

AN ORDINANCE approving the awarding of RFP #3539- SELF-FUNDED HEALTH & DENTAL PLANS (ADMINISTRATION & REINSURANCE COVERAGE AND GROUP LIFE/AD&D/SHORT TERM DISABILITY/LONG TERM DISABILITY INSURANCE by the City of Fort Wayne, Indiana, by and through its Department of Purchasing and AUTOMATED GROUP ADMINISTRATION AND SYMETRA LIFE INSURANCE COMPANY for the City of Fort Wayne.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA;

SECTION 1. That RFP #3539- SELF-FUNDED HEALTH & DENTAL PLANS (ADMINISTRATION & REINSURANCE COVERAGE AND GROUP LIFE/AD&D/SHORT TERM DISABILITY/LONG TERM DISABILITY INSURANCE between the City of Fort Wayne, by and through its Department of Purchasing and AUTOMATED GROUP ADMINISTRATION AND SYMETRA LIFE INSURANCE COMPANY for the , respectfully for:

Contracts for:

Self-Funded Health & Dental:

Automated Group Administration

\$ 695,145 Administrative Costs

\$1,047,888 Reinsurance Costs

\$1,743,033 Total Costs

Group Life/AD&D and Short Term and Long Term Disability:

Symetra Life Insurance Company

\$180,000 Basic Life/AD&D Insurance

\$231,000 Short Term Disability

\$137,500 Long Term Disability

\$548,500 Employer Total

\$236,000

Supplemental Life Insurance (EMPLOYEE PAID)

\$784,500

(includes employee paid supplemental life insurance)

1 all as more particularly set forth in said RFP #3539- SELF-FUNDED HEALTH
2 & DENTAL PLANS (ADMINISTRATION & REINSURANCE COVERAGE AND
3 GROUP LIFE/AD&D/SHORT TERM DISABILITY/LONG TERM DISABILITY
4 INSURANCE which is on file in the Office of the Department of Purchasing,
5 and is by reference incorporated herein, made a part hereof, and is hereby in
6 all things ratified, confirmed and approved.

7 **SECTION 2.** That this Ordinance shall be in full force and effect
8 from and after its passage and any and all necessary approval by the Mayor.
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12 _____
Council Member

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15 APPROVED AS TO FORM AND LEGALITY
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Carol Helton, City Attorney
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CITY OF FORT WAYNE

THOMAS C. HENRY, MAYOR

TO: CITY COUNCIL MEMBERS

FROM: LAURA TOWNSEND – BENEFITS MANAGER

RE: SELF FUNDED HEALTH & DENTAL PLANS (ADMINISTRATION & REINSURANCE COVERAGE AND GROUP LIFE/AD&D/SHORT TERM DISABILITY/LONG TERM DISABILITY INSURANCE

DATE: December 30, 2013

The Benefits Department requests approval for the following contracts effective January 1, 2014:

Self-Funded Health & Dental:	Automated Group Administration	
(Based on an average of 1915	\$ 695,145	Administrative Costs
Covered employees/retirees)	<u>\$1,047,888</u>	Reinsurance Costs
	\$1,743,033	Total Costs
Group Life/AD&D and Short	Symetra Life Insurance Company	
Term and Long Term Disability:	\$180,000	Basic Life/AD&D Insurance
(11 months - estimate)	\$231,000	Short Term Disability
	<u>\$137,500</u>	Long Term Disability
	\$548,500	Employer Total
	<u>\$236,000</u>	Supplemental Life Insurance (EMPLOYEE PAID)
	\$784,500	(Includes employee paid supplemental life insurance)

See attached for more detailed information. The above amounts can vary based on enrollment.
Funding Source 403 BENF1 5143

Please contact me at (260) 427-2634 if you have any questions.

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**CITY OF FORT WAYNE
SELF FUNDED HEALTH PLAN
AUTOMATED GROUP ADMINISTRATION
2014 RENEWAL
SPECIFIC DEDUCTIBLE OF \$300,000 Option**

Renewal Effective Date: January 1, 2014

(3 PLAN OPTIONS \$500/\$1000/\$3000 Ded.)

Service	2009	2010	2011	2012	2013	2014
Contract Type (Specific & Aggregate)	18/12	18/12	18/12	18/12	18/12	18/12 Unlimited Annual
Specific Deductible	\$ 250,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 300,000
Aggregating Specific	\$ 125,000	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 150,000
Medical Administration	\$ 12.25	\$ 12.95	\$ 13.75	\$ 14.50	\$ 14.50	\$ 14.95
Dental Administration	\$ 1.95	\$ 2.00	\$ 2.25	\$ 2.35	\$ 2.35	\$ 2.50
Utilization Review & Mgmt	\$ 2.75	\$ 2.95	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25
OP Therapy Review	\$ 0.55	\$ 0.60	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.70
OP Surgery Review	\$ 0.65	\$ 0.75	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80
MCC Disease Mgmt Pkg				\$ 3.25	\$ 3.25	\$ 3.75
Network Access Fee PPO (Includes Preferred Heart & Cardiac Pathways)	\$ 5.50	\$ 5.75	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.50
Specific Premium	\$ 32.95	\$ 35.90	\$ 38.77	\$ 44.59	\$ 40.13	\$ 43.25
Aggregate Premium	\$ 2.08	\$ 2.18	\$ 2.29	\$ 2.45	\$ 2.21	\$ 2.35
Medical Aggregate Factor	\$1,016.95	\$1,081.19	\$1,208.51	\$1,392.45	\$1,392.45	\$1,426.81
Dental Aggregate Factor	\$ 45.53	\$ 50.63	\$ 53.39	\$ 58.89	\$ 58.89	\$ 59.48
Broker Fee (Monthly)	See Broker Section	-	-	-	NET	NET
Total Maximum EE/MO	\$1,121.16	\$1,194.90	\$1,329.71	\$1,529.23	\$1,524.53	\$1,564.34
% of increase on Max. \$	0.00%	6.58%	11.28%	15.00%	-0.30%	2.61%

Marketing Diversified Services, Inc.

Underwriter Comments and Assumptions

No run-in \$ dollar limit from prior plan year.

The minimum Annual Attachment Point is equal to 100% of the employees covered during the first Policy Month times the Monthly Aggregate Attachment Point Factors, times 12.

The Excess Loss Contract limits reimbursement in excess of the Aggregate Attachment Point to \$1,000,000.

A proper disclosure is required to be completed after December 1, 2013. Based on the results some individuals may be subject to different specific deductibles.

Unlimited Lifetime Maximum with an Unlimited Annual Maximum.

Grandfathered Plan Status

The proposed plan of benefits and costs are based on submitted data plus assumptions and comments noted above. Final costs will be determined based on analysis of requested information including final claims experience, final enrollment and receipt and acceptance of the Excess Loss Reinsurance and Fully Insured applications. This document is a proposal and is not binding until accepted in writing by a representative of Monumental Life Insurance Company.

Monumental Life Insurance Company requests any broker, agent or other party involved in placing or evaluating the coverage in this proposal to disclose to the person seeking the coverage all compensation the broker, agent or other party will receive or may receive relating to this coverage, including any commissions listed in this proposal.

As a full-service Managing General Underwriter, MDS has developed a longstanding relationship with Monumental Life Insurance Company. Monumental carries the rating of A+ (on a scale of A++ to F) by A.M. Best.

Ratings are current as of 6/29/2010 and are reflective of the insurance rating services' current opinions of Monumental Life's relative strength and operating performance. Monumental Life's home office is located in Baltimore MD, 21202



To: Laura Townsend
 From: Jackie Brown
 Date: December 12, 2013
 Subject: City of Fort Wayne Plan Rates

Below are the current rates for the Basic Life/AD&D, Supp Life/AD&D, STD, & LTD plans:

<u>Coverage</u>	<u>Monthly Rate</u>
Basic Life	\$0.230 per \$1,000
Basic Life AD&D	\$0.020 per \$1,000
Supplemental Employee & Spouse AD&D	\$0.030 per \$1,000
Supplemental Child Life	\$0.070 per \$1,000
Supplemental Child AD&D	\$0.030 per \$1,000

**Supplemental Life &
 Supplemental Spouse
 Life Insurance :**

Monthly Premium Rate Per \$1,000 of Coverage

<u>Age</u>	
Under 25	\$0.070
25-29	\$0.070
30-34	\$0.070
35-39	\$0.110
40-44	\$0.170
45-49	\$0.280
50-54	\$0.500
55-59	\$0.820
60-64	\$1.090
65-69	\$1.700
70-74	\$3.000
75+	\$4.940

STD	\$0.38 Per \$10 of Coverage
LTD	\$0.310 Per \$100 of Covered Payroll

Let me know if you have any questions.

City of Fort Wayne RFP #3539
Summary of Proposals

Wells Fargo		Hylant Group		1st Source		DeHayes Group	
Automated Group Administration		Automated Group Administration		PHP - HCC Life		Employee Plan - HCC Life	
TPA Costs	\$667,933	TPA Costs	\$667,933	TPA Costs	\$845,500	TPA Costs	\$908,440
Reinsurance	\$972,973	Reinsurance	\$972,973	Reinsurance (not guaranteed)	\$803,611	Reinsurance (not guaranteed)	\$938,963
Total Fixed Costs	\$1,640,906	Total Fixed Costs	\$1,640,906	Total Fixed Costs	\$1,649,111	Total Fixed Costs	\$1,847,403
Symetra		Lincoln Financial		Lincoln Financial		Standard Insurance	
Life/AD&D	\$196,210	Life/AD&D	\$226,685	TPA Costs	\$226,685	TPA Costs	\$244,350
LTD	\$144,162	LTD	\$132,076	Reinsurance (not guaranteed)	\$132,076	Reinsurance (not guaranteed)	\$183,697
Total Costs	\$340,372	Total Costs	\$358,761	Total Costs	\$358,761	Total Costs	\$428,047
Broker Fee		Broker Fee		Broker Fee		Broker Fee	
\$68,473		\$67,450		\$187,287		\$100,000 (+ standard commission on Life/LTD)	
Annual Cost		Annual Cost		Annual Cost		Annual Cost	
\$2,069,757		\$2,067,117		\$2,195,159		\$2,375,450	

City of Fort Wayne
Weighted Bid Analysis and Evaluation
Self-Funded Health & Dental Plans

	BROKER QUALIFICATIONS	25%	TPA QUALIFICATIONS	20%	TPA SERVICES	20%	GOST	35%		
	1 = Very Poor 2 = Poor 3 = Average 4 = Above Average 5 = Very Good		1 = Very Poor 2 = Poor 3 = Average 4 = Above Average 5 = Very Good		1 = Very Poor 2 = Poor 3 = Average 4 = Above Average 5 = Very Good		1 = Very Poor 2 = Poor 3 = Average 4 = Above Average 5 = Very Good			
									<i>Sum of Percentages Must Equal 100%</i>	
WELLS FARGO										TOTAL POINTS
AGA	5.00	1.25	5.00	1.00	4.90	0.98	4.50	1.58		4.805
ProClaim	5.00	1.25	4.75	0.95	4.60	0.92	3.63	1.27		4.391
PHP	5.00	1.25	4.75	0.95	4.60	0.92	3.68	1.33		4.478
Anthem	5.00	1.25	4.50	0.90	4.40	0.88	2.88	1.01		4.038
Aetna	5.00	1.25	4.50	0.90	4.60	0.92	2.63	0.92		3.991
Mentain	5.00	1.25	4.50	0.90	4.20	0.84	3.50	1.23		4.215
HYLANT GROUP										
AGA	4.60	1.15	5.00	1.00	4.90	0.98	4.50	1.58		4.705
ProClaim	4.60	1.15	4.75	0.95	4.60	0.92	3.63	1.27		4.291
PHP	4.60	1.15	4.75	0.95	4.60	0.92	3.28	1.09		4.378
Anthem	4.60	1.15	4.50	0.90	4.40	0.88	2.88	1.01		3.938
NAA	4.60	1.15	4.25	0.85	4.60	0.92	3.88	1.38		4.278
UMR	4.60	1.15	4.25	0.85	4.00	0.80	2.88	1.01		3.808
1ST SOURCE										
PHP	4.60	1.15	4.75	0.95	4.60	0.92	3.88	1.38		4.378
Anthem	4.60	1.15	4.50	0.90	4.40	0.88	2.88	1.01		3.938
UMR	4.60	1.15	4.25	0.85	4.00	0.80	2.88	1.01		3.808
DERAYES GROUP										
Employee Plans	4.60	1.15	5.00	1.00	4.80	0.96	3.68	1.33		4.468
BAS	4.60	1.15	5.00	1.00	4.20	0.84	3.38	1.18		4.173
	<i>Qualifications and Experience of broker and employees assigned to service account. See attached notes</i>		<i>Qualifications and Experience of staff assigned to service account. See attached notes.</i>		<i>Services provided by TPA matches or exceeds current level. See attached notes.</i>		<i>Fee structure is competitive for both reinsurance and administrative services. See attached notes.</i>			

City of Fort Wayne
Weighted Bid Analysis & Evaluation - Life and Long Term Disability Insurance

	BROKER QUALIFICATIONS	25%	CARRIER FINANCIAL STRENGTH	25%	CARRIER SERVICES	20%	COST	25%		
	1 = Very Poor 2 = Poor 3 = Average 4 = Above Average 5 = Very Good		1 = Very Poor 2 = Poor 3 = Average 4 = Above Average 5 = Very Good		1 = Very Poor 2 = Poor 3 = Average 4 = Above Average 5 = Very Good		1 = Very Poor 2 = Poor 3 = Average 4 = Above Average 5 = Very Good			<i>Sum of Percentages Must Equal 100%</i>
WELLS FARGO										TOTAL POINTS
Symetra	5.00	1.25	4.00	0.49	4.50	0.90	5.00	2.75		5.300
AUL/One America	5.00	1.25	5.00	0.59	4.50	0.90	3.50	1.93		4.575
UNUM	5.00	1.25	4.00	0.49	4.50	0.90	4.00	2.29		4.750
SunLife Financial	5.00	1.25	5.00	0.59	4.00	0.80	5.00	2.75		5.300
Met Life	5.00	1.25	5.00	0.59	4.50	0.90	4.50	2.48		5.125
Anthem	5.00	1.25	4.67	0.47	4.50	0.90	4.00	2.29		4.617
Lincoln National	5.00	1.25	4.67	0.47	4.50	0.90	5.00	2.75		5.367
Aetna	5.00	1.25	4.33	0.43	4.50	0.90	5.00	2.75		5.333
Guardian	5.00	1.25	5.00	0.59	3.50	0.70	4.00	2.20		4.650
Mutual of Omaha	5.00	1.25	4.67	0.47	4.50	0.90	4.50	2.48		5.092
Standard	5.00	1.25	4.33	0.43	4.50	0.90	4.00	2.20		4.783
Cigna	5.00	1.25	4.00	0.40	4.50	0.90	5.00	2.75		5.300
HYLIANT GROUP										
SunLife Financial	4.60	1.15	5.00	0.59	4.00	0.80	5.00	2.75		5.200
Mutual of Omaha	4.60	1.15	4.67	0.47	4.50	0.90	4.50	2.48		4.992
Lincoln National	4.60	1.15	4.67	0.47	4.50	0.90	5.00	2.75		5.267
Cigna	4.60	1.15	4.00	0.40	4.50	0.90	5.00	2.75		5.200
Met Life	4.60	1.15	5.00	0.59	4.50	0.90	4.50	2.48		5.025
Anthem	4.60	1.15	4.67	0.47	4.50	0.90	4.00	2.29		4.717
1ST SOURCE										
Lincoln	4.60	1.15	4.67	0.47	4.50	0.90	5.00	2.75		5.267
MetLife	4.60	1.15	5.00	0.59	4.50	0.90	4.50	2.48		5.025
Anthem	4.60	1.15	4.67	0.47	4.50	0.90	4.00	2.29		4.717
DEWAYES GROUP										
Employee Plans	4.60	1.15	5.00	1.00	4.80	0.96	3.88	1.96		4.475
BAS	4.60	1.15	5.00	1.00	4.20	0.82	3.38	1.48		4.683

*Qualifications and
Experience of broker
and employees
assigned to service
account.
See attached notes*

*Qualifications and
Experience of staff
assigned to service
account.
See attached notes.*

*Services provided by
TPA matches or
exceeds current level.
See attached notes.*

*Fee structure is
competitive for both
reinsurance and
administrative
services.
See attached notes.*

REF. NO.:	3539
DEPT:	Benefits
DATE:	12/30/13
ITEM/SERVICE:	Self-Funded Health & Dental Plans (Administration & Reinsurance Coverage) and Group Life/AD&D Insurance and Long Term Disability Coverage
ADVERTISED BID:	Yes
DATES ADVERTISED:	6/19/12 & 6/26/12
DATE OPENED:	7/31/12
SINGLE SOURCE:	No
NO. OF VENDORS NOTIFIED:	14
NO. OF VENDORS RECEIVING BID:	14
NO. OF VENDORS RETURNING BID:	11
NO. OF VENDORS DISQUALIFIED:	0
DATE SENT TO DEPT FOR RECOMM:	8/1/12
DATE RECOMM RECEIVED BACK:	12/30/13
DATE SENT TO LAW DEPT:	1/6/14
INTRODUCTION DATE:	1/14/14
DISCUSSION DATE:	1/21/14
PASSAGE DATE:	1/28/14