

PUBLIC SECTOR

# Proposal of Employee Benefits Coverage and Service

Proposal Date: 10/28/2024

Effective Date: 1/1/2025

CITY OF OCALA



## **Risk Management Associates**

Brown & Brown is one of the largest and most respected independent insurance intermediaries in the nation, with over 80 years of continuous service. The Company is ranked as the sixth largest such organization in the United States by Business Insurance magazine.

Risk Management Associates, Inc., a wholly owned subsidiary of Brown & Brown, Inc., has established itself as one of the premier insurance services organizations for public entities in the United States. Our in-depth understanding of the unique risk exposures and operating environment of public entities allows us to tailor insurance products and services to effectively meet their needs. As the only independent insurance agency solely dedicated to the public entity market, we are uniquely qualified to meet and exceed the expectations of our clients. Our 20 years of insuring local governments has afforded us significant experience and insight into the unique challenges and constraints that our clients face.

As a Brown & Brown company, Risk Management Associates has access to hundreds of insurance markets nationwide. The buying power and premium leverage within the organization is surpassed by few agencies.

Risk Management Associates focuses on developing innovative approaches towards managing your risk. Cost effective insurance products, professional service, and commitment to client's needs are our primary goals. Proof of account satisfaction is reflected by a 97% business retention rate.

Employee Benefits is just one area of expertise we can provide. Our benefit programs include

Medical, Dental, Vision, Cobra, Life, Disability and Section 125 pre-tax reimbursement accounts just to name a few. We are able to provide fully insured programs for employers of all sizes and self funded programs to meet the special needs of employers interested in that type of arrangement. In addition to providing the insurance programs, we assist in the design, cost-containment, management and development of your employee benefit package.

All Employee Benefit clients are assigned an "In House" Employee Benefits Specialist to assist with Billing, Claims, Eligibility, Enrollment, or any other issues or questions that arise.

For our clients that opt for self insured programs, we not only provide the mentioned above, but also supply detailed reports to help you monitor your program closely. We also place the reinsurance, help design a plan to meet your needs and work closely with you and the Third Party administrator during the implementation as well as throughout the year to ensure the plan operates smoothly.

As for property and casualty, Risk Management Associates is a recognized leader in the area of professional liability, governmental and municipal insurance programs, pollutions liability and many other specialized areas of risk. All property and casualty clients are assigned an "In-House" Public Risk Specialist.

## **Commitment to Our Clients**

The Employee Benefits Division at Risk Management Associates is focused on providing you with the best products at the most competitive rates possible. We ensure a very high level of customer service by remaining involved with you after the plan's effective date.

In addition to the Risk Management Associates Employee Benefits Advisor, all clients are assigned a team of dedicated service and marketing professionals committed to fast, efficient and friendly service during plan renewal and every other day of the year.

- We provide assistance with carriers to resolve any issues concerning policy administration, claims and billing.
- We provide expertise in designing, analyzing, and maintaining an employee benefits program that will help you attract and retain quality employees.
- We provide timely guidance on local and national trends in employee benefits and in the carrier marketplace.

As part of the 6th largest insurance broker in the country (as determined by Business Insurance magazine) we have the resources to partner with clients of all sizes and industries to maximize benefits and contain costs. The Employee Benefits Division in Daytona Beach, FL is fully automated and highly efficient in marketing plan renewals and new business. We have access to all local and national carriers, third party administrators, and other specialists in the employee benefits industry including:

Medical · Dental · Vision · Life · Disability Plans · Cafeteria Plans · 401(k) Plans · Self-funded and Partially Self-funded arrangements · Employee Assistance Programs · Voluntary (employee-paid) Long-Term Disability, Short-Term Disability, Dental and Accident & Sickness plans.

### **Phone**

(386) 252-6176  
(386) 845-9229 - Fax

### **Address**

Brown & Brown  
300 North Beach Street  
Daytona Beach, FL 32114

### **Website**

Bbrown.com  
NYSE Listed: BRO

## **Fee in Lieu of Commission Compensation Disclosure**

Brown & Brown entities (“we”) receive commissions and fees from insurance carriers and other vendors as part of our compensation for placing and servicing your policies and products. Commissions are generally a percentage of the total premium and may be based on a schedule. In some cases, we may also receive direct compensation from the plan or the plan sponsor (service and/or consulting fees).

If we are being compensated based upon a fixed dollar amount or fixed percentage fee, meaning that the contract specifies our compensation and states anywhere in the document that additional compensation will not be paid to us or any other party, any additional compensation to us or any other party, including wholesale brokers or third-party intermediaries, is strictly prohibited. Likewise, if our contract sets compensation based upon a fixed dollar amount or fixed percentage fee, and the contract specifies that additional compensation shall be credited to the insured, any additional compensation to any party, including brokers, wholesale brokers or third-party intermediaries, must be promptly returned to you. If our contract is not based upon such fixed fee terms, no owned or affiliated party, including brokers, wholesale brokers or third-party intermediaries, may accept any type of compensation without full disclosure by the undersigned broker to you of the dollar amount or percentage of compensation prior to binding your coverage.

In addition to commissions and fees paid to Brown & Brown by insurance or reinsurance carriers or third-party vendors as mentioned above, Brown & Brown entities may also receive supplemental and/or bonus compensation from the carrier or vendor based on new sales volume or retention, for example. Such supplemental and/or bonus compensation may consist of guaranteed override income based on our agency’s business production and retention with the carrier or vendor, general agency fees, and/or sales or retention bonuses and is partially derived from your premium dollars, after being combined (or “pooled”) with the premium dollars of other insureds that have purchased similar types of coverage. Brown & Brown may not know in advance if such a supplemental and/or bonus payment will be made by a particular carrier or vendor, or the amount of any such payments until the underwriting year is closed.

Brown & Brown entities may also receive invitations to programs sponsored and paid for by insurance carriers or other vendors to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may also receive non-monetary compensation (including but not limited to the value of travel, meals and entertainment expenses associated with such meetings, gifts, tickets for sporting and entertainment events and awards). Such compensation allocated to your policy is not normally expected to equal or exceed a sum of \$250.00 in aggregate, when all non-monetary compensation items received are combined.

Brown & Brown entities may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may collect and remit premiums on behalf of the carrier or vendor and may earn and retain interest on premiums or administrative fees you pay from the date we receive them until the date remitted to the carrier or vendor.

If an intermediary is utilized in the placement of coverage, the intermediary may or may not be owned in whole or part by Brown & Brown, Inc. or its subsidiaries. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the carrier or other vendor, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting, quoting, plan implementation assistance, claims advocacy and eligibility administration services. . Compensation paid for those services is either derived from your premium payment, which may on average be up to 15% of the premium you pay for coverage and may include additional fees charged by the intermediary or is paid to the Wholesaler/Managing General Agent via override.

**Questions and Information Requests**. Should you have any questions, or require additional information, please contact this office at (386) 252-6176 or, if you prefer, submit your question or request online at <http://www.bbinsurance.com/customerinquiry/>

## Disclaimers & Disclosures

- The analysis of the following plans is a summary. Please refer to the policy certificate for a full list of coverage and exclusions.
  - The rates and benefits in this proposal are based upon underwriting factors which include, but are not limited to, the census provided, the effective date shown, the status of employees/dependents (i.e. actively at work, COBRA, FMLA), final enrollment, etc. If any of the aforementioned changes prior to the proposed effective date, the final provisions, including rates, for these plans may vary or result in the proposed plan to be withdrawn.
  - If you select to change carriers, any existing plans with other carriers should not be cancelled until advised by Brown & Brown.
  - This proposal may not be a complete listing of all available benefit options. Different benefit levels may be available.
  - This presentation is the proprietary work product of Brown & Brown and is not authorized for further use or distribution
  - All insurance carriers have their own operating procedures. A change in carrier could affect certain benefits and coverage.
- Brown & Brown representatives are available to explain any items presented. It is assumed that the recipients of this proposal will seek an explanation of any items that may be in question.
- Brown & Brown representatives may from time to time provide guidance regarding certain requirements affecting health plans, including the requirements of federal and state health care reform legislation. Such guidance is based on good-faith interpretation of laws and regulations currently in effect, and is not intended to be a substitute for legal advice. Employers should contact their own legal counsel for advice regarding legal requirements.
  - The network provider/facility lists obtained via paper directories or carrier websites may contain providers and facilities that are no longer participating in the insurance carriers' networks. We cannot be responsible for any changes to the provider/facility listings that are not reflected. To ensure that a specific provider or facility is still participating in the provider's preferred network, we recommend contacting the provider/facility directly.
  - Failure to adhere to provisions of the Affordable Care Act (such as pay-or-play, employer reporting requirements, benefit mandates, etc.) may result in significant fees and penalties to the employer. For a more comprehensive explanation of what fees and penalties may apply to you, you may contact your Brown & Brown representative at any time.
  - You are required to comply with Health Care Reform's Summary of Benefits & Coverage (SBC) distribution guidelines, which include requirements for SBC distribution at the plan renewal date. If an employee must enroll to continue coverage, the SBC must be provided when open enrollment materials are distributed. If enrollment materials are not distributed, employees must receive an SBC by the first day they are eligible to enroll. For insured plans, if coverage continues automatically for the next year, the SBC must be provided at least 30 days before the beginning of the new plan year. If the policy is not issued by that date, the SBC must be provided within seven business days once the information is available. Please refer to the Department of Health & Human Services' (HHS) official guidance for complete details regarding renewal and other SBC distribution guidelines.

## NOTICE OF CARRIER FINANCIAL STATUS

Please be advised that Brown & Brown does monitor carriers rated less than A- or non-rated on an ongoing basis. However, because Brown & Brown cannot certify the financial soundness or stability of any insurance company or alternative risk transfer entity, or otherwise predict whether the financial condition of a company might improve or deteriorate, we encourage you to review the financial information for each carrier at AM Best's website ([www.ambest.com](http://www.ambest.com)), a state department of insurance website, the applicable carrier website and/or with your accountant, legal counsel and other advisors.

If you need assistance identifying the applicable issuing carriers for your current coverage, renewal coverage, or the coverage options being presented to you, please feel free to contact us at (386) 252-6176 for assistance. Alternative quotes with an A- or better rated carrier may also be available upon your request.

### \*AM Best General Rating Guide

Financial Strength Rating	
<u>A++</u> , <u>A+</u>	Superior
<u>A</u> , <u>A-</u>	Excellent
<u>B++</u> , <u>B+</u>	Good
<u>B</u> , <u>B-</u>	Fair
<u>C++</u> , <u>C+</u>	Marginal
<u>C</u> , <u>C-</u>	Weak
<u>D</u>	Poor
<u>E</u>	Under Regulatory Supervision
<u>F</u>	In Liquidation
<u>S</u>	Suspended

Financial Size Category (in Thousands)			
Class I	Up to	\$1,000	
Class II	\$1,000	to	\$2,000
Class III	\$2,000	to	\$5,000
Class IV	\$5,000	to	\$10,000
Class V	\$10,000	to	\$25,000
Class VI	\$25,000	to	\$50,000
Class VII	\$50,000	to	\$100,000
Class VIII	\$100,000	to	\$250,000
Class IX	\$250,000	to	\$500,000
Class X	\$500,000	to	\$750,000
Class XI	\$750,000	to	\$1,000,000
Class XII	\$1,000,000	to	\$1,250,000
Class XIII	\$1,250,000	to	\$1,500,000
Class XIV	\$1,500,000	to	\$2,000,000
Class XV	\$2,000,000	or	Greater

## Marketing Summary

**Short Term Disability | Long Term Disability**  
MetLife

Current | Proposed Amendment

## Executive Summary of Short Term Disability Coverage

City of Ocala

October 1, 2024 - September 30, 2025

**Class 2 no longer offered with employer-paid LTD**

Current

Vendor

MetLife

Class

	Class 1 All Full-Time Employees 13 week benefit	Class 2 All Full-Time Employees 26 week benefit
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Class Definition:

Plan Details

Elimination Period (Accident):

14 days

14 days

Elimination Period (Sickness):

14 days

14 days

Percent of Salary

60% of the first \$1,667

60% of the first \$1,667

Maximum Weekly Benefit:

\$1,000

\$1,000

Duration of Benefits (weeks):

13 weeks

26 weeks

Pre-Existing Conditions:

6/12

6/12

Number of Eligible Lives:

1134

Number of Enrolled Lives:

124

Employer Contribution:

0%

Rate Guarantee:

Until 9/30/2025

Rate / \$10 Benefit

Current

Current

Class

Class 1

Class 2

Under age 25

\$0.39

\$0.54

Age 25 - 29

\$0.41

\$0.57

Age 30 - 34

\$0.42

\$0.58

Age 35 - 39

\$0.38

\$0.53

Age 40 - 44

\$0.41

\$0.57

Age 45 - 49

\$0.49

\$0.69

Age 50 - 54

\$0.61

\$0.86

Age 55 - 59

\$0.75

\$1.05

Age 60 - 64

\$0.89

\$1.25

Age 65+

\$1.07

\$1.50

Rates subject to final enrollment underwriting

Executive Summary of Long Term Disability Coverage

City of Ocala

January 1, 2025 - September 30, 2025

	Current				Option 1	
Vendor	MetLife				MetLife	
Class	1	2	3	4	1	2
Class Definition:	All Full-Time EEs excluding Police & Fire 90 day elimination	All Full-Time EEs excluding Police & Fire 180 day elimination	All Full-Time Police & Fire 90 day elimination	All Full-Time Police & Fire 180 day elimination	All Full-Time EEs excluding Police & Fire 90 day elimination	All Full-Time Police & Fire 90 day elimination
<b>Plan Details</b>						
Elimination Period:	90 days	180 days	90 days	180 days	90 days	90 days
Percent of Salary	60% of first \$16,667	60% of first \$16,667	60% of first \$16,667	60% of first \$16,667	60% of first \$16,667	60% of first \$16,667
Maximum Monthly Benefit:	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Benefit Period:	SSNRA	SSNRA	SSNRA	SSNRA	SSNRA	SSNRA
Definition of Disability:	24 months own occ, any occ thereafter	24 months own occ, any occ thereafter	24 months own occ, any occ thereafter	24 months own occ, any occ thereafter	24 months own occ, any occ thereafter	24 months own occ, any occ thereafter
Earnings Test:	80% / 60%	80% / 60%	80% / 60%	80% / 60%	80% / 60%	80% / 60%
Pre-Existing Conditions:	6/12	6/12	6/12	6/12	6/12	6/12
Mental & Nervous Limitations:	24 months	24 months	24 months	24 months	24 months	24 months
Self Reported Limitations:	24 months	24 months	24 months	24 months	24 months	24 months
Return to Work Incentive:	Yes	Yes	Yes	Yes	Yes	Yes
Rehabilitation Benefit:	Yes	Yes	Yes	Yes	Yes	Yes
Worksite Modification:	Yes	Yes	Yes	Yes	Yes	Yes
Number of Eligible Lives:	1134				1134	
Number of Enrolled Lives:	131				1134	
Employer Contribution:	0%				100%	
Rate Guarantee:	Until 9/30/2025				Until 9/30/2025	
<b>Rate / \$100 Covered Payroll</b>	<b>Current</b>				<b>Option 1</b>	
Composite:	Class 1	Class 2	Class 3	Class 4	Class 1 & 2	
Under 35	\$0.242	\$0.176	\$0.182	\$0.122	\$0.358	
Age 35 - 39	\$0.416	\$0.338	\$0.327	\$0.264		
Age 40 - 44	\$0.533	\$0.435	\$0.510	\$0.415		
Age 45 - 49	\$0.794	\$0.649	\$0.781	\$0.645		
Age 50 - 54	\$1.143	\$0.950	\$1.028	\$0.859		
Age 55 - 59	\$1.650	\$1.408	\$1.348	\$1.114		
Age 60 - 64	\$1.203	\$0.889	\$1.140	\$0.807		
Age 65+	\$0.454	\$0.175	\$0.444	\$0.239		

Notes:

Estimated Monthly Premiums:	<b>\$23,222</b>
Estimated Annual Premiums:	<b>\$278,668</b>