MEMO

TO: Caroline McKinney

CC:

FROM: John Lewis

DATE: October 20, 2026

RE: Insurance Recommendations

Each year, Liberty Township, working with McGohan Brabender, solicits renewal quotes for health, dental, eye, and life insurance. This memo outlines findings and recommendations for approval for the 2027 plan-year. Liberty solicited two groups to participate in their fully insured pools. After review of claims data, we were denied. Staff will continue working closely with McGohan to monitor our plan trends and look for appropriate times in the future to petition for inclusion in a group.

STOP LOSS

Liberty Township's current stop loss carrier is SunLife with a specific deductible amount set at $60,000. Staff asked McGohan Brabender to obtain quotes from other carriers as part of the review process. SunLife provided two different specific deductible levels, $60,000, and $65,000. It is staff's recommendation that Liberty Township select the $65,000 specific deductible proposal from SunLife. All estimates in this memo are based on SunLife as the stop loss carrier at the $65,000 specific deductible. **This pairing allows the premiums to remain unchanged for the third year in a row.**

The stop loss provider is also paired with Custom Design Benefits as the Third-Party Administrator (claims management), the Medical Mutual of Ohio network, and Magellan as the pharmacy benefits manager

Carrier	Specific Deductible	Laser Liability	Expected Funding	$ Change Over Current Plan
SunLife (Current)	$60,000	None	$2,226,451	-
SunLife Renewal	$65,000	None	$2,136,220	($151,865)

MEDICAL COVERAGE

PPO

The renewal quote from McGohan Brabender has no increase from the 2026 costs. The Township would continue with Custom Design Benefits as the Third-Party Administrator, the Medical Mutual of Ohio network, and Magellan as the pharmacy benefits manager.

Tier	Current Fully Insured Equivalent Rate	Renewal Fully Insured Equivalent Rate	Employee Enrollment
Employee Only (EE)	1,516.90	1,516.90	3
EE + Spouse	2,974.04	2,974.04	4
EE + Child(ren)	2,646.37	2,646.37	0
EE + Family	4,405.09	4,405.09	1

The table below shows the employee funding factors per pay.

Tier	Current EE Funding Factor No Wellness 20%	Current EE Funding Factor with Wellness 12.5%	Renewal EE Funding Factor No Wellness 20%	Renewal EE Funding Factor with Wellness 12.5%
Employee Only (EE)	151.69	94.81	151.69	94.81
EE + Spouse	297.40	185.88	297.40	185.88
EE + Child(ren)	264.64	165.40	264.64	165.40
EE + Family	440.51	275.32	440.51	275.32

NOTE: funding is deducted over 24 pays

High-Deductible Health Plan (HDHP)

A high-deductible plan means a deductible must be met before the plan benefits are paid for services other than in-network preventive care services (these are covered 100%). Once the deductible is met, the Township picks up the cost of services 100% up to the stoploss threshold. The Township's proposed plan is an embedded plan, meaning once everyone covered has met the deductible, that individual's costs would be covered at 100%.

The renewal quote from McGohan Brabender has no increase from the 2026 costs.

For 2027, the minimum deductible for an embedded plan will be raised to $3,500/$7,000 per IRS guidelines, an increase of $100/$200 from 2026. The Township and employee can contribute to a Health Savings Account each year. Staff recommends continuing with Custom Design Benefits for the HDHP.

Tier	Current Fully Insured Equivalent Rate	Renewal Fully Insured Equivalent Rate	Employee Enrollment
Employee Only (EE)	1,346.28	1,346.28	25
EE + Spouse	2,639.49	2,639.49	8
EE + Child(ren)	2,348.72	2,348.72	3
EE + Family	3,909.60	3,909.60	24

The table below shows the employee funding factors per pay.

Tier	Current EE Funding Factor No Wellness 10%	Current EE Funding Factor with Wellness 2.5%	Renewal EE Funding Factor No Wellness 10%	Real EE Funding Factor with Wellness 2.5%
Employee Only (EE)	67.31	16.83	67.31	16.83
EE + Spouse	131.97	32.99	131.97	32.99
EE + Child(ren)	117.44	29.36	117.44	29.36
EE + Family	195.48	48.87	195.48	48.87

NOTE: funding is deducted over 24 pays

Wellness Initiative

Staff recommends the Township continue to provide reduced medical premiums through the wellness initiative. To qualify for the initiative, everyone 18 years or older that is covered by a plan must visit their primary care provider for an annual preventative care visit prior to the start of open enrollment. These visits are covered at 100%, according to ACA guidelines.

Employees should have all the required visit affidavits completed prior to November 1, 2027. The wellness initiative would reduce the employee premium contribution from 20% to 12.5% for the PPO, and from 10% to 2.5% for the HDHP. Employees enrolling without the necessary affidavits completed by November 1st, 2027, will not receive the wellness rate for the 2028 plan year.

Health Savings Accounts

Staff recommends the Township contributions to the employee health savings accounts be $1,600 (single) and $3,200 (family) for the 2027 plan year. This would amount to an additional $12,500 using current enrollment numbers. It's also recommended that the Township use a prorated funding model (rounded to nearest quarter) for HSA funds in 2027 for any mid-year enrollments and shifting all HSA distributions to quarterly in 2028 rather than the current annual distribution. This shift would have saved approximately $6,000 in 2026.

Finally, staff recommends allowing employees to select their own Health Savings Account bank. Current practice requires employees to open an HSA on their own through First Financial Bank and then provide routing and account information to HR for funding. Having employee choice would allow them to select banking options that are important to them such as branch location, interest rates, investment opportunities, etc. The Township has no agreement in place with First Financial Bank to provide our population with said accounts.

Cash In-Lieu

Staff recommends Liberty Township continue their cash in-lieu of for eligible employees that do not elect medical coverage. If an employee chooses to waive health insurance from the Township, the employee will receive a $200 per month stipend. The stipend will be paid the second pay period each month and is a taxable benefit.

Nineteen employees are currently taking advantage of this benefit.

Employee Eligibility

Employees hired within the plan year, and elect coverage, will get the wellness rate for the remaining plan year. They will then be required to provide the affidavit like all other employees to receive the wellness rate prior to renewal.

For anyone that terminates their employment with Liberty Township, all insurance benefits end on the employee termination date.

DENTAL INSURANCE

Rates with Superior Dental for the 2027 plan-year were quoted with a 5% increase. Staff is recommending continuing with Superior Dental. It is also recommended to maintain the employee portion at 30% of the total premium cost for 2027.

Annual deductibles are $50/$150 for individual/family plans with an annual maximum of $1,000. Preventative care is covered at 100%, basic care at 80%, and major care at 50%. Orthodontia is not covered.

Tier	Current Rates	Renewal Rates	Employee Enrollment
Employee Only (EE)	29.90	31.40	30
EE + Spouse	59.53	62.51	12
EE + Child(ren)	61.31	64.38	4
EE + Family	96.11	100.92	21

NOTE: premiums are deducted over 24 pays

The table below shows the employee premium contributions per pay.

Tier	Current Premium 30%	Renewal Premium 30%
Employee Only (EE)	4.08	4.71
EE + Spouse	8.12	9.38
EE + Child(ren)	8.36	9.66
EE + Family	13.11	15.14

NOTE: premiums are deducted over 24 pays

VISION INSURANCE

Liberty Township currently utilizes EyeMed for vision coverage. **There is no change in the rates for coverage as the current rates are guaranteed through 2026.** EyeMed has also guaranteed the rates for an additional 48-month period.

The Township does not contribute to the policy. The table below shows the employee premium contributions per pay.

Tier	Current Premium 100%	Renewal Premium 100%	Employee Enrollment (2026)
Employee Only (EE)	3.64	3.64	22
EE + Spouse	6.90	6.90	13
EE + Child(ren)	7.29	7.29	2
EE + Family	10.71	10.71	15

NOTE: premiums are deducted over 24 pays

LIFE INSURANCE

The township provides a $50,000 basic life insurance policy for each full-time employee. Additionally, the Township offers voluntary life insurance. The rates secured in 2025 with Hartford are locked in for 2026 as well. No changes will be needed for life insurance.

Basic Life ELECTED OFFICIALS	Hartford
Benefit Maximum	$15,000; $30,000 if death occurs while working
Reduction Schedule	By 35% at 65, 60% at 70, 75% at 75, 85% at 80

Basic Life EMPLOYEES	Hartford
Benefit Maximum	$50,000; $100,000 if death occurs while working
Reduction Schedule	By 35% at 65, 60% at 70, 75% at 75, 85% at 80

Tier	Current Rate (per $1,000)	Renewal Rate (per $1,000)	Employee Enrollment (2026)
Basic Life	$0.011	$0.0161	87
Basic AD&D	$0.025	$0.025	87
Supplemental Life/AD&D	Step Rates	NO CHANGE	11
Long Term Disability	Step Rates	NO CHANGE	5

OPEN ENROLLMENT

Open enrollment is scheduled to begin November 18th starting at 10am at Town Hall. The meeting will last approximately 60 minutes with an opportunity for employees to ask questions of McGohan Brabender. The presentation will take a more detailed approach this year with the hopes of informing all our employees about their benefits package. Staff's goal is to have employees enroll in the plans through Paycor this year.