

August 11, 2025

Ercilia Krempler
Director of Human Resources & Risk Management
City of Lauderhill
5581 W. Oakland Park Boulevard
Lauderhill, FL 33313

Re: City of Lauderhill Group Health and Welfare Plan Renewal – 2025–2026 Plan Year

Dear Mrs. Krempler,

We are pleased to provide the renewal summary for the City of Lauderhill's Group Health and Welfare Plan for the 2025–2026 plan year.

Cigna has honored the 10% renewal rate cap negotiated after the RFP process in the 2023–24 plan year. Based on the City's claims experience and trend, the required renewal increase would have been 25% (\$2,455,851) for a total cost of \$12,112,315. The rate cap protected the City from an increase of \$3,146,250.

The 10% renewal represents an estimated additional annual cost of \$954,822, assuming no changes to the current health plan design. The total projected premium for 2024–2025 is approximately \$9,656,464, and for 2025–2026 is estimated at \$10,622,286.

The expected average cost per employee is \$1,663.89 per month, or \$19,966.70 annually. The plan covers 532 employees and 1,081 dependents. The renewal also includes a wellness fund renewed with an additional \$50,000, a fully replenished technology fund of \$40,000, and an Employee Assistance Program (EAP) covered by Cigna under the rate guarantee through October 1, 2026.

The renewal increase is driven by high health plan utilization, an overall unhealthy population, and the effects of medical and pharmacy inflation. For dental and other benefits, the Dental PPO rates are guaranteed for 24 months through September 30, 2026, while DHMO rates are also under a two-year guarantee through 2026, with a modest increase anticipated in 2027. The estimated total cost for dental plans is \$267,350. There are no changes in rates for Vision insurance through Humana or Life and Disability insurance through New York Life, with vision coverage costing an estimated \$45,000 annually for approximately 420 employees and 855 dependents.

Based on the renewal terms and overall value, Gelin Benefits Group recommends renewing with Cigna to lock in savings, promote stability, and take advantage of the wellness and technology funds.

We remain committed to assisting the City in managing costs while ensuring comprehensive, competitive benefits for employees and their families. Please let us know if you have any questions or if further discussion is needed regarding plan options or cost-containment strategies.

Sincerely,



E. Mike Gelin
Senior Benefits Consultant
Gelin Benefits Group

cc: Andrea Javier, Susanne Joseph

