



Finance Committee Meeting

AGENDA

**February 6, 2018
City Hall**

-
- I. **CALL TO ORDER**
 - II. **MATTERS BEFORE COMMITTEE**
 - 1. Health & Ancillary Insurance Renewal
 - 2. Property & Casualty Renewal
 - III. **ADJOURN**



Finance Committee Meeting

AGENDA

February 6, 2018

Item:

Renewal - Health & Ancillary Insurance

Department:

Additional Information:

Financial Impact:

Budgeted Item:

Recommendation / Request:

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📎 [Health & Ancillary Info](#)



From: Logan Propes, Finance Director

Department: City-wide

Date: 02/02/2018 for Finance & HR Committee

Description: Health and Ancillary Insurance Renewals

Budget Account/Project Name: n/a

Funding Source: 2018 operating budgets: city-wide

Budget Allocation:	\$2,076,000	Combined Estimate of:	Employer and Employee share
Budget Available:	\$2,076,000		
Requested Expense:	Est Max.\$2,073,718	Company of Purchase:	The Covenant Services Group

Recommendation:

Staff recommends that the City Council APPROVE the 2018-2019 health and ancillary insurance policies as presented through Aetna HCC, Delta Dental, Standard, and Aetna Vision.

Background:

The City of Monroe has partnered with MSI Benefits Group as our new benefits broker to take a fresh look at our full menu of insurance options. The City will continue to be partially self-insured while seeking aggregate and specific reinsurance coverages to hedge maximum costs. Renewal will take effect on April 1, 2018, but open enrollment will commence in March. The renewal bid proposed by Aetna HCC shows a total decrease of 3.38% to estimated maximum plan costs when comparing against the incumbent's bid for 2018-2019. Essentially it is a flat bid compared to current year's plan.

The Wellness program will continue in 2018-2019 with some modifications, most notably a shift to a new 3-tier system consisting of "non-wellness", "Wellness 1", and "Wellness 2". The scoring will be on achieving 3 out of 5 health assessment goals. Coaching will be mandatory.

For the employee's contribution, we will be decreasing bi-weekly payroll deductions by 5%.

Attachment(s): MSI overview of Benefits Renewals; employee bi-weekly contributions schedule

2018 Benefits Renewal



City of Monroe

Benefits Committee

Presented By: MSI Benefits Group, Inc.



February 7, 2018

2018 Summary Benefits Cost

	<u>Expected Claims & Fixed Cost</u>	<u>% Increase</u>	<u>Employee Deductions</u>	<u>City Net Annual Cost</u>	<u>Net % Increase</u>	<u>Annual Difference</u>
MEDICAL						
<u>Covenant</u>						
Current	\$2,072,179		\$466,398	\$1,605,781		
Renewal	\$2,146,190	3.57%	\$454,220	\$1,691,970	5.37%	\$86,189
<u>Aetna/Meritain</u>						
Option	\$2,082,959	0.52%	\$454,220	\$1,628,739	1.43%	\$22,958
Option - \$60,000 SSL	\$2,073,718	0.07%	\$454,220	\$1,619,498	0.85%	\$13,717
DENTAL						
<u>Concordia</u>						
Current	\$136,354		\$72,020	\$64,333		
<u>Delta</u>						
Option	\$135,725	-0.46%	\$71,686	\$64,040	-0.46%	-\$294
Basic Life						
<u>Standard</u>						
Current	\$20,725		\$237	\$20,489		
Renewal	\$21,014	1.39%		\$21,014	2.57%	\$526
<i>City would now contribute 100% Basic Dependent Life cost</i>						
Vision						
<u>Standard</u>						
Current	\$18,038		\$18,038	\$0		
<u>Aetna</u>						
Option	\$13,190	-26.88%	\$13,190	\$0		



Medical Options

		Current Covenant	April 2018 Renewal Covenant HCC	2018 Aetna HCC	2018 Aetna HCC
Admin Fixed Cost		\$63.03	\$80.16	\$51.53	\$51.53
Insurance Fixed Cost Emp		\$50,000 SSL \$100.95	\$50,000 SSL \$98.32	\$50,000 SSL \$154.56	\$60,000 SSL \$129.28
Emp & Dep		\$236.64	\$234.14	\$154.56	\$129.28
Aggregate		\$157.30	\$154.73	\$154.56	\$129.28
Maximum Cost Emp		\$530.84	\$581.38	\$928.04	\$954.38
Emp & Dep		\$1,429.62	\$1,416.10	\$928.04	\$954.38
Aggregate		\$904.10	\$928.04	\$928.04	\$954.38
Total Emp		\$694.82	\$759.86	\$1,134.13	\$1,135.19
Emp & Dep		\$1,729.29	\$1,730.40	\$1,134.13	\$1,135.19
Aggregate		\$943.62	\$977.32	\$948.52	\$944.32
Ancillary Charges					
47 waived Emp		107	107	107	107
Emp & Dep		76	76	76	76
Administrative Fixed Cost		\$138,414	\$176,031	\$113,164	\$113,164
Insurance Fixed Cost		\$345,435	\$339,779	\$339,414	\$283,899
Total Fixed Cost		\$483,849	\$515,810	\$452,578	\$397,063
Annual EXPECTED Claims		\$1,588,330	\$1,630,380	\$1,630,381	\$1,676,655
Annual Maximum Claims		\$1,985,412	\$2,037,975	\$2,037,976	\$2,095,818
Fixed + Expected Claims		\$2,072,179	\$2,146,190	\$2,082,959	\$2,073,718
Laser Liability		\$375,000	\$0	\$0	\$0

- Fixed administrative fees through Aetna / Meritain significantly less than current plan



2018 Employee Deductions

Health Goals Achieved	BI-Weekly		
	No Covered Adult with 3 or More Health Goals Achieved	One Covered Adult with 3 or More Health Goals Achieved	Two Covered Adults with 3 or More Health Goals Achieved
	Non-Wellness	Wellness 1	Wellness 2
Employee Only	\$42.16	\$11.53	
Employee & Children	\$242.99	\$146.81	
Employee & Spouse	\$242.99	\$194.90	\$146.81
Employee & Family	\$279.90	\$226.38	\$172.86

Employee wellness deductions 5% lower for 2018

Any covered adult who is positive for nicotine and does not complete a smoking cessation class or who fails to be tested for nicotine will be charged an additional \$20 each per pay period.

Employees will be required to participate in 2018 coaching in order to be eligible for wellness deductions in 2019.



Dental Options

			Current		Proposal	
			Concordia Low	Concordia High	Delta Dental Low	Delta Dental High
Employee	Low	High				
Employee + Spouse	50	73	26.28	41.66	26.16	41.47
Employee+ Child(ren)	5	27	49.85	80.68	49.62	80.31
Employee + Family	1	6	50.10	67.83	49.87	67.52
Annual Total	11	31	73.69	106.85	73.32	106.36
Annual Total			\$29,087	\$107,266	\$28,950	\$106,776
18 Waive				\$136,354		\$135,725
Preventive Services			100%	100%	100%	100%
Deductible			\$50	\$50	\$50	\$50
Basic Services			80%	80%	80%	80%
Major Services			0%	50%	0%	50%
Annual Maximum			\$1,000	\$1,000	\$1,000	\$1,000
Lifetime Orthodontia Maximum			Not Covered	Not Covered	Not Covered	Not Covered
Fee Schedule			90th	90th	90th	90th
Bi-Weekly Deductions	Low	High				
Employee	50	73	0.00	7.10	0.00	7.07
Employee + Spouse	5	27	10.88	25.11	10.83	24.99
Employee+ Child(ren)	1	6	10.99	19.18	10.94	19.09
Employee + Family	11	31	21.88	37.19	21.77	37.02
Annual Total Deductions			\$7,958	\$64,062	\$7,917	\$63,768
Annual Total Deductions				\$72,020		\$71,686
Net Annual City Cost				\$64,333		\$64,040
						-0.46%

2 Year Rate Guarantee



Basic Life

	<i>Current</i>	<i>Renewal</i>
Employer Paid Basic Life and AD&D Insurance	Standard	Standard
Basic Life Benefits and AD&D Amount	\$50,000	\$50,000
Reduction Schedule:	65% at age 65, 50% age 70, 35% at 75	65% at age 65, 50% age 70, 35% at 75
Life Rate:	0.130	0.130
AD&D Rate:	0.020	0.020
Projected Volume:	\$11,032,500	\$11,032,500
Covered Lives:	221	221
Basic Dependent Life:	.84/unit	1.12/unit
Basic Dependent Covered Lives:	86	86
Basic Life Monthly Premium:	\$1,654.88	\$1,654.88
Annual Cost:	\$20,725.38	\$21,014.34
Rate Guarantee:	4/1/2018	4/1/2019



Vision Option (Voluntary)

		Current	Proposal
Voluntary Vision		Standard	Aetna
Employee	69	8.48	5.77
Employee + Spouse	22	18.28	12.20
Employee+ Child(ren)	5	14.76	12.62
Employee + Family	18	24.56	20.53
Annual Total	114	\$18,038	\$13,190
Eye Exam Frequency		\$10 Every 12 months	\$10 Every 12 months
Single, Bifocal, Trifocal Frequency		\$25 Every 12 months	\$25 Every 12 months
Contacts		Up to \$130 Allowance and 15% discount on the remaining balance Included Every 12 months	Up to \$130 Allowance the 15% off any balance Included Every 12 months
Elective			
Medically Necessary Frequency			
*In lieu of eyeglasses			
Frames Frequency		Up to \$130 Allowance Every 24 months	Up to \$130 Allowance the 20% off any balance Every 24 months
OUT-OF-NETWORK			
Eye Exam		Up to \$45 allowance	Up to \$25 allowance
Lenses		Up to \$100 allowance	Up to \$55 allowance
Frames		Up to \$70 allowance	Up to \$65 allowance
Contacts- Disposable		Up to \$105 allowance	Up to \$90 allowance
Note:		Benefits received at POS	Benefits received at POS
Bi-Weekly Deductions		Bi-Weekly Deductions	Bi-Weekly Deductions
Employee	69	3.91	2.66
Employee + Spouse	22	8.44	5.63
Employee+ Child(ren)	5	6.81	5.82
Employee + Family	18	11.34	9.48



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Renewal - Property & Casualty Insurance

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 [Property & Casualty Info](#)



To: City Council, Committee, City Administrator
From: Logan Propes, Finance Director
Department: City-wide
Date: 02/01/18
Description: Property and Casualty Insurance Renewals

Budget Account/Project Name: N /A

Funding Source: 2018 operating budgets: city-wide

Budget Allocation: \$453,892 (All Funds)

Budget Available: \$453,892 (All Funds)

Requested Expense: \$360,263.00

Company of Purchase: TBD, administered by Saville Risk Management

Recommendation:

Staff recommends the APPROVAL of this request for the property and casualty insurance renewals.

Background:

The City of Monroe has again partnered with Saville Risk Management for the renewal of property and casualty insurance. The term of the renewal will be April 6, 2018 to April 6, 2019.

Mr. Bob Saville with Saville Risk Management will present the renewals to Council at the February 6, 2018 meeting.

Attachment(s): Property and Casualty renewal cost schedules

City of Monroe
Property Casualty Insurance Summary (2018-19)

COVERAGE	EXPIRING PREMIUM	PROPOSED PREMIUM	CARRIER	EXPIRING LIMITS	PROPOSED LIMITS		EXPIRING DEDUCTIBLE	PROPOSED DEDUCTIBLE
GENERAL LIABILITY	\$54,613	\$55,508	State National (A:8)	\$1,000,000/\$3,000,000	\$1,000,000/\$3,000,000	Each Event Limit/General Total Limit	\$10,000	\$10,000
Products & Completed Work	Included	Included	State National (A:8)	\$3,000,000	\$3,000,000	Total Limit	\$10,000	\$10,000
Personal Injury	Included	Included	State National (A:8)	\$1,000,000	\$1,000,000	Each Person Limit	\$10,000	\$10,000
Advertisement Injury	Included	Included	State National (A:8)	\$1,000,000	\$1,000,000	Each Person Limit	\$10,000	\$10,000
Premises Damage	Included	Included	State National (A:8)	\$1,000,000	\$1,000,000		\$10,000	\$10,000
Medical Payments	Included	Included	State National (A:8)	\$5,000	\$5,000		\$10,000	\$10,000
Sewer Back-up	Included	Included	State National (A:8)	Included	Included		\$10,000	\$10,000
Failure to Supply	Included	Included	State National (A:8)	\$1,000,000	\$1,000,000		\$10,000	\$10,000
EMPLOYEE BENEFITS LIABILITY	Included	Included	State National (A:8)	\$1,000,000/\$3,000,000	\$1,000,000/\$3,000,000	Each Wrongful Act/Total Limit	None	None
Retro Date: NONE								
AUTOMOBILE LIABILITY	\$108,263	\$113,422	State National (A:8)	\$1,000,000	\$1,000,000		\$10,000	\$10,000
Uninsured/ Underinsured Motorist	Included	Included	State National (A:8)	\$100,000	\$100,000		\$10,000	\$10,000
Medical Payments	Included	Included	State National (A:8)	\$5,000	\$5,000		\$10,000	\$10,000
Total Number of Autos/Trailers				187 Units / 56 Trailers	190 Units / 56 Trailers			
AUTOMOBILE PHYSICAL DAMAGE								
Comprehensive/Collision	Included	Included	State National (A:8)	ACV	ACV		\$1,000	\$1,000
Hired Car Physical Damage	Included	Included	State National (A:8)	ACV	ACV		\$1,000	\$1,000
Total Number of Autos/Trailers				163 Units / 28 Trailers	167 Units / 30 Trailers			
CRIME	\$1,337	\$1,242	State National (A:8)					
Employee Theft	Included	Included	State National (A:8)	\$250,000	\$250,000	Per Loss	\$1,000	\$1,000
Forgery or Alteration	Included	Included	State National (A:8)	\$250,000	\$250,000	Per Employee	\$1,000	\$1,000
Inside Premises (Money & Securities)	Included	Included	State National (A:8)	\$75,000	\$75,000	Per Loss	\$1,000	\$1,000
Outside Premises	Included	Included	State National (A:8)	\$75,000	\$75,000	" "	\$1,000	\$1,000
Computer Fraud	Included	Included	State National (A:8)	\$250,000	\$250,000	Per Loss	\$1,000	\$1,000
Logan Propes Bond	\$140	\$140	Travelers (A:15)	\$50,000	\$50,000		\$0	\$0
Debbie Kirk Bond	\$175	\$175	Travelers (A:15)	\$50,000	\$50,000		\$0	\$0
PROPERTY	\$74,211	\$79,550	State National (A:8)					
Blanket Building & Personal Property	Included	Included	State National (A:8)	\$42,851,157	\$42,851,157	Blanket, Replacement Cost, 90% Co	\$5,000	\$5,000
Monroe Art Gallery on Broad Street	Included	Included	State National (A:8)	\$500,000	\$500,000	Actual Cash Value, 90% Co	\$5,000	\$5,000
Food Lion /Old Shopping Center Building*	\$11,534	Included	State National (A:8)	\$10,231,760	\$10,231,760	Blanket, Replacement Cost, 90% Co	\$5,000	\$5,000
Valuable Papers	Included	Included	State National (A:8)	\$100,000	\$100,000		\$5,000	\$5,000
Equipment Breakdown	Included	Included	State National (A:8)	Included	Included	Deductible exceptions: \$10/HP, \$30/KW-\$5,000 Min.	\$5,000	\$5,000
EDP	Included	Included	State National (A:8)	\$250,000	\$250,000		\$5,000	\$5,000
Flood	Included	Included	State National (A:8)	\$10,000,000	\$10,000,000	100 and 500 year flood plains, as defined by FEMA,	\$50,000	\$50,000
Earthquake	Included	Included	State National (A:8)	\$10,000,000	\$10,000,000	are excluded	\$50,000	\$50,000
INLAND MARINE								
Contractor's Equipment	Included	Included	State National (A:8)	\$3,095,808	\$3,095,808		\$1,000	\$1,000
Unscheduled Property	Included	Included	State National (A:8)	\$75,000	\$75,000	\$2,500 maximum per item	\$1,000	\$1,000
Non-Owned Contractors Equipment	Included	Included	State National (A:8)	\$75,000	\$75,000	\$250,000 per occurrence	\$1,000	\$1,000
Fine Arts - Sculptures	Included	Included	State National (A:8)	\$100,000	\$100,000	\$39,250 maximum per item	\$1,000	\$1,000
LAW ENFORCEMENT LIABILITY	\$54,269	\$50,751	State National (A:8)	\$1,000,000/\$3,000,000	\$1,000,000/\$3,000,000	Each Wrongful Act Limit/Total Limit	\$10,000	\$10,000
PUBLIC ENTITY MANAGEMENT LIABILITY	\$10,329	\$10,329	State National (A:8)	\$1,000,000/\$3,000,000	\$1,000,000/\$3,000,000	Each Wrongful Act Limit/Total Limit	\$10,000	\$10,000
EMPLOYEE PRACTICES LIABILITY	\$14,412	\$14,412	State National (A:8)	\$1,000,000/\$3,000,000	\$1,000,000/\$3,000,000	Each Wrongful Offense Limit/Total Limit	\$10,000	\$10,000
Retro Date: 6/4/2000								
UMBRELLA (excludes Failure to Supply)	\$22,480	\$23,150	State National (A:8)	\$1,000,000/\$1,000,000	\$1,000,000/\$1,000,000	Each Event Limit/General Total Limit	\$10,000	\$10,000
ID FRAUD	\$650	\$650	Travelers (A:15)	\$5,000	\$5,000		\$0	\$0
CYBER LIABILITY	\$4,592	\$4,592	Allied World (A:15)	\$1,000,000/\$1,000,000	\$1,000,000/\$1,000,000	Each Event Limit/General Total Limit	\$1,000	\$1,000
Tax and Fees	\$392	\$392		\$1,000,000	\$1,000,000	Crisis Management & Data Forensics	\$1,000	\$1,000
AIRPORT LIABILITY	\$5,950	\$5,950	Catlin (A:15)	\$5,000,000/\$10,000,000	\$5,000,000/\$10,000,000	Each Event Limit/General Total Limit	None	None
AIRPORT FUEL TRUCK	\$505	\$0	Granite State (A:15)	\$100,000	\$100,000	Inland Marine coverage only	\$1,000	\$1,000
AIRPORT FUEL TAX BOND	\$100	\$0	Hanover	\$1,000	\$1,000		None	None
TOTAL PREMIUM	\$363,952	\$360,263						

*Food Lion /Old Shopping Center Building premium is annualized for comparison purposes (pro-rata premium effective 12/21/17 was \$3,345)

IMPORTANT: This summary sheet is for informational purposes only and does not supersede the proposal or policy.