

RESOLUTION 18-103


A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PANAMA CITY BEACH, APPROVING AN INSURANCE BROKERAGE AND CONSULTING SERVICES AGREEMENT WITH PRITCHARD & JERDEN, INC., AT THE STRAIGHT AND COMMISSION BASED RATES MORE PARTICULARLY SET FORTH IN ADDENDUM B TO THE AGREEMENT.

BE IT RESOLVED that the appropriate officers of the City are authorized to execute and deliver on behalf of the City that certain Insurance Brokerage and Consulting Services Agreement between the City and Pritchard & Jerden, Inc., relating to the procurement of various health and health-related insurance programs and employee benefits, for which the specific compensation will be determined in accordance with the Commission-based rate schedule attached as Addendum B to the Agreement and incorporated herein, in substantially the form presented to the Council today, with such changes, insertions or omissions as may be approved by the City Manager, whose execution of such agreement shall be conclusive evidence of such approval.

THIS RESOLUTION shall be effective immediately upon passage.

PASSED in regular session this 14th day of June, 2018.

CITY OF PANAMA CITY BEACH

By: 
Mike Thomas, Mayor

ATTEST:


Jo Smith, City Clerk

**INSURANCE BROKERAGE AND CONSULTING
SERVICES AGREEMENT
CITY OF PANAMA CITY BEACH
and
PRITCHARD & JERDEN**

This Agreement made and entered into effective as of this ____ day of June, 2018, by and between City of Panama City Beach, having offices at 110 S. Arnold Road Panama City Beach, Florida 32413 (hereinafter referred to as "Client"), and Pritchard & Jerden, Inc., having offices at 950 East Paces Ferry Road, NE, Suite 2000, Atlanta, GA 30326 (hereinafter referred to as "P&J").

Client wishes to procure certain services that can be performed by P&J; and P&J can provide and desires to render to Client such services; and

The parties agree that it would be to their mutual advantage to execute this Agreement and thereby define the terms and conditions that shall control the rendering of services provided to Client by P&J.

Now, therefore, in consideration of the foregoing recitals, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

I. Service Period

This Agreement will be in effect from the effective date above on an annual basis and shall automatically renew for annual periods unless earlier terminated in accordance with the provisions of the Agreement.

II. Service Compensation

- A. All consulting and insurance procurement/brokerage services provided by P&J as set forth in Addendum A will be performed for commission-based compensation, plus the maximum rate of \$19/per month per subscriber to the existing Medical/RX coverage. Client acknowledges that, except as otherwise provided

herein, such compensation may include certain incentive compensation including contingency payments, bonuses, overrides, prizes and awards which P&J may receive as a result of being Client's insurance broker, as well as base and/or supplemental commissions or other commission-like payments from insurance companies, other intermediaries or other third parties (collectively, "Additional Compensation"). Client consents and agrees to P&J's ability to receive such Additional Compensation under all circumstances.

Addendum B, receipt of which is hereby acknowledged, sets forth a disclosure of all of the actual or estimated commissions and Additional Compensation, if any, P&J may or will receive on account of its services provided to Client. Client acknowledges that final commissions and compensation will not be known at the time this Agreement is executed but must be determined as policies, coverages and benefits are selected.

- B. It is further agreed that no portion of any noncash compensation (e.g., meals, entertainment, travel, gifts, etc.) received by P&J from any insurance company, intermediary, or other third party as a result, in whole or in part, of P&J's services as Client's insurance broker shall be offset or credited against the compensation payable to P&J as set forth above. All such items and their value (estimated if not known) shall be disclosed to Client in writing within ninety (90) days of receipt.

III. Services

- A. It is hereby understood and agreed that in consideration of the compensation set forth above, P&J will provide the consulting and insurance procurement/brokerage services outlined in Addendum A, which is attached to and made part of this Agreement.
- B. It is further agreed that other risk management services may be undertaken that are outside the foregoing scope of services by mutual consent acknowledged in writing by either or both of the parties.
- C. When in P&J's professional judgment it is necessary or appropriate, P&J may utilize the services of intermediaries or other appropriate outside vendors to assist in the servicing and marketing of Client's employee benefit programs. However,

this may only be done after consultation with and prior written approval by Client. Such intermediaries may or may not be affiliates of P&J. P&J will advise Client whether any such intermediary is an affiliate of P&J. Under all circumstances, any and all compensation earned by any intermediary or outside vendor must be approved in writing by Client and shall be in addition to the compensation paid to P&J as described herein.

IV. Termination of Services

Client or P&J may terminate this Agreement at any time with 30 days' written notice to the other party. Should Client terminate or designate a broker other than P&J as its broker of record at any time subsequent to the date of this Agreement, P&J shall immediately cease providing services under this Agreement and will assist in the transition to a new broker/consultant. Should P&J terminate at any time subsequent to the date of this Agreement, Client shall immediately use its best efforts to designate one or more brokers other than P&J as its broker(s) of record and P&J agrees that its termination shall not become effective with respect to any policy or benefit until a subsequent broker or servicing agent is selected. P&J shall be entitled to receive all commission income earned up to the effective date of termination.

V. Additional Obligations of Parties

- A. Client shall provide P&J with reasonable cooperation and assistance necessary for P&J to fulfill its responsibilities to Client pursuant to the terms of this Agreement, including, without limitations, copies of all documents reasonably requested by P&J and the cooperation of and access to certain of Client's personnel.
- B. P&J acknowledges that the nature of its relationship with Client is one in which Client shall entrust P&J as the custodian of certain of Client's information, some of which may be of a confidential or proprietary nature. P&J shall undertake all reasonable efforts to maintain the integrity of all of Client's information, whether or not such information is confidential or proprietary.

C. PUBLIC RECORDS: Client is a public agency subject to the Florida Public Records Law expressed in Chapter 119, Florida Statutes. Accordingly, to the extent that it is determined that P&J is acting on behalf of Client as provided under Section 119.011(2) (2017) and implemented through the judicially established "totality of factors" analysis, P&J agrees to also comply with that law, specifically including to:

1. Keep and maintain public records that ordinarily and necessarily would be required by the City in order to perform the service.

2. Upon request of the Client, provide the public with access to public records on the same terms and conditions that the Client would provide the records and at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.

3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if P&J does not transfer the records to the Client.

4. Meet all requirements for retaining public records and transfer, at no cost, to the Client, all public records in possession of the contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Client in a format that is compatible with the information technology systems of the Client.

5. IF THE CONSULTANT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, IT IS THE CONSULTANT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, AND TO CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT 850-233-5100, JSMITH@PCBGOV.COM, 110 S. ARNOLD ROAD, PANAMA CITY BEACH, FL 32413.

VI. General Conditions

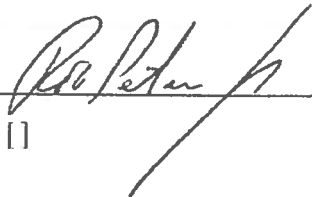
- A. P&J shall not assign the rights nor duties herein set forth without the prior written consent of Client.
- B. The terms and conditions of this Agreement constitute the entire Agreement between the parties with respect to the subject matter hereof. This Agreement shall not be amended except by a written amendment signed by both parties, and no promises, agreement, or representations not herein set forth shall be of any force or effect between them. This Agreement shall serve to terminate and supersede all agreements and undertakings heretofore entered into between the parties on subjects covered by this Agreement.
- C. P&J and Client shall indemnify, defend, and hold one another, their directors, officers, employees, agents, and representatives harmless from and against any and all claims, damages, losses, or expenses (including such parties' reasonable attorney, accountant, and expert witness fees and costs) incurred by one party as the result of (i) a material breach by the other party of any of its obligations under this Agreement or (ii) any willful or negligent conduct of the other party. Client's indemnification of P&J shall specifically be limited to

the lesser of the contract amount, or the limits of sovereign immunity under Section 768.28, Florida Statutes.

- D. Any communication or notice required or which may be given hereunder shall be addressed to Client and to P&J at their addresses set forth in the preamble hereof.
- E. This Agreement shall be governed for all purposes by the laws of the state of Florida, the parties agreeing that exclusive jurisdiction and venue to resolve any conflict associated with this Agreement shall lie in the Circuit Court, 14th Judicial Circuit, in and for Bay County, Florida.

In witness whereof, the parties hereto have executed the Agreement in duplicate intending each copy to serve as an original as of the day and year first written above.

PRITCHARD & JERDEN

BY:  DATE: 6/6/18
[], Its []

CITY OF PANAMA CITY BEACH

BY: _____ DATE: _____
Mario Gisbert, City Manager

ATTEST:

City Clerk

Appendix A: Core Consulting Services

Service Categories	Compensation Structure
<p>Strategic Planning and Market Insight; Financial and Benefit Analytics; Employee Benefit Compliance Support; Human Resource Assistance; Worksite Wellness Initiatives;</p> <p>Lines of Coverage:</p> <ul style="list-style-type: none"> • Medical & Rx • Stop Loss • Dental • Vision • Life, AD&D • Short Term Disability • Long Term Disability • AFLAC Voluntary plans 	<p>Per Service Compensation</p>
<p align="center">Strategic Planning and Market Insight</p>	<p align="center">Included</p>
<p>Because of our multifaceted involvement in Health Care, we are proud of the insight we can bring to the Board Room for intermediate and long-term planning in the following areas:</p> <ul style="list-style-type: none"> • Health Care Reform (ACA) Impact Study: Compliance and Tax Impacts • DOL Audit Checklist Review • Market Trends and Forecasting • Benefit Philosophy Development • Benefit Design and Cost Sharing Benchmark: Industry and Employer Size • Exploration of Defined Contribution Cost Sharing Model • Eligibility Management: Working Spouse Carve-Out Provision, Eligibility Audits • "Bend the Trend" Best Practices • High Deductible Health Plan Strategies (HSA, HRA, Gap Planning) • Engagement Strategies for Worksite Wellness / Early Detection • Development and Promotion of Consumer Centric Cost Transparency Tools • Voluntary Worksite Benefit Strategies 	
<p align="center">Financial and Benefit Analytics</p>	<p align="center">Included</p>
<p>Initial Assessment</p> <ul style="list-style-type: none"> • Executive Healthcare Summary • Review Benefit Plan Strategy • Plan Performance & Financial Benchmarking • Provider Network Utilization • PBM Carve Out Consideration 	

Appendix A: Core Consulting Services

- Contribution Modeling and ACA Compliance
- Medical Utilization Containment Strategies
- Rx Utilization and Containment Strategies
- Shock Claim Review
- Plan Design Benchmark and Analytics
- Plan Design Alternatives - Cost Modeling
- Renewal Forecast

Report Plan Performance After Each Quarter – Electronic Delivery

- Key Performance Indicators
- Network Utilization and Discounts
- High Cost Claimants
- Overall Plan Performance: Quarterly Aggregate – Loss Information

After Second Quarter of Plan Year – Pre-Renewal Strategy Meeting – Site Visit

- Key Performance Indicators
- Network Utilization and Discounts
- High Cost Claimants
- Overall Plan Performance
- Renewal Forecasting and Suggested Plan Alternatives
- Plan Design Benchmarking
- Retiree Carve Out Analysis
- PBM Carve Out Analysis (depending on data availability)
- Strategy Recommendations for Renewal
 - plan design, employee cost sharing, product, carrier, network

Renewal Market Analysis

- Prepare Renewal Specifications – PPACA Compliant
- Seek Quotes to Analyze and Compare Market
- Negotiate Renewal and Market Pricing with Carriers/Vendors
- Present Findings to Client

After Fourth Quarter - Plan Year End - Site Visit

- Executive Healthcare Cost Analysis (year-end close out showing plan performance plus
 - Plan Costs vs. Expected vs. Maximum (per capita)
 - Industry or carrier benchmarks (where available)
 - Plan administrative costs (per capita)
 - High cost claimants
 - Utilization by service type (professional, in-patient, out-patient, pharmacy and specialty pharmacy)
 - Office visits per thousand
 - Emergency room visits per thousand and cost
 - Medical diagnostic categories

Appendix A: Core Consulting Services

<ul style="list-style-type: none"> • Top 10 pharmacy charges • RX review – generic, mail order, specialty drug usage • Year-end summary of plan and contribution changes • Year-end summary of migration, if applicable, and analysis of cost impact • Utilization Containment Strategies <p>PPACA Impact Analysis – Midterm (TBD) Site Visit</p> <ul style="list-style-type: none"> • Patient Centered Effectiveness Research Tax (PCORI) • Employee Eligibility Determination • Strategies to Mitigate Rising Cost <p>Wellness Screening Reports if Applicable</p> <ul style="list-style-type: none"> • Wellness Screening Summary and Forecast 	
Additional Services – Financial	
<ul style="list-style-type: none"> • Actuarial Services and Reports as Required 	Included
Compliance Support	
<p>Designated Account Executive to assist with Health Care Reform News, Review of Compliance Requirements and Support Questions as requested:</p> <ul style="list-style-type: none"> • COBRA • FMLA • HIPAA • ADA • Section 125 • Medicare Part D • ACA 	Facilitate any compliance support needed
Administrative Services – Compliance	
<ul style="list-style-type: none"> • COBRA Administration (Outside Service) • Plan Document and Group Policy/SPD/Certificate Review • DOL Audit Checklist Review • Employee Benefit Attorney on Retainer • Model Notices (including ACA) • FMLA Administration • SPD Wrap Document • FSA Administration 	Facilitate preparation of required compliance documents
Human Resource Services and Employee Assistance	
Included	

Appendix A: Core Consulting Services

<p><u>Eligibility Management Assistance</u></p> <ul style="list-style-type: none"> • Vetting of Online Enrollment and Communication Systems • Developing Participation Guidelines: Working Spouse Waiver Rules, Eligibility • Documentation Requirements • Contribution Strategies <p><u>Employee Communication and Services:</u></p> <p>Onsite or Webcast Open Enrollment Meetings</p> <ul style="list-style-type: none"> • Custom PowerPoint Presentations • Benefit Summary Guides <p>Employee Benefit Website Portal</p> <ul style="list-style-type: none"> • An easy way to provide information to your employees • This Portal is a complete employee communication system that helps you streamline processes, and improve communication • Online Enrollment Capabilities • Carrier Resources and Tools • HR Forms and Tools • Employee Benefit Learning Center <p>Video Benefit Tutorials</p> <p>Designated P&J Employee Claims Advocate / Product Support</p> <p><u>Affordable Care Act Enrollment Options for Part-Time and Employees not eligible for Core Benefits</u></p> <p><u>Employer Services:</u></p> <p>HR Benefits Portal – Think HR – Work Place Pro</p> <ul style="list-style-type: none"> • HR-related articles • Access to a community of HR Professionals <p>Claims, Billing, Eligibility Assistance, Benefit Administration Assistance</p> <p>Benefit Education and Communication</p> <ul style="list-style-type: none"> • Healthcare Literacy • Benefit Alerts • Compliance – Legislative Alerts • P&J Health Initiatives Newsletter <p>P&J Learning Center</p> <ul style="list-style-type: none"> • Train the Trainer Seminars • Employee Focused “Know Your Benefits” and “Consumerism” Education 	
<p>Workplace Wellness – P&J Health Initiatives</p>	<p>Included</p>
<p>Initial Workplace Wellness Assessment</p> <p>Implementing the Fundamentals</p> <ul style="list-style-type: none"> • Health Assessment • Health Management Education 	

Appendix A: Core Consulting Services

<ul style="list-style-type: none"> • Engage Activities • Develop Incentives and Rewards <p>Define Additional Objectives</p> <ul style="list-style-type: none"> • Three Year Plan Timeline • Incentive Contribution Modeling • Organize and Initiate Wellness Committee • Wellness Fair Coordination • Health Improvement Incentive Options 	
Additional Services – Wellness	
<p>Health and Wellness Related</p> <ul style="list-style-type: none"> • Biometric Screening • Flu Shots (these costs vary by participation but can be paid by the plan) • BMI / Tanita Scale Readings • Seminars • Health Coaching • Nurse Hot Line • EAP Services 	<p>TBD</p> <p>TBD</p> <p>TBD</p> <p>TBD</p> <p>TBD</p> <p>TBD</p> <p>TBD</p>
Additional Expertise Available Through P&J	
<p>WORKSITE - Voluntary Benefits Pritchard & Jerden, Inc. helps organizations improve morale and free up staff by offering well-designed, optional products such as individual life, short-term and long-term disability and supplemental vision, and high deductible health plan gap plans including: critical illness and accident insurance.</p>	
<p>Personal Lines Pritchard & Jerden, Inc. helps key executives and employees protect their homes, automobiles, watercraft and more. Services include annual detailed coverage reviews and programs designed for high-net worth individuals.</p>	
<p>Property & Casualty / Risk Management Services Pritchard & Jerden, Inc. provides property, general liability, automobile, excess liability, workers' compensation, employment practices liability, crime, fiduciary liability, professional liability and directors and officers insurance as well as many other products in a variety of industries.</p>	

Appendix A: Core Consulting Services

Safety Consulting and Loss Control

From employee orientation and training to jobsite inspections, P&J helps commercial clients manage claims, facilitate appropriate return-to-work programs and incorporate safety into every aspect of their business operation.

Appendix B: Compensation

Annual Fees -- Products, Coverages & Services

Product, Coverage and/or Service	Amount or Percent of...	Payment Frequency & Terms
Medical/Rx ASO Plan	\$19 per subscriber / member	Monthly

Commissions -- Products, Coverages & Services

Product, Coverage and/or Service	Percent of...	Payment Frequency & Terms
Stop-Loss, Dental, Vision, Life, AD&D, Short Term Disability, Long Term Disability	Standard Broker Commissions	Monthly
Voluntary Worksite Products	Standard Broker Commissions	Monthly

- All annual fees, as applicable, are earned in full at the start of each fiscal or calendar year with respect to the product, coverage or service provided, unless special termination & payment arrangements are noted below.
- Commissions are earned pursuant to the carrier/underwriter broker contract.
- P&J may receive contingency revenue from a number of carriers based on production and retention. To assure each client's interest is consistently prioritized, P&J does not divulge the terms and status of contingent agreements to P&J staff; thus, establishing no incentive to place coverage with a specific carrier. Further, P&J does not accept bonus payments from carriers for client specific placements with such carriers.



CITY OF PANAMA CITY BEACH AGENDA ITEM SUMMARY

1. DEPARTMENT MAKING REQUEST/NAME:

Administration/Mario Gisbert

2. MEETING DATE:

6/14/2018

3. REQUESTED MOTION/ACTION:

Approval of an Insurance Brokerage and Consulting Services Agreement for health insurance brokerage and consulting services with Pritchard & Jerden.

4. AGENDA

PRESENTATION
PUBLIC HEARING
CONSENT
REGULAR

5. IS THIS ITEM BUDGETED (IF APPLICABLE)? YES NO N/A
BUDGET AMENDMENT OR N/A

DETAILED BUDGET AMENDMENT ATTACHED YES NO N/A

6. BACKGROUND: (WHY IS THE ACTION NECESSARY, WHAT GOAL WILL BE ACHIEVED)

On 5/24/2018, the Council approved the ranking of Health & Benefit Consultant Brokers. At that time, the City approved staff recommended rankings of applicants and directed staff to negotiate an agreement with Pritchard & Jerden for brokerage of health insurance and consulting services. Staff has negotiated that agreement under the same terms as its previous health insurance broker.

Staff recommends approval. If the Council approves, the City Manager will execute the agreement and Pritchard and Jerden will begin work immediately thereafter.