1. 10.22.2020 Employee Benefits Trust Agenda (PDF)

   Documents:

   10.22.20 EMPOLYEE BENEFIT TRUST AGENDA.PDF

2. 10.22.2020 Employee Benefits Trust Agenda Packet (PDF)

   Documents:

   10.22.20 EMPLOYEE BENEFIT TRUST PACKET.PDF

CITY OF MARSHALL, TEXAS EMPLOYEE BENEFITS TRUST
AGENDA
COMMISSION CHAMBERS, CITY HALL
401 SOUTH ALAMO
THURSDAY, OCTOBER 22, 2020, 6:00 P.M.

This meeting will be conducted utilizing a video and audio conferencing tool, as well as, a standard conference call. Instructions and direct links to view the meeting or speak during Citizen Comment can be found at www.marshalltexas.net.

NOTICE is hereby given of a meeting of the City of Marshall Employee Benefits Trust to be held Thursday, December 12, 2019, 6:00 p.m., for the purpose of considering the following agenda items. The City of Marshall Employee Benefits Trust reserves the right to retire into Executive Session concerning any of the agenda items whenever it is considered necessary and legally justified pursuant to Texas Government Code, Chapter 551.

1. Call Meeting to Order.

2. Consider and take action to approve the minutes of the City of Marshall Employee Benefits Trust meeting dated December 12, 2019.

3. Presentation regarding placement of Medical/Rx and Dental Plan coverage for the City of Marshall health, dental and voluntary insurance benefits for January 1, 2021 – December 31, 2021.

4. Consideration of selection and award of the contract for Employee/Retiree Medical and Pharmacy Insurance for the plan year January 1, 2021 – December 31, 2021.

5. Consideration of selection and award of the contract for Employee/Retiree Dental Insurance for the plan year January 1, 2021 – December 31, 2021.

6. Adjournment

Posted: October 19, 2020
5:00 p.m.
N. Smith

This meeting will be conducted in accordance with the Americans with Disabilities Act. The facility is wheelchair accessible and disabled parking is available. Requests for sign interpretive services will be available with at least 48-hour notice prior to the meeting. To make arrangements for these services, please call the City Secretary's Office at 903-935-4446.

CITY OF MARSHALL, TEXAS EMPLOYEE BENEFITS TRUST
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   Page 1

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   Page 2

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   Page 5

4. Consideration of selection and award of the contract for Employee/Retiree Medical and Pharmacy Insurance for the plan year January 1, 2021 – December 31, 2021.
   Page 35

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   Page 37

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   Page 39

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ITEM 1

CALL MEETING TO ORDER

ITEM 2

APPROVAL OF MINUTES OF THE EMPLOYEE BENEFITS TRUST MEETING DATED DECEMBER 12, 2019

MINUTES OF THE CITY OF MARSHALL
EMPLOYEE BENEFIT TRUST MEETING
THURSDAY, DECEMBER 12, 2019

Commission Chairman and Employee Benefit Trustee Terri Brown called the meeting to order.

PRESENT:

COMMISSION CHAIRMAN: Terri Brown, District 3

CITY COMMISSIONERS:
Marvin Bonner, District 1
Vernia Calhoun, District 5
Doug Lewis, District 7
Amy Ware, District 4
Larry Hurta, District 6

2. CONSIDER AND TAKE ACTION TO APPROVE THE MINUTES OF THE CITY OF MARSHALL EMPLOYEE BENEFITS TRUST MEETING DATED DECEMBER 13, 2018.

Commissioner Calhoun made a motion to approve the minutes of the City of Marshall Employee Benefits Trust Meeting dated December 13, 2018. Commissioner Ware seconded the motion, which passed with a vote of 6:0.

3. PRESENTATION REGARDING PLACEMENT OF MEDICAL/RX AND DENTAL PLAN COVERAGE FOR THE CITY OF MARSHALL HEALTH AND DENTAL INSURANCE FOR JANUARY 1, 2020 – DECEMBER 31, 2020.

Burke Sunday, Gallagher Benefit Services, made a presentation regarding placement of Medical/RX and Dental Plan coverage for the City of Marshall Health and Dental Insurance for January 1, 2020 – December 31, 2020. He stated the Medical deductible will increase from $1,000 to $1,500 and the out of pocket cost will increase from $3,500 to $4,500, and benefits will stay the same. He recommended adding a High Deductible Health Plan option with a $3,000 deductible. The City will contribute $450 to a Health Savings Account to an employee who makes this plan election. There will be no change to the Dental premiums and the benefits will stay the same.

The Commission engaged in discussion with Burke Sunday regarding this item.

4. CONSIDERATION OF SELECTION AND AWARD OF THE CONTRACT FOR EMPLOYEE/RETIREE MEDICAL AND PHARMACY INSURANCE FOR THE PLAN YEAR JANUARY 1, 2020 – DECEMBER 31, 2020.

Commissioner Calhoun made a motion to award Blue Cross Blue Shield the contract for Employee/Retiree Medical and Pharmacy Insurance for the plan year January 1, 2020 – December 31, 2020 and to offer both of the plans presented to employees. Commissioner Hurta seconded the motion, which passed with a vote of 6:0.

5. CONSIDERATION OF SELECTION AND AWARD OF THE CONTRACT FOR EMPLOYEE/RETIREE DENTAL INSURANCE FOR THE PLAN YEAR JANUARY 1, 2020 – DECEMBER 31, 2020.

Commissioner Lewis made a motion to award Blue Cross Blue Shield the contract for Employee/Retiree Dental Insurance for the plan year January 1, 2020 – December 31, 2020. Commissioner Bonner seconded the motion, which passed with a vote of 6:0.

6. ADJOURNMENT

Commissioner Hurta made a motion to adjourn the Employee Benefit Trust Meeting. Commissioner Ware seconded the motion, which passed with a vote of 6:0.

APPROVED:

_____
Chairman of the City Commission of the City of Marshall, Texas

ATTEST:

_____
City Secretary

ITEM 3

PRESENTATION REGARDING PLACEMENT OF MEDICAL/RX AND DENTAL PLAN COVERAGE FOR HEALTH, DENTAL AND VOLUNTARY INSURANCE FOR JANUARY 1, 2021-DECEMBER 31, 2021

MEMORANDUM

To: Members of the City Commission

From: Mark Rohr, City Manager

Date: October 15, 2020

Subject: Presentation regarding Placement of Medical/Rx and Dental Plan Coverage for the City of Marshall Health, Dental and Voluntary Insurance for January 1, 2021 – December 31, 2021

Burke Sunday, with Gallagher Benefit Services, will be at the meeting to present information and answer questions regarding the renewal quotes received for health and dental insurance for City employees. A summary of this information is attached.

City of Marshall
2021 Plan Year

Burke O. Sunday, LHIC | October 2020

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Agenda

I. Executive Summary

II. Medical Renewal

III. Dental Renewal

IV. Additional Lines of Coverage

V. Compensation, AM Best, & Disclosures

Executive Summary

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Executive Summary – All Benefits

Goals and Objectives

- Deliver an acceptable financial and benefit arrangement for
  - Medical/Rx Plan
  - Dental Plan
  - Base Life/Accidental Death & Dismemberment Plan
  - Vision Plan
  - Voluntary Life Plan
  - Voluntary Accident Plan
  - Voluntary Hospital Indemnity Plan
  - Voluntary Cancer
  - Voluntary Critical Illness

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Executive Summary – All Benefits

Goals and Objectives

- Develop and Deliver at No Cost
  - Benefit Administration Employer Solution
  - Online Enrollment Solution
    - Employer and Employee
  - Employee Communication and Benefit Portal Solution

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Executive Summary – All Benefits

Goals and Objectives

- Partners

Common Census

MetLife

BlueCross BlueShield of Texas

All Common Census administrative costs are subsidized by MetLife and BlueCross BlueShield of Texas

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Executive Summary – Medical/Rx Plan

Background –

Net Paid Medical/Rx Claims have exceeded Paid Premium for the past few years

Plan Year	Loss Ratio	Initial Renewal	Negotiated Renewal
2018	116.70%	11.69%	4.90%
2019	161.60%	15.00%	9.00%
2020	122.10%	28.10%	14.40%
2021	TBD	14.40%	7.00%

Large claimant activity has been volatile – greater than actuarial expectations

Plan Year	Number of Large Claimants	Gross Paid Large Claims	Paid Premium	Net Paid Medical/Rx Claims
2018	4	$971,707	$1,795,235	$2,094,479
2019	12	$2,077,638	$1,957,673	$3,163,161
2020 (Running 12 months)	4	$577,410	$2,119,191	$2,588,447

Executive Summary – Medical Rx Plan

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Recommendation

- Accept the *negotiated renewal* from Blue Cross Blue Shield of Texas (BCBS) – The net paid loss ratio over the past three plan years has far exceed the paid premium. BCBS has been and continues to be a great partner with the City. Continue to offer two (2) Medical/Rx Plans to the employees to select from. Encourage population migration into the High Deductible Health Plan with smart effective communications and a health and robust City contribution to a Health Savings Account (HSA).

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Executive Summary – Dental Plan

Recommendation

- Accept the renewal offer from Blue Cross Blue Shield of Texas (BCBS) – there has been no rate or benefit change in over five (5) years.

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Executive Summary – Base Life Plan

Recommendation

- Accept the negotiated offer from MetLife for the Base Life/Accidental Death & Dismemberment Plan with Employee Assistance Plan (EAP) (not currently offered by City of Marshall)

Executive Summary – Voluntary Benefits

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Recommendation

- Accept the structured offer from MetLife for
  - Vision
  - Supplemental Life/AD&D
  - Accident
  - Hospital Indemnity
  - Cancer
  - Critical Illness
- Accept the offer of adding the following lines form Common Census
  - Identity Guard
  - Pet Assure
  - Emergency Me

BCBSTX Medical Renewal

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BCBSTX Renewal

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Plan Name				Medical PPO Active	Medical PPO Retirees	HDHP	Medical PPO Active	Medical PPO Retirees	HDHP	Medical PPO Active	Medical PPO Retirees	HDHP
Individual Annual Deductible				$1,500	$1,500	$3,000	$1,500	$1,500	$3,000	$1,500	$1,500	$3,000
Family Annual Deductible				$4,500	$4,500	$6,000	$4,500	$4,500	$6,000	$4,500	$4,500	$6,000
Co-insurance				80%	80%	100%	80%	80%	100%	80%	80%	100%
Pocket Maximum				$4,500	$4,500	$3,000	$4,500	$4,500	$3,000	$4,500	$4,500	$3,000
Maximum				$13,500	$13,500	$6,000	$13,500	$13,500	$6,000	$13,500	$13,500	$6,000
PCP Visit Copay				$30	$30	0% after deductible	$30	$30	0% after deductible	$30	$30	0% after deductible
Specialist Visit Copay				$50	$50	0% after deductible	$50	$50	0% after deductible	$50	$50	0% after deductible
TeleHealth Copay				$30	$30	0% after deductible	$30	$30	0% after deductible	$30	$30	0% after deductible
Routine Lab/Imaging												
• Billed by Physician				20% after deductible	20% after deductible	0% after deductible	20% after deductible	20% after deductible	0% after deductible	20% after deductible	20% after deductible	0% after deductible
• Free Standing				20% after deductible	20% after deductible	0% after deductible	20% after deductible	20% after deductible	0% after deductible	20% after deductible	20% after deductible	0% after deductible
• Out Patient Hospital Facility				20% after deductible	20% after deductible	0% after deductible	20% after deductible	20% after deductible	0% after deductible	20% after deductible	20% after deductible	0% after deductible
Emergency Room												
• Facility				$250 + 20%	$250 + 20%	0% after deductible	$250 + 20%	$250 + 20%	0% after deductible	$250 + 20%	$250 + 20%	0% after deductible
• Physician				Included	Included	0% after deductible	Included	Included	0% after deductible	Included	Included	0% after deductible
• Urgent Care				50	50	0% after deductible	50	50	0% after deductible	50	50	0% after deductible
RX Card Co-Pays												
Rx Out of Pocket Max												
• Copays				$10/$35/$50	$10/$35/$50	0% after deductible	$10/$35/$50	$10/$35/$50	0% after deductible	$10/$35/$50	$10/$35/$50	0% after deductible
• Mail Order				3X	3X	0% after deductible	3X	3X	0% after deductible	3X	3X	0% after deductible
Generic Push/Step Therapy/Prior Auth				Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rates	**Act**	**Ret**	**HDHP**	**Current**	**Current**	**Current**	**Renewal**	**Renewal**	**Proposed**	**Negotiated**	**Negotiated**	**Proposed**
Employee	202	7	0	**$668.25**	**$768.47**	**$652.64**	**$764.48**	**$879.13**	**$0.00**	**$715.03**	**$822.26**	**$0.00**
Employee + Spouse	4	1	0	**$1,488.92**	**$1,712.25**	**$1,454.14**	**$1,703.32**	**$1,958.81**	**$0.00**	**$1,593.14**	**$1,832.11**	**$0.00**
Employee + Child(ren)	19	0	0	**$1,210.97**	**$1,392.59**	**$1,182.68**	**$1,385.35**	**$1,593.12**	**$0.00**	**$1,295.74**	**$1,490.07**	**$0.00**
Employee + Family	5	0	0	**$2,031.72**	**$2,336.41**	**$1,984.27**	**$2,324.29**	**$2,672.85**	**$0.00**	**$2,173.94**	**$2,499.96**	**$0.00**
Monthly Cost				**$174,109.21**	**$7,091.54**	**$0.00**	**$199,181.34**	**$8,112.72**	**$0.00**	**$186,296.85**	**$7,587.95**	**$0.00**
Annual Cost				**$2,089,310.52**	**$85,098.48**	**$0.00**	**$2,390,176.08**	**$97,352.64**	**$0.00**	**$2,235,562.26**	**$91,055.37**	**$0.00**
Combined Annual Cost					**$2,174,409.00**			**$2,487,528.72**			**$2,326,617.63**	
Change from Current					**N/A**			**14.40%**			**7.00%**	

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BCBSTX Dental Renewal

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BCBSTX Dental Renewal

Plan Name			Active		Retirees	
Calendar Year Max			$1,000		$1,000	
CY Deductible			$50/$150		$50/$150	
Ortho Life Max			$1,000		$1,000	
Preventive Services			100%		100%	
Basic Services			80%		80%	
Major Services			50%		50%	
Orthodontia			50%		50%	
Endo & Perio			Basic		Basic	
Oral Surgery			Basic		Basic	
			Out of Network		Out of Network	
R & C			MAC		MAC	
Rates	**Act**	**Ret**	**Current**	**Renewal**	**Current**	**Renewal**
Employee	148	15	**$22.41**	**$22.41**	**$31.04**	**$31.04**
Employee + Spouse	22	2	**$48.31**	**$48.31**	**$66.37**	**$66.37**
Employee + Child(ren)	28	0	**$57.56**	**$57.56**	**$79.10**	**$79.10**
Employee + Family	33	2	**$83.29**	**$83.29**	**$114.44**	**$114.44**
Monthly Cost			**$8,739.75**	**$8,739.75**	**$827.22**	**$827.22**
Annual Cost			**$104,877.00**	**$104,877.00**	**$9,926.64**	**$9,926.64**
Change from Current			**0.00%**		**0.00%**	

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Other Lines of Coverage

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Vision

Plan Name		Superior Vision	MetLife
Exam/ Materials		$10/$25	$10/$25
Frames Allowance		$150 + 20% off remaining	$150 + 20% off remianing
Single Lenses		covered in full	covered in full
Bi Focal Lenses		covered in full	covered in full
Tri Focal Lenses		covered in full	covered in full
Progressive Lenses		to Trifocal amount	Up to $175
Elective Contacts Allowance		$175 + 20% off remaining	$150
Fitting Exam		covered in full	$60
Necessary Contacts		covered in full	covered in full
Frequency		12/12/24	12/12/24
		Out of Network	**Out of Network**
Exam Allowance		$35	$45
Frames Allowance		$70	$70
Single Lenses Allowance		$25	$30
Bi Focal Lenses Allowance		$40	$50
Tri Focal Lenses Allowance		$45	$65
Progressive Lenses Allowance		$45	$50
Elective Contacts Allowance		$80	$105
Necessary Contacts Allowance		$150	210
Rates		**Current**	**Proposal**
Employee	93	**$7.76**	**$6.70**
Employee + Spouse	22	**$13.24**	**$13.44**
Employee + Child(ren)	14	**$14.00**	**$11.37**
Employee + Family	21	**$21.00**	**$18.76**
Monthly Cost		**$1,649.96**	**$1,471.92**
Annual Cost		**$19,799.52**	**$17,663.04**
Change from Current		**-100.00%**	**-10.79%**
Rate Guarantee Until			**1/1/2023**

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Life

Carrier	Current Mutual of Omaha	Proposal MetLife
Class 1	active employee working 30 hours a	active employee working 30 hours a week
Employee Benefit	$10,000	$10,000
	Age Reductions	**Age Reductions**
Age 65	35%	35%
Age 70	55%	50%
Age 75	70%	N/A
Age 80	80%	N/A
Rates	**Current**	**Proposal**
Life Rate Per $1000	**$0.140**	**$0.158**
AD&D Rate Per $1000	**$0.020**	**$0.028**
Total Rate Per $1000	**$0.160**	**$0.186**
Est. Monthly Volume	**$2,222,500**	**$2,222,500**
Est. Monthly Cost	**$355.60**	**$413.39**
Est. Annual Cost	**$4,267.20**	**$4,960.62**
Change from Current	**-100.00%**	**16.25%**
Rate Guarantee Until		**1/1/2023**

EAP included in Basic Life Plan

Carrier	Current Mutual of Omaha		Proposed MetLife	
Benefits				
Class 1	active employee working 30 hours a week		active employee working 30 hours a week	
Employee Benefit	5 X annual earnings up to $500,000		5 X annual earnings up to $500,000	
Spouse Benefit	50% of Employee benefit up to $250,000		50% of Employee benefit up to $100,000	
Child Benefit -Limiting Age			$26	
Birth - 14 Days	up to $10,000		$100	
15 Days - 6 Months	up to $10,000		$1,000	
7 Mo - Limiting Age	up to $10,000		up to $10,000	
Employee Guarantee Issue	$100,000		$100,000	
Spouse Guarantee Issue	$50,000		$25,000	
Child Guarantee Issue	$10,000		$10,000	
Employee AD&D Benefit			100% Supp Term Life	
Spouse AD&D Benefit			100% Supp Term Life	
Portability			Included	
	Age Reductions		**Age Reductions**	
Age 65	35%		N/A	
Age 70	55%		N/A	
Age 75	70%		N/A	
Age 80	80%		N /A	
Rates per $1000	**Employee**	**Spouse**	**Employee**	**Spouse ***
Under 30	**$0.062**	**$0.063**	**$0.060**	**$0.060**
30-34	**$0.070**	**$0.071**	**$0.080**	**$0.080**
35-39	**$0.085**	**$0.087**	**$0.090**	**$0.090**
40-44	**$0.130**	**$0.134**	**$0.117**	**$0.117**
45-49	**$0.223**	**$0.229**	**$0.201**	**$0.201**
50-54	**$0.369**	**$0.593**	**$0.332**	**$0.332**
55-59	**$0.577**	**$0.925**	**$0.519**	**$0.519**
60-64	**$0.900**	**$0.925**	**$0.810**	**$0.810**
65-69	**$1.615**	**$1.660**	**$1.454**	**$1.454**
70-74	**$2.891**	**$0.000**	**$2.620**	**$2.620**
75-79	**$4.768**	**$0.000**	**$2.602**	**$2.602**
80+	**$9.658**	**$0.000**	**$2.602**	**$2.602**
Child Rate	**$0.200**		**$0.200**	
AD&D Rate			**$0.029**	
Rate Guarantee Until	**N/A**		**N/A**	
			*based on EE Age	

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Voluntary Benefits

Carrier	MetLife Accident	
Plan Provisions	**Low Plan**	**High Plan**
On Job / Off Job	Off Job Only Coverage	
Ages	Children to age 26	
Emergency Treatment : Urgent Care	$75	$100
Emergency Treatment: Physician	$75	$100
Emergency Treatment: X-ray	$150	$200
Emergency Treatment: ER	$150	$200
Follow Up treatment	$75	$100
Follow Up treatment Limit per accident	2	2
Physical Therapy	$35	$50
Physical Therapy Limit per accident	10	10
Appliances	up to $750	up to $1,000
Appliances: Crutches	$75	$150
Fractures:	up to $8,000	up to $10,000
Dislocations	up to $8,000	up to $10,000
Schedule		
Forearm	$750	$1,000
Initial Hospitalizations	$1,000	$1,500
Daily Hospital	$200	$300
Hospital Days Limit	15	15
Portability	Included	
Miscellaneous	Benefit Reduction Begins at age 65 Organized Sports Rider with extra 25% payout	
Particpation Requirements	5% of employees	
Rates	**Proposed**	**Proposed**
Employee	**$9.13**	**$13.63**
Employee + Spouse	**$17.97**	**$25.95**
Employee + Child(ren)	**$20.88**	**$30.84**
Employee + Family	**$25.50**	**$37.70**
Rate Guarantee Until	**01/01/24**	

Carrier	MetLIfe Hospital Indemnity	
Plan Provisions	**Low Plan**	**High Plan**
Ages	Child age 26	
Pre- Exisiting Limitation	Not included	
Pre- Exisiting Pregnancy Covered	Yes	
Mental & Nervous	Not Covered	
Drug & Alcohol	Not Covered	
Initial Hospitalizations	$500	$1,000
Initial Hospitalization Limit	1 time per year	1 time per year
Daily Hospital	$100	$200
Hospital Days Limit	15	15
Newborn Confinment	$25	$50
Newborn Days Limit	2	2
Portability	Included	
Miscellaneous	Age reductions begin at age 65 ICU receives an additional 15 days	
Participation Requirements	5% of Employees	
Rates	**Proposed**	**Proposed**
Employee	**$10.97**	**$21.95**
Employee + Spouse	**$29.31**	**$58.62**
Employee + Child(ren)	**$18.98**	**$37.97**
Employee + Family	**$37.32**	**$74.64**
Rate Guarantee Until	**01/01/24**	

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Voluntary Benefits

Carrier	MetLife: Cancer Plan
Plan Provisions	**Proposal**
Issue Age or Attained Age	Attained Age
Employee Offering	$15000 or $30000
Dependent Offering	50% of EE
Pre- Existing	None
Age Limitations	Child to age 26
Child Coverages	Included
Health Screenings	$50
Health Screening Limits	1 time a year
Initial Diagnosis per illness	Once
Initial Diagnosis month separation	30 Days
Reoccurrence Diagnosis	Included
Times per illness	1 time per person
Reoccurrence Months Separation	90 Days treatment free
Portability	Included
Miscellaneous	Skin Cancer: Not less than $250
Participation Requirement	5% of Employees

Rates per $1000	**EE Only**	**EE + SP**	**EE + CH**	**EE + Fam**
Under 25	**$0.26**	**$0.43**	**$0.38**	**$0.55**
25-29	**$0.29**	**$0.49**	**$0.41**	**$0.61**
30-34	**$0.34**	**$0.57**	**$0.46**	**$0.69**
35-39	**$0.41**	**$0.69**	**$0.53**	**$0.81**
40-44	**$0.53**	**$0.90**	**$0.65**	**$1.02**
45-49	**$0.76**	**$1.25**	**$0.88**	**$1.37**
50-54	**$1.17**	**$1.84**	**$1.29**	**$1.96**
55-59	**$1.73**	**$2.60**	**$1.85**	**$2.72**
60-64	**$2.49**	**$3.66**	**$2.61**	**$3.78**
65-69	**$3.59**	**$5.15**	**$3.70**	**$5.27**
70-74	**$4.50**	**$6.41**	**$4.62**	**$6.53**
75+	**$5.39**	**$7.61**	**$5.51**	**$7.73**

Rate Guarantee Until	**1/1/2024**

Carrier	MetLife: Critical Illness
Plan Provisions	**Proposal**
Issue Age or Attained Age	Attained Age
Employee Offering	$15000 or $30000
Dependent Offering	50% of EE
Pre- Existing	None
Age Limitations	Child to age 26
Child Coverages	Included
Health Screenings	$50
Health Screening Limits	1 time a year
Initial Diagnosis per illness	Once
Initial Diagnosis month separation	30 Days
Reoccurrence Diagnosis	0% to 100% of Benefit
Times per illness	Unlimited
Reoccurrence Months Separation	90 Days
Portability	Included
Miscellaneous	No Cancer Diagnosis Included Major Organ Transplant Included
Participation Requirement	5% of Employees

Rates per $1000	**EE Only**	**EE + SP**	**EE + CH**	**EE + Fam**
Under 25	**$0.40**	**$0.64**	**$0.61**	**$0.85**
25-29	**$0.44**	**$0.69**	**$0.65**	**$0.91**
30-34	**$0.50**	**$0.79**	**$0.71**	**$1.00**
35-39	**$0.60**	**$0.92**	**$0.81**	**$1.13**
40-44	**$0.77**	**$1.15**	**$0.98**	**$1.36**
45-49	**$1.00**	**$1.48**	**$1.21**	**$1.69**
50-54	**$1.36**	**$1.96**	**$1.57**	**$2.18**
55-59	**$1.83**	**$2.63**	**$2.04**	**$2.84**
60-64	**$2.49**	**$3.56**	**$2.70**	**$3.77**
65-69	**$3.38**	**$4.82**	**$3.59**	**$5.04**
70-74	**$4.76**	**$6.89**	**$4.97**	**$7.10**
75+	**$7.11**	**$10.54**	**$7.32**	**$10.75**

Rate Guarantee Until	**1/1/2024**

FSA/ HSA / COBRA

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Carrier	Discovery Benefits
Plan Provisions	**Proposal**
Healthcare FSA	$3.75
Health Savings Account	$1.95
Debit Card	yes
Set-Up Fee	None
Annual Fee	None
Minimum Monthly Billing Fee	$50
Discrimination Testing	Included
Mobile Phone Application	yes
Online Portal	yes
Rate Guarantee Until	1/1/2026

Carrier	Discovery Benefits
Plan Provisions	**Proposal**
Administrative Fee	$0.55 PEPM
Initial Notification	Included
COBRA Notification and Election	Included
Election Tracking	Included
Premium Billing and Remittance	Included
Termination Tracking and Notification	Included
Postage and Printing	Included
Annual Enrollment Materials	Included
Minimum Monthly Fee	$85.00
Set-Up Fee	none
Annual Fee	none
Renewal Fee	none
Web Portal	Included
Rate Guarantee Until	1/1/2026

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Compensation, AM Best & Disclosures

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Compensation - Health

While GBS does not guarantee the financial viability of any health insurance carrier or market, it is an area we recommend that clients closely scrutinize when selecting a health insurance carrier or HMO. There are a number of rating agencies that can be referred to including, A.M. Best, Fitch, Moody's Standard & Poors and Weiss Ratings (TheStreet.com). Generally, agencies that provide ratings of U.S. Health Insurers, including traditional insurance companies and other managed care (e.g. HMO) organizations, reflects their opinion based on a comprehensive quantitative and qualitative evaluation of a company's financial strength, operating performance and market profile. However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.

Carrier	Quote Status	Commission/Supplemental Compensation
	Medical, Rx	
BCBS	Current/Renewal	Net / $7.50 to $15 PEPY
	Dental	
BCBS	Current/Renewal	Net / Net
	Vision	
Superior Vision	Current	Net / Net
MetLife	Proposal	10% / 0% to 2.75%
	FSA / COBRA Admin	
Discovery Benefits	Proposal	Net/ Net

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Compensation - Non-Health

A.M. Best Ratings & Compensation – Non-Health

Carrier	Status	Commission/Supplemental Compensation	AM Best Rating
Life/AD&D (Basic & Supplemental)			
Mutual of Omaha	Current	Unknown	A+/XV
MetLife	Proposal	15%/ 0% to 2.75%	A+/XV
Critical Illness			
MetLife	Proposal	20% / Net	A+/XV
Cancer Plan			
MetLife	Proposal	20% / Net	A+/XV
Hospital Indemnity			
MetLife	Proposal	20% / Net	A+/XV
Accident Plan			
MetLife	Proposal	20% / Net	A+/XV

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AM Best Ratings – Non-Health

A.M. Best Ratings & Compensation - Health

Arthur J. Gallagher & Co. uses A.M. Best & Co.'s rating services to evaluate the financial condition of insurers whose policies we propose to deliver. The rating of the carrier and the year of publication of that rating are indicated. Arthur J. Gallagher & Co. makes no representation and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Level	Category	Level	Category
A++, A+	Superior	C, C-	Weak
A, A-	Excellent	D	Poor
B++, B+	Good	E	Under Regulatory Supervision
B, B-	Fair	F	In Liquidation
C++, C+	Marginal	S	Rating Suspended

Financial Size Categories			
FSC I	Up to 1,000	FSC IX	250,000 to 500,000
FSC II	1,000 to 2,000	FSC X	500,000 to 750,000
FSC III	2,000 to 5,000	FSC XI	750,000 to 1,000,000
FSC IV	5,000 to 10,000	FSC XII	1,000,000 to 1,250,000
FSC V	10,000 to 25,000	FSC XIII	1,250,000 to 1,500,000
FSC VI	25,000 to 50,000	FSC XIV	1,500,000 to 2,000,000
FSC VI	50,000 to 100,000	FSC XV	2,000,000 or more
FSC VIII	100,000 to 250,000		

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

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Disclosures

The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to your current employee benefits environment. It does not necessarily fully address all of your specific issues. It should not be construed as, nor is it intended to provide legal advice. Questions regarding specific issues should be addressed by your general counsel or an attorney who specializes in this practice area.

This analysis is for illustrative purposes and is not a guarantee of future expenses, claims, costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information for further details in this regard.

Network discount analysis is based on a representative basket of 'goods and services' an employer's health plan(s) could expect to see over the course of a year. It is in no way intended to imply a direct correlation to an employer's actual claim experience. This analysis is designed to approximate a differential in reimbursement rates among various networks in order to assess efficiency and does not in any way represent a guarantee of savings.

This proposal is an outline of the coverage proposed by the carrier(s), based on information provided by your company. It does not include all of the terms, coverages, exclusions, limitations, and conditions of the actual contract language. The policies and contracts themselves must be read for those details. Policy forms for your reference will be made available upon request.

This analysis contains a financial cost summary and an outline of key policy provisions. Although cost is an important factor in placing coverage with a stop loss carrier, key policy provisions are also critical to the selection process and they may represent additional financial liability. For example, a stop loss policy that supersedes a client's plan document language could have a negative financial impact on the Plan. Although most stop loss carriers will agree to cover medically necessary and generally accepted practices and procedures, there may be other limitations which should be considered prior to policy acceptance.

GBS and certain of its insurance carrier markets from time to time enter into arrangements providing for additional compensations to be paid to GBS by such carrier generally with respect to the total volume of premium or insurance coverages written through GBS with that carrier (i.e.: all insurance policies with that carrier where GBS is the broker). It is not clear at this time what these fees and/or commissions retained by GBS, GBS affiliates, such as excess and surplus lines brokers, wholesalers, reinsurance intermediaries, and similar parties, may earn and retain commissions and/or fees in the course of providing insurance products.

Commissions include all commissions/fees paid to Gallagher that are attributable to a contract or policy between a plan and an insurance company, or insurance service. This includes indirect fees that are paid to Gallagher paid by a third party, and includes, among other things, the payment of "finders' fees" or other fees to Gallagher for a transaction or service involving the plan. Gallagher companies may receive supplemental compensation referred to in a variety of terms and definitions, such as contingent commissions, additional commissions and supplemental commission.

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc., a non-investment firm and wholly owned subsidiary of Arthur J. Gallagher & Co., is a licensed insurance agency that does business in California as "Gallagher Benefit Services of California Insurance Services" and in Massachusetts as "Gallagher Benefit Insurance Services." Securities and Investment Advisory Services may be offered by Gallagher Retirement Services, Inc. and executed through NFP Securities, Inc., Member FINRA/SIPC. Investment advisory services and corresponding named fiduciary services may also be offered through Gallagher Fiduciary Advisors, LLC, a Registered Investment Adviser. Gallagher Fiduciary Advisors, LLC is a single-member, limited-liability company, with Gallagher Benefit Services, Inc. as its single member. Not all individuals of Gallagher and none of Gallagher Fiduciary Advisors, LLC individuals are registered to offer securities or investment advisory services through NFP Securities, Inc. NFP Securities, Inc. is not affiliated with Arthur J. Gallagher & Co., Gallagher Benefit Services, Inc. or Gallagher Fiduciary Advisors, LLC. Neither Arthur J. Gallagher & Co., NFP Securities, Inc., or their affiliates provide accounting, legal, or tax advice.

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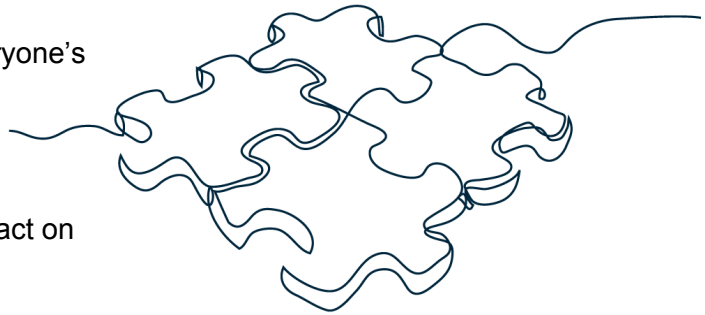
The Gallagher Way

1. We are a Sales and Marketing Company Dedicated to providing excellence in Risk Management Services to our Clients.
2. We support one another. We believe in one another. We acknowledge and respect the ability of one another.
3. We push for professional excellence.
4. We can all improve and learn from one another.
5. There are no second-class citizens – everyone is important and everyone's job is important.
6. We're an open society.
7. Empathy for the other person is not a weakness.
8. Suspicion breeds more suspicion. To trust and be trusted is vital.
9. Leaders need follower. How leaders treat followers has a direct impact on the effectiveness of the leader.
10. Interpersonal business relationships should be built.
11. We all need one another. We are all cogs in a wheel.
12. No department or person is an island.
13. Professional courtesy is expected.
14. Never ask someone to do something you wouldn't do yourself.
15. I consider myself support for our Sales and Marketing. We can't make things happen without each other. We are a team.
16. Loyalty and respect are earned – not dictated.
17. Fear is a turnoff.
18. People skills are very important at Arthur J. Gallagher & Co.
19. We're a very competitive and aggressive Company.
20. We run to problems – not away from them.
21. We adhere to the highest standard of moral and ethical behavior.
22. People work harder and are more effective when they're turned on – not turned off.
23. We are a warm, close Company. This is a strength – not a weakness.
24. We must continue building a professional Company – together – as a team.
25. Shared values can be altered with circumstances – but carefully and with tact and consideration for one another's needs.

When accepted Share Values are changed or challenged, the emotional impact and negative feeling can damage the Company.

- Robert E. Gallagher
May 1984



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Thank You!

Consultant: Burke O. Sunday, LHIC
Account Manager: Sara Davis

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ITEM 4

CONSIDERATION OF SELECTION AND AWARD OF THE CONTRACT FOR EMPLOYEE/RETIREE MEDICAL AND PHARMACY INSURANCE FOR THE PLAN YEAR JANUARY 1, 2021 – DECEMBER 31, 2021.

MEMORANDUM

To: Members of the City Commission

From: Mark Rohr, City Manager

Date: October 15, 2020

Subject: Consideration of Selection and Award of the Contract for Employee/Retiree Medical and Pharmacy Insurance for the Plan Year January 1, 2021 – December 31, 2021

This item has been placed on the agenda to give the Commission the opportunity to select and award the contract for Employee/Retiree Medical and Pharmacy Insurance for the plan year January 1, 2021 – December 31, 2021.

ITEM 5

CONSIDERATION OF SELECTION AND AWARD OF THE CONTRACT FOR EMPLOYEE/RETIREE DENTAL INSURANCE FOR THE PLAN YEAR JANUARY 1, 2021 – DECEMBER 31, 2021

MEMORANDUM

To: Members of the City Commission

From: Mark Rohr, City Manager

Date: October 15, 2020

Subject: Consideration of Selection and Award of the Contract for Employee/Retiree Dental Insurance for the Plan Year January 1, 2021 – December 31, 2021

This item has been placed on the agenda to give the Commission the opportunity to select and award the contract for Employee/Retiree Dental Insurance for the Plan Year January 1, 2021 – December 31, 2021.

ITEM 6

ADJOURNMENT