



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 18, 2025
Re: 2025-2026 Insurance Renewals

Listed below are the various insurance renewals effective July 1, 2025:

Employee Benefits

A. Medical Insurance

We are entering the final year of our three-year group medical contract with HealthPartners. Our renewal calculation called for a 28% increase, but with our rate cap guarantee, we were presented with an 11% increase.

Our Insurance Advisory Committee worked with Gallagher consultants about medical plan designs and ways to control costs, and ultimately recommended Kavira as a new district paid benefit plan starting July 1, 2025. Kavira is a membership-based primary and urgent care clinic that provides everyday medical care to employees and their family members. Kavira offers free chat and video care, in-person home and work visits, 30 free lab tests and 300 free prescriptions. Because services provided by Kavira are not paid as medical claims, HealthPartners agreed to lower our renewal increase to 7.67%. By lowering our medical claims experience and stabilizing our loss ratios, we hope to be in a better position when the medical plan goes out to bid again next spring.

No coverage changes were made to our HealthPartners medical plans, and 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.

Recommendation: To continue our contract with HealthPartners for the 2025-26 plan year. Kavira was approved by the Board in a previous meeting.

B. Flexible Spending Account and VEBA Plan Administrator

Medsurety administers medical and dependent care Flexible Spending Accounts (FSA) and HRA/VEBA accounts. Our 36-month agreement with Medsurety expires on June 30, 2025, and agreements will now continue on an annual basis. There will be no rate change.

Recommendation: To continue our contract with Medsurety for FSA and HRA/VEBA plan administration for the 2025-26 plan year.

C. Life and Long-Term Disability Insurance

This will be the final year with The Standard for administration of our group life and long-term disability plans. There will be no rate change or plan design changes made.

Recommendation: To continue our contract with The Standard for the 2025-26 plan year.

D. Dental Insurance

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

Recommendation: To continue our administrative services contract with Delta Dental of MN for the 2025-26 plan year.

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 2025-26 renewal premium reflects an overall decrease of 12.9%, which is reflective of the current market and includes the changes outlined below.

A. Property and Liability

Property, General Liability, School Leaders Errors & Omissions, Business Auto, Umbrella Coverage, and Law Enforcement Liability are currently provided by Liberty Mutual.

We received a competitive quote from Chubb Insurance for property coverage, offering a 22.4% decrease in premiums, along with a reduced loss limit from \$500 million to \$400 million. Total district property replacement cost is valued at \$5.78 million. The risk

of total loss with property spread across the district and multiple municipalities is considered minimal compared to the cost savings.

Hanover Insurance provided a quote for General Liability, School Leaders Errors & Omissions, Business Auto, Umbrella Coverage, and Law Enforcement Liability that offers a 24.3% decrease in premiums with no change to coverage and lower liability deductibles.

Recommendation: To change property coverage to Chubb Insurance and liability coverage to Hanover Insurance for 2025-26.

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 2025-26.

C. Cyber Liability

Palomar Excess & Surplus Insurance Co. (issuing carrier for Cowbell Insurance) provides our cyber liability coverage. The renewal includes a 21.7% decrease in premiums with higher coverage levels to offer more protection against cyberthreats.

Recommendation: To continue our contract with Palomar Excess & Surplus for 2025-26.

D. Workers Compensation

SFM is the district's workers compensation insurance carrier that provides resources for our health & safety and loss prevention efforts, as well as the AWAIR program that will be required next year. Bids from other carriers and self-funding options were considered, however, SFM presented the better option financially and continues to provide essential services. Our annual premium will increase by approximately \$20,000.

Recommendation: To continue our contract with SFM as our workers' compensation insurance carrier in plan year 2025-2026.