



Broward County

Legislation Details (With Text)

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In control: Finance - Human Resources Division

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Title: MOTION TO APPROVE Second Amendment to Agreement between Broward County and Standard Insurance Company, for Group Life and Related Insurance for Broward County Employees, RFP No. GEN2117791P1, increasing the premium rates by 7% and exercising the Second Renewal Term commencing January 1, 2023, and ending December 31, 2024; and authorize the Mayor and Clerk to execute same.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - Group Life Insurance Renewal

Date	Ver.	Action By	Action	Result
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Broward County Commission Regular Meeting

Director's Name: George Tablack

Department: Finance and Administrative Services **Division:** Human Resources

Information

Requested Action

MOTION TO APPROVE Second Amendment to Agreement between Broward County and Standard Insurance Company, for Group Life and Related Insurance for Broward County Employees, RFP No. GEN2117791P1, increasing the premium rates by 7% and exercising the Second Renewal Term commencing January 1, 2023, and ending December 31, 2024; and authorize the Mayor and Clerk to execute same.

Why Action is Necessary

In accordance with the Broward County Procurement Code, Section 21.47.a.3, Board approval is required to execute an amendment to a contract with a cumulative value that exceeds \$500,000.

What Action Accomplishes

Amends the Agreement to modify the premium rates for the second year of the First Renewal Term (January 1, 2022 to December 31, 2023) and to exercise the Second Renewal Term (January 1, 2024 to December 31, 2024).

Is this Action Goal Related

No

Previous Action Taken

None.

Summary Explanation/Background

THE FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT AND THE HUMAN RESOURCES DIVISION RECOMMEND APPROVAL OF THE ABOVE MOTION.

To prepare for calendar/plan year 2023, staff seeks Board approval to renew the Agreement for group life and related insurance for Broward County employees and retirees. This Agreement provides benefit-eligible employees with County-paid \$25,000 term life and accidental death and dismemberment insurance upon hire. In addition, the County offers voluntary optional life and accidental death and dismemberment insurance for benefit-eligible employees, retirees and insured dependents; and felonious assault and hazardous occupation insurance as required by the applicable Collective Bargaining Agreements.

On October 22, 2019 (Item No.15), the Board approved the Agreement between Broward County and Standard Insurance Company for Group Life and Related Insurance (Agreement) effective January 1, 2020 through December 31, 2021, with one two-year renewal term (First Renewal Term) and a second renewal term of one year (Second Renewal Term). The Agreement stated that the first year of the First Renewal Term (2022) would be at the same rates as the first two years of the Agreement (2020 and 2021), and that the second year of the First Renewal Term (2023) would be reviewed if the Claims to Premium exceeded 8%.

On October 11, 2021, the Director of Purchasing approved the First Amendment to the Agreement exercising the First Renewal Term effective January 1, 2022 through December 31, 2023, with no increase in rates for 2022 and a clause requiring Board approval for any rate increase for 2023.

This request to modify the premium rates for the second year of the First Renewal Term (2023) and to amend the Agreement (Exhibit 1) to exercise the Second Renewal Term (2024) is based on Standard Insurance Company providing timely written notice of an intended 9% premium increase supported by Claims to Premium reports. Negotiations ultimately resulted in a 7% increase to rates for 2023 with the same rates guaranteed for the Second Renewal Term.

Source of Additional Information

David Kahn, Director, Human Resources Division, 954-357-6005

Fiscal Impact

Fiscal Impact/Cost Summary

The fiscal impact to the County for the increase is estimated to be \$17,000 annually for an estimated total amount of \$379,821 annually, totaling \$1,899,108 for the five-year term of the agreement for County-provided Term Life and Accidental Death and Dismemberment Insurance and Felonious Assault and Hazardous Occupation Insurance. The source of funding for County-provided Term Life and Accidental Death and Dismemberment Insurance and the Felonious Assault and Hazardous Occupation Insurance is Emp EH-Life Insurance Fund.

There is no fiscal impact for the voluntarily selected Life Insurance and Accidental Death and Dismemberment Insurance as premiums are paid in entirety by benefit-eligible employees and retirees, who choose to participate in the plan. Premiums are estimated to be \$2,129,375 annually,

totaling \$10,646,876 for a five-year agreement.

The total estimated value of the Agreement over five years is \$12,545,984 of which \$1,899,108 is funded by the County with the remaining \$10,646,876 paid by benefit-eligible employees. (Retirees pay their premiums directly to the Vendor.)