

## City of Coral Gables



### Employee Benefit Review

Our firm has been working on the renewal of the current benefit program for the City of Coral Gables employees. Each of these programs renew on July 1, 2010.

We feel strongly that the following recommendations are the best option for the City of Coral Gables. Each of the renewal offers represents an overall best-case scenario for the City and its employees and allows for significant financial savings and stability.

These recommendations were also presented to the City's Insurance Advisory Committee on February 22, 2010 and the committee confirmed these recommendations unanimously.

#### **Health Insurance Renewal**

We recommend that the City accept a -4.0% premium decrease to the Humana group insurance program as of July 1, 2010. This decrease in premium rates represents a savings to the City of approximately \$150,000 during the upcoming policy year. The new premium figures will be guaranteed for 12 months and there will be no change in benefits to the employees.

The latest claims experience with Humana has been favorable, however the periods just prior to these recent claims were not. Therefore the City is currently at a cumulative breakeven position. This year's reduction anticipates continuing this claims trend as well as Humana's desire to continue their relationship with the City of Coral Gables.

#### **Dental Insurance**

We recommend that the City renew the Pre-Paid Dental and Indemnity Dental Programs with Blue Cross Blue Shield of Florida. Blue Cross has agreed to continue the same benefits with no adjustment in the premium rates. These rates will also be guaranteed for 24 months.

#### **Life Insurance**

We recommend that the City renew the Life Insurance coverage with Standard Insurance Company. Standard has agreed to continue the same benefits with no adjustment in the premium rates. These rates will be guaranteed for 24 months.

Robert J. Shafer, Jr., CEBS  
Health Insurance Consultant