BILL NO. S-20-11-16

SPECIAL ORDINANCE NO. S-_____

AN ORDINANCE approving the awarding of RENEWAL OF SELF-FUNDED HEALTH & DENTAL PLANS (ADMINISTRATION AND REINSURANCE COVERAGE) AND GROUP LIFE/AD&D INSURANCE AND LONG TERM 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 COVERAGE) AND GROUP LIFE/AD&D INSURANCE AND LONG TERM 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 $2,650,000

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 $1,375,000
(Includes $375,000 of Supplemental Life Insurance (EMPLOYEE PAID))

involving a total cost of not to exceed FOUR MILLION, TWENTY-FIVE THOUSAND AND 00/100 DOLLARS ($4,025,000.00)- (INCLUDES $375,000 OF EMPLOYEE PAID LIFE INS) all as more particularly set forth in said RENEWAL OF SELF-FUNDED HEALTH & DENTAL PLANS (ADMINISTRATION AND REINSURANCE COVERAGE) AND GROUP LIFE/AD&D INSURANCE AND LONG TERM 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
January 1, 2021 Self Funded Cost Comparison

THE DEHAYES GROUP

	Current - 2020		Renewal - 2021		Alternate - 2021	
Plan Administrator	AGA		AGA		AGA	
Managing Underwriter	MDS		MDS		MDS	
Reinsurance Carrier	Companion Life		Companion Life		Companion Life	
Networks	Signature Care EPO & Evolutions		Signature Care EPO & Evolutions		Signature Care EPO & Evolutions	
Reinsurance Contract Terms						
Specific Deductible	$350,000		$350,000		$375,000	
Aggregating Specific Deductible	$175,000		$175,000		$175,000	
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	2055	2080	2055	2080	2055	2080
Administration Fees						
Medical	17.50		17.95		17.95	
Dental	3.00		3.00		3.00	
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		4.65		4.65	
HealthiestYou	5.50		5.50		5.50	
Dental PPO Access	1.75		1.75		1.75	
Total Monthly Admin per Employee	43.25		44.10		44.10	
Subrogation Fee	Included		Included		Included	
Out-of-Network Negotiated Saving	Included		Included		Included	
Monthly Administration Costs	$88,997.50		$90,744.25		$90,744.25	
Annual Administration Costs	$1,067,970.00		$1,088,931.00		$1,088,931.00	
Reinsurance Premiums						
Specific Premium	57.95		59.75		54.07	
Aggregate Premium	2.84		2.89		2.95	
Monthly Reinsurance Premium	$124,994.45		$128,797.45		$117,249.85	
Annual Reinsurance Premium	$1,499,933.40		$1,545,569.40		$1,406,998.20	
Total Fixed Plan Costs	$2,567,903.40		$2,634,500.40		$2,495,929.20	

Nelligan

THE DEHAYES GROUP

Financial Analysis: ALL LINES

City of Fort Wayne

LONG TERM DISABILITY	Symetra- Previous	Symetra Inforce	MetLife
Monthly Premium	$17,720.71	$19,349.10	$25,623.18
Rate Guarantee	N/A	until 1/1/23	3 Years
Notes			
SHORT TERM DISABILITY	**Symetra- Previous**	**Symetra Inforce**	**MetLife**
Monthly Premium	$26,412.08	$28,813.18	$28,195.75
Rate Guarantee	N/A	until 1/1/23	3 Years
Notes			
LIFE/AD&D	**Symetra- Previous**	**Symetra Inforce**	**MetLife**
Monthly Premium	$32,387.42	$30,708.07	$23,270.96
Rate Guarantee	NA	until 1/1/23	3 Years
Notes			
Cost Analysis			
Combined Monthly Premium	$76,520.21	$78,870.36	$77,089.89
Combined Annual Premium	$918,242.50	$946,444.20	$925,078.68
Annual Change			-$21,365.53
Annual % Change			-2.26%
Carrier Comments			Met willing to write Life/Vol Life Stand Alone
Notes	Symetra will extend current rates until 1/1/23. They will not unbundle Life and Disability.		
Declined to Quote - Did not release a proposal	Cigna, elipsLife, Lincoln Financial, OneAmerica, Guardian, Mutual, RSL, Unum, Sun Life		

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The DeHayes Group

Financial Analysis: STD, LTD, LIFE

City of Fort Wayne

LONG TERM DISABILITY	Symetra - Previous	Symetra Inforce	MetLife
Class 1: All full-time Elected Officials and Division Heads			
Class 2: All other full-time Employees excluding Police Officers & Firefighters			
Benefit Percentage	60.00%		60.00%
Maximum Monthly Benefit	$5,000		$5,000
Guaranteed Issue	$5,000		$5,000
Elimination Period	90 Days		90 Days
Maximum Benefit Period	To Social Security Normal Retirement Age		To Social Security Normal Retirement Age
Definition of Disability - Class 1 & Class 2	2 Year Own Occ		2 Year Own Occ
Pre-Existing Condition	3/3/12		3/3/12
Mental/Nervous Limitation	24 Months		24 Months
Drug/Alcohol Limitation	24 Months		24 Months
Self-Reported Limitation	None		None
EAP	Included		Included
Total Covered Lives	1077	1077	1077
Benefit Volume	$4,769,380	$4,769,380	$4,769,380
Rate per $100/Covered Monthly Payroll	$0.370	$0.401	$0.535
Monthly Premium	$17,720.71	$19,349.10	$25,623.18
Rate Guarantee	N/A	until 1/1/23	3 Year
Notes			

SHORT TERM DISABILITY	Symetra - Previous	Symetra Inforce	MetLife
Class 1: All full-time Elected Officials and Division Heads			X
Class 2: All other full-time Employees excluding Police Officers & Firefighters			X
Benefit Percentage	60.00%		60.00%
Maximum Weekly Benefit	$1,000		$1,000
Elimination Period (Accident/Sickness)	7/7 Days		7/7 Days
Maximum Benefit Period	12 Weeks		12 Weeks
Definition of Disability	Partial Disability		Partial Disability
Continuation Pay Offset	No		No
FICA Match			Yes
Pre-Existing Condition	NA		NA
Total Covered Lives	1060	1060	1060
Benefit Volume	$668,028	$668,028	$668,028
Rate per $10/Weekly Benefit	$0.385	$0.420	$0.411
Monthly Premium	$26,412.00	$29,013.18	$28,105.75
Rate Guarantee	N/A	until 1/1/23	3 year
Notes			

LIFE/ADED	Symetra - Current	Symetra - Renewal	MetLife
Class 1: All active members of the Patrolmen's Benevolent Association (PBA)	1x to $150,000/3x to $350,000		1x to $150,000/3x to $350,000
Class 2: All active FireFighters	1x to $150,000/1x to $150,000		1x to $150,000/1x to $150,000
Class 3: All active members of the Fraternal Order of Police (FOP)	1x to $150,000/3x to $350,000		1x to $150,000/3x to $350,000
Class 4: All Other active Employees	1x to $150,000/1x to $150,000		1x to $150,000/1x to $150,000
Class 5: All Elected Officials and Division Heads	1x to $150,000/1x to $150,000		1x to $150,000/1x to $150,000
Class 6: Retired FireFighters who are members of the IAFF Local 24	Flat $17,500		Flat $17,500
Class 7: All Other members who retires on or after January 1, 1981	Flat $5,000		Flat $5,000
Class 8: All Other members who retired between January 1, 1979 and prior to January 1, 1981	Flat $2,000		Flat $2,000
Class 9: All Other members who retired prior to January 1, 1979	Flat $1,000		Flat $1,000
Class 10: Members of the Fraternal Order of Police who retired on or after January 1, 1998 and prior to January 1, 2002	Flat $10,000		Flat $10,000
Class 11: Members of the Patrolmen's Benevolent Association (PBA) who retired on or after January 1, 1998 and prior to January 1, 2002	Flat $10,000		Flat $10,000
Class 12: All Other Retirees	Flat $10,000		Flat $10,000
Guaranteed Issue	$150,000		$150,000
Age Reduction Schedule	None		None
Portability	Included		Included
Total Covered Lives	2784	2784	2816
Benefit Volume	$110,953,400	$110,953,400	$110,953,400
Life Rate per $1000/Volume	$0.260	$0.230	$0.174
AD&D Rate per $1000/Volume	$0.020	$0.020	$0.020
Monthly Premium	$32,387.42	$30,709.07	$23,270.95
Rate Guarantee	N/A	until 1/1/23	3 Year
COMBINED			
Combined Monthly Premium	$78,520.21	$78,870.35	$77,059.69
Combined Annual Premium	$918,242.50	$946,444.20	$925,076.68
Annual Change			-$21,365.53
Annual % Change			-2.26%
Carrier Comments			
Notes			
Uncompetitive/Unable to Match Requested Plan Designs			

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DEHAYES

Financial Analysis: Voluntary Life
City of Fort Wayne

VOLUNTARY LIFE/AD&D	Symetra	MetLife
Total Eligible Lives		
Enrolled		
Class 1: All active members of the Patrolmen's Benevolent Association (PBA)		
Class 2: All active Firefighters		
Class 3: All active members of the Fraternal Order of Police (FOP)		
Class 4: All Other active		
Class 5: All Elected Officials and Division Heads		
Participation	Greater of 10 Employees or 25% of the Eligible Population	Greater of 10 Employees or 25% of the Eligible Population
Minimum Participation needed (# of employees)		
Employee Benefit	Increments of $10,000 to a max of 5x annual salary or $500,000	Increments of $10,000 to a max of 5x annual salary or $500,000
Spouse Benefit	Increments of $5,000 to $250,000 max not exceed 50% of employee amount	Increments of $5,000 to the lessor of 100% employee benefit ot $250,000
Child Benefit	Live Birth to 19/26 Years Old - Increments of $2,000 to a max of $10,000	Live Birth to 6 Months Old - $1,000 6 Months Old to 19/26 Years Old - Increments of $2,000 to a max of $10,000, not to exceed 100% of employee benefit
Guaranteed Issue	Employee - $200,000 Spouse - $30,000 Child - $10,000	Employee - $200,000 Spouse - $30,000 Child - $10,000
Portability	Included	Included
Age Reduction Schedule	None	35% @ 65, 50% @ 70
Employee Rates	Age Banded	Age Banded
Age Band (Employee)	Rate per $1,000/Benefit	Rate per $1,000/Benefit
<25	0.070	0.070
25-29	0.070	0.070
30-34	0.070	0.070
35-39	0.110	0.110
40-44	0.170	0.170
45-49	0.280	0.280
50-54	0.500	0.500
55-59	0.820	0.820
60-64	1.090	1.090
65-69	1.700	1.700
70-74	3.000	3.000
75+	4.940	4.940
Spouse Rates	Age Banded	Age Banded
Age Band (Employee)	Rate per $1,000/Benefit	Rate per $1,000/Benefit
<25	0.070	0.070
25-30	0.070	0.070
30-34	0.070	0.070
35-39	0.110	0.110
40-44	0.170	0.170
45-49	0.280	0.280
50-54	0.500	0.500
55-59	0.820	0.820
60-64	1.090	1.090
65-69	1.700	1.700
70-74	3.000	3.000
75+	4.940	4.940
Child Rate per $1,000	0.240	0.070
AD&D Rates	Rate per $1,000/Benefit	Rate per $1,000/Benefit
Employee	0.030	0.030
Spouse	0.030	0.030
Child (to age 26)	0.070	0.030
Rate Guarantee	2 Year	3 Years
Notes		

Market Study - January 1, 2021

THE DEHAYES GROUP

Carrier	Results	Comments
Standard	Declined to Quote	Uncompetitive
Cigna	Declined to Quote	Uncompetitive
elipsLife	Declined to Quote	Uncompetitive
Lincoln	Declined to Quote	Uncompetitive
Mutual of Omaha	Declined to Quote	Uncompetitive
OneAmerica	Declined to Quote	Uncompetitive
SunLife	Declined to Quote	Uncompetitive
Reliance Standard	Declined to Quote	Uncompetitive
Unum	Declined to Quote	Uncompetitive
Guardian	Declined to Quote	Uncompetitive
Met Life	Quote Received	Refer to Analysis

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 $4,025,000 (includes $375,000 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

THOMAS C. HENRY, MAYOR

TO: CITY COUNCIL MEMBERS

FROM: LAURA HELMKAMP- 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: NOVEMBER 18, 2020

The Benefits Department requests approval for the following contracts effective January 1, 2021:

Self-Funded Health & Dental: Automated Group Administration
Total annual fees are based on per person/per month enrollment.
Total annual not to exceed $2,650,000

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 $1,375,000
(Includes $375,000 of Supplemental Life Insurance (EMPLOYEE PAID)

See attached summaries for more detailed Information. Funding Source 403 INSR15146

Please contact me at 427-26341fyou have any questions.