026 Dental Program's enrollment projections:

|                         | DEP            | DPO           | Total          |
|-------------------------|----------------|---------------|----------------|
| <b>Actives</b>          |                |               |                |
| State Employees         | 59,994         | 27,029        | 87,023         |
| Local Employees*        | 4,521          | 1,049         | 5,570          |
| Total Active Employees  | 64,515         | 28,077        | 92,592         |
| <b>Retirees</b>         |                |               |                |
| State Employees         | 37,676         | 5,430         | 43,106         |
| Local Employees*        | 79,495         | 7,667         | 87,162         |
| Total Retired Employees | 117,170        | 13,098        | 130,268        |
| <b>Total</b>            | <b>181,685</b> | <b>41,175</b> | <b>222,860</b> |

\*Local enrollment shown includes both SHBP and SEHBP

Exhibits 2D and 2E show the April 2025 DEP and DPO enrollment for Actives and Retirees, respectively.

## Member Contributions

State Retirees in the dental plans pay 100% of the projected costs of the program. State Active Employees pay 50% of the projected costs. For Local Employees, actual contributions vary by Local Employer. No changes in member contributions are assumed for Plan Year 2026.

## Additional Disclosures

The projections in this analysis are measured on an incurred basis and are consistent with the assumptions and methodology disclosed herein. Future projections may differ significantly from the current projections presented in this analysis due to (but not limited to) such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions;
- Changes in actuarial methods or in economic or demographic assumptions;
- Changes in plan provisions or applicable law.

This analysis contains the primary actuarial assumptions and methods used to develop the cost projections but may not include a comprehensive list of these methodologies and assumptions. Aon provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience.

## Trend Analysis

Exhibit 3 presents the trend recommendations for Plan Year 2026 for the Active and Retiree DEP. This exhibit compares the actual increase in DEP average claims with industry benchmarks (based on Aon's Trend Survey) for the same period, separately for Employees and Retirees.

Active DEP claim trends were approximately 6.7% in Plan Year 2023 and 4.8% in Plan Year 2024. Retiree DEP claim trends were approximately 5.9% in Plan Year 2023 and 3.3% in Plan Year 2024. Aon is recommending 4.5% trend to project DEP claims for Actives and Retirees to Plan Year 2026, which is based on Aon internal trend guidance and trend recommendations provided by the DEP and DPO vendors.

## Financial Projections

**Active DEP** – For Plan Year 2024, actual experience for the DEP resulted in a 3.5% premium loss of \$2.0M, compared to a projected \$2.3M loss in the Plan Year 2025 Rate Setting Analysis. Preliminary projections for Plan Year 2025 show a loss of 1.6% of Total Active DEP cost.

A 6.1% increase in premium rates for Plan Year 2026 is projected to result in no projected gain or loss for the Active Dental Expense Plan (i.e., plan costs equal to projected premiums).

**Retiree DEP** – For Plan Year 2024, actual experience for the DEP resulted in 2.3% premium loss of \$2.0M, compared to a projected \$2.1M loss in the Plan Year 2025 Rate Setting Analysis. Preliminary projections for Plan Year 2025 show a loss of 0.5% of total Retiree DEP cost.

A 4.8% increase in the SHBP premium rates for Plan Year 2026 is projected to result in no projected gain or loss for the Retiree Dental Expense Plan (i.e., plan costs equal to projected premiums).

**Active and Retiree DPOs** – The DPOs are fully-insured, so the premiums represent a no-loss, no-gain basis for the State.

The table below summarizes the projected gains/(losses) in millions for Plan Years 2024, 2025 and 2026. These results assume that premiums are fully funded each year:

**Projected Gain / (Loss) \$ in Millions**  
**SHBP + SEHBP**

|                         | <b>PY 2024</b> | <b>PY 2025</b> | <b>PY 2026</b> |
|-------------------------|----------------|----------------|----------------|
| Employee Dental Expense | (\$2.0)        | (\$1.1)        | \$0.0          |
| <i>% Gain / (Loss)</i>  | <i>(3.5%)</i>  | <i>(1.6%)</i>  | <i>0.0%</i>    |
| Retiree Dental Expense  | (\$2.0)        | (\$0.5)        | \$0.0          |
| <i>% Gain / (Loss)</i>  | <i>(2.3%)</i>  | <i>(0.5%)</i>  | <i>0.0%</i>    |
| Total                   | (\$4.0)        | (\$1.6)        | \$0.0          |
| <i>% Gain / (Loss)</i>  | <i>(2.8%)</i>  | <i>(1.0%)</i>  | <i>0.0%</i>    |



# Rate Development and Assumptions

Exhibit 5 contains the premium tables for the Plan Year 2026 Dental Plan Rate Setting Analysis.

## Dental Expense Plan Rating Methodology

Exhibit 4 shows the aggregate costs for Plan Years 2024, 2025 and 2026, separately for Active and Retired participants. Costs were projected separately for dental claims, administrative costs, investment income and aggregate premiums.

## Dental Claim Projection

1. Using incurred Plan Year 2024 claim data paid through March 2025 supplied by Aetna, completed incurred claims were estimated for Plan Year 2024.
2. Aggregate dental claims for each Plan Year were divided by the average subscribers for that Plan Year to get claims per subscriber.
3. Claims per subscriber were projected to Plan Years 2025 and 2026 using the projection trend listed in Exhibit 3.
4. Projected Plan Year 2026 SEHBP Retiree DEP and SEHBP DEP Plus Claims were adjusted for plan design changes. Plan design impacts were provided by Aetna.
5. Aggregate Plan Year 2026 claims are the product of the projected Plan Year 2026 enrollment and the projected Plan Year 2026 claims per subscriber.
6. Horizon DEP claims per subscriber for Plan Year 2026 are assumed to be equal to projected Plan Year 2026 Aetna DEP claims per subscriber.
7. Plan Year 2026 DEP premiums include projected costs for the following administrative expenses:
  - Aetna and Horizon ASO fees, and
  - Investment income credit.

## Administrative Cost Projection

For each year, administrative costs charged by Aetna are the actual administrative fees multiplied by the projected subscriber enrollment. The following table provides the per employee/retiree per month administrative fee rates for Plan Years 2024 through 2026:

| Plan Year      | Aetna   |          | Horizon |          |
|----------------|---------|----------|---------|----------|
|                | Actives | Retirees | Actives | Retirees |
| Plan Year 2024 | \$1.74  | \$1.74   | N/A     | N/A      |
| Plan Year 2025 | \$1.99  | \$1.99   | \$1.49  | \$1.49   |
| Plan Year 2026 | \$1.99  | \$1.99   | \$1.49  | \$1.49   |

## Investment Income

Investment Income for Plan Year 2024 reflects actual year-to-date amounts credited to the Dental Plan through June 2024 (as provided by the State). These amounts were annualized to estimate calendar year 2024 amounts. Investment Income for Plan Years 2025 and 2026 assumes no change from Plan Year 2024. Investment Income amounts are stated in Exhibit 4.

## DEP Rate Change Recommendation

1. Plan Year 2026 aggregate costs were calculated by summing projected costs for dental claims and administrative charges, reduced by investment income. Projected State, Local Government, and Local Education experience aggregate costs were combined for purposes of determining the recommended premium rate changes.
2. Plan Year 2026 Active aggregate projected costs are 6.1% greater than Plan Year 2025 Active premiums multiplied by Plan Year 2026 projected enrollment. Therefore, Aon is recommending an 6.1% premium rate increase for the Active Dental Expense Plan.
3. Plan Year 2026 Retiree aggregate projected costs are 4.8% greater than Plan Year 2025 Retiree premiums multiplied by Plan Year 2026 projected enrollment. Therefore, Aon is recommending a 4.8% premium rate increase for the Retiree Dental Expense Plans.

## DPO Premiums

There is no change to the Plan Year 2026 DPO premiums over Plan Year 2025 for both the Active DPO and Retiree DPO plans

## Incurred Basis

Plan Year 2026 projections are based on expected incurred claims and expenses for Plan Year 2026.

## Margin

DPO Plans: DPO rates have no additional margin since these plans are insured by the vendors.

Employee DEP: Active Employees pay half the projected cost of the Dental Plan with no deficit recovery. No margin is included in the projected rates.

Retiree DEP: Retirees pay 100% of the premium with no deficit recovery. No margin is included in the projected rates.

## Trend Rates

Trend recommendations were developed by comparing the SHBP and SEHBP historical dental trend with industry expectations. The trend recommendation for Plan Year 2026 is 4.5% for Employees and Retirees.

## Data Assumptions

Claims: Aon received claims files from Aetna with claims paid through March 2025 and used this information in the rate setting analysis.

Enrollment: Aon used actual census enrollment data provided by the State through April 2025 and projected census enrollment through December 2025 for the exposure units in the rate setting calculations. It is assumed that the changes in Plan Year 2026 State and Local enrollment in the dental plans is consistent with the enrollment changes projected for the medical plans.

## Plan Year 2026 Premium Rates

The DEP premiums were calculated by applying the percentage changes in Exhibit 1 to the Plan Year 2025 premium tables. The DPO premiums are those offered by the fully insured DPO vendor.

The Plan Year 2026 Single DPO premiums are proportionate to the DEP premiums as shown below:

|       | DPO Premium / DEP Premium |               |
|-------|---------------------------|---------------|
|       | Actives                   | SHBP Retirees |
| Aetna | 40.3%                     | 43.4%         |

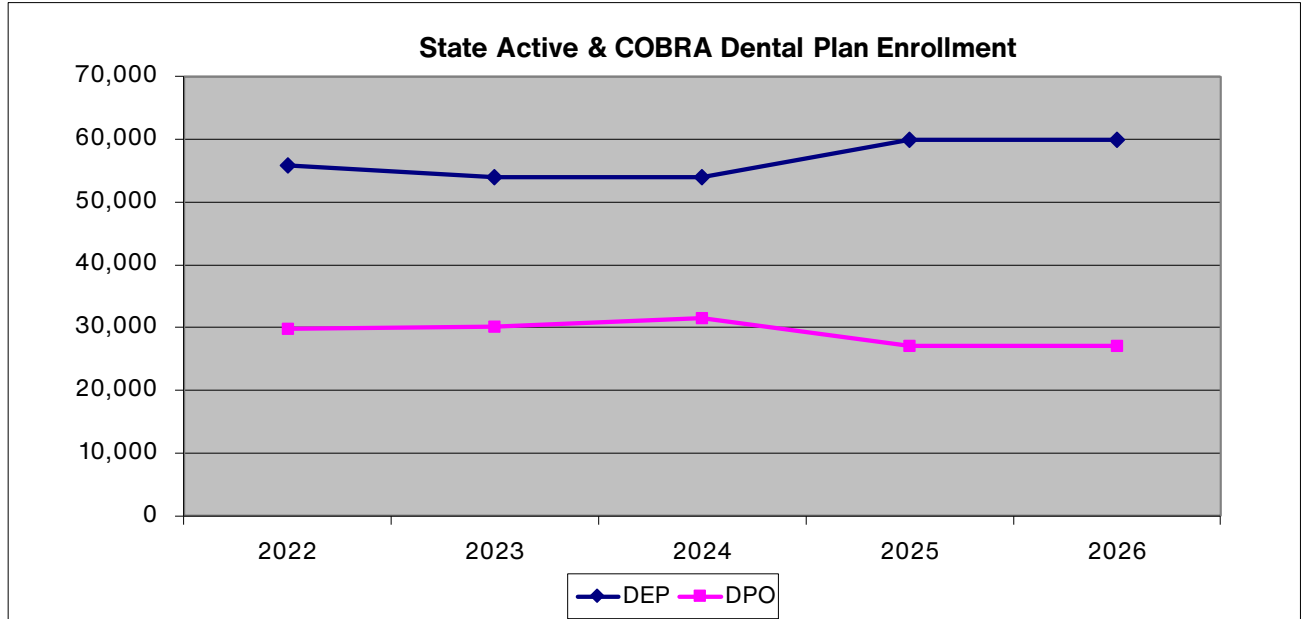
The Plan Year 2026 DPO single active and retiree premiums are 40.3% and 43.4% of the DEP single premium, respectively. When Active members enroll in a DPO, the reduced cost is shared by the employee and the employer, since Actives contribute 50% of the monthly premium. Retirees receive 100% of the cost savings since they contribute 100% of the cost of the Retiree dental program for both DEP and DPO.

## Exhibit 1 – Recommended Rate Increases

The following table provides the Plan Year 2026 premium rate increases or decreases:

|                            | <b>Actives</b> | <b>Retirees</b> |
|----------------------------|----------------|-----------------|
| <b>Dental Expense Plan</b> |                |                 |
| Aetna SHBP DEP             | 6.1%           | 4.8%            |
| Horizon SHBP DEP           | 6.1%           | 4.8%            |
| <b>DPO Plans</b>           |                |                 |
| Aetna                      | 0.0%           | 0.0%            |

## Exhibit 2A – State Active Enrollment Projections



### Observations:

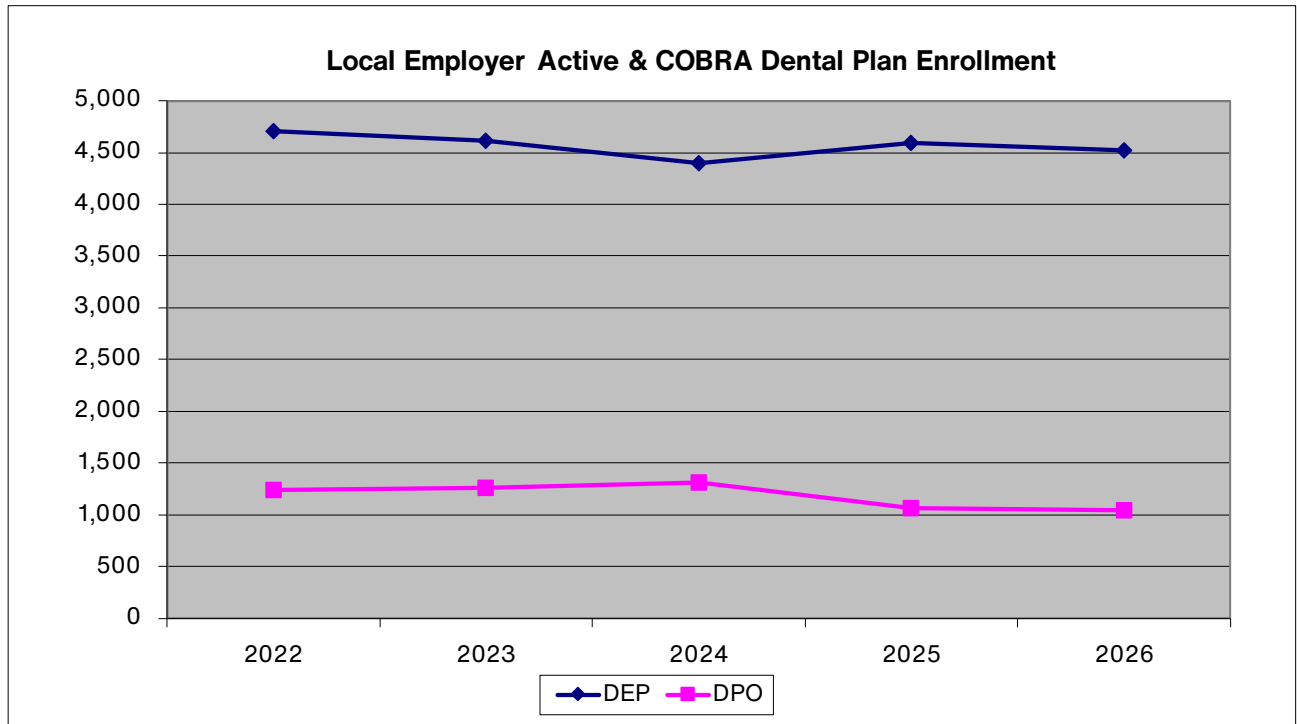
Total State Active Dental Plan Year 2024 is based on monthly State census data through Dec 2024, and 2025 enrollment is based on monthly State census data through April 2025.

Dental Expense Plan Active enrollment increased from 63.2% of total Dental enrollment in Plan Year 2024 to 68.9% in Plan Year 2025. Plan Year 2026 Active Dental Expense Plan enrollment is estimated to be 68.9% of total Dental enrollment.

Projected Plan Year 2026 Dental enrollment is assumed to remain flat over 2025 enrollment.

|                     | Annual Change in Enrollment |                        |                           | Projected Enrollment |
|---------------------|-----------------------------|------------------------|---------------------------|----------------------|
|                     | Actual<br>2023 to 2024      | Actual<br>2024 to 2025 | Projected<br>2025 to 2026 | Plan Year 2026       |
| Dental Expense Plan | 0.1%                        | 11.0%                  | 0.0%                      | 59,994               |
| DPOs                | 4.5%                        | (14.3%)                | 0.0%                      | 27,029               |
| Total               | 1.7%                        | 1.7%                   | 0.0%                      | 87,023               |

## Exhibit 2B – Local Active Enrollment Projections (SHBP + SEHBP)



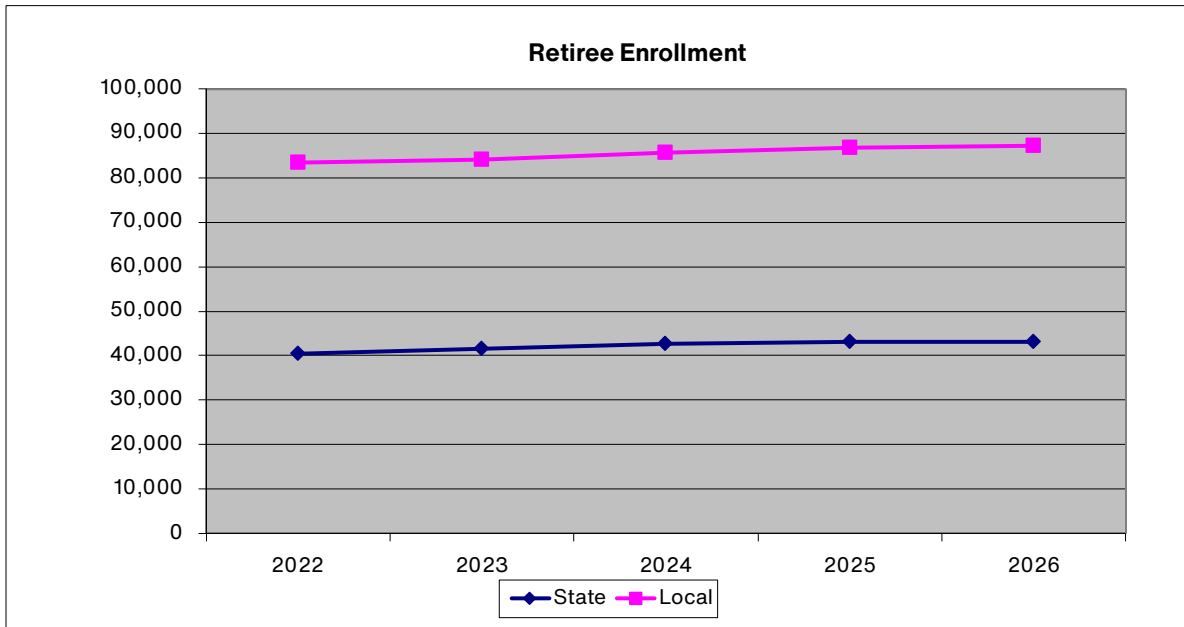
### Observations:

Total Local Active Dental Plan Year 2024 is based on monthly State census data through Dec 2024, and 2025 enrollment is based on monthly State census data through April 2025.

Dental Expense Plan Local Active enrollment increased from 77.0% of total Dental enrollment in Plan Year 2024 to 81.2% in Plan Year 2025. Plan Year 2026 Local Education Active Dental Expense Plan enrollment is assumed to be flat over 2025 enrollment, and Local Government Active enrollment is assumed to decrease 2.5% in PY2026.

|                     | Annual Change in Enrollment |                        |                           | Projected Enrollment |
|---------------------|-----------------------------|------------------------|---------------------------|----------------------|
|                     | Actual<br>2023 to 2024      | Actual<br>2024 to 2025 | Projected<br>2025 to 2026 | Plan Year 2026       |
| Dental Expense Plan | (4.8%)                      | 4.5%                   | (1.6%)                    | 4,521                |
| DPOs                | 3.7%                        | (18.7%)                | (1.7%)                    | 1,049                |
| Total               | (2.9%)                      | (0.8%)                 | (1.6%)                    | 5,570                |

## Exhibit 2C – Retiree Enrollment Projections (SHBP + SEHBP)



### Observations:

Total Retiree Dental Plan Year 2024 is based on monthly State census data through Dec 2024, and 2025 enrollment is based on monthly State census data through April 2025.

Plan Year 2026 enrollment is assumed to remain flat for State Retirees, increase 1.0% for Local Education Retirees, and decrease 2.5% for Local Government Retirees in PY2026 over 2025 enrollment.

Plan Year 2026 Retiree Dental enrollment is projected to be 78% of State Retiree Medical enrollment and 60% of Local Employer Retiree Medical enrollment.

### Projected Plan Year 2026 Retiree Enrollment

|                | DEP     | DPO    | Total   |
|----------------|---------|--------|---------|
| State          | 37,676  | 5,430  | 43,106  |
| Local Employer | 79,495  | 7,667  | 87,162  |
| Total Dental   | 117,170 | 13,098 | 130,268 |

|                     | Annual Change in Enrollment |                        |                           | Projected Enrollment |
|---------------------|-----------------------------|------------------------|---------------------------|----------------------|
|                     | Actual<br>2023 to 2024      | Actual<br>2024 to 2025 | Projected<br>2025 to 2026 | Plan Year 2026       |
| Dental Expense Plan | 1.4%                        | 2.4%                   | 0.4%                      | 117,170              |
| DPOs                | 7.7%                        | -8.7%                  | 0.1%                      | 13,098               |
| Total               | 2.1%                        | 1.2%                   | 0.3%                      | 130,268              |



## Exhibit 2D – April 2025 SHBP & SEHBP Active Enrollment

|                         | Number of Contracts  |                           |               |                        |               |
|-------------------------|----------------------|---------------------------|---------------|------------------------|---------------|
|                         | Single               | Member&Spouse<br>/Partner | Family        | Parent +<br>Child(ren) | Total         |
| <b><u>DEP Plans</u></b> | <b>STATE ACTIVES</b> |                           |               |                        |               |
| Aetna #399              | 18,731               | 9,539                     | 19,134        | 7,662                  | 55,066        |
| Horizon #303            | 2,644                | 584                       | 1,075         | 631                    | 4,934         |
| <b>Total DEPs</b>       | <b>21,375</b>        | <b>10,123</b>             | <b>20,209</b> | <b>8,293</b>           | <b>60,000</b> |
| <b><u>DPO Plans</u></b> |                      |                           |               |                        |               |
| Aetna #319              | 13,668               | 2,993                     | 6,064         | 4,236                  | 26,961        |
| <b>Total DPOs</b>       | <b>13,668</b>        | <b>2,993</b>              | <b>6,064</b>  | <b>4,236</b>           | <b>26,961</b> |
| <b>Total</b>            | <b>35,043</b>        | <b>13,116</b>             | <b>26,273</b> | <b>12,529</b>          | <b>86,961</b> |

|                         | LOCAL EMPLOYER ACTIVES |                           |              |                        |              |
|-------------------------|------------------------|---------------------------|--------------|------------------------|--------------|
|                         | Single                 | Member&Spouse<br>/Partner | Family       | Parent +<br>Child(ren) | Total        |
| <b><u>DEP Plans</u></b> |                        |                           |              |                        |              |
| Aetna #399              | 1,458                  | 755                       | 1,625        | 475                    | 4,313        |
| Horizon #303            | 127                    | 36                        | 74           | 39                     | 276          |
| <b>Total DEPs</b>       | <b>1,585</b>           | <b>791</b>                | <b>1,699</b> | <b>514</b>             | <b>4,589</b> |
| <b><u>DPO Plans</u></b> |                        |                           |              |                        |              |
| Aetna #319              | 522                    | 141                       | 262          | 136                    | 1,061        |
| <b>Total DPOs</b>       | <b>522</b>             | <b>141</b>                | <b>262</b>   | <b>136</b>             | <b>1,061</b> |
| <b>Total</b>            | <b>2,107</b>           | <b>932</b>                | <b>1,961</b> | <b>650</b>             | <b>5,650</b> |

## Exhibit 2E – April 2025 SHBP & SEHBP Retiree Enrollment

|                         | Number of Contracts |                           |              |                        |               |
|-------------------------|---------------------|---------------------------|--------------|------------------------|---------------|
|                         | Single              | Member&Spouse<br>/Partner | Family       | Parent +<br>Child(ren) | Total         |
| <b>STATE RETIREES</b>   |                     |                           |              |                        |               |
| <b><u>DEP Plans</u></b> |                     |                           |              |                        |               |
| Aetna #398              | 18,040              | 14,695                    | 3,364        | 1,306                  | 37,405        |
| Horizon #395            | 122                 | 115                       | 46           | 21                     | 304           |
| <b>Total DEPs</b>       | <b>18,162</b>       | <b>14,810</b>             | <b>3,410</b> | <b>1,327</b>           | <b>37,709</b> |
| <b><u>DPO Plans</u></b> |                     |                           |              |                        |               |
| Aetna #319              | 2,582               | 1,909                     | 588          | 350                    | 5,429         |
| <b>Total DPOs</b>       | <b>2,582</b>        | <b>1,909</b>              | <b>588</b>   | <b>350</b>             | <b>5,429</b>  |
| <b>Total</b>            | <b>20,744</b>       | <b>16,719</b>             | <b>3,998</b> | <b>1,677</b>           | <b>43,138</b> |

|                                |               |               |              |              |               |
|--------------------------------|---------------|---------------|--------------|--------------|---------------|
| <b>LOCAL EMPLOYER RETIREES</b> |               |               |              |              |               |
| <b><u>DEP Plans</u></b>        |               |               |              |              |               |
| Aetna #398                     | 37,290        | 31,092        | 4,092        | 1,374        | 73,848        |
| Horizon #395                   | 336           | 366           | 159          | 49           | 910           |
| Aetna Plus #397                | 1,468         | 1,915         | 194          | 82           | 3,659         |
| Horizon Plus #396              | 305           | 299           | 77           | 39           | 720           |
| <b>Total DEPs</b>              | <b>39,399</b> | <b>33,672</b> | <b>4,522</b> | <b>1,544</b> | <b>79,137</b> |
| <b><u>DPO Plans</u></b>        |               |               |              |              |               |
| Aetna #319                     | 3,590         | 2,852         | 779          | 361          | 7,582         |
| <b>Total DPOs</b>              | <b>3,590</b>  | <b>2,852</b>  | <b>779</b>   | <b>361</b>   | <b>7,582</b>  |
| <b>Total</b>                   | <b>42,989</b> | <b>36,524</b> | <b>5,301</b> | <b>1,905</b> | <b>86,719</b> |

### Exhibit 3 – Trend Analysis

|                          | Actual                                 |                                       | Aon Industry | Difference between Actual and Aon Industry Trends |                    |
|--------------------------|--|---------------------------------------|--------------|---|--------------------|
|                          | SHBP/SEHBP Employee<br>Claim Increases | SHBP/SEHBP Retiree<br>Claim Increases | PPO          | SHBP/SEHBP Employee                               | SHBP/SEHBP Retiree |
| 2022 to 2023 actual      | 6.7%                                   | 5.9%                                  | 3.0%         | 3.7%  | 2.9%               |
| 2023 to 2024 actual      | 4.5%                                   | 3.3%                                  | 3.0%         | 1.5%  | 0.3%               |
| 2024 to 2025 preliminary | 4.5%                                   | 4.5%                                  | 4.0%         | 0.5%  | 0.5%               |
| Projection Trend         | 4.5%                                   | 4.5%                                  | 4.5%         | 0.0%  | 0.0%               |

## Exhibit 4A – DEP & DPO Financial Projections (SHBP + SEHBP)

|                            | Actives        |               |               | Retirees       |              |                | Total          |               |                |
|----------------------------|----------------|---------------|---------------|----------------|--------------|----------------|----------------|---------------|----------------|
|                            | DEP            | DPO           | Total         | DEP            | DPO          | Total          | DEP            | DPO           | Total          |
| <b>Plan Year 2024</b>      |                |               |               |                |              |                |                |               |                |
| Average Dental Subscribers | 58,454         | 32,836        | 91,290        | 114,016        | 14,340       | 128,356        | 172,470        | 47,176        | 219,647        |
| Incurred Claims            | \$ 58,436,000  | N/A           | N/A           | \$ 87,645,000  | N/A          | N/A            | \$ 146,081,000 | N/A           | N/A            |
| Administrative Fees        | \$ 1,221,000   | N/A           | N/A           | \$ 2,381,000   | N/A          | N/A            | \$ 3,602,000   | N/A           | N/A            |
| Investment Income          | \$ (24,000)    | N/A           | N/A           | \$ (403,000)   | N/A          | N/A            | \$ (427,000)   | N/A           | N/A            |
| Total Cost                 | \$ 59,633,000  | N/A           | N/A           | \$ 89,623,000  | N/A          | N/A            | \$ 149,256,000 | N/A           | N/A            |
| Premium                    | \$ 57,607,000  | \$ 12,643,000 | \$ 70,250,000 | \$ 87,614,000  | \$ 5,410,000 | \$ 93,024,000  | \$ 145,221,000 | \$ 18,053,000 | \$ 163,274,000 |
| Gain (Loss)                | \$ (2,026,000) | N/A           | N/A           | \$ (2,009,000) | N/A          | N/A            | \$ (4,035,000) | N/A           | N/A            |
| <b>Plan Year 2025</b>      | -3.5%          |               |               | -2.3%          |              |                | -2.8%          |               |                |
| Average Dental Subscribers | 64,589         | 28,095        | 92,684        | 116,749        | 13,091       | 129,840        | 181,338        | 41,186        | 222,524        |
| Incurred Claims            | \$ 67,507,000  | N/A           | N/A           | \$ 100,003,000 | N/A          | N/A            | \$ 167,510,000 | N/A           | N/A            |
| Administrative Fees        | \$ 1,512,000   | N/A           | N/A           | \$ 2,777,000   | N/A          | N/A            | \$ 4,289,000   | N/A           | N/A            |
| Investment Income          | \$ (24,000)    | N/A           | N/A           | \$ (403,000)   | N/A          | N/A            | \$ (427,000)   | N/A           | N/A            |
| Total Cost                 | \$ 68,995,000  | N/A           | N/A           | \$ 102,377,000 | N/A          | N/A            | \$ 171,372,000 | N/A           | N/A            |
| Premium                    | \$ 67,892,000  | \$ 11,101,000 | \$ 78,993,000 | \$ 101,866,000 | \$ 4,915,000 | \$ 106,781,000 | \$ 169,758,000 | \$ 16,016,000 | \$ 185,774,000 |
| Gain (Loss)                | \$ (1,103,000) | N/A           | N/A           | \$ (511,000)   | N/A          | N/A            | \$ (1,614,000) | N/A           | N/A            |
| <b>Plan Year 2026</b>      | -1.6%          |               |               | -0.5%          |              |                | -1.0%          |               |                |
| Average Dental Subscribers | 64,515         | 28,077        | 92,592        | 117,170        | 13,098       | 130,268        | 181,685        | 41,175        | 222,860        |
| Incurred Claims            | \$ 70,472,000  | N/A           | N/A           | \$ 104,783,000 | N/A          | N/A            | \$ 175,255,000 | N/A           | N/A            |
| Administrative Fees        | \$ 1,510,000   | N/A           | N/A           | \$ 2,787,000   | N/A          | N/A            | \$ 4,297,000   | N/A           | N/A            |
| Investment Income          | \$ (24,000)    | N/A           | N/A           | \$ (403,000)   | N/A          | N/A            | \$ (427,000)   | N/A           | N/A            |
| Total Cost                 | \$ 71,958,000  | N/A           | N/A           | \$ 107,167,000 | N/A          | N/A            | \$ 179,125,000 | N/A           | N/A            |
| Premium                    | \$ 71,958,000  | \$ 11,094,000 | \$ 83,052,000 | \$ 107,167,000 | \$ 4,916,000 | \$ 112,083,000 | \$ 179,125,000 | \$ 16,010,000 | \$ 195,135,000 |
| Gain (Loss)                | \$ -           | N/A           | N/A           | \$ -           | N/A          | N/A            | \$ -           | N/A           | N/A            |

## Exhibit 4B – DEP Financial Projections (SHBP + SEHBP)

|                            | Actives        |              |                | Retirees      |                |                | Total          |                |                |
|----------------------------|----------------|--------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|
|                            | SHBP           | SEHBP        | Total          | SHBP          | SEHBP          | Total          | SHBP           | SEHBP          | Total          |
| <b>Plan Year 2024</b>      |                |              |                |               |                |                |                |                |                |
| Average Dental Subscribers | 56,945         | 1,509        | 58,454         | 47,246        | 66,770         | 114,016        | 104,191        | 68,279         | 172,470        |
| Incurred Claims            | \$ 57,125,000  | \$ 1,311,000 | \$ 58,436,000  | \$ 34,719,000 | \$ 52,926,000  | \$ 87,645,000  | \$ 91,844,000  | \$ 54,237,000  | \$ 146,081,000 |
| Administrative Fees        | \$ 1,189,000   | \$ 32,000    | \$ 1,221,000   | \$ 986,000    | \$ 1,394,000   | \$ 2,381,000   | \$ 2,175,000   | \$ 1,426,000   | \$ 3,602,000   |
| Investment Income          | \$ (16,000)    | \$ (8,000)   | \$ (24,000)    | \$ (80,000)   | \$ (322,000)   | \$ (403,000)   | \$ (96,000)    | \$ (330,000)   | \$ (427,000)   |
| Total Cost                 | \$ 58,298,000  | \$ 1,335,000 | \$ 59,633,000  | \$ 35,625,000 | \$ 53,998,000  | \$ 89,623,000  | \$ 93,923,000  | \$ 55,333,000  | \$ 149,256,000 |
| Premium                    | \$ 56,114,000  | \$ 1,493,000 | \$ 57,607,000  | \$ 37,371,000 | \$ 50,242,000  | \$ 87,614,000  | \$ 93,485,000  | \$ 51,735,000  | \$ 145,221,000 |
| Gain (Loss)                | \$ (2,184,000) | \$ 158,000   | \$ (2,026,000) | \$ 1,746,000  | \$ (3,756,000) | \$ (2,009,000) | \$ (438,000)   | \$ (3,598,000) | \$ (4,035,000) |
| <b>Plan Year 2025</b>      |                |              |                |               |                |                |                |                |                |
| Average Dental Subscribers | 62,970         | 1,620        | 64,589         | 48,234        | 68,515         | 116,749        | 111,203        | 70,135         | 181,338        |
| Incurred Claims            | \$ 66,037,000  | \$ 1,470,000 | \$ 67,507,000  | \$ 37,207,000 | \$ 62,796,000  | \$ 100,003,000 | \$ 103,244,000 | \$ 64,266,000  | \$ 167,510,000 |
| Administrative Fees        | \$ 1,474,000   | \$ 38,000    | \$ 1,512,000   | \$ 1,148,000  | \$ 1,629,000   | \$ 2,777,000   | \$ 2,622,000   | \$ 1,667,000   | \$ 4,289,000   |
| Investment Income          | \$ (16,000)    | \$ (8,000)   | \$ (24,000)    | \$ (80,000)   | \$ (322,000)   | \$ (403,000)   | \$ (96,000)    | \$ (330,000)   | \$ (427,000)   |
| Total Cost                 | \$ 67,495,000  | \$ 1,500,000 | \$ 68,995,000  | \$ 38,275,000 | \$ 64,103,000  | \$ 102,377,000 | \$ 105,770,000 | \$ 65,603,000  | \$ 171,372,000 |
| Premium                    | \$ 66,168,000  | \$ 1,724,000 | \$ 67,892,000  | \$ 40,801,000 | \$ 61,064,000  | \$ 101,866,000 | \$ 106,969,000 | \$ 62,788,000  | \$ 169,758,000 |
| Gain (Loss)                | \$ (1,327,000) | \$ 224,000   | \$ (1,103,000) | \$ 2,526,000  | \$ (3,039,000) | \$ (511,000)   | \$ 1,199,000   | \$ (2,815,000) | \$ (1,614,000) |
| <b>Plan Year 2026</b>      |                |              |                |               |                |                |                |                |                |
| Average Dental Subscribers | 62,895         | 1,620        | 64,515         | 47,970        | 69,201         | 117,170        | 110,865        | 70,820         | 181,685        |
| Incurred Claims            | \$ 68,935,000  | \$ 1,536,000 | \$ 70,472,000  | \$ 38,505,000 | \$ 66,278,000  | \$ 104,783,000 | \$ 107,440,000 | \$ 67,814,000  | \$ 175,255,000 |
| Administrative Fees        | \$ 1,472,000   | \$ 38,000    | \$ 1,510,000   | \$ 1,142,000  | \$ 1,645,000   | \$ 2,787,000   | \$ 2,614,000   | \$ 1,683,000   | \$ 4,297,000   |
| Investment Income          | \$ (16,000)    | \$ (8,000)   | \$ (24,000)    | \$ (80,000)   | \$ (322,000)   | \$ (403,000)   | \$ (96,000)    | \$ (330,000)   | \$ (427,000)   |
| Total Cost                 | \$ 70,391,000  | \$ 1,566,000 | \$ 71,958,000  | \$ 39,567,000 | \$ 67,601,000  | \$ 107,167,000 | \$ 109,958,000 | \$ 69,167,000  | \$ 179,125,000 |
| Premium                    | \$ 70,128,000  | \$ 1,830,000 | \$ 71,958,000  | \$ 42,520,000 | \$ 64,647,000  | \$ 107,167,000 | \$ 112,648,000 | \$ 66,477,000  | \$ 179,125,000 |
| Gain (Loss)                | \$ (263,000)   | \$ 264,000   | \$ -           | \$ 2,953,000  | \$ (2,954,000) | \$ -           | \$ 2,690,000   | \$ (2,690,000) | \$ -           |

\*Figures above include financial projections for the DEP and SEBHP DEP Plus plans but do not include DPO premiums or enrollment. Numbers may not add due to rounding.

## Exhibit 5A – Plan Year 2026 Employee Monthly Premiums

| <b><u>DENTAL PROVIDER ORGANIZATIONS (DPOs)</u></b>                | <b><u>Premiums</u></b> | <b><u>Employee Contributions*</u></b> |
|---|------------------------|---------------------------------------|
| <b>AETNA (DPO #319)</b>   |                        |                                       |
| SINGLE  | \$19.69                | \$9.85                                |
| Member & Spouse/Partner   | \$34.27                | \$17.14                               |
| FAMILY  | \$56.05                | \$28.03                               |
| PARENT & CHILD  | \$41.54                | \$20.77                               |
| <hr/>   |                        |                                       |
| <b><u>AETNA / HORIZON EMPLOYEE DENTAL EXPENSE PLAN - SHBP</u></b> |                        |                                       |
| SINGLE  | \$48.90                | \$24.45                               |
| Member & Spouse/Partner   | \$84.98                | \$42.49                               |
| FAMILY  | \$138.99               | \$69.49                               |
| PARENT & CHILD  | \$102.96               | \$51.48                               |

\*Based on 50% of each plan premium rate

## Exhibit 5B – Plan Year 2026 Retiree Monthly Premiums

| <b><u>DENTAL PROVIDER ORGANIZATIONS (DPOs)</u></b>               | <b><u>Premiums</u></b> | <b><u>Retiree<br/>Contributions</u></b> |
|--|------------------------|---|
| <b>AETNA (DPO #319)</b>  |                        |   |
| SINGLE   | \$20.50                | \$20.50                                 |
| Member & Spouse/Partner  | \$35.69                | \$35.69                                 |
| FAMILY   | \$58.39                | \$58.39                                 |
| PARENT & CHILD   | \$43.26                | \$43.26                                 |
| <hr/>  |                        |   |
| <b><u>AETNA / HORIZON RETIREE DENTAL EXPENSE PLAN - SHBP</u></b> |                        |   |
| SINGLE   | \$47.21                | \$47.21                                 |
| Member & Spouse/Partner  | \$93.13                | \$93.13                                 |
| FAMILY   | \$121.38               | \$121.38                                |
| PARENT & CHILD   | \$70.20                | \$70.20                                 |

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