

**City of Dearborn  
Employee Insurance Fund  
Proposed FY2018, 2019 and 2020 Budget**

**This fund accounts employee health care and dental insurance. Active employee health insurance is self-insured on a reimbursement basis with Health Alliance Plan (HAP) and Blue Cross Blue Shield. Retiree health insurance is mixed between either self-insured or fully insured for Medi-Care Advantage. Active employee dental insurance self-insured on a reimbursement basis with Delta Dental. This fund includes employee contributions for COBRA and dependent riders.**

**Life Insurance and Long-term Disability Insurance have been moved to the Trust and Agency Fund since they are entirely fully insured premiums.**

**Revenue**

- HAP premiums are budgeted to increase 5% in FY18 thru FY20. Blue Cross Blue Sheild premiums are budgeted to increase 4% in FY18, and 5% in FY19 and FY20.
- Dental premiums are budgeted to increase due to budgeted increases in personel, though dental rates are budgeted to remain flat due to sufficient reserves.

**Expenditures**

- Health care assumptions are:
  - HAP: 4.5% in FY18, and 5% in FY19 and FY20.
  - Blue Cross / Blue Shield: 1% in FY18, and 5% in FY19 and FY20
  - Dental: No inflation, plus a fixed amount of \$25,000 in FY18, FY19 and FY20 for budgeted personnel increases.

**Reserves**

- Healthcare reserves are low, and are budgeted to increase in future years.
- Dental reserves are sufficient, and dental premiums are currently budgeted at a 5% discount to reduce the reserve