



September 17, 2018

Ms. Michelle Mahowald
 City of Northfield
 801 Washington St
 Northfield, MN 55057

RE: January 2019, Renewal for City of Northfield

Dear Ms. Mahowald:

Thank you for your participation in the Public Employees Insurance Program (PEIP) Pool. We hope that the program has fulfilled your insurance needs.

We are very pleased to inform you that the pool is continuing to perform very well! For January 1, 2019, the pool renewal will be a combined average increase of 2.5 %, a figure considerably less than the current health care trend. If this is your group's first renewal, your rates could vary slightly as you are slotted into a tier for the first time. Your renewal rates will vary slightly depending on your premium tier shown on the attached Exhibit B.

Significant growth of the program over the last few years has provided us with the opportunity to develop premiums and renewal rates based on the claims experience of the entire PEIP membership population, allowing all groups to benefit from the success of the program. The pool has grown to over 285 groups, (115 of them schools) and more than 32,000 members with an average annual renewal of 2.5% over the last 10 years, as shown below.

History of PEIP Pool Renewals

July Group Average	January Group Average	<p><i>By combining all PEIP groups into one pool, the risk is spread over a large group of members (32,000) , providing more stability of rates.</i></p>
July, 2010 = +8.0%		
July, 2011 = -6.6%		
July, 2012 = -3.3%	January, 2013 = +5.0%	
July, 2013 = +6.0%	January, 2014 = + .5%	
July, 2014 = +1.9%	January, 2015 = +2.4%	
July, 2015 = +2.0%	January, 2016 = +5.5%	
July, 2016 = +5.9%	January, 2017 = +3.5%	
July, 2017 = +1.3%	January, 2018 = +.2%	
July, 2018 = + .2%	January, 2019 = \$2.5%	
<p>Combined Pool Average = 2.4% *History includes all ACA taxes</p>		

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For 2019, there are no significant plan changes on any of the three plan options. Please review the attached summary sheets for the updated benefits available in 2019 and distribute to employees as appropriate. Also, the Summaries of Benefits and Coverage (SBC's), as required by the Affordable Care Act, can be accessed online at www.innovomn.com/plan_information.html. The PEIP 2019 clinic directory will also be available on our website as of October 13, 2018. Please make sure members review their clinics for any cost level changes.

During the next six weeks, your insurance eligible employees will have the opportunity to change health plans and carrier networks. Plan designs, clinic listings, and enrollment forms are attached and can also be found on PEIP's website at www.innovomn.com/plan_information.html.

Employees and dependents who wish to change health plans or networks, need to complete an enrollment form for the change, and include the primary care clinic number for each member. Note that BCBS has changed their primary care clinic codes, please begin using new PCC codes immediately. Participants staying with the same carrier and wish to change their primary care clinic must contact the carrier directly to change their primary care clinic. Primary care clinics can be changed at any time by calling the customer service number on their ID card.

All completed enrollment forms and any changes to your group's eligibility requirements must be submitted to Innovo Benefits Administration, PEIP's administrator, by November 16, 2018.

As the sponsor of the group insurance, you may change PEIP product options (e.g. life and dental coverages) and eligibility requirements at this time. Eligibility criteria include number of hours worked per week to be eligible, new employee waiting periods before coverage becomes effective, etc. Any changes made to your current eligibility policy must be made in writing and sent to Innovo.

Forms can be sent via Fax, secure eMail or mailed to Innovo Benefits Administration.

Secure Fax: 952-746-3108

Email: service@innovomn.com

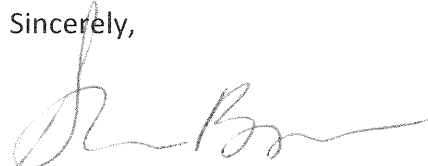
Mail: Innovo Benefits Administration
Attn: PEIP
7805 Telegraph Road, Suite 110
Bloomington, MN 55438

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Please forward the renewal rate information to your COBRA, Minnesota continuation, disabled, and early retiree participants (if any). If PEIP manages your COBRA, Innovo will send out the information to these participants.

We also have a video available that explains the plan choices and filling out enrollment forms at <https://youtu.be/8fzPUMaMa4> or if you have questions, please call 952-746-3101 or 1-800-829-5601 or email shawn@innovomn.com. We look forward to another year of serving you.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Byrne", written over a light blue horizontal line.

Shawn Byrne
Manager

CC: MMB

Enc: benefit charts, enrollment forms, renewal rates

EXHIBIT A
Confirmation of PEIP Coverages
City of Northfield

Your group currently has the following benefits

- | | | |
|---|------------------|---------------------------------------|
| o | Medical Coverage | Advantage Plan Options |
| o | Dental Coverage | Not currently participating with PEIP |
| o | Life Coverage | Basic Life |

Retiree rating structure

- o In accordance with Chapter 488, renewal rates for retirees who are under age 65 are blended with the rates for active employees. Eligible retirees currently on COBRA have been included in the retiree rate structure.
- o For retirees over age 65, individual Medicare supplement policies are available. Please call Innovo Benefits Administration at 1-800-829-5601 or contact your plan administrator for more details.

Optional coverages available for next renewal period

- | | |
|-----------------------------------|--|
| Basic Life: | Can be made available to all employees or locked with medical subject to evidence of insurability. |
| Supplemental Life/AD&D: | Individuals in your group can purchase supplemental life/AD&D coverage in \$5,000 increments up to a maximum of \$300,000; subject to evidence of insurability. |
| o Dependent Life: | Dependent life insurance with \$5,000 spouse coverage and \$2,500 child coverage is also available to individuals in your group. Evidence of insurability is required. |
| o Preventive Dental: | Coverage for routine dental exams, teeth cleaning, fluoride treatment and x-rays. |
| o Comprehensive Dental: | Provides coverage for preventive, basic (fillings, extractions) and major (inlays, crowns, bridgework) treatments. |

EXHIBIT B
City of Northfield
1/1/2019 Renewal Rates
Advantage Plans

2018 vs 2019 MEDICAL RATES

		Current Rates	Renewal Rates
Advantage High Option	Single	\$858.94	\$885.78
	Family	\$2,293.58	\$2,364.88
Advantage Value Option	Single	\$771.32	\$795.40
	Family	\$2,059.70	\$2,123.64
Advantage HSA Option	Single	\$586.84	\$605.10
	Family	\$1,567.10	\$1,615.52

2019 DENTAL RATES

		Monthly Rate If Employer Pays 90% or More of Cost	Monthly Rate If Employer Pays 90% or More of Cost
Preventive	Single	\$11.30	\$12.29
	Family	\$34.27	\$38.02
Comprehensive	Single	\$38.70	\$42.81
	Family	\$92.24	\$101.15

2019 LIFE RATES

Basic Life/AD&D	\$.19/1,000	
Dependent Life	\$1.18	
Supplemental Life (Per Thousand)	<u>Age</u>	
	<35	\$.11
	35-39	\$.13
	40-44	\$.17
	45-49	\$.26
	50-54	\$.44
	55-59	\$.71
	60-64	\$.79
	65-69	\$1.49