

September 9, 2021

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

Re: Recommendation for Group Life and Accidental Death and Dismemberment Benefit Proposed
Effective Date January 1, 2022 - Updated

Dear Michael,

The current Group Term Life and Accidental Death & Dismemberment benefits have been underwritten by The Standard since January 1, 2017. The term of the current agreement expires December 31, 2021. In our role as the City's Benefit Consultant, The Rhodes Insurance Group has conducted a market search for competitive proposals to underwrite the current benefits being provided to eligible employees.

Scope of Request for Proposals

- City-funded group basic term life for all active employees working a minimum of 40 hours per week, City Manager, Commissioners and Retirees.
- City-funded basic accidental death and dismemberment for all active employees working a minimum of 40 hours per week, City Manager, Commissioners and Retirees.
- Employee-funded voluntary life and accidental death and dismemberment for all full-time employees.
- Employee-funded dependent life for all full-time employees' eligible dependents, including domestic partners. Currently, employees are able to purchase spouse life in \$500 increments to 50% of the employees existing voluntary life amount. The City would like to change this to allow employees to purchase spouse life in \$5,000 increments not to exceed 100% of the employees voluntary life amount.
- Child(ren) benefit to remain from birth to age 26.
- Grandfathering of all existing Voluntary Life and AD&D amounts.
- Include a one-time annual open enrollment on January 1, 2022, to allow employees to purchase up to the Guarantee Issue amount.
- Proposer must include an annual allowance to offset the cost of implementing a new plan in their benefit administration system (BenSelect).
- Provide an efficient system of processing evidence of insurability requests.

The objectives stated in the proposal request are outlined below:

- Match or enhance the current benefit levels & provisions being provided to the employees, dependents, and retirees

- Minimize the cost of providing the following benefits for both the city and employees
 - City-funded basic term life and AD&D – Composite premiums
 - Voluntary employee-funded term life -Age rated
- Provide participants with continuation of their term life coverages upon termination or retirement from the City
- Allow employees to purchase dependent life (spouse, domestic partner) in increments of \$5,000 not to exceed 100% of the employee's voluntary life and AD&D amount

All proposers were provided a copy of the current census (March 3, 2021), updated claims experience through May 2021 and the complete benefits policies and provisions. The City's basic life loss ratio for the period January 1, 2017, through May 2021 was 317%. The employee paid voluntary life loss ratio for the same time period was 156%

The list of the proposers contacted, and the status of their response is included below:

	Company	Name	Address	Telephone	Email	Proposal Status
1	Standard (Incumbent)	Jackie Accetta	800 Corporate Drive, Suite 210 Fort Lauderdale, FL 33334	(954) 958-0708 ext. 1708	Jacqueline.Accetta@standard.com	Received proposal
2	Hartford	TJ Fotiathis	4890 West Kennedy Blvd Suite 830 Tampa, FL 33609	(860) 392-8115	thomas.fotiathis@thehartford.com	Received proposal
3	Lincoln Financial	Rick McNew	2400 E. Commercial Blvd, Suite 310 Fort Lauderdale FL 33308	(616) 350-0788	Rick.McNew@lfg.com	Received proposal
4	New York Life/Cigna	Chris Dudley	2701 N. Rock Pointe Dr., Suite 800 Tampa, FL 33607	(954) 514-6869	chris.dudley@cigna.com	Received proposal
5	Sun Life	Kevin Broderick	4000 Hollywood Blvd. Hollywood, FL 33021	(678) 491-3977	Kevin.Broderick@sunlife.com	Received proposal
6	Unum	Jennifer Wooten Jennifer Schelfhout	900 S. Pine Island Rd., Suite 210 Plantation, FL 33324	(813) 207-2622 (954) 916-6874	JWooten@UNUM.COM JSchelfhout@UNUM.COM	Received proposal
7	Guardian	Paul Wootten	1511 N. West Shore Blvd., Suite 600 Tampa, FL 33607	(813) 401-1410	paul_wootten@glic.com	DTQ - uncompetitive quote and unfavorable claims experience
8	Met Life	Angie Fernandez	1200 S. Pine Island Dr., Suite 770 Plantation, FL 33324	(954) 626-5165	aafernandez@metlife.com	DTQ - unable to provide a competitive quote
9	Mutual of Omaha	R.J. Gray	1000 Sawgrass Corporate Pkwy., Suite 158 Sunrise, FL 33323	(954) 845-6066	RJ.Gray@mutualofomaha.com	DTQ - unable to provide a competitive quote
10	Reliance Standard	Shawn Martin	1600 Sawgrass Corporate Pkwy., Suite 210 Sunrise, FL 33323	(954) 846-7372	shawn.martin@rsli.com	DTQ - current rates and unfavorable claims experience
11	Voya	Adam Widett	600 W Las Olas Blvd, Suite 1502 Fort Lauderdale FL 33312	(954) 240-1560	adam.widett@voya.com	DTQ - unable to provide a competitive quote

The basis of our review and analysis to develop our recommendation is outlined below:

- Comprehensive review of the benefits
- Detailed review of the proposed premium
- Responses to the questionnaire regarding the vendors' ability to administer the requested plan benefits and details of the administration of plan provisions
- The best and final negotiations with the top two proposers

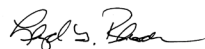
Based on our professional opinion and review of this information, we recommend The Standard as being the most responsive to our request for the City's Life and Accidental Dismemberment Benefits.

The Standard's final proposal was the most responsive for the following reasons:

- The Standard's fixed premium guarantee is for three years with a fourth- and fifth-year guarantee of no increase based on an overall incurred claim loss ratio for the basic and voluntary life insurance of less than 85%. This loss ratio will be based on the period beginning January 1, 2022, and not include the adverse experience incurred in the past five years.
- Based on adverse experience, the City's cost for Basic Employee Life and AD&D will increase an additional \$34,651 per year. This rate equates to a 25% increase. Only one other proposal matched this rate in the best and final negotiations. Other proposals called for increases of 83% up to 250% on the basic City paid life coverage
- The cost for Additional AD&D for employees will decrease from \$.02 to \$.015 over the current plan; a -3% decrease equivalent to \$19,171
- The Additional spousal voluntary life maximum will increase from \$50,000 to \$400,000 and match the employee maximum. The guarantee issue for employee will remain \$300,000; \$50,000 for the spouse/domestic partner
- Standard's proposal includes the ability for the employee and spouse to elect to increase optional life by four increments of \$5,000 during open enrollment not to exceed the guarantee issue without having to complete an evidence of insurability (medical questionnaire) form or obtain special authorization from underwriting for a guaranteed issue open enrollment
- New automated portability and conversion administration services not previously available
- Completion of Evidence of Insurability (EOI) through a bridge, which reports to Admin Ease, a feature not previously included
- Inclusion of a \$2,500 implementation credit to cover costs of integrating portability and conversion administration services with Selerix

Based on our comprehensive review, The Rhodes Insurance Group recommends the selection of The Standard to provide the group Basic Term Life and Accidental Death and Dismemberment plan effective January 1, 2022, through December 31, 2024.

Sincerely,



Lloyd F. Rhodes

Cc: Guy Hine, ARM-P, AIC, CWC, AIS
Matt Cobb AIC, AIS

attachments

Exhibit 1. Life and AD&D Proposal – The Standard
Exhibit 2. Current Standard policy