

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 upcoming 2025–2026 plan year.

Cigna has honored the previously negotiated 10% renewal rate cap negotiated after the RFP process for the 2024–2025 plan year. Based on the City's claims experience and trend, the required renewal increase commanded an increase of 25% or \$2,455,851 for a total cost of \$12,112,315. The rate cap effectively 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 the 2024–2025 plan year is approximately \$9,656,464, and the projected premium for the 2025–2026 plan year is estimated at \$10,622,286.

The expected average cost per employee is \$1,663.89 per month, translating to an annual per-employee cost of approximately \$19,966.70. The plan currently 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 primarily driven by high health plan utilization, an overall unhealthy population, and the effects of both medical and pharmacy inflation. For dental and other benefits, the Dental PPO rates are guaranteed for 24 months through September 30, 2026, while the DHMO rates are also under a two-year guarantee through 2026, with only a modest increase anticipated in 2027. There are no changes in rates for the Vision insurance provided through Humana or for the Life and Disability insurance provided through New York Life.

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

We remain committed to assisting the City in managing costs while ensuring comprehensive and 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

