



Conrad Siegel
ACTUARIES

The Employee Benefits Company

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The Challenge

The Berks County Schools Health Insurance Consortium (BCSHIC) is comprised of nineteen member entities that include 14 school districts in Berks County, one school district in Schuylkill County, two area vocational schools, one intermediate unit, and one earned income tax bureau. The BCSHIC was created to provide health care benefits to its member entities.

Last summer, the Consortium found themselves at the end of a long-term contractual agreement with their health insurance carrier. As a provider of health care benefits for over 5,500 faculty and staff, the Consortium shoulders the burden of balancing the complex issues that surround delivering competitive health care benefits to its members with the fiscal responsibility that goes with managing and maximizing taxpayer money.

“We didn’t know what to expect, but we knew we had to be prepared”, said Dr. Kim Slick, Instructor with the Brandywine Heights School District and Labor Representative for the Consortium. “Working with Kevin Erb”, Consulting Actuary with **Conrad Siegel Actuaries**, “we were able to prevent a premium increase and actually create savings while locking in a three-year rate guarantee”.

The Solution

Conrad Siegel Actuaries demonstrated their problem solving skills when the Consortium faced the possibility of four school districts, which made up about 30% of the total consortium group, terminating their membership prior to the effective date of coverage. The experts at **Conrad Siegel Actuaries** knew that insurance underwriters normally do not tolerate such variables when developing health care premium rates and decided to go on the offensive. **Conrad Siegel Actuaries** illustrated the negligible affect on loss ratios

with or without the participation of the four member school districts and convinced the prospective carriers to overlook the enrollment variable entirely.

“Our Consortium is unique in that management and labor participate in the decision making process. Kevin makes it a point to clearly present the facts, effectively communicate the most important and relevant information, and assist all stakeholders in making important decisions. This approach makes Kevin and the professionals at **Conrad Siegel Actuaries** an extremely valuable asset in the bidding process for a new health insurance contract”, said Dr. Paul B. Eaken, Superintendent of Fleetwood Area School District and a Management Representative for the Consortium.

The Result

Through effective negotiating strategies and particular attention to the numbers, **Conrad Siegel Actuaries** produced a \$2.5 million dollar savings for the Consortium for the coming plan year. In addition, **Conrad Siegel Actuaries** laid the foundation for stabilized premiums through the year 2011.

Effective negotiating strategies
and particular attention to
numbers produced large savings
and stabilized premiums
through 2011.