City of Benson
City Council Communication

Regular Meeting **June 8, 2015**

To: Mayor and Council Agenda Item # 6

From: William Stephens, City Manager

Subject:

Discussion and possible action regarding an Employee Benefit Advocate Service Application and Agreement with ESG (Employee Solutions Group) Corporation for insurance brokerage and administration of employee insurance related benefits

Discussion:

Discussion and possible action regarding renewal of Employee Solutions Group (ESG) contract.

ESG administers benefit broker services, Health Reimbursement Account (HRA) claims, Consolidated Omnibus Budget Reconciliation Act (COBRA) notices and Flex Spending Accounts (FSA). Human Resources and ESG work together to provide benefit information to the employees. HR is satisfied with the services and communication received from ESG and asks for their contract to be extended.

If this contract is approved, the City Manager is authorized to execute all documents necessary to accept the agreement.

Staff Recommendation:

Approval of the Employee Benefit Advocate Service Application and Agreement with ESG (Employee Solutions Group) Corporation for insurance brokerage and administration of employee insurance related benefits

EMPLOYEE BENEFIT ADVOCATE SERVICE APPLICATION

(1) EMPLOYER / LICENSEE INFORMATION

Contact Name	Business Federal ID #	Date of Application
Bill Stephens | Vicki Vivian | Dustin DeSpain	86-6000234	**06/02/2015**

Company Name	Telephone Number
City of Benson	(520)586-2245

Address (Street – No P.O. Boxes, City, State & Zip Code)
120 W. 6th Street, Benson, AZ 85602

Email	SIC Code	Fax Number
ddespain@bensonaz.gov		(520)586-3375

Type of entity: ☐ C-Corp ☐ S-Corp ☐ Partnership ☐ Sole Proprietor ☐ Non-Profit ☐ LLC ☒ Other Municipality

Do you own interest in any other business? ☒ No ☐ Yes If yes, Name _____

Address if different _____ Federal ID # _____

Affiliated Co. included in plan? ☐ Yes ☐ No (Please provide a separate sheet for information on additional affiliated companies.)

Number of employee Health Insurance Participants: 72 Total number of employees: 80

Do you currently have an HRA Plan? ☒ Yes ☐ No If yes, original plan effective date

Do you have a Flexible Spending Plan (FSA)? ☒ Yes ☐ No

Do you have a Premium Only Plan (FSA)? ☒ Yes ☐ No

Do you have a union? ☐ Yes ☒ No

If less than 20, do you offer COBRA benefits? ☐ Yes ☐ No N/A - > 20 EE

Do you have a Employee Web Portal or Intranet? ☐ Yes ☒ No No Web Portal Currently – See Exhibit 1 Attached

Have you filed all Form 5500 Health & Welfare filings? ☐ Yes ☐ No (Please furnish copy of prior year returns) N/A

(2) AVAILABLE BENEFITS AND QUALIFIED PLANS

ESG, and its affiliate Insight Risk Advisors, Inc. will provide all brokerage services including but not limited to, selection of carrier, negotiation, employee enrollment support, claims support, employee advocacy and employer advisory services. The current benefit plans include:

Current Benefit Plans (Check all in force plans currently):

☒ Medical Plan (**named health insurance plan):** **BCBS**

☒ Dental Plan (**named health insurance plan):** **Humana**

☒ Vision Plan (**named health insurance plan):** **VSP**

☒ EAP Plan (**named health insurance plan):** **BCBS**

☒ HRA / FSA / HSA Plan **(named administrator):** **Employee Solutions Group**

☒ Discount or Other Rx / Vision / GAP/ ADD Plan **(named plan):** **Principal**

☐ HR Online (Web Based HR Resource)**:**

☐ ESG | WBD Web Design (employee web portal)**:**

(3) PAYMENT

ESG, will initiate debit entries from the checking account and financial institution named below (This option must be chosen for ESG administration). Attach a copy of a voided check to this Application.

Bank Name **AGREEMENT ON FILE** Routing Number: **AGREEMENT ON FILE** Account #: **AGREEMENT ON FILE**

Setup Fee**: $ 0** Minimum Monthly Brokerage Service Fee: **$2,900.00** Per Participant Fee Over Current Headcount: **$40 per month**

(4) AUTHORIZATION

I have read, understand and agree to the ESG Terms and Conditions stated on page 2 of this document as attested by the signature below, effective on the date of the signature.

Employer (sign here) _____Title _____ Date _____

Exhibit 1

AGREEMENT TO PROVIDE INSURANCE BROKERAGE AND ADMINISTRATIVE SERVICES
GENERAL INFORMATION

Renewal Authorization:	Al Thunberg – Practice Manager			
Vendor Name:	ESG CORP d/b/a Employee Solutions Group			
Mailing Address:	60 E. Rio Salado Parkway - Suite 900			
City:	Tempe	**State:**	AZ	**Zip Code:** 85281
Name & Title of Contact Person:	Al Thunberg – Practice Manager			
Telephone Number:	877.668.8522		**Fax Number:**	866.668.1592
Email Address:	athunberg@esgcorp.biz			

RENEWAL OF INSURANCE BROKERAGE AND ADMINISTRATIVE SERVICES

Service Category: Insurance & Administration Services	City of Benson Insurance Brokerage and Administrative Services
Proposed Hourly Rate:	See Discussion in Proposed Remuneration Below
Proposed Monthly Rate:	$ 2,900.00

Service Category: Insurance Broker Services	City of Benson Flexible Spending Account
Proposed Hourly Rate:	See Discussion in Proposed Remuneration Below
Proposed Monthly Rate:	Included

Service Category: Insurance Broker Services	City of Benson Health Reimbursement Account
Proposed Hourly Rate:	See Discussion in Proposed Remuneration Below
Proposed Monthly Rate:	Included

Service Category: Insurance Broker Services	City of Benson COBRA Administration Services
Proposed Hourly Rate:	See Discussion in Proposed Remuneration Below
Proposed Monthly Rate:	Included

Proposed Remuneration Associated With Insurance and Administrative Services For Fiscal Year 2015 – 2016 Plan Year:

Employee Solutions Group respectfully submits the renewal agreement for all administrative services at a flat monthly rate of $2,900. There will be no increase in the fiscal year 2014 - 2015. This is an all inclusive monthly rate, and includes the cost of Flexible Spending Account, the Health Reimbursement Accounts (Benson has 2 - a deductible reimbursement and emergency reimbursement account) and COBRA Administration Services. Other services outlined below will be offered in addition to the specifically requested services. The rate will be honored from July 1, 2015 to June 30, 2016, without exception for the duration of the stated agreement.

ESG will perform complete enrollment and administration services for the Flexible Spending Account(FSA), including the use of full web access and employee debit cards. This is currently installed and administered by ESG.

ESG will perform complete enrollment and administration services for two (2) Health Reimbursement Accounts (Deductible and ER Copay), including the use full web access and direct provider settlement with Benson Hospital for ER benefits (for run out on current fiscal year). This is currently installed and administered by ESG.

ESG will perform COBRA Administration services for the City of Benson, including the use of full web access, notification and reimbursement activities required under COBRA regulations. This is currently installed and administered by ESG.

ESG includes at **"no additional charge"**, a complete benefit interpretation / enrollment process designed to coordinate enrollment meetings, one on one counseling sessions, and other publications necessary to deliver the entire employee benefit election and educational process.