



Roseville Area Schools

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To: Shari Thompson and Kenyatta McCarty
From: Julie Cyptar, Benefits & Insurance, and Kathy Englund, District Accountant
Date: June 20, 2024
Re: 2024-2025 Insurance Renewals

Listed below are the various insurance renewals effective July 1, 2024:

Employee Benefits

We are entering the second year of our contract with HealthPartners to provide group medical insurance. During the Health Insurance Transparency Act (HITA) bid process last year, HealthPartners agreed to a rate cap of 11% in the second and third years of our medical plan renewals. In looking at our claims experience, however, the premium increase warranted closer to a 30% increase. The Insurance Advisory Committee worked with our consulting team from Gallagher to make benefit design changes to avoid an 11% increase this year and help stabilize our loss ratios for future plan renewals.

Effective July 1, 2024, deductibles were increased to \$1,500 (single) and \$3,000 (family) and out of pocket costs to \$3,000 (single) and \$6,000 (family). The district's contributions to members' HRA/VEBA accounts will remain at \$50 per month for single coverage, and \$100 per month for family coverage. Copays under the closed copay medical plan were increased to \$35 for medical visits, \$25 for prescription drugs, and a 10% coinsurance was added for hospital visits, therapies and imaging. As a result of these changes, our overall premium increase will be 6% for the plan year starting July 2024.

Recommendation: To continue our contract with HealthPartners for the 2024-25 plan year.

B. Flexible Spending and VEBA Plan Administrator

Medsurety administers the district's Flexible Spending Accounts (FSA) and HRA/VEBA accounts. There is no rate change as we enter the third year of our 36-month agreement with Medsurety.

Recommendation: To continue our contract with Medsurety for FSA and HRA/VEBA plan administration for the 2024-25 plan year.

C. Life and Long-Term Disability Insurance

We renewed our contract with The Standard last year for administration of our group life and long-term disability plans. Entering our second year of the agreement, there is no rate change for our group term life policies. At the request of the district, a plan design change was made to our LTD plan that will slightly raise our LTD rates to \$0.412 per \$100 of covered payroll. Rates are guaranteed through 6-30-2026.

Recommendation: To continue our contract with The Standard for the 2024-25 plan year.

D. Dental Insurance

Our self-insured dental plan is continuing to run well. Delta Dental's administrative fees will remain the same through June 30, 2026.

Recommendation: To continue our administrative services contract with Delta Dental of MN for plan year 2024-25.

School District Insurance

Property, liability, and workers comp insurance coverage is coordinated through the Maguire Agency. This is a valuable partnership which provides thorough claims review, exposure analysis, loss control strategies, and competitive pricing options at renewal.

The 2024-25 renewal premium reflects an overall increase of 17.5%, which is reflective of the current market and includes the changes outlined below.

A. Property and Liability Package

Property, General Liability, School Leaders Errors & Omissions, Business Auto, Umbrella Coverage, and Law Enforcement Liability are provided by Liberty Mutual. The following are changes on renewal:

- i. Property coverage increased 19%, raising the insurance to building value rate to full replacement cost, based on 2022 appraisals.
- ii. Added wind/hail per location deductibles.
- iii. Flood deductible increased from \$50,000 to \$100,000.
- iv. Auto Comprehensive and Collision deductible increased from \$1,000 to \$2,500.
- v. Added Law Enforcement Liability coverage.

Recommendation: To continue insurance coverage with Liberty Mutual for 2024-25.

B. Crime Insurance

Hanover Insurance Company provides our crime insurance coverage. The renewal includes no changes.

Recommendation: To continue our contract with Hanover Insurance for 2024-25.

C. Cyber Liability

Palomar Excess & Surplus Insurance Co. provides our cyber liability insurance coverage. The renewal includes no changes.

Recommendation: To continue our contract with Palomar Excess & Surplus for 2024-25.

D. Workers Compensation

SFM is the district's workers compensation insurance carrier and provides services for our loss prevention efforts. Our experience mod factor increased slightly, but rates have decreased. Premiums paid are based on total salary and will remain relatively the same.

Recommendation: To continue our contract with SFM for plan year 2024-25.

Thank you for your review and consideration.