

**DRAFT**  
**INSURANCE ADVISORY BOARD**  
**101 NW 3<sup>rd</sup> Avenue, 11<sup>th</sup> Floor**  
**Tower 101 City Office**  
**FORT LAUDERDALE, FL 33301**  
**REGULAR MEETING**  
**WEDNESDAY, OCTOBER 2, 2024 – 8:00 a.m.**

<b>MEMBERS</b>	<b>ATTENDANCE</b>	<b>CUMULATIVE</b>	
		<b>PRESENT</b>	<b>ABSENT</b>
Mark Schwartz, Chair	A	4	1
Joe Piechura, Sr., Vice Chair	P	3	2
Steve Botkin	P	4	1
David Cooley	P	3	2
Ted Hess	P	5	0
Jonathan Perrillo	A	2	3

**Staff**

Guy Hine, Risk Manager  
 Michaelynn Sampo, Benefits Manager  
 Alisha Auth, Senior Claims Adjuster  
 Matthew Cobb, Assistant Risk Manager

**Communications to City Commission**

None.

**1. Roll Call (including number of appointed members and quorum)**

Vice Chair Piechura called the meeting to order at 8:07 a.m. All members attended in person. As of this date, October 2, 2024, there are six (6) appointed members to the Insurance Advisory Board, since Tina Gellman resigned from the Board, which means four (4) would constitute a quorum. Roll was called and it was determined there was a quorum at this time.

**2. Approve Minutes**

**Motion** made by Mr. Cooley, seconded by Mr. Botkin, to approve the minutes of the September 4, 2024 meeting. In a voice vote, the **motion passed** unanimously (4-0).

**3. Communications to City Commission**

None.

#### 4. Unfinished Business

- **Motion to Approve Stop Loss Funding**

In follow-up of the September 4, 2024 meeting, Mr. Hine advised that he and Mrs. Sampo had met with Acting City Manager Susan Grant to discuss. Her preference was to gradually increase the City's stop loss limit each year if the fund balance increased to supplement the enlarged exposure. As such, staff recommended changing the stop loss limit from the current \$400,000 to \$500,000. Mr. Hine reminded the Board that the City's stop loss insurance policy would be renewing on January 1, 2025.

Mr. Hine provided the Board with the renewal quotes from Cigna. Previously, the City had been purchasing a \$400,000 stop loss level and paying \$1,890,486 and the renewal provided for six options. Option 1 was a \$400,000 stop loss for \$2,079,558, Option 2 was a \$425,000 stop loss for \$1,928,394, Option 3 was a \$450,000 stop loss for \$1,784,484, Option 4 was a \$500,000 stop loss for \$1,541,826, Option 5 was a \$750,000 stop loss for \$798,642, and Option 6 was a \$1,000,000 stop loss for \$372,060.

The Board proceeded to discuss this item and asked a few questions about the discussion with the Acting City Manager. The Board's consensus was for the City to purchase Option 4 at a \$500,000 stop loss for \$1,541,826 and gradually increase the stop loss limit yearly if warranted by the risk retention.

**Motion** made by Mr. Botkin, seconded by Mr. Cooley, to approve the purchase of Cigna Option 4 at a \$500,000 stop loss level for a cost of \$1,541,826 for the upcoming January 1, 2025 – January 1, 2026 policy renewal period. In a voice vote, the **motion passed** unanimously (4-0).

#### 5. New Business

- **2024/2025 City of Fort Lauderdale Benefits Review**

Mrs. Sampo presented the Board with a review of the City's employee benefits program for the 2024/2025 year. She proceeded to outline some of the key features, such as increased benefits communication strategy with employees. Next, she provided an overview of the City's medical plan structure and rates.

Mr. Hine discussed how the City has kept rates unchanged for employees for several years, which has increased the value of benefits to employees to better compete with other local government employers.

Mrs. Sampo next presented on the City's prescription spending and utilization management program and some of the challenges the benefits plan had experienced with unregulated GLP-1 medication use by employees. The City was working with Cigna to implement additional controls to ensure medical necessity of these medications.

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**FORT LAUDERDALE, FL 33301**  
**REGULAR MEETING**  
**WEDNESDAY, SEPTEMBER 4, 2024 – 8:00 a.m.**

<b>MEMBERS</b>	<b>ATTENDANCE</b>	<b>CUMULATIVE</b>	
		<b>PRESENT</b>	<b>ABSENT</b>
Mark Schwartz, Chair	P	4	0
Joe Piechura, Sr., Vice Chair	A	2	2
Steve Botkin	P	3	1
David Cooley	P	2	2
Tina Gellman	A	0	4
Ted Hess	P	4	0
Jonathan Perrillo	A	2	2

**Staff**

Guy Hine, Risk Manager  
Christian Bergstrom, Gehring Group  
Michaelynn Sampo, Benefits Manager  
Alisha Auth, Senior Claims Adjuster  
Matthew Cobb, Assistant Risk Manager

**Communications to City Commission**

None.

**1. Roll Call (including number of appointed members and quorum)**

Chair Schwartz called the meeting to order at 8:10 a.m. All members attended in person except for Mr. Bergstrom who attended via Zoom. As of this date, September 4, 2024, there are seven (7) appointed members to the Insurance Advisory Board, which means four (4) would constitute a quorum. Roll was called and it was determined there was a quorum at this time.

**2. Approve Minutes**

**Motion** made by Mr. Hess, seconded by Mr. Botkin, to approve the minutes of the June 5 and August 7, 2024 meetings. In a voice vote, the **motion passed** unanimously (4-0).

**3. Communications to City Commission**

None.

#### 4. Unfinished Business

None.

#### 5. New Business

- **Motion to Approve Life Insurance Policy Renewal**

Mr. Hine advised the Board that the City's life insurance policy would be renewing on January 1, 2025. He advised that Mr. Bergstrom of Gehring Group and Mrs. Sampo would be presenting on the policy.

Mr. Sampo advised that after discussions the Gehring Group requested a renewal with the current carrier, The Standard, for the upcoming January 1, 2025 – January 1, 2026 policy renewal period.

Mr. Bergstrom provided the Board with the results of the renewal quote that resulted in a 67% rate increase for this policy year as compared to last if they reselected the current carrier. Previously the City had been paying \$0.06 per \$1,000 of payroll for coverage and the renewal was for \$0.10 per \$1,000. He advised that the City's premium rate increased due to its negative claim experience for the last three years in which the rate had been fixed by the carrier. Survey of other public entities shows rates of \$0.04, \$0.13, \$0.15, \$0.18, and \$0.30, with an average of \$0.16 so the renewal pricing is still below the average.

The Board proceeded to discuss this item and asked a few questions regarding the policy. **Motion** made by Mr. Botkin, seconded by Mr. Cooley, to approve the life insurance policy from The Standard at a rate of \$0.10 per \$1,000 of payroll. In a voice vote, the **motion passed** unanimously (4-0).

- **Motion to Approve Stop Loss Funding**

Mr. Hine advised the Board that the City's stop loss insurance policy would be renewing on January 1, 2025. He advised that Mr. Bergstrom would be presenting on the policy.

Mr. Bergstrom advised that after discussions the Gehring Group requested a renewal with the current carrier, Cigna, for the upcoming January 1, 2025 – January 1, 2026 policy renewal period.

Mr. Bergstrom provided the Board with the results of the renewal quotes from Cigna. Previously the City had been purchasing \$400,000 stop loss level and paying \$8,90,486 and the renewal provided six options. Option 1 was \$400,000 stop loss for \$2,079,558, Option 2 was \$425,000 stop loss for \$1,928,394, Option 3 was \$450,000 stop loss for \$1,784,484, Option 4 was \$500,000 stop loss for \$1,541,826, Option 5 was \$750,000 stop loss for \$798,642, and Option 6 was \$1,000,000 stop loss for \$372,060. He advised that the City's premium rate increased due to its claim experience with the carrier.

Mr. Hine discussed with the Board the City's average claim history and experience with the stop loss, and how it appears over the long term the City would save money if it was to fully self-insure this coverage. However, risk tolerances vary, and they were seeking the Board's input on whether to gradually increase the stop loss limit and to what level.

The Board proceeded to discuss this item and asked a few questions. The Board's consensus was for the City to purchase Option 4 or Option 5 and gradually increase the stop loss limit. Option 4 was \$500,000 stop loss for \$1,465,130 and Option 5 was \$750,000 stop loss for \$758,915.

Mr. Hine advised that staff would be meeting with the Acting City Manager soon to discuss and would then bring this item back at the next Board meeting.

#### **6. Open Discussion – Old/New Business**

- **Medical Stop Loss Report Shows Rise in Claim Frequency of Neoplasms**
- **Amended Resolution for City Manager Signature**

#### **7. Schedule Next Meeting – October 2, 2024**

#### **8. Adjourn**

There being no further business before the Board, motion to adjourn the meeting at 8:36 a.m. by Mr. Botkin, seconded by Mr. Schwartz.

**Minutes Prepared By:** Matthew Cobb