



New Berlin CUSD #16

600 N. Cedar St, New Berlin, IL 62670 217-488-2040 www.pretzelpride.com

DATE: October 19, 2022
TO: Board of Education
FROM: Lori Niemeier
RE: Insurance Renewal Information

Yesterday afternoon the District received renewal information for health, dental, vision, and life insurance policies. Dental, vision and life insurance rates were guaranteed for two (2) years, therefore, there will be no increase to these premiums.

Unfortunately, we were not so lucky on the health insurance renewal rates. Just a reminder, in 2021 the District made a switch from Blue Cross Blue Shield (BCBS) to United Healthcare in order to provide coverage for Springfield Clinic that BCBS no longer offered. The rates for UHC in 2021 were significantly lower than the then current rate for BCBS.

There are many factors that affect the renewal rates but the largest factors are the state of the economy and the amount of claims paid relative to the amount of premiums collected (loss ratio). The District's loss ratio for the current year was 167.7%. The result of that loss ratio is an overall increase to premiums of **39%**. United Healthcare provided a [letter](#) explaining the reasons for this increase and has also outlined some new options that they offer.

American Central Insurance did request quotes from other carriers (AETNA, BCBS, CIGNA, Humana, and Health Alliance). Health Alliance was the only company to submit a proposal, however, the premiums were a lot higher than the renewal rates and the coverage was not comparable. Here is a link to American Central's [2022 Executive Summary](#).

Jill Larson
Superintendent

Hattie Llewellyn
High School Principal

Timothy Roberts
Jr. High Principal

Brandi Maxedon
Elementary Principal

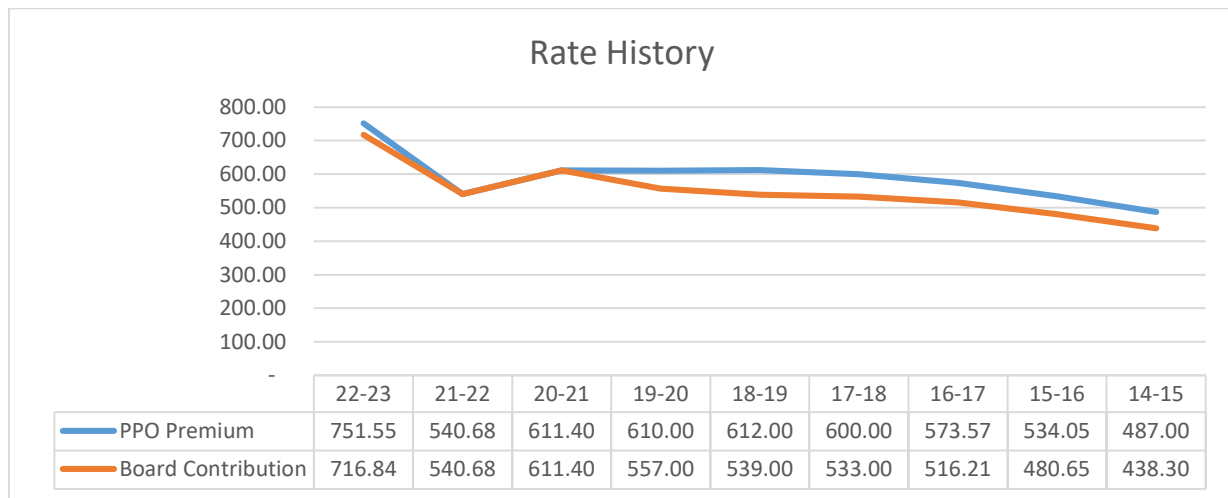
Shelley Haas
Elementary Asst.Principal



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Just for your information, the following is a chart showing premiums and board contributions since 2014-2015:



In accordance with the Collective Bargaining agreement, the increase to the employee only PPO plan will be split 50/50 between the board and the employee. The new board contribution to health insurance will be **\$716.84** per month beginning November 1, 2022 through October 31, 2023. This increase in the board contribution is an additional cost to the District of over **\$130,000** for the plan year.

The impact to the employee is far greater. The following table compares the current deductions to the renewal deductions and the overall impact to the employee:

Employee Contributions	2021-2022			2022-2023			2022-2023		
	\$611.40			\$716.84			Increase		
	PPO	PPO-ND	H.S.A.	PPO	PPO-ND	H.S.A. *	PPO	PPO-ND	H.S.A.
Single	-	48.18	-	34.71	199.98	-	34.71	151.80	-
Emp + Spouse	619.08	889.69	518.34	993.55	1,369.68	853.50	374.47	479.99	335.16
Emp + Children	527.63	778.11	434.36	866.42	1,214.59	736.77	338.79	436.48	302.41
Family	1,217.44	1,619.61	1,067.69	1,825.26	2,384.28	1,617.10	607.82	764.67	549.41
* H.S.A. board contribution will be \$26.83/month									
Participant Count									
Single	25	9	57						
Emp + Spouse	0	1	0						
Emp + Children	2	1	6						
Family	0	0	0						

If you have any questions about this information, please do not hesitate to contact me in the District Office.

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