September 28, 2026

Ronna Berghoff
City of Carlos
PO Box 276
Carlos, MN 56319

RE: 2027 PEIP Renewal for January - City of Carlos

Dear Ronna:

Thank you for your participation in the Public Employees Insurance Program (PEIP). We hope the program continues to fulfill your insurance needs.

2026 vs 2027 MEDICAL RATES

		Current Rates	*2027 Renewal Rate Without Commission*	*2027 Renewal Rate With Commission*	*Projected Enrollment*
High Option	Single	$925.40	N/A	$1,022.58	0
	Family	$2,470.84	N/A	$2,730.28	0
HSA Option	Single	$637.90	$704.88	$704.88	1
	Family	$1,703.16	$1,882.00	$1,882.00	0

In accordance with MN Stat. 471.61, renewal rates for retirees under age 65 are the same as the rates for active employees. Eligible retirees currently on continuation are included in the rate structure.

The information below is provided to you as required by Minn. Stat. 471.6161, Subd.8.(d).

Summary	
Agent Commissions Paid as Part of the Premium	$0.00 PCPM / $0.00 PMPM
Total Premium Dollars in the First 12 Month Period of the Quote, Not Including Commissions	$8,458.56
Total Premium Dollars Per Member Per Month Not Including Commissions	$704.88
Number of Expected Members	1
Type of Provider Network	Broad Tiered Network HMO[1]

[1]The PEIP network operates as an HMO within each cost level tier.

2027 Actuarial Value Plan % of Total Allowed Costs		**2027 Cost Sharing Projection Plan % of Total Allowed Costs**	
High	HSA	HIGH	HSA
*88.9%	74.1%	94.5%	85.1%

*Please find additional commentary regarding the source of these actuarial values and their applicability on page 4.

The PEIP program continues to be in a strong financial position. However, we have seen claim costs increase significantly over the last 12 months. While the claims costs have varied across the groups in the program, a large driver of the increased claims costs is prescription drugs, in particular GLP-1 weight loss drugs (increased almost 40%). Because of these increased claims costs, the program-wide premium increase needed for 2027 is higher. There will be minimal changes to the PEIP plans for 2027.

PEIP continues to offer unique features to public employer groups such as an individual choice of two network providers for each employee, along with two plan design options. Our administrative costs remain low by leveraging with the State of Minnesota employees' plan contracts with the two network carriers.

PLEASE READ CAREFULLY:

As a reminder, the group enrollment commitment in PEIP has changed (Minn. Stat. 43A.316, Subd.5. (d)). The revised statute extends the enrollment commitment to four years, with an early termination option if you received a renewal of 20% or more. The goal of this change is to bring more stability to the pool and decrease volatility in renewal increases. In the first 10 years of the current pooling methodology, the plan had very high stability which resulted in average increases of approximately 3%. When the pool saw increased movement from our groups, the rate increases became higher. This return to stability will allow the plan to pool claims at a higher level which we anticipate will help keep rate volatility down.

During open enrollment, your insurance eligible employees may change health plans and carrier networks. Please have your open enrollment completed by ***November 13, 2026***. Updated benefit summaries and other enrollment information are included in your email. Forms can also be found on PEIP's website at www.innovomn.com.

Individual Medicare Advantage and Cost policies are available for retirees over age 65. Please call Innovo Benefits Administration at 1-800-829-5601 or visit our website at www.innovomn.com.

Employees and dependents who wish to change health plans or networks must complete an Enrollment Form (or online enrollment) for the change. A primary care clinic number for each member is required. ***Participants staying with the same carrier who wish to change their primary care clinic must contact the carrier directly.***

Primary care clinics can be changed at any time by calling the customer service number on the member's ID card. **The PEIP 2027 clinic directory will be available October 15th on the PEIP website at www.innovomn.com. IMPORTANT: Please be sure members review their clinics for any cost level changes.**

All completed enrollment forms and any changes to your group's eligibility requirements must be submitted to Innovo Benefits Administration, PEIP's administrator, by November 13th. Please plan your open enrollment to meet this deadline. No form is required for those employees maintaining current coverage.

As the sponsor of the group insurance, you may change or add additional PEIP product options (e.g. life and dental coverages) and change your eligibility requirements at this time. Eligibility criteria includes the number of hours worked per week to be eligible, new employee waiting periods before coverage becomes effective, etc. Any changes made to your current eligibility policy must be made in writing and sent to Innovo. Please submit all forms via fax, email, Innovo Portal or mail to:

Innovo Benefits Administration
Attn: PEIP
7805 Telegraph Road, Suite 110
Bloomington, MN 55438
Secure Fax: 952-746-3108 Email: service@innovomn.com

Please forward the renewal rate information to your COBRA, Minnesota continuation, disabled, and early retiree participants (if any). If PEIP manages your COBRA, Innovo will send out the information to these participants.

If you have any questions, please call 952-746-3101 or 1-800-829-5601 or email shawn@innovomn.com. We look forward to another year of serving you.

Sincerely,

Shawn Byrne
Manager

CC: Agent (if applicable)

2027 Actuarial Value[3] Plan % of Total Allowed Costs		**2027 Cost Sharing Projection[4] Plan % of Total Allowed Costs**	
High	HSA	HIGH	HSA
88.9%	74.1%	94.5%	85.1%

[3]This minimum value calculator was released by the Department of Health and Human Services in conjunction with the final rule for determining minimum value, finalized as 45 CFR 156.145. This tool is being used to calculate actuarial value as required by Minnesota Statute 2023, section 471.6161, subdivision 8 as amended by Chapter 114, Article 1, Section 15.

The HHS minimum value calculator utilizes 2009 data trended to 2014 to determine each plan's actuarial value and relies solely on the Single coverage plan design. No employer premium or HRA/HSA contributions are included in these actuarial value calculations

[4]Using recent, actual claims data, as well as projected benefit changes, this represents PEIP's estimated member cost sharing associated with the HIGH and HSA plans. This estimate is calculated using actual PEIP membership and claim experience for both Single and Family coverages, trended forward to 2026 and using 2026 plan designs. No employer premium or HRA/HSA contributions are included in these actuarial value calculations.

City of Carlos
1/1/2027 Renewal Rates

Additional Available Coverage Options

Delta Dental Comprehensive Dental Plan:

Coverage Level	Employer Pays 90% or More of Premium	Employer pays less than 90% of Premium
Employee Only	$43.50	$48.15
Family	$103.67	$113.67

***** *At least 50% of eligible employees must enroll for dental to be offered.*

***An Annual Open Enrollment Period is now available*

Deductible (Calendar Year)	Delta PPO	Delta Premier or Non-Choice
Per Covered Person	$25	$50
Per Family	$50	$100
Co-Insurance	**Delta PPO**	**Delta Premier or Non-Choice**
Diagnostic/Preventative Services (Deductible does not apply)	100%	90%
Basic Restorative Services	80%	80%
Major Restorative Services	50%	50%
Prosthetic Repairs/Adjustments	50%	50%
Prosthetics	50%	50%
Maximum Benefits: $1,000 Per covered Person per Calendar Year		

Choice of Providers: When you use a Delta PPO dentist, your benefits are greater than if you use any other Delta Dental dentist. When using a Delta PPO or Delta Premier dentist, your dentist will file your claims for you, and payment will be sent by Delta Dental directly to the dentist.

You can go to any dentist, even if they have not signed a participating provider agreement with Delta Dental, but you are not assured that the dentist will adhere to Delta Dental's allowable charges, and you may pay more out of pocket for your care.

(For participating dentists and other helpful online tools: www.deltadentalmn.org)

2027 LIFE RATES, if applicable

Basic Life/AD&D	$.18/1,000	
Dependent Life	$1.18	
Supplemental Life (Per Thousand)	Age	
	<35	$.11
	35-39	$.13
	40-44	$.17
	45-49	$.26
	50-54	$.44
	55-59	$.71
	60-64	$.79
	65-69	$1.49