

6.A Change in Health Insurance Coverage – (Action)
(Confirmation of Action by Executive Committee)

In May 2004, the SWWDB changed health insurance programs going from a self-funded program to a fully insured program with American Medical Security (AMS). The program was renewed in May 2005. When SWWDB received its preliminary rate information for 2006, it was advised that AMS had been bought by Midwest Security. Midwest Security quoted an annual premium of \$294,648.84 or an increase of 9% over the AMS plan, even though SWWDB's experience ratio had improved. In consultation with SWWDB's insurance consultant at Johnson Insurance, it was decided to re-bid insurance coverage because SWWDB personnel participating in that insurance program had changed, improving health care ratios.

SWWDB received rate quotes from several companies. Because the American Medical Security coverage ended June 1, 2006, action was needed to either change carriers or authorize the renewal of coverage with Midwest Security. On May 15, 2006, the SWWDB Executive Committee selected a plan with Dean Care. **Attachment 1** is a comparison of benefits and costs between the American Medical Security plan and the Dean Care plan. The coverage is comparable to the current health insurance plan, but the annual premium is \$160,404.36 or a savings of \$134,244.48 compared to the renewal rate quoted by Midwest Security.

This item has been placed on the consent agenda so the full Board can confirm the action of the Executive Committee.