

## **Discussion and Action Item 1:**

Resolution Authorizing the Executive Director to Execute Contracts for Employee Insurance Plans for Fiscal Year 2024

### **Purpose:**

Authorize the Executive Director to execute contracts with Blue Cross and Blue Shield of North Carolina (BCBSNC) for Employee Health and Dental Insurance Plans; and Execute Contracts with US Able for Life, Dependent Life, Accidental Death and Dismemberment, and Long-Term Disability Insurance Plans which are scheduled to expire on June 30, 2023.

### **Background:**

OWASA began using the firm of Gallagher in April 2014 to manage benefit plans and negotiate premiums for employee Health, Dental, Life, Dependent Life, Accidental Death and Dismemberment and Long-Term Disability Insurance.

### **Fiscal Year 2024 Renewal Information:**

#### **Health**

BCBSNC requested a 19.8% increase to Health premiums. Gallagher analyzed the renewal and negotiated to reduce the increase to 7.9%; this equates to an increase in OWASA's expense from Fiscal Year 2023 to Fiscal Year 2024 of approximately \$100,000.

#### **Dental**

BCBSNC proposed renewing the plan with no rate increase to our current premiums.

Staff made the decision not to market the health and dental plans since the renewals were favorable. The plans were marketed in Fiscal Year 2023.

#### **Life, Dependent Life, AD&D and LTD**

The Harford (current provider) requested a premium increase of 26% for Life Insurance and Accidental Death and Dismemberment and no rate increase for Long-Term Disability. This is a blended increase of 15%. This would have resulted in an additional cost of approximately \$10,400. This increase guided the decision to market these plans.

US Able bid the plans with a blended decrease of 20% which is guaranteed for two years.

May 11, 2023

**Recommendation:**

It is the recommendation of Gallagher and staff that the Employee Health and Dental Plans be renewed with BCBSNC for Fiscal Year 2024 and select US Able for Life, Dependent Life, Accidental Death, and Dismemberment as well as Long-Term Disability for Fiscal Years 2024 and 2025.

**Information:**

- Resolution Authorizing the Executive Director to Execute Contracts