

Date: November 26, 2019  
To: LPSD School Board  
From: Laura Hylton, Finance Director  
RE: December Board Report

### **Payroll Recruiting**

Elijah Miller will be joining the LPSD team December 2<sup>nd</sup>, we are excited to have Elijah he comes to us from Bethel AK and brings rural Alaska understanding and experience. Elijah has experience in multiple area including payroll, HR, travel coordination and building and IT knowledge.

### **Health Plan Renewal for 2020**

The 2019 Health Plan year has brought higher than expected claims with nine participants accessing re-insurance policy with individual claims exceeding \$75,000 and five more with claims at have the re-insurance amount as of October.

With the high claims, the re-insurance policy went out to the market place for quotes in an attempt to keep the renewal rates as favorable as possible. Eleven carriers reviewed the RFP, 4 declined to bid, 2 were reasonably competitive to the current carrier, Birkshire Hathaway. The School District's 10 month claims through October stop loss ratio (reimbursements/premium) is 392%.

Considering the loss Birkshire Hathaway is experiencing on the plan this year the renewal rate is a 65.2% increase over 2019 rates. The renewal includes additional assessed amounts on two plan participants, the district will be required to cover claims in excess of the \$75,000 deductible amount on those participants.

The competitive quotes also assessed added amounts on two participants, increasing the plans liability considerably. The overall increase for those bidders was 102.6% and 126.5%.

Two years ago when we changed to Birkshire Hathaway we decreased plan costs by 46.1% and the 2019 premium cost was still less than the incumbent carrier quote for 1.1.2017. The plan has experienced claims spikes in the past, it tends to be cyclical with one or two high years.

Financial report attached.