

DeFranco, Alexandria

From: Christian Bergstrom <christian.bergstrom@gehringgroup.com>
Sent: Monday, July 31, 2023 2:30 PM
To: DeFranco, Alexandria; Clay, BettyJo
Cc: Jodi Beale; Christine Turnquest
Subject: Delray Beach - Life Insurance Renewal Recap

Categories: Green category

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Good Afternoon Alexa – Per our conversation here is a recap of the life insurance renewal.

Since the last renewal, the City's basic life insurance loss ratio is now at 236%. Since implementing with The Standard the basic life insurance loss ratio has exceeded 100% each year meaning they have paid out more than you've paid in. The overall losses are approximately \$1 million. The voluntary life insurance runs well; however, there is not a lot of premium due to the low enrollment.

Retirees are a guaranteed cost for the future and that is a significant amount of where the claims are incurring. Currently, the City is subsidizing the cost for the retirees by having a blended rate with them and the active employees. We recommend that the City split the active rate and the retiree rate. This would allow the City to not have an increase into what it currently pays for life insurance and will pass on the fair share to the retirees.

Please let me know if you need anything else.



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