



Guide to Insurance Committees for School, City, and County Employers



Forming an insurance committee can offer schools, cities, and counties the chance to build a health insurance package that considers the needs and opinions of all parties involved. By including stakeholders in the process, you create transparency around the benefits package, including health insurance costs and the decisions surrounding it. For school, city, and county employers, this may mean more “buy-in” and less resistance.

In some organizations, the committee may serve an advisory role. Others may have more decision-making power. Either way, a committee provides a forum where issues can be discussed, independent of, or contributing to, any final decisions that are made.

The Purpose of an Insurance Committee

Insurance committees allow labor and administration the opportunity to come together to tackle issues where their respective goals and objectives are compatible – such as controlling the inflation of health insurance costs, reducing claims as well as encouraging employees to improve their own health.

Possible Duties of an Insurance Committee:

- Perform benefit cost reviews and plan design comparisons
- Review aggregate claims data so you can develop programs that help keep claims down
- Evaluate incumbent insurance carriers, brokers, and consultants
- Educate employees on their benefit package, the health plan itself, the trends in the marketplace and how employees can best manage their benefits

“We have what we refer to as the Insurance Advisory Committee. We have actually had this committee for almost 30 years. We have always invited a representative from each of our bargaining groups to sit on the committee. Our purpose is to keep all bargaining groups informed of possible insurance changes, issues or concerns. We rely on each representative to report back to their groups on our meeting topics and to bring back to us any problems that need to be addressed. We meet 4-5 times each school year and try to keep the meeting times to 1 to 1 1/2 hours.”

Jackie Nelson

Insurance Benefits Supervisor
Anoka-Hennepin School District,
Anoka, MN

Forming an Insurance Committee

The size of your committee will depend upon the size of your organization. Ultimately you want to have members that represent the various aspects of your organization.

Ideally, have members who are:

- Engaged in the process
- Influential
- Open-minded
- Willing to avoid viewing each meeting as a negotiating session
- A mix of long-standing staff as well as newly hired employees (This provides the ability to get perspective from various demographics)

When possible, have:

- A member from each bargaining unit, if applicable
- Your Business Manager/Finance Director
- Personnel from Human Resources
- Your Superintendent/Executive Director
- Staff members (get a cross section of employees)
- A member of your Board



Insurance Committee Meetings

The frequency of meetings also depends on the size of your organization and what you are trying to accomplish. Ten times per year is typical for a larger group. For smaller groups, quarterly meetings are usually sufficient.

Meeting Preparation:

Have your [Benefits Consultant](#) run your claims data to review during the meeting/s. Claims data provides the committee an opportunity to:

Review your loss ratio:

- If it is high, you can expect premiums to increase.
- If your loss ratio is low, you might be paying more in premiums than needed. Talk to your insurance consultant and have them do cost modeling based on your utilization. This may be an opportunity to shop carriers or negotiate your rates with your current carrier.

Review high claim areas:

- Identify areas ideal for employee education such as when to visit the emergency room versus taking advantage of urgent care or teach medical consumerism, i.e. how to evaluate procedure and prescription costs, etc.
- Identify opportunities to adjust co-pays, plan design or deductibles to encourage/discourage certain behaviors. For example, lowering co-pays on generic medications and increasing them on brand name drugs.

Meeting Structure:

Some organizations have their Benefits Consultant facilitate the meeting. The bulk of your meeting should be spent on developing a strategy based on:

- Reviewing claims and utilization
- Financial projections
- Trends - are claims going up? Are they going down? Are they looking okay? Is there a need for employee education?

Then, include some type of committee education, such as: Health Savings Accounts (HSA), Health Reimbursement Accounts (HRA), High Deductible Health Plans (HDHP), benefit management,

etc. If you have a committee member who is knowledgeable in the topic at hand; they can open the education portion and then your Consultant can handle the detailed information.

Annual Meeting:

At least four months prior to your renewal, consider conducting an annual meeting. This is an opportunity to have your Benefit Consultant perform annual cost modeling to determine what your next renewal should be based on your actual claim data. This report will help you determine if you should start negotiations with your current carrier or go out to bid. This is key to ensuring that you get the most appropriate rates for your group, avoiding artificially inflated or unsustainable rates.

Don't skip this step! It is not unusual for health insurance carriers to base rates on inactive claims or not go back far enough to yield accurate pricing. In one case, an NIS Consultant found a one million dollar savings for a school district.

An annual meeting also provides you the opportunity to survey your committee on:

- Any new ideas
- What new topics they would like to discuss
- How they view the flow of the meetings
- Whether the frequency of the meetings is working
- If they have a desire to continue being a part of the committee

Final Thoughts

Forming an insurance committee can offer schools, cities, and counties the chance to build a health insurance package that considers all parties involved, encourages active engagement and emphasizes a "we're all in this together" culture.

Find out what neighboring schools, cities, or counties are doing within their own insurance committees, build on their successes, and learn from their failures.

We hope this guide has been useful in providing an overview of the best practices when setting up and utilizing an insurance committee. Please feel free to [reach out to an NIS Representative](#) with any questions you may have.

About National Insurance Services:

Since 1969, National Insurance Services (NIS) has worked with public sector organizations such as schools, cities, counties, municipalities, libraries, and community mental health organizations providing employee benefit consulting services, as well as brokerage services for medical, dental, life, disability, and vision insurance benefits. NIS also specializes in early retiree benefit restructuring services, tax-free options for retiree payouts, as well as, on-site and near-site medical clinics.

NIS is trusted by over 2,500 public sector organizations and 500,000 insured individuals in 29 states. We are headquartered in Brookfield, Wisconsin with regional offices in Indiana, Iowa, Michigan, Minnesota, Nebraska, and Pennsylvania.

To learn more about NIS, visit our website NISBenefits.com.

You may also be interested in the following resources:

- [Case Study: Freeborn County, Minnesota](#)
- [Guide to Restructuring Retiree Benefits](#)
- [Whitepaper: Understanding Self-Funded Vs. Fully Insured Health Plans](#)



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