

City of Dade City

AGENDA MEMO

To: Honorable Mayor and Members of the City Commission
From: Rita Harbeson, Human Resources Specialist
Subject: Selection of Health Insurance Carrier and Plan for Employees
Date: April 28, 2009

It is requested that the City Commission consider the following information and recommendations:

BACKGROUND:

The City of Dade City selected United Health Care Plan 12, through The Florida League of Cities as its carrier for health insurance for employees for the period of June 1, 2008 to May 31, 2009. United Health Care offers an extensive provider network and reasonable co-pays and deductibles.

ISSUES:

The City of Dade City contacted Alltrust, the City's insurance broker, and Public Risk Management to identify a carrier with a benefit plan at an affordable premium. Alltrust and the Florida League worked together to provide a proposal from United Health Care through the Florida League of Cities. We also received quotes from Aetna, Humana and United (outside the League). Public Risk Management had several plans with Blue Cross/Blue Shield. All plans had varying benefits and monthly premiums.

Staff reviewed each carrier's proposals and the specifics of each plan. We chose to stay with United Health Care from The Florida League, managed by Alltrust.

The comparison of the current rate and the proposed rates is outlined below.

	Current	Renewal
Employee	\$ 344.07	\$ 375.04
Employee & Spouse	\$ 800.16	\$ 872.17
Employee & Child(ren)	\$ 675.37	\$ 736.15
Employee & Family	\$ 1,030.90	\$ 1,123.68
Total monthly premium for Dade City (based on 100% contribution for Employee only)	\$26,493.39	\$ 28,878.08

The renewal rates are 9% higher than our current rates.

The City Commission has made a contribution equal to the employee only portion of the health care premium to each employee. Employee's who waive participation in the health insurance plan have the option to utilize their contribution towards other insurance plans offered by the City with AFLAC, Guardian and Standard.

ALTERNATIVES:

1. The City Commission may elect to retain United as the carrier for employee health insurance for the period of June 1, 2009 to May 31, 2010.
2. The City Commission may elect to select another carrier for health insurance for the period of June 1, 2009 to May 31, 2010.
3. The City Commission may elect to cease offering health insurance as a benefit to employees effective June 1, 2009.
4. The City Commission may elect to continue making a contribution to all employees equal to the amount of the employee only premium.
5. The City Commission may elect to discontinue making a contribution to employees equal to the amount of the employee only premium for health insurance or ancillary insurance plans and begin to require employees to contribute a portion or the entire amount of the premium.

RECOMMENDATION:

It is recommended that the City Commission retain United Health Care through the Florida League of Cities as the carrier for employee health insurance for the period of June 1, 2009 to May 31, 2010.

It is also recommended that the City Commission contribute to all employees' a monthly contribution equal to the employee only premium of the base health insurance plan which is \$375.04 per month.

FUNDING:

The budget for FY 2008-2009 includes funding for the employee insurance contribution as staff included a projected cost increase for the last four (4) months of the fiscal year.

Each department has a budget account for their insurance premiums.

City of Dade City

AGENDA MEMO

To: Honorable Mayor and Members of the City Commission

From: Rita Harbeson, Human Resources Specialist

Subject: Dental Insurance Renewal for Employees

Date: April 28, 2009

It is requested that the City Commission consider the following information and recommendations:

BACKGROUND:

The City of Dade City selected Guardian Life Insurance as its carrier for dental insurance for employees beginning June 1, 2006 and have renewed through May 31, 2009.

ISSUES:

It has been the goal of staff and Alltrust to identify carriers with benefit plans at affordable premiums. Six (6) providers responded to the proposal for dental insurance including Guardian Life Insurance, Assurant, MetLife, United Health Care, Principal and Humana.

Staff reviewed the proposals and made the decision to remain with Guardian Life Insurance. As our current carrier, Guardian Life Insurance has a roll-over benefit; if the City changes carriers, this benefit will be forfeited.

The City Commission has allowed a contribution of \$10. per month for each employee participating in the dental insurance plan with Guardian. The \$10. contribution is a benefit that has been greatly appreciated as it has made dental insurance more affordable for employees.

Guardian Life Insurance will continue to offer two plans. The comparison of current and proposed rates is below:

	Current		Renewal	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
Employee	\$ 17.02	\$ 28.83	\$ 17.87	\$ 30.27
Employee & Spouse	\$ 36.47	\$ 61.76	\$ 38.29	\$ 64.85
Employee & Children	\$ 40.62	\$ 68.78	\$ 42.65	\$ 72.22
Employee & Family	\$ 60.08	\$101.75	\$ 63.08	\$106.84

The renewal rates are 5% higher than our current rate.

ALTERNATIVES:

1. The City Commission may elect to renew the dental plan with Guardian Life Insurance for the period of June 1, 2009 to May 31, 2010.
2. The City Commission may elect to choose a different provider for dental insurance.
3. The City Commission may cease offering a group dental plan for employees.
4. The City Commission may continue to provide the additional benefit of \$10.00 per month for each employee participating in the dental plan.
5. The City Commission may elect to not fund a monthly \$10.00 contribution for employees participating in the dental plan.

RECOMMENDATION:

It is recommended that the City Commission renew the dental plan with Guardian Life Insurance Company of America for the period of June 1, 2009 to May 31, 2010.

It is also recommended that the City Commission continue to contribute \$10.00 per month per employee who participates in the Guardian Life Insurance Dental Plan.

FUNDING:

The FY 2008-2009 Budget includes funding for the \$10.00 per month contribution for employees participating in the dental plan.

Each department has a budget account for their insurance premiums.

Currently seventy-one (71) employees participate in the dental plan.

City of Dade City

AGENDA MEMO

To: Honorable Mayor and Members of the City Commission

From: Rita Harbeson, Human Resources Specialist

Subject: Life Insurance Renewal for Employees

Date: April 28, 2009

It is requested that the City Commission consider the following information and recommendations:

BACKGROUND:

The City of Dade City selected Standard Insurance as its carrier for life insurance for employees beginning June 1, 2006 and have renewed through May 31, 2009.

ISSUES:

It has been the goal of staff and Alltrust to identify carriers with benefit plans at affordable premiums. Six (6) providers responded to the proposal for life insurance including Standard, Principal, MetLife, Hartford, United and Assurant.

Staff reviewed the proposals and made the decision to stay with Standard for Life and Accidental Death and Dismemberment (AD&D) insurance. There is no increase in rates. The monthly life insurance rates remain at \$0.15 per thousand, and at \$0.04 per thousand for AD&D. The employee can purchase additional insurance, and dependent coverage at reasonable rates.

The City commission has made a contribution equal to the employee only portion of the life insurance and AD&D for \$20,000. coverage at a cost of \$3.80 per month.

ALTERNATIVES:

1. The City Commission may elect to renew the life insurance and AD&D insurance plan with Standard for the period of June 1, 2009 to May 31, 2010.
2. The City Commission may elect to choose a different provider for life insurance.
3. The City Commission may cease offering a group life plan for employees.
4. The City Commission may continue to provide the benefit of \$3.80 per month for each employee.
5. The City Commission may elect to not fund a monthly \$3.80 contribution for our employees' life insurance and AD&D insurance.

RECOMMENDATION:

It is recommended that the City Commission renew the life and accidental death and dismemberment insurance plan with Standard of June 1, 2009 to May 31, 2010.

It is also recommended that the City Commission continue to contribute \$3.80 per month per employee.

FUNDING:

The FY 2008-2009 Budget includes funding for the \$3.80 per month contribution for each employee.

Each department has a budget account for their insurance premiums.

Standard requires 100% participation in the plan.