BILL NO. S-16-12-09

SPECIAL ORDINANCE NO. S-_____

AN ORDINANCE approving the awarding of RENEWAL OF SELF-FUNDED HEALTH & DENTAL PLANS (ADMINISTRATION AND REINSURANCE FEES) AND GROUP LIFE/LONG AND SHORT TERM DISABILITY INSURANCE PLANS by the City of Fort Wayne, Indiana, by and through its Department of Purchasing and AUTOMATED GROUP ADMINISTRATION / SYMETRA LIFE INSURANCE for the HUMAN RESOURCES AND BENEFITS DEPARTMENT.

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

SECTION 1. That RENEWAL OF SELF-FUNDED HEALTH & DENTAL PLANS (ADMINISTRATION AND REINSURANCE FEES) AND GROUP LIFE/LONG AND SHORT TERM DISABILITY INSURANCE PLANS between the City of Fort Wayne, by and through its Department of Purchasing and AUTOMATED GROUP ADMINISTRATION/SYMETRA LIFE INSURANCE for the HUMAN RESOURCES AND BENEFITS DEPARTMENT, respectfully for:

Self –Funded Health & Dental:	**Automated Group Administration** Total annual fees are based on per person/per month enrollment. Total annual not to exceed $2,200,000
Group Life/AD&D/LTD/STD:	**Symetra Life Insurance Company** Total annual fees are based on per person/per month enrollment. Total annual not to exceed $1,200,000 (Includes $350,000 of Supplemental Life Insurance (EMPLOYEE PAID))

involving a total cost of not to exceed THREE MILLION, FOUR HUNDRED THOUSAND AND 00/100 DOLLARS - ($3,400,000.00) - (INCLUDES $350,000 OF EMPLOYEE PAID LIFE INS) all as more particularly set forth in said RENEWAL OF SELF-FUNDED HEALTH & DENTAL PLANS (ADMINISTRATION AND REINSURANCE FEES) AND GROUP LIFE/LONG AND SHORT TERM DISABILITY INSURANCE PLANS which are on file in the Office of the Department of Purchasing, and are by reference incorporated herein, made a part hereof, and is hereby in all things ratified, confirmed and approved.

SECTION 2. That this Ordinance shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.

_____
Council Member

APPROVED AS TO FORM AND LEGALITY

_____
Carol Helton, City Attorney

CITY OF FORT WAYNE

THOMAS C. HENRY, MAYOR

TO: CITY COUNCIL MEMBERS

FROM: LAURA TOWNSEND – HR & BENEFITS MANAGER

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

DATE: DECEMBER 1, 2016

The Benefits Department requests approval for the following contracts effective January 1, 2015:

Self-Funded Health & Dental: **Automated Group Administration**
Total annual fees are based on per person/per month enrollment.
Total annual not to exceed $2,200,000

Group Life/AD&D/LTD/STD: **Symetra Life Insurance Company**
Total annual fees are based on per person/per month enrollment.
Total annual not to exceed $1,200,000
(Includes $350,000 of Supplemental Life Insurance **(EMPLOYEE PAID)**

See attached summaries for more detailed information. Funding Source 403 INSR1 5146

Please contact me at 427-2634 If you have any questions.

COUNCIL DIGEST SHEET

Enclosed with this introduction form is a tab sheet and related material from the vendor(s) who submitted bid(s). Purchasing Department is providing this information to Council as an overview of this award.

RFPs , BIDS, OTHER PROJECTS

Bid/RFP#/Name of Project	Renewal of Self-Funded Health & Dental Plans (Administration and Reinsurance Fees) AND Group Life/Long and Short Term Disability Insurance Plans
Awarded To	Automated Group Administration/Symetra Life Insurance
Amount	Not to exceed $3,400,00 (includes $350,000 of employee paid life ins)
Conflict of interest on file?	☒ Yes ☐ No
Number of Registrants	
Number of Bidders	
Required Attachments	RFPs – attach Award Matrix; Bids – attach Tab Sheet

EXTENSIONS

Date Last Bid Out	
# Extensions Granted To Date	

SPECIAL PROCUREMENT

Contract #/ID *(State, Federal, Piggyback-Authority)*	
Sole Source/ Compatibility Justification	

BID CRITERIA *(Take Buy Indiana requirements into consideration.)*

Most Responsible, Responsive Lowest	☒ Yes ☐ No *If no, explain below*
If not lowest, explain	

COUNCIL DIGEST SHEET

COST COMPARISON

Increase/decrease amount from prior years For annual purchase (if available).	

DESCRIPTION OF PROJECT / NEED

Identify need for project & describe project; attach supporting documents as necessary.	Quotes were obtained through our insurance broker and reviewed/selected based on competitive rates/service

REQUEST FOR PRIOR APPROVAL

Provide justification if prior approval is being requested.	

FUNDING SOURCE

Account Information	403 INSR1 5146

City of Fort Wayne
January 1, 2017 Self Funded Cost Comparison

THE DEHAYES GROUP

	Current - 2016		Renewal - 2017		Alternate - 2017	
Plan Administrator	AGA		AGA		AGA	
Managing Underwriter	MDS		MDS		MDS	
Reinsurance Carrier	Transamerica Premier Life		Transamerica Premier Life		Transamerica Premier Life	
Networks	Signature Care, Lutheran Preferred & Evolutions		Signature Care, Lutheran Preferred & Evolutions		Signature Care, Lutheran Preferred & Evolutions	
Reinsurance Contract Terms						
Specific Deductible	$325,000		$325,000		$350,000	
Aggregating Specific Deductible	$150,000		$150,000		$150,000	
Specific Contract	18/12		18/12		18/12	
Aggregate Contract	18/12		18/12		18/12	
Specific Contract Coverage	Medical		Medical		Medical	
Aggregate Contract Coverage	Medical/Rx/Dental		Medical/Rx/Dental		Medical/Rx/Dental	
Enrollment	Medical	Dental	Medical	Dental	Medical	Dental
TOTAL	1964	1979	1964	1979	1964	1979
Administration Fees						
Medical	15.95		16.50		16.50	
Dental	2.75		2.85		2.85	
PPO Access	6.50		6.50		6.50	
Utilization Review/Mgmt	3.25		3.25		3.25	
OP Therapy Review	0.70		0.70		0.70	
OP Surgery Review	0.80		0.80		0.80	
MCC Disease Mgmt Pkg	4.25		4.25		4.25	
Broker Fee	1.80		1.80		1.80	
Total Monthly Admin per Employee	36.00		36.65		36.65	
Subrogation Fee	Included		Included		Included	
Out-of-Network Negotiated Savings Fee	Included		Included		Included	
Monthly Administration Costs	$70,704.00		$71,980.60		$71,980.60	
Annual Administration Costs	$848,448.00		$863,767.20		$863,767.20	
Reinsurance Premiums						
Specific Premium	46.98		51.58		47.08	
Aggregate Premium	2.59		2.65		2.75	
Monthly Reinsurance Premium	$97,394.33		$106,547.47		$97,907.37	
Annual Reinsurance Premium	$1,168,731.96		$1,278,569.64		$1,174,888.44	
Aggregate Claim Factors						
Medical Aggregate Factor	1,455.35		1,570.65		1,574.98	
Dental Aggregate Factor	62.31		62.31		62.31	
Monthly Aggregate Factors	$2,981,618.89		$3,208,068.09		$3,216,572.21	
Annual Aggregate Factors	$35,779,426.68		$38,496,817.08		$38,598,866.52	
Total Minimum Plan Costs	$2,017,179.96		$2,142,336.84		$2,038,655.64	
Total Maximum Plan Costs	$37,796,606.64		$40,639,153.92		$40,637,522.16	
Percent of Increase/Change			7.53%		7.53%	
Notes/Contingencies	Current Benefits - $600/$1,200/$3,400 Deductibles Grandfathered Status		Current Benefits - $1,200/$3,400 Deductibles Grandfathered Status *See Underwriter Comments and Assumptions*		Current Benefits - $1,200/$3,400 Deductibles Grandfathered Status *See Underwriter Comments and Assumptions*	

City of Fort Wayne
January 1, 2017 Self Funded Cost Comparison

THE DEHAYES GROUP

Plan Administrator	Pro-Claim Plus, Inc.	Pro-Claim Plus, Inc.	Pro-Claim Plus, Inc.	Pro-Claim Plus, Inc.	Pro-Claim Plus, Inc.
Managing Underwriter	Crum and Forster	HCC Life	Crum and Forster	HCC Life	Crum and Forster
Reinsurance Carrier	U.S. Fire Ins. Co.	HCC Life	U.S. Fire Ins. Co.	HCC Life	U.S. Fire Ins. Co.
Networks	Signature Care, Lutheran, Evolutions	Signature Care, Lutheran, Evolutions	Signature Care, Lutheran, Evolutions	Signature Care, Lutheran, Evolutions	Signature Care, Lutheran, Evolutions
Reinsurance Contract Terms					
Specific Deductible	$325,000	$325,000	$350,000	$350,000	$375,000
Aggregating Specific Deductible	$150,000	$150,000	$150,000	$150,000	$150,000
Specific Contract	18/12	18/12	18/12	18/12	18/12
Aggregate Contract	18/12	18/12	18/12	18/12	18/12
Specific Contract Coverage	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx
Aggregate Contract Coverage	Medical/Rx/Dental	Medical/Rx/Dental	Medical/Rx/Dental	Medical/Rx/Dental	Medical/Rx/Dental
Enrollment					
TOTAL	1964	1964	1964	1964	1964
Administration Fees					
Medical	15.00	15.00	15.00	15.00	15.00
Dental	2.00	2.00	2.00	2.00	2.00
PPO Access (avg)	4.63	4.63	4.63	4.63	4.63
Utilization Review/Mgmt	1.65	1.65	1.65	1.65	1.65
OP Therapy Review	0.25	0.25	0.25	0.25	0.25
OP Surgery Review	0.40	0.40	0.40	0.40	0.40
Disease Mgmt - Hines & Assoc.	2.60	2.60	2.60	2.60	2.60
Broker Fee	1.80	1.80	1.80	1.80	1.80
Total Monthly Admin per Employee	28.33	28.33	28.33	28.33	28.33
Subrogation Fees (13%)	3,875 annual *	3,875 annual *	3,875 annual *	3,875 annual *	3,875 annual *
Out-of-Network Negotiated Savings Fee (30%)	247,541 annual **	247,541 annual **	247,541 annual **	247,541 annual **	247,541 annual **
Monthly Administration Costs	$76,591.45	$76,591.45	$76,591.45	$76,591.45	$76,591.45
Annual Administration Costs	$919,097.44	$919,097.44	$919,097.44	$919,097.44	$919,097.44
Reinsurance Premiums					
Specific Premium	43.27	48.25	38.60	43.95	34.49
Aggregate Premium	2.00	3.60	2.11	3.63	2.23
Aggregate Accomodation Rider	2.00	1.50	2.00	1.50	2.00
Monthly Reinsurance Premium	$92,838.28	$104,779.40	$83,882.44	$96,353.84	$76,046.08
Annual Reinsurance Premium	$1,114,059.36	$1,257,552.80	$1,006,589.28	$1,156,246.08	$912,552.96
Aggregate Claim Factors					
Aggregate Factors	1,546.39	1,607.11	1,552.52	1,621.97	1,559.66
Monthly Aggregate Factors	$3,037,109.96	$3,156,564.04	$3,049,149.28	$3,185,549.08	$3,063,172.24
Annual Aggregate Factors	$36,445,319.52	$37,876,368.48	$36,589,791.36	$38,226,588.96	$36,758,066.88
Total Minimum Plan Costs	$2,033,156.80	$2,176,450.24	$1,925,686.72	$2,075,348.52	$1,831,650.40
Total Maximum Plan Costs	$38,478,476.32	$40,052,818.72	$38,515,478.08	$40,301,932.48	$38,589,717.28
Installment Fee	$8,000.00	$8,000.00	$8,000.00	$8,000.00	$8,000.00
Notes/Contingencies	See Contingencies/Notes	See Contingencies/Notes	See Contingencies/Notes	See Contingencies/Notes	See Contingencies/Notes

** Based on 13% of actual 2015 subrogation fee of $29,811*

*** Based on 50% of actual 2015 out-of-network negotiated savings of $825,137*

SYMETRA
RETIREMENT | BENEFITS | LIFE

Symetra Life Insurance Company
P.O. Box 34690
Seattle, WA 98124-1690

Phone: (800) 426-7784
Fax: (866) 348-0068
TT/TTY (800) 833-6388 (Deaf/HH only)

cc: WDCK dba The DeHayes Group
11-26-9822-03

Laura Townsend
City of Fort Wayne
200 E. Berry, Suite 370
Fort Wayne, IN 46802

Re: Policy 01-016266-00
January 1, 2016, Renewal

Dear Policyholder:

This letter contains the results of our annual review of your group insurance coverages. We have evaluated your rates using current census data. A brief summary of your plan's experience is provided below for the period of January 1, 2013, through July 31, 2015:

Current Coverage	Premium	Claims
Basic Employee Life Insurance	$485,092	$740,775
Basic Employee Accidental Death and Dismemberment Insurance	$64,469	$15,025
Supplemental Employee Life Insurance	$576,042	$100,219
Supplemental Spouse Life Insurance	$102,438	$55,000
Supplemental Child Life Insurance	$6,209	$0
Supplemental Employee Accidental Death and Dismemberment Insurance	$34,368	$0
Supplemental Spouse Accidental Death and Dismemberment Insurance	$5,784	$0
Supplemental Child Accidental Death and Dismemberment Insurance	$1,286	$0
Long-Term Disability Insurance	$384,816	Paid Claims: $105,427 Reserves: $141,323
Short-Term Disability Insurance	$417,369	$318,198

Effective January 1, 2016 your renewal rates are as follows:

Current Coverage	Current Monthly Rates	Renewal Monthly Rates
Basic Employee Life Insurance	$0.186 per $1,000	$0.250 per $1,000
Basic Employee Accidental Death and Dismemberment Insurance	$0.02 per $1,000	$0.02 per $1,000
Supplemental Employee Life Insurance	*Step-Rated	*Step-Rated
Supplemental Spouse Life Insurance	*Step-Rated	*Step-Rated
Supplemental Child Life Insurance	$0.07 per $1,000	$0.07 per $1,000
Supplemental Employee Accidental Death and Dismemberment Insurance	$0.03 per $1,000	$0.03 per $1,000
Supplemental Spouse Accidental Death and Dismemberment Insurance	$0.03 per $1,000	$0.03 per $1,000
Supplemental Child Accidental Death and Dismemberment Insurance	$0.03 per $1,000	$0.03 per $1,000
Long-Term Disability Insurance	$0.31 % covered payroll	$0.31 % covered payroll
Short-Term Disability Insurance	$0.38 per $10	$0.41 per $10

The renewal rates are guaranteed for 2 years.

If you have any questions regarding this renewal information, please contact me or WDCK dba The DeHayes Group. We appreciate the opportunity to provide this insurance coverage and look forward to many more years of continued service to you.

Sincerely,

_____
date

Katrina Bond
Regional Account Manager
(317) 308-8284
Symetra Financial

SYMETRA
RETIREMENT | BENEFITS | LIFE

Symetra Life Insurance Company
P.O. Box 34690
Seattle, WA 98124-1690

Phone: (800) 426-7764
Fax: (866) 348-0060
TT/TTY (800) 833-6388 (Deaf/HH only)

SYMETRA LIFE INSURANCE COMPANY
777 108th Avenue NE, Suite 1200
Bellevue, Washington 98004-5135

PREMIUM RATE NOTICE

Policy Number: 01-016266-00

Policyholder: City of Fort Wayne

Effective Date of Premium Rates: January 1, 2016

Coverage	Monthly Rate
Basic Employee Life Insurance	$0.250 per $1,000
Basic Employee Accidental Death and Dismemberment Insurance	$0.02 per $1,000
Supplemental Employee Life Insurance	*Step-Rated
Supplemental Spouse Life Insurance	*Step-Rated
Supplemental Child Life Insurance	$0.07 per $1,000
Supplemental Employee Accidental Death and Dismemberment Insurance	$0.03 per $1,000
Supplemental Spouse Accidental Death and Dismemberment Insurance	$0.03 per $1,000
Supplemental Child Accidental Death and Dismemberment Insurance	$0.03 per $1,000
Long-Term Disability Insurance	$0.310 per $100
Short-Term Disability Insurance	$0.410 per $10

*Supplemental Employee and Spouse step-rates are as follows:

Age	Rate per $1,000
Under 25	$0.07
25-29	$0.07
30-34	$0.07
35-39	$0.11
40-44	$0.17
45-49	$0.28
50-54	$0.50
55-59	$0.82
60-64	$1.09
65-69	$1.70
70-74	$3.00
75+	$4.94

Premium rate adjustments due to change in age are effective on the policy anniversary following the date of change.

SYMETRA LIFE INSURANCE COMPANY

BY: Thomas M. Marra, President

Registrar: David Spak

Date: October 19, 2015

Instructions: (1) Use these rates beginning on the effective date shown above.
(2) Retain this Premium Rate Notice with your policy.

SYMETRA
RETIREMENT | BENEFITS | LIFE

Public Hearing Date, if applicable_____

Read the first time in full and on motion by Councilman_____,
Read the second time by title and referred to the _____
Committee. Read the third time in full and on motion by Councilman
_____, placed on passage by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	_____	_____	_____	_____
ARP	_____	_____	_____	_____
BARRANDA	_____	_____	_____	_____
CRAWFORD	_____	_____	_____	_____
DIDIER	_____	_____	_____	_____
ENSLEY	_____	_____	_____	_____
FREISTOFFER	_____	_____	_____	_____
HINES	_____	_____	_____	_____
JEHL	_____	_____	_____	_____
PADDOCK	_____	_____	_____	_____

DATED: _____ _____
LANA R. KEESLING, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL) (SPECIAL) (ZONING) ORDINANCE (RESOLUTION) NO._____on the _____day of _____, 2016

ATTEST:
LANA R. KEESLING,
CITY CLERK

_____
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the_____day of _____, 2016, at the hour of _____O'clock_____. E.S.T.

LANA R. KEESLING, CITY CLERK

Approved and signed by me this _____day of_____
2016, at the hour of_____O'clock_____. E.S.T.

_____
THOMAS C. HENRY, MAYOR