

*RECOMMENDED DRAFT RESOLUTION FOR CRRR BOARD OF
DIRECTORS*

**RECOMMENDED RESOLUTION REGARDING
ORGANIZATIONAL SYNERGY & HUMAN RESOURCES
COMMITTEE RECOMMENDATION to the BOARD of DIRECTORS
REGARDING RENEWAL of HEALTH, DENTAL, VISION, LIFE and
DISABILITY INSURANCE PROGRAMS**

RESOLVED: That the Board of Directors authorizes the renewal of the employee health insurance benefit plans with ConnectiCare (medical), Ameritas (vision), MetLife (dental) and Lincoln Financial (life and disability), for the period of January 1, 2013 through December 31, 2013 for an estimated net combined premium of \$667,000.

**Connecticut Resources Recovery Authority
Health/Dental/Vision/Life/LTD/STD Insurance Program
Renewal**

November 29, 2012

Executive Summary

CRRA's insurance programs renew on a calendar-year basis. RC Knox, CRRA's benefits broker, negotiated rate increases with the current health plan providers ConnectiCare, MetLife, Ameritas and Lincoln Financial for the Authority's 2013 renewals. RC Knox's representative, Kurtis Dennison, achieved rate reductions for the medical plan by leveraging the Committee's decision to not market CRRA's medical coverage.

Mr. Dennison was able to reduce CRRA's renewal rate with ConnectiCare from 12% to 8.09% because of the good experience of the plan and our willingness to not market our medical coverage.

Mr. Dennison negotiated CRRA's dental renewal to a 10.6% rate increase over 2012 premiums with MetLife. The Authority's dental plan experience continues to trend on the higher side, which is the primary factor driving the rate increase by MetLife.

Both Ameritas (vision) and Lincoln Financial (life, STD/LTD, voluntary life and AD&D) are renewing CRRA's coverage premiums at zero increases for 2013.

The employee contribution rate is increasing by 36% for calendar year 2013.

As final employee elections may vary, recommendation is based on a not to exceed of premium rounded to the nearest thousand.

Recommendation

Product	Provider	CY13 Premiums
Medical	ConnectiCare	\$ 654,000
Dental	MetLife	\$ 56,000
Vision	Ameritas	\$ 9,000
Life & Disability	Lincoln Financial	\$ 54,000
	<i>Employee Contributions</i>	<i>(\$ 107,000)</i>
CY 2013	Total	\$ 667,000

Recommendation

In consultation with our broker (R. C. Knox & Co.), Management and the Organizational Synergy & Human Resources Committee recommends that the Board of Directors approve renewals with ConnectiCare, MetLife, Ameritas, and Lincoln Financial for the employee benefit programs mentioned above. Management further recommends that the combined net premium of \$667,000, as adjusted for final employee plan selections, be accepted for the period of January 1, 2013 to December 31, 2013.



Memorandum

To: OS & HR Committee
From: Eric Womack
Date: 11/26/12
Re: Benefits renewal for CY13

With the approval of the OS&HR Committee, the Authority did not market its benefit coverage for the calendar year 2013. CRRA management reviewed the renewal information with our broker R.C. Knox & Company and management proposes that the Authority renew with ConnectiCare medical coverage at an increase rate of 8.09%, MetLife for dental insurance at an increase of 10.6%, Ameritas Group for vision insurance and Lincoln Financial for life and disability at zero percent increases, respectively.

Medical Insurance Coverage

ConnectiCare did lower their initial medical premium renewal rate from 12% to 9% as originally communicated because of CRRA's commitment to not market its plan for 2013. RC Knox & Company, represented by Kurtis Dennison, was able to negotiate an additional percentage point reduction using CRRA's relationship with ConnectiCare, which brought the Authority's actual renewal rate increase for medical coverage to 8.09%.

<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>CY13 Premiums</u>
\$620,000	\$697,000	\$654,000

Dental Coverage

The proposed rate increase of 10.6% from MetLife as originally outlined in the 10/19/12 OS&HR Committee meeting is reasonable due to our continued high utilization rate:

<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>CY13 Premiums</u>
\$52,000	\$63,000	\$56,000

Vision Coverage

Ameritas Group is renewing CRRA's vision plan with no premium rate increase:

<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>CY13 Premiums</u>
\$10,000	\$10,000	\$9,000 ¹

Other Employee Plans

The other benefit coverage plans through Lincoln Financial for basic life, AD&D, and short- and long-term disability will not see an increase in premiums for 2013 (voluntary life insurance is included in the overall premiums below, but there is no actual cost to CRRA):

<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>CY13 Premiums</u>
\$60,000	\$64,000	\$54,000 ²

Overall Budget Line Items

The number of employees in CRRA's benefits packages has been reduced from 44 to 39 enrollees. This employee reduction combined with an employee contribution rate increase has CRRA at a net cost increase of \$2,000 over FY12 actual annualized benefit expenses.

	<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>CY13 Premiums</u>	<u>2013 Premium Rate Increase Over 2012</u>
Medical	\$620,000	\$697,000	\$654,000	8.09%
Dental	\$52,000	\$63,000	\$56,000	10.6%
Vision	\$10,000	\$10,000	\$9,000	0%
Life; STD/LTD; AD&D; Vol. Life	\$60,000	\$64,000	\$54,000	0%
Total:	\$742,000	\$834,000	\$773,000	N/A
Opt Out Benefit:	\$18,000	\$20,000	\$20,000	N/A
Employee Contribution:	(\$76,000)	(\$84,000)	(\$107,000)	N/A
Net Premiums:	\$684,000	\$770,000	\$686,000	N/A

¹ The projected premiums for CY13 are below the FY12 actual due to a reduction in covered employees.

² The projected premiums for CY13 are below the FY12 actual due to a reduction in employee mix.