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2. Contract: Voluntary Supplemental Insurance Benefits, City employees - Human Resources Department (Cigna Health & Life Insurance Company - paid by employee).



## LEGISLATIVE MEMORANDUM

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Suzanne Sherman, City Manager

**THRU:** Laura Clawson, Human Resources Director

**DATE:** September 19, 2024

**RE:** Contract: Voluntary Supplemental Insurance Benefits, City employees - Human Resources Department (Cigna Health & Life Insurance Company - paid by employee).

### SUMMARY:

The City offers full time eligible employees the option to elect to enroll in Voluntary Supplemental Insurance Benefit Plans. The current coverage includes three plans:

- Hospital Care (HC): The plan pays for qualifiable hospital confinements. Available for employees and their dependents.
- Accident Injury (AI): The plan pays employees cash benefit for expenses resulting from on or off the job injuries. The plan is also available for dependents.
- Critical Illness (CI): The plan pays cash benefits in the event the employee is diagnosed with an illness covered under this plan. Dependent coverage is also available.

Currently, the plans are structured with an auto-substantiate feature that coordinates with the health insurance plan, Cigna, allowing necessary claim documentation to be directly obtained from the health plan. This reduces the burden on employees, eliminating the need for them to gather and submit additional documentation to support their claims. The current agreement with Cigna Health & Life Insurance Company (CHLIC) for these coverages will terminate on December 31, 2024 with no renewal periods remaining.

The Gehring Group is the City's Broker of Record for Health Insurance and related plans. At the City's request, the Gehring Group conducted a competitive bidding process and obtained multiple quotes for these benefits. After thorough review and consideration, Staff recommends a new agreement of services for Voluntary Supplemental Insurance, AI, CI, and HC with Cigna Health & Life Insurance Company (CHLIC), through December 31, 2025. It is the intent of the City to resolicit these offerings in 2025 for the 2026 benefit year to align with the Health Insurance

solicitation to maintain the auto substantiation coordination feature.

**REQUESTING DEPARTMENTS:**

Human Resources

Procurement

**FISCAL IMPACT:**

Voluntary Supplemental insurance benefits are budgeted through Other Employee Benefits (OEB) account #513-2531-519-45-15 with an approximate cost per year of \$79,000 and are 100% employee paid. This City serves as a “pass through” for this service, collecting premiums from employees and remitting to the carrier on their behalf.

**STAFF RECOMMENDATION:**

Motion to approve a new agreement for services for Voluntary Supplemental Insurance benefit plans with Cigna Health & Life Insurance Company (CHLIC) for the 2025 benefit year, from January 1, 2025, through December 31, 2025.

**ATTACHMENTS:**

1. Supplemental Accident Insurance Grid-Gehring Group
2. Supplemental Hospital Insurance Grid- Gehring Group
3. Supplemental Critical Illness Grid-Gehring Group

**City of Palm Bay**  
**Supplemental Accident Insurance**  
**Effective Date: January 1, 2025**



		<b>Current</b>		<b>Renewal</b>	
<b>Accident</b>		<b>Cigna</b>		<b>Cigna</b>	
Pre-existing Condition		None		None	
Coverage		24 Hours		24 Hours	
Accidental Death Benefit		Loss of Life \$50,000 Auto Accidental Death \$75,000 Common Carrier \$100,000		Loss of Life \$50,000 Auto Accidental Death \$75,000 Common Carrier \$100,000	
Ambulance		Ground: \$200 Air: \$1,500		Ground: \$200 Air: \$1,500	
Accident Emergency Treatment		\$125		\$125	
Hospital Admission		\$1,000		\$1,000	
Hospital Confinement		\$200 per day (up to 365)		\$200 per day (up to 365)	
ICU Stay		\$400 per day (up to 365)		\$400 per day (up to 365)	
Diagnostic Exam (w/x-ray, lab)		\$30		\$30	
General Anesthesia		\$100		\$100	
Physical Therapy		\$25 (up to 10 treatments per accident)		\$25 (up to 10 treatments per accident)	
Accident Follow Up treatment		\$50 (up to 10 visits per accident)		\$50 (up to 10 visits per accident)	
Wellness Benefit		\$50 per year		\$50 per year	
Guarantee Issue		Yes		Yes	
<b>Injury - Dislocation/Open Reduction</b>					
Hip		\$6,000		\$6,000	
Knee		\$6,000		\$6,000	
Ankle		\$2,000		\$2,000	
Wrist		\$1,600		\$1,600	
Elbow		\$1,200		\$1,200	
Shoulder		\$800		\$800	
<b>Premium</b>		<b>Per Pay (26)</b>	<b>Monthly</b>	<b>Per Pay (26)</b>	<b>Monthly</b>
Employee Only	51	\$7.09	\$15.37	\$7.09	\$15.37
Employee + Spouse	18	\$10.66	\$23.10	\$10.66	\$23.10
Employee + Children	9	\$12.32	\$26.70	\$12.32	\$26.70
Employee + Family	28	\$15.89	\$34.43	\$15.89	\$34.43
<b>Annual Premium</b>	<b>106</b>	<b>\$28,848.12</b>		<b>\$28,848.12</b>	
<b>\$ Change</b>		-		<b>\$0</b>	
<b>% Change</b>		-		<b>0%</b>	
<b>Rate Guarantee</b>		12/31/2024		12/31/2027	
<b>Portability</b>		Yes		Yes	
<b>Individual or Group</b>		Group		Group	
<b>Participation Requirement</b>		Greater of 10% or 10 Employees		Greater of 10% or 10 Employees	

	Current	Renewal		
<b>Critical Illness</b>	<b>Cigna</b>	<b>Cigna</b>		
Pre-Existing Condition Limitation	12 / 12	12 / 12		
Wellness Benefit (Annual)	\$50 per year	\$50 per year		
Age Reduction	None	None		
Benefit Level - Employee	\$5,000, \$10,000 or \$20,000	\$5,000, \$10,000 or \$20,000		
Benefit Level - Spouse	50% of Employee Amount	50% of Employee Amount		
Benefit Level - Child	25% of Employee Amount	25% of Employee Amount		
Guarantee Issue	Employee: \$20,000 Spouse: \$10,000 Child: \$5,000	Employee: \$20,000 Spouse: \$10,000 Child: \$5,000		
<b>Coverage Amount (% of)</b>				
Cancer - Invasive	100%	100%		
Cancer - In Situ	25%	25%		
Cancer - Skin	\$250 (1 per lifetime)	\$250		
Heart Attack	100%	100%		
Stroke	100%	100%		
Transient Ischemic Attack (TIA)	N/A	N/A		
Coronary Artery Disease	25%	25%		
Major Organ Failure/Transplant	100%	100%		
Reoccurrence Benefit - Separation Period	12 months	12 months		
<b>Monthly Premium - Example</b>	<b>\$10k EE Only Coverage</b>	<b>\$10k EE Only Coverage</b>		
<b>Age Banded Rates</b>	0 - 25	\$8.60	0 - 25	\$8.60
	25 - 29	\$8.60	25 - 29	\$8.60
	30 - 34	\$10.54	30 - 34	\$10.54
	35 - 39	\$10.54	35 - 39	\$10.54
	40 - 44	\$15.91	40 - 44	\$15.91
	45 - 49	\$15.91	45 - 49	\$15.91
	50 - 54	\$28.00	50 - 54	\$28.00
	55 - 59	\$28.00	55 - 59	\$28.00
	60 - 64	\$40.59	60 - 64	\$40.59
	65 - 69	\$40.59	65 - 69	\$40.59
70 - 74	\$59.62	70 - 74	\$59.62	
75 - 79	\$59.62	75 - 79	\$59.62	
80 +	\$139.61	80 +	\$139.61	
<b>Rate Guarantee</b>	12/31/2024	12/31/2027		
<b>Rate Type</b>	Attained Age	Attained Age		
<b>Portability</b>	Yes	Yes		
<b>Individual or Group</b>	Group	Group		
<b>Participation Requirement</b>	Greater of 10% or 10 Employees	Greater of 10% or 10 Employees		

**City of Palm Bay**  
**Supplemental Hospital Insurance**  
**Effective Date: January 1, 2025**



Group Hospital	Current		Renewal	
	Cigna		Cigna	
Pre-existing Condition Limitation	None		None	
Wellness Benefit	\$50 per year		\$50 per year	
Hospital Admission (per admission)	\$1,000		\$1,000	
Hospital Confinement (per day)	\$100 per day up to 30 days		\$100 per day up to 30 days	
Hospital Intensive Care	\$200 per day up to 30 days		\$200 per day up to 30 days	
Hospital Emergency Room	N/A		N/A	
Guarantee Issue	Yes		Yes	
Premium	Per Pay (26)	Monthly	Per Pay (26)	Monthly
Employee Only 32	\$9.16	\$19.85	\$9.16	\$19.85
Employee + Spouse 5	\$18.51	\$40.10	\$18.51	\$40.10
Employee + Child(ren) 11	\$15.57	\$33.74	\$15.57	\$33.74
Employee + Family 20	\$24.92	\$53.99	\$24.92	\$53.99
<b>Annual Premium 68</b>	<b>\$27,439.68</b>		<b>\$27,439.68</b>	
<b>\$ Change</b>	-		<b>\$0</b>	
<b>% Change</b>	-		<b>0%</b>	
<b>Rate Guarantee</b>	12/31/2024		12/31/2027	
<b>Portability</b>	Yes		Yes	
<b>Individual or Group</b>	Group		Group	
<b>Participation Requirement</b>	Greater of 10% or 10 Employees		Greater of 10% or 10 Employees	