



MEMORANDUM

DATE: October 15, 2014

TO: Personnel Committee

FROM: ^{PA} Pamela A. Captain, CA/HR Director

RE: Dental Insurance Premiums for 2014

The City is self-insured for dental coverage. For all employees the annual maximum benefit is \$1,500/patient/year for dental services and \$3,000/patient/year for dental surgery, subject to co-pays and deductibles. Our insurance administrator has provided statistical information about our expenses and estimated projected claims and administration fees for 2014. Staff has reviewed this information and is recommending no premium increase for 2014.

Attached you will find a Renewal Summary and a Dental Premiums Analysis that Administrative Services Director Steeno prepared. A more detailed management report is available for review in the Personnel Department.

CURRENT RATES FOR 2013

Employee Plan - \$43.05

Employee with Family Plan - \$114.67

RECOMMENDED RATES FOR 2014

Employee Plan - No change

Employee with Family Plan – No change

The City charges COBRA rates the same as current employee rates. We do have the ability to add-on 2% to COBRA rates, but I am informed that this has not been done in the past. The amount is minimal so I suspect that is the reason that it has not been done in the past.

REQUESTED ACTION: No action is requested at this time.

Renewal Summary

A review of experience results, administrative fee for your renewal period, and COBRA rate analysis.

Experience Results

	Experience Period August 2012 - July 2013
Paid Claims	\$107,125
Administrative Fees	\$6,747
Total Cost	\$113,872
Number of Claims	763
Average Claims per Employee	7.19
Average Paid Claim	\$140.40
Average Enrollment	106

Administrative Fee For Renewal Period January 2014 - December 2014

	Per Employee Per Month
Present Rate	\$5.30
Renewal Rate	\$5.30
Percent Change	0.0%

COBRA Rate Projections For Renewal Period

Revenue Generated at Current COBRA Rates	\$111,651
Projected Total Cost	\$119,934
Calculated Adjustment to Rates	7.4%
Experience Credibility Factor	42.0%

COBRA Rate Recommendation*

	Current Rates	Renewal Rates	Rate Change
Employees Only	\$37.40	\$39.98	6.9%
Employees w/Family	\$99.88	\$106.77	6.9%

* The recommended rates do not include the plan sponsor's 2% administrative allowance.



