



CITY COMMISSION STAFF REPORT

DEPARTMENT: Human Resources Department

DATE: September 17, 2024

SUBJECT: Motion to approve the First Amendment to the Agreement with RSC Insurance Brokerage, Inc. (Including its division Gehring Group) D/B/A Risk Strategies Company, for insurance brokerage services.

CITY MANAGER RECOMMENDATION:

The City Manager recommends approval of the First Amendment to the Agreement with RSC Insurance Brokerage, Inc. for insurance brokerage services.

BACKGROUND OF ITEM:

Since August 20, 2020, City staff and Gehring Group have worked together for insurance renewals and awards for medical, dental, vision, life, and disability insurance coverage, Affordable Care Act reporting, annual federal regulation compliance, and forecasting for the fiscal years since then. City staff has been very satisfied with the services provided by Gehring Group. It wishes to continue working with Gehring Group through the first amendment to the original agreement dated April 11, 2024. In contrast, the original agreement was a “piggyback” contract utilizing the agreement between RSC Insurance Brokerage, Inc. (Including its division Gehring Group), D/B/A Risk Strategies Company, and the City of Parkland. This renewal would be for the term beginning October 1, 2024, through September 30, 2025.

The agreement with Gehring Group has only an indirect fiscal impact on the City’s budget, as commissions for their services are rendered through the secured premiums from each medical insurance group.

Extending the City’s agreement with Gehring Group through September 30, 2025, will allow for a smooth renewal for FY24-25.

FISCAL IMPACT:

There is no FY 2024-25 budget allocated for this expenditure. Gehring Group receives payment via commission from the benefit providers, which for Medical and Dental is below the industry standards of 5% and 10%, respectively.

Policy	Projected % Increase in Premium for 10/1/24	Projected Annual Premium for 10/1/24	Commission Percentage
Medical	11.3%	\$2,228,051	4.00%
Dental	0%	\$99,760	5.00%
Life & AD&D	0%	\$13,040	5.00%
Vision	0%	\$17,420	5.00%
Short-Term Disability	0%	\$8,755	10.00%
Long-Term Disability	0%	\$13,689	5.0%
Total Premium		\$2,380,715	

ATTACHMENTS:

1. 1st Amendment to Gehring Group Agreement
2. RSC Agreement