



THE RHODES INSURANCE GROUP
Managed Health Care & Group Insurance

July 25, 2018

Mr. Michael Naftaniel
Benefits Manager
City of Fort Lauderdale
100 N. Andrews Avenue, 3rd floor
Ft. Lauderdale, FL 33301

Re: Evaluation Process Non-Contributory Long-Term Disability for 401a Employees

Dear Michael,

At the City's request, The Rhodes Insurance Group requested proposals from fifteen companies and conducted an in-depth analysis of fourteen companies that responded with proposals.

The scope of the RFP included a request for coverage for 756 active employees with 401a plans. The objectives listed in the RFP were very specific and included:

- Obtain coverage from a financially secure (A+ A.M. Best Rating) life insurance company on a fully insured basis
- Agree to allow the use of purchasing card (P Card) for premium transactions
- Definition of disability to include 'unable to perform each of the material duties of the employees own occupation'
- Elimination period of 180 and 90 days
- Monthly benefit amount of 60% to a \$15,000 maximum benefit
- Benefit duration to last until Social Security normal retirement age
- Benefit offsets to include primary Social Security, sick leave and other standard sources
- Waiver of premium
- Return to work incentives
- Twenty-four-month limitation on mental health and substance abuse diagnosis

Responses to the RFP were received from Cigna, The Standard, Hartford, Voya, MetLife, Unum, Lincoln Financial, Mutual of Omaha, One America provided by United American Life, Sun Life, Guardian, Principal and Reliance Standard.

The Benefits staff met to review the proposals and the details provided by the vendors including the following.

- Comprehensive review of the benefits
- Consideration of the 90 and 180 day elimination periods
- Detailed review of the proposed premium
- Detailed review of the vendors' responses to the RFP. The questionnaire requested in-depth responses regarding the vendors' ability to administer the requested Plan and details about the administration of plan provisions.

The consensus of the Benefits Staff was that the 180-day elimination period was the best option for the City based on the parameters of the City's sick leave plan and the availability of voluntary short-term disability benefits through FBMC and the cost to the City.

Of the fourteen companies, three are able to allow the use of P Card. However, we feel this should not be the primary consideration when providing coverage to employees.

We feel Cigna's offering was the strongest, for the following reasons:

- The only carrier able to provide a \$15,000 monthly benefit
- Is offering to reduce the ASO fee by 1%, an estimated savings of \$6,877
- Annual premium \$110,702
- Three-year rate guarantee
- Adding an additional line of coverage under Cigna provides the City with more leverage when negotiating renewals
- Definition of disability during the own occupation is loss of duties and 20% loss of earnings, then any occupation and 40% loss of earnings
- Is able to provide coverage duration until Social Security normal retirement age with a reducing benefit schedule
- Twenty-four-month mental health and substance abuse benefit limitation only
- During the 24-month own occupation period of the benefits payable, the plan allows an individual the potential to obtain 100% of pre-disability income through a combination of work earnings and the disability benefit
- Rehabilitation program expenses (which can include expenses for medical, education, moving, family care or other) are paid for at Cigna's discretion. No rehabilitation expense cap exists in their contracts
- Benefit offset to include Primary Social Security only
- Premium waiver while the employee is disabled
- FICA match and IRS Form W2 preparation
- Ease of claims administration with multiple options for claim filing, including telephonic, email, internet or mail/fax
- Will allow P Card for premium transactions
- Several value added benefits at no additional cost, such as additional three face-to-face EAP visits, Will Center, ID Theft Coverage, Health Rewards and My Secure Advantage

Based on the comprehensive review, The Rhodes Insurance Group recommends the selection of Cigna to provide the group Long Term Disability plan effective January 1, 2019.

Sincerely,



Lloyd F. Rhodes

Cc: Guy Hine
Tina Patregnani
Micah Williams
John Gaskins