

July 7, 2025

Tammie L. Hechler
2600 Hollywood Blvd, Suite 206
City of Hollywood, FL 33022

Re: 2026 Gehring Group Recommendation of Life Insurance and Long-Term Disability Insurance

Dear Ms. Hechler,

The City of Hollywood's life Insurance lines of coverage and long-term disability insurance is currently up for renewal for the 2026 calendar year. As a matter of due diligence, we released a Request for Proposals (RFP) for all of the group life and disability lines offered by the City. Below, please find an analysis of the RFP, along with our recommendation.

The City's Life and Disability lines are currently running at an 111% overall loss ratio. For the past five plus years, the City has paid \$2,054,476 in premium and Symetra has paid out \$2,283,135 in claims, for a net loss to Symetra of \$228,659. Symetra's initial renewal was a 32.7% increase to the Active Employee Basic Life and AD&D, a 41.5% increase on the Retiree Life, and no increase to Supplemental Life and LTD lines. This increase would be equivalent to approximately \$78,000 annually.

Gehring Group released and analyzed an RFP, that explored various alternatives to the Life and LTD coverages to determine the best and most cost effective carrier for the City. In addition to Symetra, the City received 4 alternate quotes. 16 total carriers were asked to provide quotes, and those who did not provide quotes indicated that the loss ratio was too high for them to provide a competitive quote. Based on the results from the initial RFP, Gehring Group recommended that the City request Best and Final Offers (BAFO) from the two alternate carriers that came in most competitive. These two carriers were MetLife and Ochs. Additionally, Gehring Group recommended going back to Symetra, as the incumbent carrier, to see if the competitive data would lower their proposed renewal rates.

During the BAFO, MetLife, and Ochs provided improved rates. For ease of administration and in order to have more favorable renewals in the future (resulting from the lines of coverage that run better than others assisting with the overall loss ratio), it is recommended that all lines be placed with one carrier. When combining all lines together that match the current benefits best, Symetra ended up at a 15.9% increase (\$78,000 annual increase), MetLife ended up at a 7.7% increase (\$37,766 annual increase), and Ochs ended up at a 10.4% increase (\$51,237 annual increase). MetLife and Ochs' rates are guaranteed for 3 years.

It is Gehring Group's recommendation that the City move to MetLife for all life and disability lines, guaranteed for 36 months. This is the most cost-effective option available to the City, while keeping the current level of benefits.

The following is a summary of MetLife's terms:

- Carrier: MetLife
- Basic Life and AD&D for Active Employees (City Paid): -14.7% Decrease (\$25,879 in annual savings)
- Basic Life and AD&D for Retired Employees (Retiree Paid): No rate change (\$0 in annual changes)
- Voluntary Life and AD&D for Employees (Employee Paid): \$0.072 increase per \$1,000 of coverage (Estimated annual increase for all employees is \$46,600)
- Voluntary Life and AD&D for Spouses and Children (Employee Paid): No rate change (\$0 in annual changes)
- Long-Term Disability (City Paid): 21% increase (annual increase of \$17,045 to the City)
- All rates are guaranteed for 36 months

Please do not hesitate to reach out with any additional questions.

Thank you,

Dustin Kuehn

Dustin Kuehn, Senior Benefits Consultant
Gehring Group, a Risk Strategies Company