

2018 Health & Dental Report

LES Administrative Board

March 15, 2019

Bryan Willnerd

Manager, Treasury & Risk Management

Financial Services Division

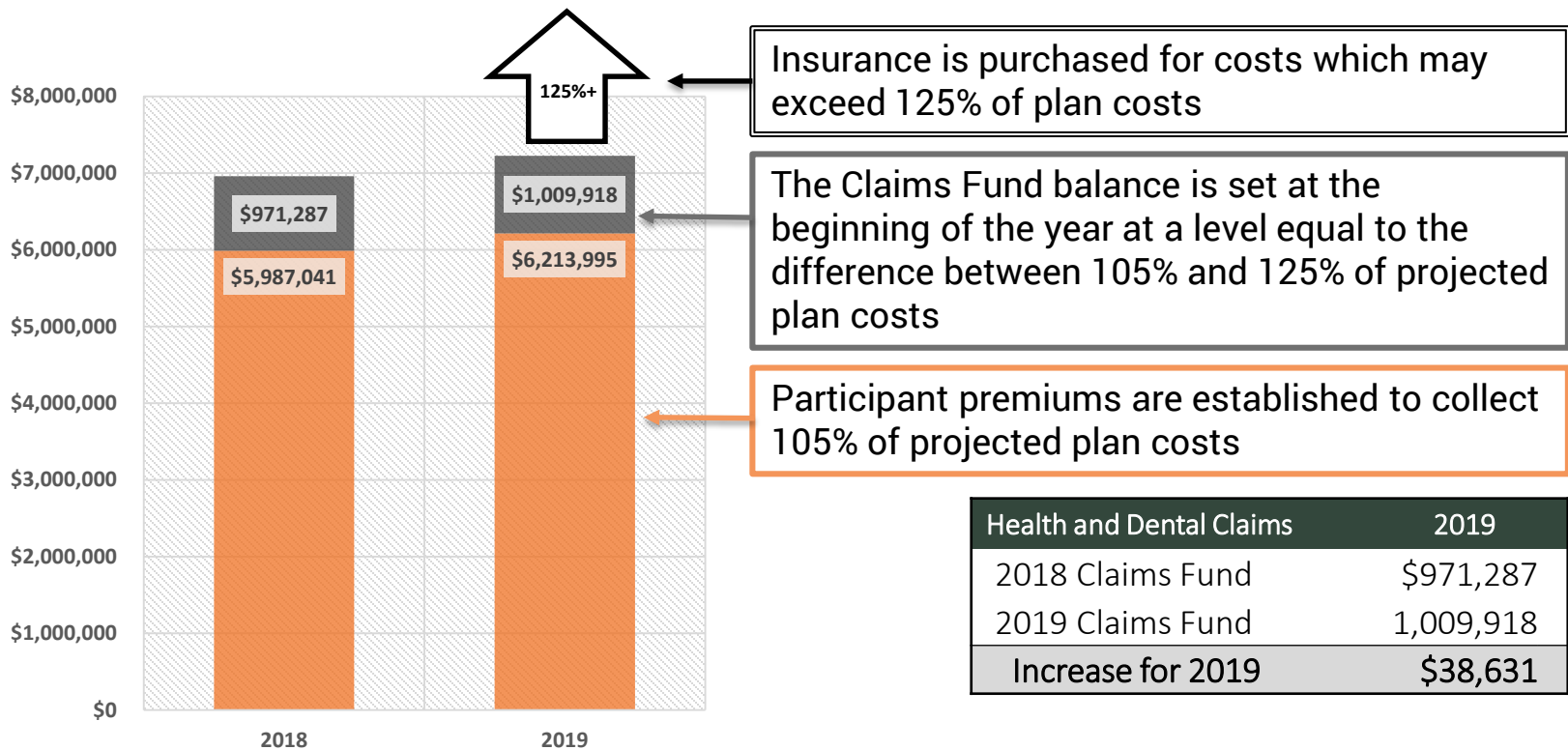
This annual report meets Nebraska Revised Statute requirement

- **LES, as a Plan Sponsor, is subject to the Political Subdivision Self-Funding Benefits Act (Act) detailed in Sections §13-1601 to §13-1626 of the Nebraska Revised Statutes.**
- **The Act requires a Plan Sponsor to provide an annual report to its governing body reflecting:**
 - **Beginning and ending balances of the established funds**
 - **Claims Fund**
 - **Incurred But Not Presented (IBNP) Reserve**
 - **Deposits of monthly accruals**

Due to a projected increase in 2019 claims, the beginning balance in the claims fund is increasing

- Claims Fund is required by the Act (*amount in fund is not specified*)
- Fund is used to pay for expenses of the Plan

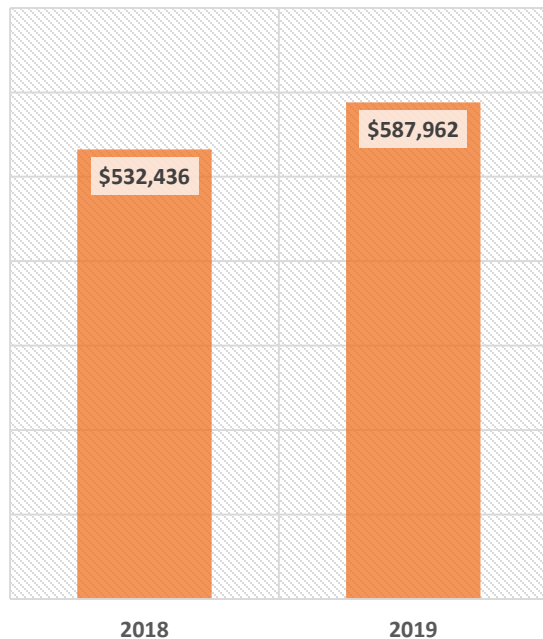
Claims Fund (*beginning of year balances*)



Health and Dental Claims	2019
2018 Claims Fund	\$971,287
2019 Claims Fund	1,009,918
Increase for 2019	\$38,631

The IBNP balance is increasing reflecting a projected increase in claims

- IBNP Reserve is required by the Act
- Represents claims which have been incurred, but have not yet been presented for payment
- IBNP Reserve based on independent actuary studies from Silverstone (*health*) and Ameritas (*dental*)



IBNP Reserves	2018	2019	Variance
Health	\$511,881	\$560,608	\$48,727
Dental	\$20,555	\$27,354	\$6,799
Total	\$532,436	\$587,962	\$55,526

2018 Ended With A Surplus

- Table below represents contributions and payments during 2018
- At the end of 2018, \$115K in excess contributions had been collected (*above plan expenses*)
 - LES & health plan participants received a “Premium Holiday” in December
 - Employee portion of surplus will be added to prior period surplus and carried forward

ANALYSIS OF ANNUAL HEALTH/DENTAL PREMIUM & COST ALLOCATION			
2018 Activity			
Contributions & Costs	Participant 25%	LES 75%	Total 100%
Total Contributions	\$1,561,885	\$4,631,998	\$6,193,883
Total Costs	(1,519,653)	(4,558,963)	(6,078,616)
Total Contribution Surplus	\$42,232	\$73,035	\$115,267

2019 Participant Surplus Carried Forward	
2018 End of Year Participant Portion of Surplus	\$42,232
2017 Year-end Cumulative Participant Surplus	121,537
Total Net Participant Surplus	\$163,769