

Warren County School District

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MEMORANDUM

TO: Finance Committee
FROM: Darin Schulz
DATE: 4/19/06
SUBJECT: Warren – Erie – Crawford Health Insurance Consortium

Per your request, the answers to questions posed during the February Finance Committee concerning the Health Insurance Consortium are as follows:

1. Fees (per contract per month)
 - a. Highmark \$49.90
 - b. Reschini \$3.50
2. Exit Fee for Warren County School District
 - a. Notification must be given in writing prior to January 1, and would take effect the following July, (i.e. prior to January 1, 2007 for withdrawal effective July 2007). All liabilities (IBNR) claims that are paid after June 30 would be billed to the district. Warren County School District's current terminal liability as of June 30, 2005 is **\$826,342**.
3. Breakdown of WCSD as compared to the Consortium is on the attached spreadsheet.

Summary

For the period of 2001 through 2005 the WEC consortium has returned **\$1,652,507** to fund balance. This fund balance is dedicated to providing funds for years in which expenses paid exceed premiums paid and to offset the terminal liability of all the participants. Each member of the consortium is allocated a portion of that fund balance based on the percentage of total premiums paid. As demonstrated on the attached spreadsheet, during the period of 2001 through 2005, the Warren County School District has benefited by being a member in the Warren – Erie – Crawford Health Insurance Consortium in the amount of **\$152,822**.

MISSION STATEMENT

The mission of the Warren County School District is to prepare all students to be responsible and productive citizens by providing them with the skills and education necessary to achieve academic and personal excellence.

An Equal Rights and Opportunities School District

Claims & Premium Analysis

April 19th, 2006

Warren County School District

Year	Total Claims & Admin.		Total Premiums Paid	Variance
	Expenses			
2001	\$ 4,813,669	\$	4,394,599	\$ (419,070)
2002	\$ 4,929,413	\$	4,617,838	\$ (311,575)
2003	\$ 4,846,911	\$	5,033,443	\$ 186,532
2004	\$ 5,628,368	\$	5,890,953	\$ 262,585
2005	\$ 5,893,041	\$	6,750,914	\$ 857,873
Total	\$ 26,111,402	\$	26,687,747	\$ 576,345

WEC Consortium (without WCSD)

Year	Total Claims & Admin.		Total Premiums Paid	Variance
	Expenses			
2001	\$ 4,519,062	\$	5,113,271	\$ 594,209
2002	\$ 5,345,377	\$	5,515,047	\$ 169,670
2003	\$ 6,474,412	\$	6,331,540	\$ (142,872)
2004	\$ 7,665,635	\$	7,738,823	\$ 73,188
2005	\$ 8,713,865	\$	9,095,832	\$ 381,967
Total	\$ 32,718,351	\$	33,794,513	\$ 1,076,162

WEC Consortium (with WCSD)

Year	Total Claims & Admin.		Total Premiums Paid	Variance
	Expenses			
2001	\$ 9,332,731	\$	9,507,870	\$ 175,139
2002	\$ 10,274,790	\$	10,132,885	\$ (141,905)
2003	\$ 11,321,323	\$	11,364,983	\$ 43,660
2004	\$ 13,294,003	\$	13,629,776	\$ 335,773
2005	\$ 14,606,906	\$	15,846,746	\$ 1,239,840
Total	\$ 58,829,753	\$	60,482,260	\$ 1,652,507

Benefit Summary

	% of Premiums Paid	Fund Balance Allocated by Consortium	Actual Variance	Profit / Loss as Member of Consortium 2001-2005
WCSD	44.1%	\$ 729,167	\$ 576,345	\$ 152,822