

MEMORANDUM

DATE: October 2, 2017
TO: Bill Stowe, CEO and General Manager
FROM: Doug Garnett, Human Resources Manager
SUBJECT: 2018 Employee Benefit Insurance Renewals

Since 2015, we have partnered with the City of Des Moines to provide health insurance benefits to our employees. At that time, we chose to stop using Holmes, Murphy & Associates as our benefits broker and work directly with the various benefit providers. Below are the new renewal rates for 2018 for our employee insurance benefits.

Medical Insurance

For the fourth year in a row, we will again partner with the City of Des Moines to provide health insurance benefits to our employees in 2018. Based on our favorable claims experience, the City has proposed a **0%** increase in our health insurance premiums for 2018. Our premiums increased by 6% for 2017.

Single and family rates for all three of the Wellmark BCBS plans follow:

2018 Monthly Rates	High Deductible/HSA	\$500/\$1,000 Deductible	\$0 Deductible
Single	\$442.98	\$538.96	\$587.43
Family	\$1,099.73	\$1,339.67	\$1,460.84

The allocation of payment of health insurance premiums between DMWW and employees is established by our union contract. The DMWW contribution toward the health insurance premium for 2018, will be \$500.00 for single and \$1,375.00 for family.

The City of Des Moines notified us that it added services to its plan for treatment of gender identity disorder and gender transition procedures. They advised that there would be no increase in our current premiums if we added this additional benefit coverage. We have elected to include the coverage in our medical plans this year.

Retiree Medical Insurance

Early DMWW retirees are covered by the group plan (if under age 65) or by a retiree plan administered by Wellmark (if over age 65). DMWW contributes an amount equal to the retiree plan II toward the retiree's insurance cost. The premiums for the Medicare supplement plan II will increase by 2% to \$213.80 per month.

Dental Insurance

Delta Dental of Iowa is our claims administrator for our self-insured plan. DMWW incurs no cost by providing dental insurance as it is 100% funded by employee premiums. Based on claims for 2017, we determined that **no increase** in the monthly premium was needed in order to maintain the necessary level of reserves for this self-funded plan. The premiums for 2018 will remain at \$27.47/month for single and \$89.44/month for family coverage.

Life/AD&D and Long Term Disability Insurance

In 2014 we partnered with the City of Des Moines and utilize the Principal Financial Group as our carrier for our life and long term disability insurance (LTD) insurance. The term life rates will increase by 1.1% to \$.132 per \$1,000 for 2018. The AD&D rate will **remain the same** at \$.022 per \$1,000. The LTD rate will increase by 9.5% to \$.23% of covered monthly earnings.

Flex Dollars

Des Moines Water Works currently provides a Section 125 cafeteria benefits plan and \$151.50/month in "flex" benefit dollars. This amount is negotiated with AFSCME for each full-time employee per month. Employees use these flex dollars to help pay for health insurance and/or other voluntary benefits of their choosing.

Your approval of the recommended employee benefit insurance providers and rates for the year 2018 is requested.