



Gallagher Public Entity & Scholastic Group
a Division of Gallagher Benefit Services, Inc.

School Board of Broward County

Revised Benefit Budget Strategies

May 16, 2011

Overview

- We have provided two combinations of plan changes and plan eliminations.
 - Option 1 eliminates Life, AD&D, Dental, Disability and Vision. Deductibles will be increased to \$750 and \$1,000 on the HMO's and PPO respectively. Contribution to Cafeteria Plan increase from \$300 a year to \$500 a year.
 - Option 2 is identical with the exception of the Medical plan contributions which are eliminated.

All benefits and contributions are subject to Collective Bargaining Agreements and must be negotiated. Ancillary coverage's could be offered on a voluntary basis at an increased cost. There is no market for voluntary health insurance that offers guaranteed issue coverage.

Option 1

Product Type	Annual Savings	Fiscal Year Savings
Eliminate Dental	\$3.6 million	\$1.8 million
Eliminate Life and AD&D	\$2.7 million	\$1.3 million
Eliminate Disability	\$3.8 million	\$1.9 million
Eliminate Vision	\$1.6 million	\$800,000
Increase Deductible To \$750 on Low and High HMO's and \$1,000 PPO	\$16.4 million	\$8.2 million
Increase Cafeteria Plan Contribution from \$300 Annually to \$500 Annually	(\$5.5 million)	(\$2.7 million)
Total	\$22.6 million	\$11.3 million

All benefits and contributions are subject to Collective Bargaining Agreements and must be negotiated.

Option 2

Product Type	Annual Savings	Fiscal Year Savings
Eliminate Dental	\$3.6 million	\$1.8 million
Eliminate Life and AD&D	\$2.7 million	\$1.3 million
Eliminate Disability	\$3.8 million	\$1.9 million
Eliminate Vision	\$1.6 million	\$800,000
Eliminate Board Contribution Health Insurance	\$174.6 million	\$87.3 million
Increase Cafeteria Plan Contribution from \$300 Annually to \$500 Annually	(\$5.5 million)	(\$2.7 million)
Total	\$ 180.8 million	\$90.4 million

All benefits and contributions are subject to Collective Bargaining Agreements and must be negotiated. **Note: There is no market for fully voluntary health insurance that provides guaranteed coverage.**