



## Amity Regional School District # 5

### Funding Platform Alternatives Historical Review and Results

September 12, 2016

#### I. Overview

- Amity switched to Self-Funding for 2012-2013
- Objectives:
  1. Improve Control Over Plan Costs
  2. Reduce Plan Costs Relative to Fully-Funded
  3. Capture Value of Favorable Claim Patterns
- Results:
  1. Self-Funded costs lower than Fully-Funded
  2. Actual Self-Funded costs in line with Expected Self-Funded Costs
  3. Annual Variability in Claim Costs Falls within Underwriting Parameters

#### II. Financial Summary

- Cost Reduction over 4 Years: \$2.1 million
- Additional Cost for 2016-2017 to be Fully-Funded: \$615,000
- Cumulative Actual Vs. Expected Claim Levels over 4 Years: <\$29,000>

#### III. Summary

- District Benefit Costs Lower Due to Self-Funding
- Self-Funding is an appropriate Funding Platform
- Maintenance of Reserves/Fund Balance is key fact.



## AMITY REGIONAL SCHOOL DISTRICT #5

### Review of Funding Platform Alternatives August 2016

#### I. Fully Funded / Self-Funded

	<u>Projected Fully Funded Premium<sup>(1)</sup></u>	<u>Expected Self-Funded Gross Costs<sup>(2)</sup></u>	<u>Differential</u>
2015-2016	\$5,306,761	\$4,409,931	\$896,830
2014-2015	5,453,434	5,008,440	444,994
2013-2014	4,905,931	4,561,123	344,808
2012-2013	<u>5,039,915</u>	<u>4,621,813</u>	<u>418,102</u>
<b>Cumulative</b>	\$20,706,041	\$18,601,307	\$2,104,734
<b>Average</b>	\$5,176,510	\$4,650,327	\$526,184

#### II. Self Funded Results

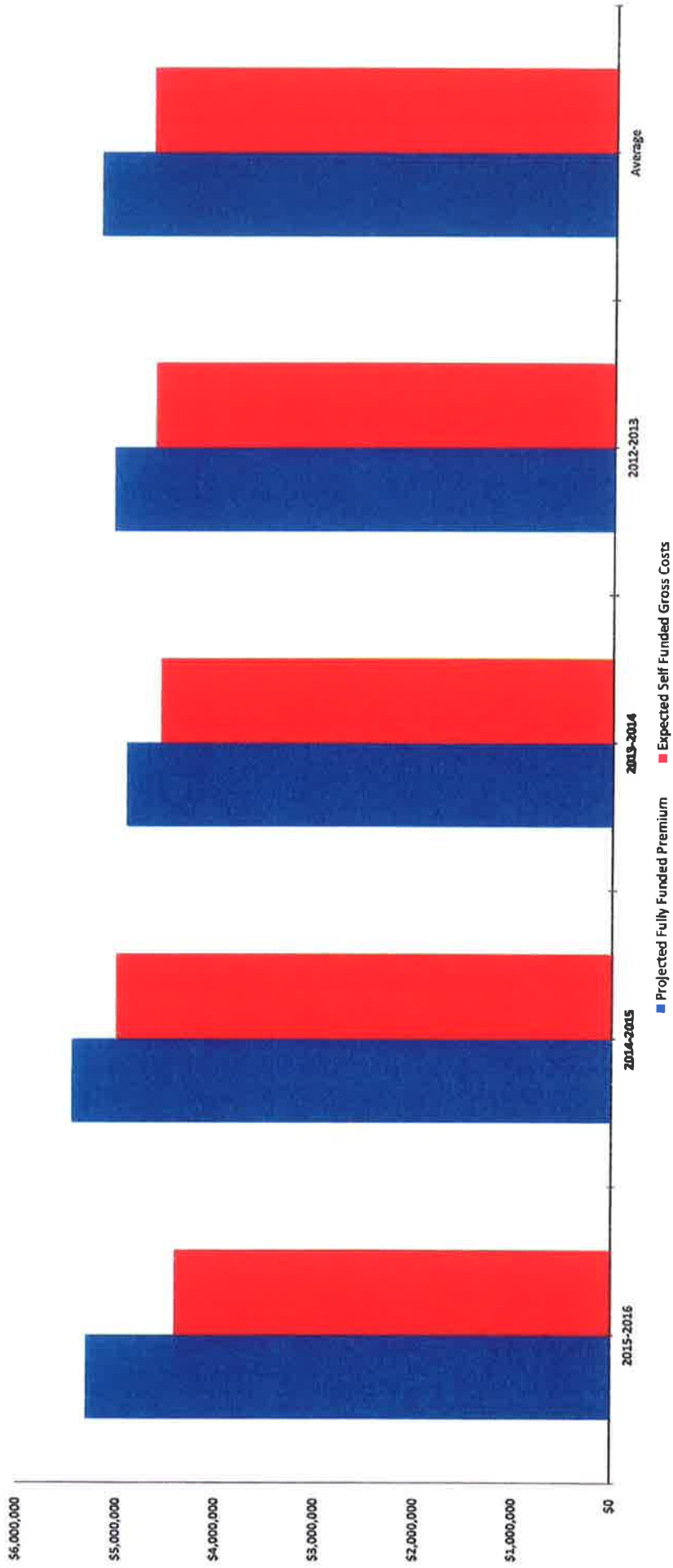
	<u>Expected<sup>(2)</sup></u>	<u>Actual<sup>(3)</sup></u>	<u>Differential</u>
2015-2016	\$4,409,931	\$4,888,342	(\$478,411)
2014-2015	5,008,440	4,566,720	441,720
2013-2014	4,561,123	4,911,060	(349,937)
2012-2013	<u>4,621,813</u>	<u>4,263,962</u>	<u>357,851</u>
<b>Cumulative</b>	\$18,601,307	\$18,630,084	(\$28,777)
<b>Average</b>	\$4,650,327	\$4,657,521	(\$7,194)

(1) Derived from Anthem Fully Insured Equivalent Rates.

(2) Derived from Anthem Allocation Rates and Stop Loss Premium Costs (Sun Life).

(3) Anthem Annual Incurred Settlement package.

**Amity Regional School District #5  
Fully Funded/Administrative Services Only  
August 2016**



## Amity Regional School District #5 Self Funded Results August 2016

