

SIVER

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August 1, 2014

Mr. Tony Barnes
Director of Administrative Services
City of Fort Pierce
100 North U.S. 1
Fort Pierce, FL 34954

Re: Employee Benefits – Dental Renewal

Dear Mr. Barnes:

This letter is intended to summarize the recommendation of Siver Insurance Consultants (Siver) for the dental renewal for the City of Fort Pierce (the City). All cost projections are based upon current enrollment as shown in the attached Exhibit.

RECOMMENDATION

We recommend that the City continue with the dental insurance provided by Guardian for the October 1, 2014 plan year.

Guardian has offered renewal terms with a 6.4% premium increase and no changes in benefits.

Guardian Dental PPO Plan 1 (Basic Plan)

	2013/2014 Rates	2014/2015 Rates
Employee Only	\$35.81	\$38.10
Employee + One Dependent	\$57.14	\$60.80
Employee + Family	\$79.30	\$84.38

Guardian Dental PPO Plan 2 (High Plan)

	2013/2014 Rates	2014/2015 Rates
Employee Only	\$41.34	\$43.99
Employee + One Dependent	\$65.98	\$70.20
Employee + Family	\$91.56	\$97.42

Mr. Tony Barnes
August 1, 2014
Page 2

Annual costs for the dental plan, including City paid costs, employee paid costs and retiree paid costs will increase as follows:

	2013/2014 Rates	2014/2015 Rates
Total Annual Cost	\$216,477	\$230,337

Employee Contributions for the Dental Plan

We are recommending that the contributions remain the same for the 2014/2015 plan year. This recommendation increases annualized costs to the City by approximately \$13,860 or 7.14%.

	2013/2014 Current Contributions	2014/2015 Same Contributions
Total Annual Cost to City	\$193,982.82	\$207,842.22
Total Annual Cost to Employees	\$22,494.42	\$22,494.42
Total Annual Costs	\$216,477.24	\$230,336.64

**Please note that this does not include separate retiree costs.*

Marketing of the Dental Insurance

We recommend that the City not do an RFP procurement process for the dental insurance this year. However, due to the continued positive claims experience, it may be advantageous to consider an RFP for dental insurance in the upcoming year. In addition, the City has been with Guardian since June 1, 2008 which was the last time this insurance coverage was competitively bid.

CLOSING

As always, it has been a pleasure to work with the City and please let us know if you would like any additional detail regarding any of these recommendations.

Sincerely,

SIVER INSURANCE CONSULTANTS



Senior Consultant and Vice President
KG/TMC

**The City of Fort Pierce
2014 - 2015 Dental Cost Projections**

	Enrollment	Basic Plan		Bi-Weekly Employee Contributions	2013/2014		2014/2015	
		2013/2014	2014/2015		Annual City Costs	Annual Employee Costs	Annual City Costs	Annual Employee Costs
Emp	105	\$35.81	\$38.10	\$0.72	\$43,155.00	\$1,965.60	\$46,040.40	\$1,965.60
Emp +1	71	\$57.14	\$60.80	\$1.88	\$45,212.80	\$3,470.48	\$48,331.12	\$3,470.48
Family	54	\$79.30	\$84.38	\$2.97	\$47,216.52	\$4,169.88	\$50,508.36	\$4,169.88
					\$135,584.32	\$9,605.96	\$144,879.88	\$9,605.96
					\$145,190.28		\$154,485.84	
					Emp Cost %:	6.62%	Emp Cost %:	6.22%

	Enrollment	High Plan		Bi-Weekly Employee Contributions	2013/2014		2014/2015	
		2013/2014	2014/2015		Annual City Costs	Annual Employee Costs	Annual City Costs	Annual Employee Costs
Emp	44	\$41.34	\$43.99	\$3.06	\$18,326.88	\$3,500.64	\$19,726.08	\$3,500.64
Emp +1	25	\$65.98	\$70.20	\$5.63	\$16,134.50	\$3,659.50	\$17,400.50	\$3,659.50
Family	27	\$91.56	\$97.42	\$8.16	\$23,937.12	\$5,728.32	\$25,835.76	\$5,728.32
					\$58,398.50	\$12,888.46	\$62,962.34	\$12,888.46
					\$71,286.96		\$75,850.80	
					Emp Cost %:	18.08%	Emp Cost %:	16.99%

PLAN TOTALS	\$216,477.24		\$230,336.64	
	Increased Costs to the City:		\$13,859.40	7.14%