



## Finance Committee Meeting

### AGENDA

March 6, 2012

---

I. **CALL TO ORDER**

II. **MATTERS BEFORE COMMITTEE**

1. [Renewal - Health Insurance](#)
2. [Renewal - Property & Casualty Insurance](#)

III. **ADJOURN**



## Finance Committee Meeting

### AGENDA

March 6, 2012

**Item:**

Renewal - Health Insurance

**Department:**

**Additional Information:**

**Financial Impact:**

**Budgeted Item:**

**Recommendation / Request:**

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

[Health Insurance Info](#)



**ADMINISTRATION & STOP-LOSS RENEWAL PROPOSAL**  
Partially Self Funded Health & Wellness Plan

Prepared Exclusively For

**City of Monroe**

**Renewal Period**

April 1, 2012

---

Prepared by: A. Keith Freshour  
Covenant Services Group  
Presented by: **Joel C. Ballew**  
**Omega Benefit Group**  
Date: March 1, 2012



**City of Monroe**

**Individual Stop Loss Coverage**

	<b>Current</b>	<b>Renewal</b>	<b>Option</b>	
	<b>QBE</b>	<b>QBE</b>	<b>Pan American</b>	
	<b>April 1, 2012</b>	<b>April 1, 2012</b>	<b>April 1, 2012</b>	
Proposed Effective Date of Coverage				
Maximum Contract Period Reimbursement	\$1,250,000	\$1,250,000	\$1,250,000	
Annual Specific Deductible per Individual	\$50,000	\$50,000	\$50,000	
Contract Basis	Paid	Paid	24/12	
Maximum Contract Period Reimbursement	\$1,200,000	\$1,200,000	\$1,200,000	
Aggregating Specific Deductible	\$80,000	\$80,000	\$80,000	
Terminal Liability Option (TLO)	N/A	N/A	N/A	
Coverages	Medical/RX	Medical/RX	Medical/Rx	
<u>PPO Network Access:</u>				
<b>First Health</b>				
<b>Quoted Rate Per Employee Per Month</b>	<u>Enrollment</u>			
Employee	113	\$ 83.89	\$ 90.35	\$ 83.00
Family	<u>93</u>	\$ 202.56	\$ 226.96	\$ 215.59
Composite Enrollment	206			
Estimated Annual Premium	\$ 339,812	\$ 375,802	\$ 353,146	
<b>Changes to Current Year</b>		<b>10.59%</b>	<b>3.92%</b>	

	<b>Current</b>	<b>Renewal</b>	<b>Option</b>
<b>Specific Individual Lasers</b>			
1) <u>Claimant (1)</u>	\$ 100,000		\$ 100,000
2) <u>Claimant (2)</u>	\$ 400,000	\$ 150,000	\$ 400,000
3) <u>Claimant (3)</u>	\$ 150,000		\$ 150,000
4) _____			
5) _____			

**Additional Notes:**

- 1) GreenWood International - Pan American Quote is duplicating last year's lasers on the claimants until they complete their formal medical review which is already in process.
- 2) GWI/Pan American will not be imposing the same plan limitations as SLG Benefits.
- 3) SLG Benefits/QBE renewal has removed lasers on Claimant 1 and Claimant 3. Claimant 2 laser is being reduced to \$150,000.
- 4) SLG Benefits renewal is based on the following plan limitations:
  - a) For Hospital Inpatient or Outpatient charges exceeding \$50,000, payment will be limited to the Medicare DRG or APC Reimbursement Rate. If a Medicare DRG or APC Reimbursement Rate is not available, payment by this plan will be limited to the Rate of the next closest Hospital;
  - b) For charges due to renal dialysis, payment by this plan will not exceed 100% of the Medicare allowance for such incurred expenses.

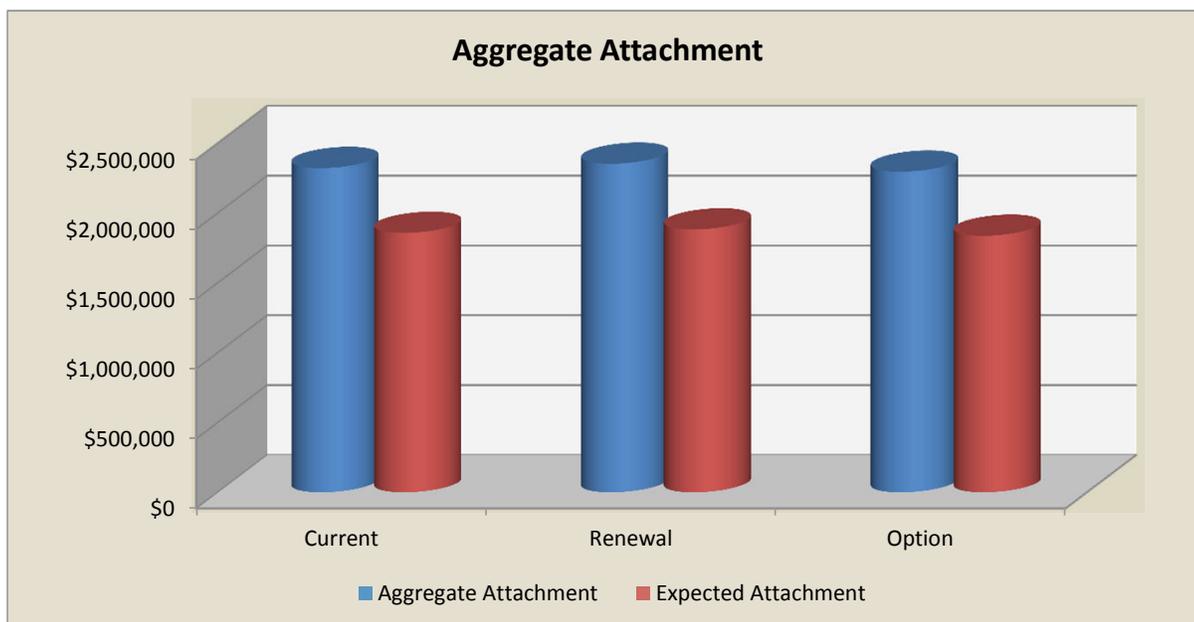
These limitations must apply to both in and out of network claims.



City of Monroe

Aggregate Stop Loss Coverage

		Current	Renewal	Option
		QBE	QBE	Pan American
Contract Basis		Paid	Paid	24/12
Loss Limit Per Individual		\$50,000	\$50,000	\$50,000
Maximum Contract Period Reimbursement		\$1,000,000	\$1,000,000	\$1,000,000
Terminal Liability Option (TLO)		N/A	N/A	N/A
Coverages		Medical/RX	Medical/RX	Medical/Rx
Rate Per Employee Per Month	<u>Enrollment</u>			
Composite	206	\$ 6.25	\$ 6.58	\$ 6.13
Monthly Accommodation Rate Per Employee		\$ -	\$ -	\$ -
Estimated Annual Premium		\$ 15,450	\$ 16,266	\$ 15,153
<i>Change to Current Year</i>			<b>5.28%</b>	<b>-1.92%</b>
Annual Aggregate Attachment Point		\$ 2,322,347	\$ 2,353,210	\$ 2,296,403
<i>Change to Current Year</i>			<b>1.33%</b>	<b>-1.12%</b>
Run-In Limited To:		\$ -	\$ -	\$ 408,202
Monthly Aggregate Claim Factors	<u>Enrollment</u>			
Employee	113	\$ 550.59	\$ 557.26	\$ 525.59
Family	<u>93</u>	\$ 1,411.96	\$ 1,431.51	\$ 1,419.09
Composite Enrollment	206			





City of Monroe

**Claims Administration & Plan Management**

**Healthcare Plan Administration/Management Fees**

**Administration/Management Fees** includes Claims Administration, Plan Management, Pharmacy Management, Customer Service, Billing, Eligibility, Enrollment, COBRA, HIPAA, Web Portal, PPO Network Coordination, General Administrative Services, UR, Case Management, Stop-Loss Placement and Management Services, Covenant's CAST Risk Management Services, Broker or Consultant Compensation, and Consultative Management.

	Current	Renewal	Option
	\$ 48.00	\$ 48.15	\$ 48.15

**CAST Services**

MAP	\$ -	\$ -	\$ -
TelaDoc	\$ -	\$ -	\$ -
MehraVista Health   Behavioral Health UR/Case Mgt.	\$ -	\$ -	\$ -
MehraVista Health   Employee Assistant Program (EAP)	\$ -	\$ -	\$ -
Bravo Wellness - (Annual Set-Up Fee)	\$ -	\$ -	\$ -
Installation Fee	\$ -	\$ -	\$ -
<b>Annual Administration/Management Fees</b>	<b>\$ 118,656</b>	<b>\$ 119,027</b>	<b>\$ 119,027</b>

**Total Plan Costs**

**Fixed Plan Costs - Your Annual Insurance & Administrative Costs**

Fixed Plan Costs (Administration & Stop-Loss Premium)	\$ 473,918	\$ 511,095	\$ 487,327
<i>Change to Current Year</i>		<b>7.84%</b>	<b>2.83%</b>

**Claims Liability - Annual Aggregate Attachment Point**

Maximum Claims Liability	\$ 2,322,347	\$ 2,353,210	\$ 2,296,403
<i>Change to Current Year</i>		<b>1.33%</b>	<b>-1.12%</b>

**Total Maximum Plan Costs**

	\$ 2,796,265	\$ 2,864,304	\$ 2,783,730
<i>Change to Current Year</i>		<b>2.43%</b>	<b>-0.45%</b>





**City of Monroe**

**Claims Administration & Plan Management**

	<u>Current</u>	<u>Renewal</u>	<u>Option</u>
<b>Summary of Administration &amp; Plan Management Services</b>			
Core Administration Fees	\$ 24.60	\$ 24.60	\$ 24.60
PPO Network Access	\$ 4.35	\$ 4.50	\$ 4.50
Medical Management/Utilization Review	\$ 2.50	\$ 2.50	\$ 2.50
Dental Administration	\$ -	\$ -	\$ -
Vision Administration	\$ -	\$ -	\$ -
Disability Administration	\$ -	\$ -	\$ -
Stop-Loss Management Fee	\$ 16.55	\$ 16.55	\$ 16.55
Broker or Consultant Compensation	\$ -	\$ -	\$ -
<b>CAST Risk Management Services</b>			
MAP	\$ -	\$ -	\$ -
TeleDoc	\$ -	\$ -	\$ -
MehraVista Health   Behavior Health UR/Case Mgt.	\$ -	\$ -	\$ -
MehraVista Health   Employee Assistance Program (EAP)	\$ -	\$ -	\$ -
<b>Total Administration/Management Fee</b>	<b><u>\$ 48.00</u></b>	<b><u>\$ 48.15</u></b>	<b><u>\$ 48.15</u></b>
Bravo Wellness - (Annual Set-Up Fee)	\$ -	\$ -	\$ -
Installation Fee	\$ -	\$ -	\$ -
<b>Annual Plan Administration/Management Fees</b>	<b><u>\$ 118,656</u></b>	<b><u>\$ 119,027</u></b>	<b><u>\$ 119,027</u></b>

	<u>Current</u>	<u>Renewal</u>
<b>Organ Transplant Coverage - Fully Insured</b>		
Single Coverage	\$ 5.62	\$ 5.95
Family Coverage	\$ 12.94	\$ 13.67
<b>Annual Premium</b>	<b>\$ 22,062</b>	<b>\$ 23,324</b>
<i>Change to Current Year</i>		<b>5.72%</b>



**City of Monroe**

**April 1, 2012**

**Underwriting Guidelines/Contingencies/Qualifications**

**Quoted terms and conditions are subject to possible revision based upon receipt and review of the following items:**

- 1) The proposal is based on information furnished in the Request for Proposal submission.
- 2) This proposal will be binding upon receipt of requested documentation, the first month's premium and approval by the Underwriter. Employer Group (Insured) will provide a Plan Document acceptable to the Underwriter.
- 3) Annual projections are subject to revision based on the enrollment at inception. Rates and/or factors can be recalculated if the demographics of the group cause the rates or factors to change by 10% or more.
- 4) Rates and/or factors are subject to review and possible revision if the enrollment changes by +/- 10% from the enrollment at inception at any time throughout the policy year.
- 5) Signed completed disclosure form submitted no earlier than 30 days prior to the effective date.
- 6) Proposal is subject to disclosure of all employees not actively at work on the effective date.
- 7) Actively at work may be waived upon Underwriting approval of a completed and signed disclosure statement.
- 8) If the plan is non-contributory, the participation required is 100% of eligible participants. If the plan is contributory, the participation required is 75% of all employees that are eligible to elect this employer's sponsored health plan.
- 9) Complete information (including diagnosis, prognosis, current and anticipated treatment and costs) pertaining to all individuals who have a condition/diagnosis that is likely to penetrate the specific deductible. Material changes in this information can change the terms presented in the stop-loss proposal.
- 10) Individual large claims data has not been reviewed by the Stop-Loss Carrier's RN to determine what, if any, individual underwriting is required.
- 12) Pre-certification, large case management and subrogation services are a requirement for qualification of excess (aggregate) of loss coverage.
- 13) MediCor Managed Care will be utilized for Medical UR/Case Management and MehraVista Health will be utilized for Behavioral Health UR/Case Management.
- 14) The proposal is based upon utilizing the services of a PPO Network(s).
- 15) Disclaimer: This proposal is only a quote and is not to be construed as an application or coverage for insurance. Current inforce coverage should not be terminated until the Stop Loss Carrier has completed the underwriting process and has approved coverage under the terms of the reinsurance contract. This document reflects the major features of the Covenant Services Group's Risk Management Strategies. Some plan differences may not be reflected in this version. The information contained in this proposal may be comparable to your current benefits; however, it is not guaranteed to be a duplicate of those benefits provided under your current group policy. For a detailed explanation of benefits, limitations and exclusions, please refer to the program's plan document and/or stop loss contract. The rates, factors and premiums are based on the employee lives and volumes contained in the most recent census information. Final rates are contingent upon the carrier's approval of employer's disclosure of medical conditions at the time of application. The rates may vary if the information at enrollment changes. We will not be bound by typographical errors & omissions contained herein.

**Proposal Acceptance**

Initial the selected proposal option:	Renewal	Option
Specific	_____	_____
Aggregate	_____	_____

Date: \_\_\_\_\_ By: \_\_\_\_\_



## Finance Committee Meeting

### AGENDA

March 6, 2012

**Item:**

Renewal - Property & Casualty Insurance

**Department:**

**Additional Information:**

**Financial Impact:**

**Budgeted Item:**

**Recommendation / Request:**

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

**Attachments / click to download**

[Quote Comparison](#)

[Workers Comp](#)

**CITY OF MONROE  
2012 PROPERTY CASUALTY INSURANCE**

	2011-12 Expiring	Companion	American Alternative	Argonaut	GIRMA	Travelers	OneBeacon
<b>TOTAL PACKAGE PREMIUM</b>	<b>\$331,511</b>	<b>\$296,045</b>	<b>\$307,182</b>	<b>\$311,219</b>	<b>\$323,011</b>	<b>\$329,517</b>	<b>\$330,999</b>
<b>GENERAL LIABILITY</b>							
Occurrence Limit	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Personal Injury	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Advertisement Injury	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Premises Damage	\$100,000	\$1,000,000	\$1,000,000	\$100,000	\$2,000,000	\$100,000	\$1,000,000
Medical Payments	None	\$5,000	\$10,000	None	None	None	None
Sewer Back-up	\$500,000	Included	Included	Included	Included	\$500,000	Included
Failure to Supply	None	Included	Included	Included	Included	None	\$500,000
Aggregate	\$3,000,000	\$4,000,000	\$4,000,000	\$6,000,000	None / \$10,000,000	\$3,000,000	\$4,000,000
Deductible	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>AUTOMOBILE LIABILITY</b>							
Uninsured/ Underinsured Motorist	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Medical Payments	\$75,000	\$100,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Deductible	\$5,000	\$5,000	\$5,000	\$5,000	None	\$5,000	\$5,000
<b>AUTOMOBILE PHYSICAL DAMAGE</b>							
Deductible	Actual Cash Value	Actual Cash Value	ACV (Agreed Value-Fire Trucks)	Actual Cash Value	Actual Cash Value	Actual Cash Value	Actual Cash Value
	\$2,000	\$1,000	\$2,000	\$1,000	\$2,500	\$2,000	\$2,000
<b>CRIME</b>							
Employee Theft	\$200,000	\$250,000	\$250,000	\$500,000	\$500,000	\$200,000	\$200,000
Forgery or Alteration	\$200,000	\$250,000	\$250,000	\$500,000	\$500,000	\$200,000	\$25,000
Inside Premises (Money & Securities)	\$50,000	\$75,000	\$250,000	\$500,000	\$500,000	\$50,000	\$50,000
Outside Premises	\$50,000	\$75,000	\$250,000	\$500,000	\$500,000	\$50,000	\$50,000
Computer Fraud	\$200,000	\$250,000	\$100,000	\$500,000	\$500,000	\$200,000	\$200,000
Deductible	\$2,500	\$1,000	\$2,500	\$1,000	\$2,500	\$2,500	\$2,500
<b>PROPERTY</b>							
Building & Personal Property	\$42,651,157	\$42,851,157	\$43,012,308	\$42,851,157	\$43,012,308	\$46,598,480	\$42,851,157
Blanket (B), Co-Insurance % , Agreed Amt (AA)	Blanket, 90%, AA	Blanket, None, AA	Blanket, None, None	None, 90%, None	Blanket, None, None	Blanket, 90%, None	Blanket, 90%, None
Computer Equipment	\$161,151	\$250,000	Included in the Property	\$150,000	Included in the Property	\$161,151	\$161,151
Property Deductible	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Flood	\$1,000,000	\$1,000,000	\$1,000,000	\$10,000,000	\$10,000,000	\$1,000,000	\$1,000,000
Earthquake	\$1,000,000	\$1,000,000	\$1,000,000	\$10,000,000	\$10,000,000	\$1,000,000	\$1,000,000
Flood and Earthquake Deductible	\$25,000 / Occurrence	\$50,000 / Occurrence	\$25,000 / Occurrence	\$50,000 / Occurrence	\$5,000 / Building	\$25,000 / Occurrence	\$25,000 / Occurrence
<b>INLAND MARINE</b>							
Contractor's Equipment	\$2,630,061	\$3,178,046	\$3,169,316	\$3,178,046	\$2,773,335	\$3,178,046	\$3,178,046
Unscheduled / Scheduled Property	\$303,377	Included	Included	Included	Included	Included	Included
Equipment Deductible	\$1,000	\$1,000	\$5,000	\$1,000	\$1,000	\$1,000	\$1,000
<b>LAW ENFORCEMENT LIABILITY</b>							
Aggregate	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	Included in General Liability	\$2,000,000	\$2,000,000
Deductible	\$3,000,000	\$4,000,000	\$4,000,000	\$6,000,000	Included in General Liability	\$3,000,000	\$3,000,000
	\$25,000	\$10,000	\$10,000	\$10,000	\$10,000	\$25,000	\$25,000
<b>PUBLIC ENTITY MANAGEMENT LIABILITY</b>							
Aggregate	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Deductible	\$3,000,000	\$4,000,000	\$4,000,000	\$6,000,000	\$10,000,000	\$3,000,000	\$3,000,000
	\$25,000	\$10,000	\$25,000	\$10,000	\$25,000	\$25,000	\$25,000
<b>EMPLOYEE PRACTICES LIABILITY</b>							
Aggregate	\$3,000,000	\$2,000,000	\$2,000,000	\$2,000,000	Included in Public Official Liability	\$3,000,000	\$2,000,000
Deductible	\$3,000,000	\$4,000,000	\$4,000,000	\$6,000,000	Included in Public Official Liability	\$3,000,000	\$3,000,000
	\$25,000	\$10,000	\$25,000	\$10,000	\$25,000	\$25,000	\$25,000
<b>CYBER-LIABILITY</b>							
Deductible	\$2,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$75,000	\$2,000,000	\$1,000,000
	\$5,000	\$10,000	None	\$10,000	\$5,000	\$5,000	\$10,000
<b>AIRPORT LIABILITY</b>							
Liability Limit / Aggregate	\$5,950	\$5,950	\$5,950	\$5,950	\$5,018	\$5,950	\$5,950
Hanger Keepers Legal Liability	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Sky Diving Coverage	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	No Coverage	\$10,000,000	\$10,000,000
	Included	Included	Included	Included	No Coverage	Included	Included

\*Excess/Umbrella Limits are added to the respective lines of coverage for comparison purposes.

**Item # 2**

This sheet is designed as a summary of insurance for presentation purposes only. Actual terms and conditions are outlined in the policies and carrier proposals which are available. Terms and conditions listed in the policies and proposals supercede the summaries list in this sheet.

## CITY OF MONROE WORKERS COMPENSATION

	<b>CITY OF MONROE SELF-INSURED PLAN</b>	<b>GMA SELF-INSURED WORKERS COMPENSATION PLAN</b>
Self-Insured Retention	\$400,000	N/A
Deductible	N/A	\$250,000
Employers Liability Limit	\$500,000	\$1,000,000
Annual Premium	\$68,151	\$81,429
Claims Administration	\$15,000	Included
Loss Control	\$10,000	Included
Estimated Claims Run-off Costs	N/A	\$2,500
<b>Total Premium</b>	<b>\$93,151</b>	<b>\$83,929</b>

Analysis: The City has been self-insured since 1992 realizing significant savings when compared to a fully insured plan. The GMA has presented a deductible plan with a lower premium and deductible. Moving to the GMA Plan will change the City's 4/22/2012 anniversary date to 1/1/2013 and the City would pay a pro-rata premium for the initial period. An annual premium that can be paid on a quarterly basis would begin on 1/1/2013.

Recommendation: GMA Self-Insured Workers Compensation Plan