



City of Dania Beach

FLORIDA

DATE: June 22, 2016

TO: Mayor Marco Salvino, Sr.
Vice Mayor Albert C. Jones
Commissioner Chickie Brandimarte
Commissioner Paul Fetscher, Sr.
Commissioner Bobbie H. Grace

FROM: Robert Baldwin, City Manager

BY: Kristin Milligan, HR Generalist

THROUGH: Jackie Beauzil, HR/Risk Manager

SUBJECT: 2016/2017 Health Insurance Recommendation

On April 22, 2016, the Gehring Group, on behalf of the City, published a RFP for medical insurance for active employees and non-Medicare eligible retirees. The City did not request proposals for the Medicare supplement plan, currently through Aetna, for Medicare eligible retirees as the supplement plan is separate from the City's active plan and is not yet due for renewal. Additionally, the City did not request proposals for short-term disability insurance as the Gehring Group secured a renewal at the same rate, and for dental, vision, and life insurance benefits as the Gehring Group secured a renewal at the same benefit level and premium with a 24 month rate guarantee.

Gehring Group presented all viable options to City Administration, recommending that the City renew current coverage with Florida League of Cities.

Acceptance of the renewal will result in the following:

- Decrease in current premiums of 5%
- Estimated savings to the City of \$109,916
- Estimated savings to employees and non-Medicare eligible retirees of \$20,936
- Continuation of membership in the Florida League of Cities which provides a level of protection from steep increases in years that the City's claims experience is not as positive as this year.

The reduction in cost may be due to:

- Positive claims experience
- Separation of the Medicare eligible retirees from the active plan to their own, stand-alone supplement plan.

Funding for the proposed insurance plan will be appropriated in the 2016/2017 budget.

Recommendation

City Administration recommends acceptance of renewals with Florida League of Cities for medical insurance, Reliance Standard for dental, vision, and life insurance, and Maxon for short-term disability.