

CONSENT ITEM

RE: Delta Dental Renewal

DEPARTMENT: Administration

PROGRAM: Insurance

RECOMMENDATION: Accept the Renewal

EXPLANATION:

Our initial renewal came in at 3.47%. However, our broker was able to negotiate it down to a 2.47% increase. The following rates would be effective June 1, 2014-May 31, 2015. Our plan benefits will remain the same.

Current Rates

Employee \$30.85

Employee Plus One \$62.29

Family \$114.26

Renewal Rates

Employee \$31.61

Employee Plus One \$63.83

Family \$117.08

A 3% increase in dental insurance was budgeted for 2014.

SUBMITTED BY: Haley Morrison

DATE: April 7, 2014



Date: 03/04/14
 Group Name: City of Ballwin
 Group Numbers: 9125-1000
 State: Missouri
 Renewal Period: 06/01/14 through 05/31/15
 Experience Period: 02/01/12 through 01/31/14
 Funding: Fully-Insured

<u>Incurred Claim Analysis</u>	<u>Prior Period</u>	<u>Current Period</u>
Beginning Experience Date:	02/01/12	02/01/13
Ending Experience Date:	01/31/13	01/31/14
Paid Claims:	\$69,144	\$80,344
Change in Reserves:	\$691	\$803
Benefit Changes:	\$0	\$0
Seasonality Adjustment:	\$0	\$0
Provider Fee Changes:	(\$2,475)	(\$1,327)
Adjusted Incurred Claims:	\$67,360	\$79,820
Annual Trend Factor: 5.9% per Year	1.143	1.079
Projected Incurred Claims:	\$76,979	\$86,132
Exposure Months:	1,648	1,687
Projected Incurred Claims PEPM	\$46.71	\$51.06
Period Weighting:	33%	67%
Weighted Projected Incurred Claims PEPM	\$49.62	
Projected Exposure Months:	1,692	
Weighted Projected Incurred Claims:	\$83,961	

<u>Rate Development:</u>	<u>Formula</u>
Weighted Projected Incurred Claims:	\$83,961
Target Loss Ratio with Commissions	79.21%
Commission Percentage:	5.00%
Required Premiums (excludes ACA Tax):	\$113,135
Annualized Premium at Current Rates:	\$110,444
Experience Rated Increase:	2.44%
Increase for ACA Carrier Tax:	1.00%
Required Premiums w/ACA Tax:	\$114,278
Overall Increase:	3.47%

<u>Current Rates</u>	
Employee	\$30.85
Employee Plus One	\$62.29
Family	\$114.26
<u>Renewal Rates:</u>	
Employee	\$31.92
Employee Plus One	\$64.45
Family	\$118.23