

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: Renewal of Life & Accidental Death & Dismemberment (AD&D), Long Term Disability and Dental Insurance Programs

DEPARTMENT: Administrative Services **DIVISION:** Risk Management

AUTHORIZED BY: Jamie Croteau **CONTACT:** Linda Eiland **EXT.** 5950

Agenda Date <u>6/28/05</u>	Regular <input type="checkbox"/>	Consent <input checked="" type="checkbox"/>	Work Session <input type="checkbox"/>	Briefing <input type="checkbox"/>
	Public Hearing – 1:30 <input type="checkbox"/>		Public Hearing – 7:00 <input type="checkbox"/>	

MOTION/RECOMMENDATION:

Authorization to renew the County's benefit programs and authorization for Chairman to execute agreements as follows:

Life and AD&D with Jefferson Pilot for the period of January 01, 2006 through December 31, 2007 at an increase of .01/1000 for basic coverage, and .02/1000 for employee optional coverage; and

Long-Term Disability with Reliance Standard for the period of January 01, 2006 through December 31, 2007 with no rate increase; and

Dental with CompBenefits for the period of January 01, 2006 through December 31, 2006 with a 3% rate increase.

BACKGROUND:

Life & AD&D

On May 24, 2005, staff presented renewal of the county's Life & AD&D, Long-Term Disability, and Dental Insurance to the Risk Management Executive Committee.

Staff has negotiated renewal with Jefferson Pilot, the county's Life and AD&D carrier. They have agreed to guarantee their rates for two years effective January 1, 2006 at a .01/1000 increase for basic employee coverage and .02/1000 for optional employee coverage. See attached Exhibit 1.

Estimated annual cost for FY 05/06 for county and employee contributions at the above increase is \$509,933, with \$303,984 being the county's portion. The estimated annual cost for FY 04/05 is \$487,241 with \$291,824 being the county's portion.

Reviewed by:	_____
Co Atty:	_____
DFS:	_____
Other:	_____
DCM:	<u>[Signature]</u>
CM:	<u>[Signature]</u>
File No.	<u>CASR01</u>

Jefferson Pilot is requesting a rate increase because the loss ratio of the basic employee plan is 98.19% and the optional employee plan is 115.69%.

Estimated annual costs are projected based on current enrollment and can vary depending on employee turnover, changes made during Open Enrollment, and lifestyle changes throughout the year.

Long Term Disability

Staff has negotiated renewal with Reliance Standard, the county's Long Term Disability carrier. They have agreed to guarantee their renewal for two years with no increase in rates effective January 1, 2006. See attached Exhibit 1.

Estimated annual cost for FY 05/06 to the county is \$121,009. Estimated annual cost to employees with buy up coverage is \$41,572.

Estimated annual costs are projected based on current enrollment and can vary depending on employee turnover, changes made during Open Enrollment, and lifestyle changes throughout the year.

Dental Insurance

Staff has negotiated renewal with CompBenefits, the county's dental insurance carrier. They have agreed to renew the dental insurance program for one year effective January 1, 2006, with a 3% rate increase. See attached Exhibit 1.

CompBenefits is requesting a 3% rate increase because the loss ratio of the DHMO and Indemnity plans is 91.4% before administration expenses.

Estimated annual cost to employees is \$165,480.

The Risk Management Executive Committee voted 5-0 to recommend to the Board of County Commissioners renewal with Jefferson Pilot, Reliance Standard and CompBenefits.

EXHIBIT 1

**Seminole County Government
January 1, 2006 Ancillary Benefit Renewal**

Product	Old Rate	New Rate	Rate Guarantee	Increase to BCC
Dental HMO	Employee \$10.28	Employee \$10.58	1 Year	N/A
	Employee + One \$19.16	Employee + One \$19.74		N/A
	Family \$24.30	Family \$25.04		N/A
Dental PPO	Employee \$17.50	Employee \$18.04	1 Year	N/A
	Employee + One \$30.00	Employee + One \$30.90		N/A
	Family \$44.00	Family \$45.32		N/A
Basic Life and AD&D	Employee \$0.24	Employee \$0.25	2 Years	.01/1,000
	Retiree \$1.79	Retiree \$1.79		N/A
Optional Life and AD&D	Employee \$0.31	Employee \$0.33	2 Years	N/A
	Spouse \$0.26	Spouse \$0.26		N/A
	Child(ren): varies	Child(ren): no change		N/A
Long Term Disability	Core:	Core:	2 Years	none
	Employee \$0.24	Employee \$0.24		
	Buy-Up Employee \$0.28	Buy-Up: Employee \$0.28		