



DES MOINES WATER WORKS
Board of Water Works Trustees

Agenda Item No. III-D
Meeting Date: November 22, 2016
Chairperson's Signature Yes No

AGENDA ITEM FORM

SUBJECT: 2017 Employee Benefit Insurance Renewals

SUMMARY:

The following insurance carriers are recommended to provide employee benefits in 2017:

Medical Insurance: For a third year, we will partner with the City of Des Moines and continue coverage with Wellmark BCBS offering a choice of three plan designs (a plan without a deductible, a plan with a \$500 single/\$1000 family deductible, and a high deductible plan with a Health Savings Account). Based on our claims experience, the city has proposed a 6% increase in our health insurance premiums.

Retiree Medical Insurance: Continue Medicare supplement plan administered by Wellmark for retirees over age 65. The premiums for the Medicare supplement will increase by 2%. Note that retirees under age 65 will be covered by the Wellmark plans listed above.

Dental Insurance: Continue self-insuring the dental plan with administration provided by Delta Dental of Iowa at the rate of \$27.47 per month for single coverage and \$89.44 per month for family coverage. This represents a 5% increase in the rates.

Life Insurance: Continue partnership with the City of Des Moines at the rate of \$0.12 per \$1,000 of coverage provided by Principal. This is a 9% increase in the rate.

Long Term Disability Insurance: Continue partnership with the City of Des Moines at the rate of .21% of covered monthly earnings provided by Principal. There was a 24% increase in the rate due in part to increased monthly benefit coverage amounts. This was the first rate increase in three years.

FISCAL IMPACT:

The allocation of payment of health insurance premiums between DMWW and employees is established by our union contract. The DMWW contribution towards the health insurance premium for 2016 is currently \$460/month for single and \$1,275/month for family. The DMWW contribution for 2017 will be \$480.00 for single and \$1,325.00 for family. For 2017, the DMWW contribution to medical insurance will total approximately \$2,960,280. For retiree medical insurance, DMWW will contribute \$209.60/month, an amount equal to the Medicare Supplement Plan II premium, toward the retiree's insurance cost. The DMWW contribution to retiree health insurance for 2017 will be approximately \$208,000.

The dental insurance premium will have no direct impact to budget, as employees voluntarily purchase it with their flex dollars or out-of-pocket dollars. The life insurance premium for 2017 will total approximately \$23,600 annually. The LTD insurance premium totals approximately \$26,000 annually. Note DMWW provides \$151.50 per employee each month in flex dollars, which the employee may apply towards health insurance or other voluntary benefit elections. The total cost for providing this benefit in 2017 will be approximately \$374,500.

RECOMMENDED ACTION:

Approve recommended employee benefit insurance providers and rates for the year 2017.

BOARD REQUIRED ACTION:

Motion to approve the 2017 employee benefits insurance providers and rates.

<p>_____/_____ Doug Garnett (date) HR Manager</p>	<p>_____/_____ _____ _____ _____</p>	<p>_____/_____ William Stowe (date) CEO and General Manager</p>
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Attachments: None