



	Approved	Denied
Date Action Taken:	4/28/08	
Other:		
Verified by:	<i>W. Miller</i>	

**WASILLA CITY COUNCIL ACTION MEMORANDUM**

**AM No. 08-26**

**TITLE: AWARD OF A THREE (3) YEAR CONTRACT TO COMBS INSURANCE FOR EMPLOYEE BENEFITS CONSULTING AND BROKERAGE SERVICES IN THE AMOUNT OF \$108,000 NET OF COMMISSION.**

Agenda of: April 28, 2008

Date: April 18, 2008

Originator: **William A. Miller, Purchasing/Contracting Officer**

Route to:	Department	Signature/Date
	Police Chief Youth Court, Dispatch, Code Compliance	
	Culture and Recreation Services Manager Library, Museum, Sports Complex	
	Public Works & Recreation Facility Maintenance Director	
X	Finance, Risk Management & MIS Director Purchasing	<i>Cheryl Davis</i>
X	Deputy Administrator Planning, Economic Development, Human Resources	<i>Ma J. Gale</i>
X	City Clerk	

**REVIEWED BY MAYOR DIANNE M. KELLER:**

*Dianne M. Keller 4/18/08*

**FISCAL IMPACT:**  yes \$108,000 or  no Funds Available  yes  no

Account name/number: 001-4134-414.30-34

General & Administrative – Professional Services - Other

Attachments:

Excerpt from Combs Insurance Agency Proposal  
Score Sheet

**SUMMARY STATEMENT:** In accordance with WMC 5.08.120, on March 7, 2008, the City of Wasilla issued Request for Proposal 0693-0-2008/WM for Employee Benefits Consulting and Brokerage Services. The objective is to secure a broker that will seek the best benefits and rates for the City, and serve as an independent focal point for all employee benefits and health insurance related matters.

Proposals were received from four firms: Combs Insurance Agency, David Frazier & Associates, Mercer and Wilson Agency. A committee of five scorers (Deputy Administrator, Chief of Police, Deputy City Clerk, Deputy Director of Public Works and Accounts Payables Clerk ) scored the proposals based upon firm experience, personnel

experience, methodology/approach, communication, proposed fee structure, and response from two references. Based upon the criteria, Combs Insurance Agency scored the highest with 310 total points (see attached). The fee proposed by Combs Insurance Agency is net of commission (ie., if the broker presented insurance carrier chosen by the City pays a commission, that amount will be deducted from the amount due by the City to Combs Insurance which could result in the entire fee being paid by the insurance carrier. This is how the services provided by the City's current employee benefits broker, David Frazier & Associates, has been paid for the last four years).

(RFP Excerpt)  
REQUEST FOR PROPOSAL  
No. 0693-0-2008/WM  
Employee Benefits Consulting & Brokerage Services

**1. GENERAL INFORMATION**

The City of Wasilla is a First Class municipality with a population of approximately 6,700 people located forty five miles northeast of Anchorage. The City operates as a strong mayor form of government, and has approximately 105 fulltime employees. The City provides a fully insured health plan that includes medical, dental, vision, hearing, prescription drug, employee assistance program, and HRA/MERP. David Frazier & Associates, Inc., of Anchorage is the City's current broker. The current health plan carrier is Premera Blue Cross Blue Shield of Alaska. Included with the plan is VSP for vision benefits, Medco for prescriptions benefits, and a Health Reimbursement Arrangement (HRA) that is administered by Flex-Plan Services, Inc., of Bellevue Washington. The HRA is a City funded account that reimburses the employee up to \$1250 after the first \$250 of deductible incurred by the employee. This program effectively reduces the \$1500 deductible to \$250.

The City of Wasilla is requesting proposals for the services of a broker to serve as Broker of Record for the placement of the City's fully insured employee health benefit coverage programs to become effective July 1, 2008 for a term of three (3) years with the option to renew for one (1) additional three (3) year term. Time is of the essence as the new policies will need to be effective July 1, 2008. Proposers are not to respond by providing insurance quotations. Contact with carriers for the purpose of preparing proposals is not to be made as **you are NOT to approach any markets at this time.**

**2. SCOPE OF SERVICES**

The City of Wasilla requires the broker of record to provide the following minimum level of service:

- 2.1. Provide health plan coverage effective July 1, 2008.
- 2.2. Make recommendations based on an annual review of employee health benefits for quality of benefits provided, cost effectiveness, funding analysis, market competitiveness, and plan administration.

- 2.3. Review prior-years data information to prepare analysis indicating trends on claims and utilization related to medical, dental, vision and prescription coverage in an effort to make recommendations to the City for maximizing future health benefits while maintaining costs.
- 2.4. Assist with annual health benefits renewals including price negotiations, contract review, and analysis of qualifications and quotations received.
- 2.5. Monitor and analyze current contracts, including plan administration, compliance and claims data, performance standards, provider compliance with contracts and paid claims.
- 2.6. Make funding recommendations, projections, and rate structures based on an annual claims analysis.
- 2.7. Keep the City informed of and make compliance recommendations when there are industry changes, practices, costs and trends at the local, regional, and national levels that may impact the public and private sectors, including but not limited to the Health Insurance Portability Accountability Act (HIPAA), Consolidated Omnibus Budget Reconciliation Act (COBRA), Section 125 and Section 105, as well as any other federal or state laws.
- 2.8. Make presentations to the Wasilla City Council and general employee population as requested by the City of Wasilla.
- 2.9. Be available to assist employees with claims concerns or questions in regard to insurance carrier and/or any other service providers.
- 2.10. Prepare monthly, quarterly, and annual reports relative to the health plan's expenditures, participants, services provided, claims, and utilization, including any ancillary plans such as HRA/MERP.
- 2.11. Prepare monthly, quarterly, and annual reports relative to the health plan's expenditures, participants, services provided, claims, and utilization.
- 2.12. Review utilization data to provide input on trends and identify plan improvement opportunities.
- 2.13. Research, review, and resolve issues concerning insurance policies, certificates of insurance, disputes regarding coverage, billing questions, service delivery and other documents relating to employee benefits.
- 2.14. Estimate of renewal rates and cost trends and provide assistance to City staff in the preparation of budget forecasts and recommendations for the City's employee vs. employer contribution rates.

- 2.15. Review contracts and make recommendations to ensure accuracy of coverage, terms, and conditions.
- 2.16. Demonstrate the ability to comply with applicable federal and state laws (i.e. HIPAA etc.).

### **3. STATEMENT OF QUALIFICATIONS (SOQ) REQUIREMENTS**

To achieve a uniform review process, and obtain the maximum degree of comparability, the SOQ submitted in response to this RFP must be no more than twenty (20) pages in length (*excluding letter of transmittal, resumes, title page(s), index/table of contents, attachments, dividers or other forms, if required*). Please detail each of the following points in your Proposal:

- 3.1. Attachment A of this RFP.
- 3.2. Attach a completed Form W-9.
- 3.3. Name of firm.
- 3.4. Brief company history.
- 3.5. Proof of appropriate licensing and insurance coverage.
- 3.6. Relevant experience in sourcing, evaluating, negotiating, and implementing various group health plan products, services, and vendors.
- 3.7. List of available staff and resources that would be assigned to the City including names, job titles, experience, and qualifications (include resumes)
- 3.8. Experience in all key component areas of consultant performance.
- 3.9. Size of staff in the south central Alaska area office.
- 3.10. Experience during the past five years working with state, borough, county and local government. Provide a list of current accounts including insurance services you negotiated for said entities, the length of time you have serviced the account, and a contact name and phone number for each account.
- 3.11. Attach a summary of the firm's premium volume for the past three years for employee group medical insurance coverage that includes dental and prescription plans.
- 3.12. Provide a listing of the carriers you will be able to approach, by line, for a quote for the City of Wasilla's coverage. In addition, please advise which (if any) of the carriers that currently write the City's coverage you would not have access to as the broker of record.

- 3.13. The proposal should identify and describe any anticipated potential implementation problems, proposer's approach to resolving these problems and any special assistance that will be requested from the City.
- 3.14. Indicate if insurance coverage can be effective by July 1, 2008 if your firm is selected and approved by the Wasilla City Council on or around May 12, 2008.
- 3.15. Describe the steps you would take in reviewing the City of Wasilla's current insurance program and designing changes to the program. Include specific techniques and procedures your firm may utilize to ensure the City has a new plan to off the employees effective July 1, 2008. Specifically, identify areas where your firm can add value that may or may not be included in Section 3 - Scope of Services.
- 3.16. Provide a copy of proposing firms most recent annual report.
- 3.17. Proposer shall include in its proposal a complete disclosure of any alleged significant prior or ongoing contract failures, contract breaches, any civil or criminal litigation or investigations pending which involves the Proposer or in which the Proposer has been judged guilty or liable. Failure to comply with the terms of this provision may disqualify any proposal. The City reserves the right to reject any proposal based upon the Proposer's prior history with the City or with any other party, which documents, without limitation, unsatisfactory performance, adversarial or contentious demeanor, significant failure(s) to meet contract milestones or other contractual failures per WMC 5.08.160.
- 3.18. Proposer shall include in its proposal any existing or potential conflict of interest relative to the performance of the contractual services resulting from this RFP. Any such relationship that might be perceived or represented as a conflict should be disclosed. By submitting a proposal in response to this RFP, Proposers affirm that they have not given, nor intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of a company's proposal. An award will not be made where a conflict of interest exists. The City will determine whether a conflict of interest exists and whether it may reflect negatively on the City's selection of a company. The City reserves the right to disqualify any company on the grounds of actual or apparent conflict of interest.

Firms shall provide a minimum of two (2) client references – of which at least one shall be a state or local government client - with whom they have provided health insurance broker services within the last three years. Firms are required to submit Attachment C, Reference Questionnaire to two (2) of the business references they list. The business references must submit the Reference Questionnaire directly to the Purchasing Officer.

It is the firm's responsibility to ensure that the completed forms are received by the Purchasing Officer on or before the proposal submission deadline for inclusion in the evaluation process. Business References that are not received, or are not complete, will adversely affect the firm's score in the evaluation process. The City may contact any or all business references for validation of information submitted.

## **5. COST & PAYMENT**

- 5.1. Provide a detailed cost proposal for review, planning, implementation, and ongoing service of a non-pension employee benefits program at The City of Wasilla. The cost proposed must provide a quote for service to be paid by a flat fee or fee offset by commission only. The proposal shall be presented with a cost structure indicating a total cost including all services proposer intends to provide. This cost structure shall be on an annual fee basis for all employee benefits consulting for the City of Wasilla's employee benefits plan(s). The proposal shall include projected annual costs for a three-year period commencing July 1, 2008. *All respondents to this RFP should provide an all-inclusive fee as no separate arrangement will be allowed for travel or other expenses as required to properly provide the services related to the RFP.*

**ACTION:** Council is requested to authorize the award of a three (3) year contract effective July 1, 2008 for insurance brokerage services to Combs Insurance Agency in the amount of \$35,000 for FY2009, \$36,000 for FY2010 and \$37,000 for FY2011 for a total contract amount of \$108,000 net of commission. The City may terminate this contract, and Combs Insurance Agency waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the funding from City, State, and/or federal sources is not appropriated or is withdrawn, limited, or impaired.

**Attachment A**  
**PROPOSAL CERTIFICATION**

(This **MUST** be the first page of the proposal or proposal shall be deemed non-responsive.)

Proposers shall use the attached PROPOSAL TO THE CITY OF WASILLA to prepare their proposals.

The proposal shall be completed, all required information provided, and the firm name and the signature of an authorized person shall be in the spaces provided. All proposals must be signed and notarized. Telephonic facsimile proposals or signatures will not be accepted. Proposal purchase price(s) is to exclude Federal Excise Tax. Proposal purchase price(s) shall be FOB Destination unless otherwise noted.

**CAUTION:**

Failure to include this section as the first section of your Proposal will cause it to be deemed non-responsive!

**PROPOSAL CERTIFICATION**

**Request for Proposal**

**No. 0693-0-2008/WM**

**Employee Benefits Consulting  
and Brokerage Services**

**CAUTION:**

Failure to include this section as the first section of your Proposal will cause it to be deemed non-responsive

The undersigned, as Proposer, declares that s/he has carefully examined the entire RFP document, including all specifications, provisions, proposed instructions and all other conditions of the RFP and all addenda, and that Proposer proposes and agrees, if the proposal is accepted, that Proposer will contract with the City of Wasilla to furnish the item(s) in the manner and time herein prescribed and according to all the requirements set forth.

A Proposer may withdraw the proposal at any time prior to the day of the proposal opening. However, all proposals shall be irrevocable for a period of one hundred and eighty (180) days from the day of the proposal opening.

By initialing this space WAC, Proposer hereby certifies that s/he has not discriminated against minority, women, or emerging small business enterprises in obtaining any required subcontracts.

By initialing this space WAC, Proposer hereby certifies that it accepts, in substantial conformity, all contract terms and conditions in *SECTION 8.19, INSURANCE REQUIREMENTS*.

By initialing this space WAC, Proposer agree that in case of any discrepancies between the hard copy or the electronic copy of the RFP document and Addenda, supplied as a part of the Proposer's proposal, the secured electronic copy of these documents maintained by the City shall control and take precedence.

By initialing this space WAC, Proposer specifically acknowledges receipt of and agrees to be bound by Addenda numbered 1 through 3, inclusive.

By initialing this space WAC, Proposer represents that it has not modified or changed terms of the RFP document or Addenda, in either the hard copy or electronic version of its supplied proposal, except to provide proposal responses.

By initialing this space WAC, Proposer acknowledges and agrees that in the event there is any discrepancy in the proposal between the notarized hard copy and electronic versions, the hard copy controls and supersedes.

The Proposer represents that the proposal is made without connection to any person, firm, or corporation making a proposal for the same materials, and is in all respects fair and without collusion.



The undersigned attests that he/she has the authority to represent the firm in executing this proposal, that the information provided is true and accurate to the best of his/her knowledge, and understands that any false or substantially incorrect statement may disqualify this proposal or be cause for termination of any resulting contract.

Combs Insurance Agency, Inc.  
Firm's Name (Print or type name)

  
Signature

341 S Alaska Street  
Address

Michael F. Combs  
Print or type name

Palmer, AK 99645  
City, State, Zip Code

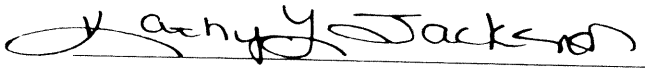
President  
Title

Telephone: (907) 745-2144

Federal Tax I.D. No 92-0062428

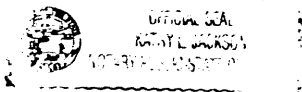
Fax Number: (907) 745-7275

Subscribed and sworn to before me this 2nd day of April, 2008.



Notary Public for the State of Alaska

My commission expires 9-18-11





# City of Wasilla

**Request for Proposal  
No. 0693-0-2008/WM**

**EMPLOYEE BENEFITS  
CONSULTING & BROKERAGE  
SERVICES**

**NARRATIVE/TECHNICAL PROPOSAL**

**"THIS PROPOSAL CONTAINS PROPRIETARY INFORMATION"**

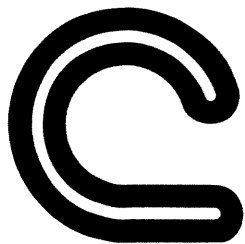
**Presented By:**

**Combs Insurance Agency, Inc.**

**341 S. Alaska Street  
Palmer, AK 99645**

**April 2, 2008**

**COPY**



**Combs  
Insurance  
Agency, Inc.**

*"The Right Coverage at the Right Price"®*

**April 2, 2008**

**William Miller, Purchasing Officer  
City of Wasilla  
290 E Herning Avenue  
Wasilla, AK 99654**

**Re: Request for Proposal #0693-0-2008/WM  
Narrative/Technical and Cost Proposal  
Employee Benefits Consulting and Brokerage Services**

**Dear Mr. Miller,**

**Please find enclosed our written response to your request for proposals – employee benefits consulting and brokerage services. We certainly hope that you find the submission informative and qualifying for your consideration.**

**As an authorized representative of Combs Insurance Agency, Inc. I am requesting that you select our firm to represent the City of Wasilla as your broker providing these insurance and risk management services. Our firm will provide all of the services as outlined in your solicitation dated March 7, 2008 including those described in sections 3. – 3.16. through our dedicated and licensed staff.**

**We have been providing insurance and risk management services since 1967 including municipal exposures for the following governmental agencies:**

**City of Wasilla (1975 to 1997),  
City of Palmer (1982 to 1997),  
City of Valdez (1982 to 1992),  
Lower Kuskokwim School District (2002 to current),  
Lower Yukon School District (2002 to current),  
Lake & Peninsula School District (2002 to current), and  
Aleutian Region School District (2005 to current).**

**We also provide specific employee benefit coverage services to the  
Matanuska Susitna Borough, Inc. (2005 to current)**

**Several of the largest employers in the Matanuska Susitna Valley rely on our firm for their insurance broker services, including:**

**Matanuska Telephone Association, Inc. (1980 to current),  
Mat-Su Services for Children & Adults, Inc. (1993 to current),  
Mat-Su Health Services, Inc. (1995 to current) and  
Alaska State Fair, Inc. (1978 to current)**

**Not only are they some of the larger businesses but they also offer some of the most complex and variety of exposures for risk analysis and required services.**

**We offer a fully trained and knowledgeable staff that have embraced the continuing education requirements of our firm and of the State Division of Insurance. We enjoy the following certified personnel within our employ:**

- One – Certified Risk Manager/Certified Insurance Counselor (CRM/CIC)**
- One – Certified Insurance Service Representative/Human Resource Management Certificate (CISR/HRM)**
- Two – Certified Insurance Counselors (CIC)**
- Five – Certified Insurance Service Representatives (CISR)**
- One - Human Resource Management Certificate/Fundamentals of Payroll Certificate (HRM/FPC)**

**Ten of fifteen employees have engaged and exceeded standard educational requirements of our industry as a commitment to excellent service.**

**I will personally supervise and manage this account from our Palmer office. I offer over 34 years of experience in the insurance industry, most of which involved the analysis and placement of complex insurance accounts such as yours. I look forward to a long term mutually satisfying relationship with the City of Wasilla.**

**Sincerely,**



**Michael F. Combs, CIC, CRM  
President  
(907) 745-2144**

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**4. Statement of qualifications.**

**4.3. Name of firm.**

**Combs Insurance Agency, Inc.**

341 South Alaska Street

Palmer, AK 99645

Telephone: (907) 745-2144

Facsimile: (907) 745-7275

Toll Free Number: 1-800-478-2144

Website: <http://www.combsinsurance.com>

**4.4. Brief History.**

Combs Insurance Agency was founded in 1967 by Earl & Mary Combs. In 1977 Combs Insurance Agency was incorporated, here forward referred to as Combs Insurance. During the 40 plus years since we began offering insurance services to the Matanuska Susitna Borough we have grown to become the largest insurance firm in the valley providing all available commercial insurance and risk management services including primary employee benefits coverage.

At Combs Insurance we focus on the clients needs, not ours. We have integrated into the community over the last 40 years, knowing our clients personally while working with them to make the most appropriate risk management decisions.

Our area of expertise encompasses governmental entities including municipalities, school districts, village organizations, as well as public entity organizations, construction contractors, retail & wholesale operations and the entertainment industry.

Combs Insurance has been providing group medical including dental and prescription drug programs for private and governmental clients in Alaska since 1980. We have provided all other insurance coverages for governmental entities since 1975 when we established the initial insurance program for the City of Wasilla. In the early 1980's we added the City of Palmer and the City of Valdez to our list for governmental entity services. In the late 1990's we added several rural City/Village entities including the Native Village of Kwinhagak/City of Quinhagak. Starting in 2002 we extended coverages for travel and accident medical to include several large school districts including the Lower Kuskokwim, Lower Yukon and Lake & Peninsula School Districts. Aleutian Region School District has also been a client for these services since 2005.

**(Rider #3, TAB 4)**

4.4. continued.

**Our key corporate officers and owners are as follows:**

Michael F. Combs, President  
Aaron E. (Ron) Combs, Vice President  
Mary E. Combs, Secretary/Treasurer  
Cheryl R. Combs, Director  
Cheri L. Mrak, Director  
Tamara M. Combs, Director

4.5. *Licensing, including business licenses, insurance licenses, professional certificates and copies of state corporate license*

**Principals and support staff licenses:**

**(Rider #4, TAB 5)** State of Alaska License

Michael F. Combs	03445	Aaron E. Combs, Jr.	3448
Veronica L. Allman	27136	Cheryl R. Combs	4021
Ann M. Schurman	54887	Kathy L. Jackson	34504
Melissa A. Visker	65569	Tamara M. Combs	19599
Skye L. Phillips	34906	Donna J. Whitmer	46069
Cheri L. Mrak	16607	Melissa J. Haxton	60408

Combs Insurance was incorporated in the State of Alaska on May 12, 1997.  
Combs Insurance operates under Wasilla license #08 00000205.  
Matanuska Susitna Borough license #2007-05967.  
State of Alaska license #07758.

Insurance coverage certificates as described in the specifications under **8.19.** Attachment D—Contract, Section 16. are attached.

The certificates include information on all required liability, workers compensation and professional liability as described.

**(Rider #9, TAB 10)**

## 4.6 Relevant experience.

We continually monitor our clients program for insurance and they receive hands on expertise, including but not limited to:

- ◆ We evaluate the selection process for employee benefit programs regarding coverages, policy provisions, deductibles, co-payments and out-of-pocket expenses,
- ◆ We assist in the benefit plan design to help contain costs and maximize benefit effectiveness,
- ◆ We annually review the existing benefit program and provide comments and suggestions regarding areas of concern and potential improvement,
- ◆ We assist with claims problems including administration issues,
- ◆ We review deductible/retention programs in an effort to formulate the most cost effective approach for your program,
- ◆ We monitor claims administration, including negotiation of loss settlements for members if benefits are not being processed properly,
- ◆ We provide daily administration, such as benefit contract and booklet review,
- ◆ We stay up to date and informed on current legislative issues that directly relate and affect client employment issues and insurance benefits in Alaska,
- ◆ We offer assistance with employee enrollment processes, including routine plan administration,
- ◆ We provide assistance with questions or concerns regarding federal regulations and state laws relating to employment practices,
- ◆ We provide risk management services upon request in the area of Employment Practices which include comprehensive compliance reviews relating to:

COBRA (consolidated omnibus budget reconciliation act)

FMLA (family and medical leave act)

HIPAA (health insurance portability and accountability act)

IRC Section 105 and 125 applicable to plan programs.

### **(Rider #5, TAB 6)**

The above services have been offered to the following clients during the submission, evaluation and processing of their employee group medical, dental, vision, employee assistance, life and disability programs.

Alaska Open Imaging Center, LLC  
Alaska Roteq Corporation  
Mat-Su Services for Children & Adults, Inc.  
Matanuska Susitna Borough, Inc.  
Mat-Su Health Services, Inc.



**4.7. *List available staff and resources assigned to the City.***

The list includes the following dedicated personnel:

Michael F. Combs, CIC, CRM Primary Day to Day contact.  
33 years experience, 28 with employee benefit accounts.

Veronica L. Allman, CIC Secondary contact.  
17 years experience, 3 with employee benefit accounts.

Cheri L. Mrak, CISR Third contact.  
10 years experience, 7 with employee benefit accounts.

Skye L. Phillips, Backup contact if first three are not available.  
5 years experience, 2 with employee benefit accounts.

Account Team and Resumes'

**(Rider #6, TAB 7)**

**4.8. *Experience in all key component areas of consulting performance.***

Michael F. Combs, CIC, CRM has over 28 years experience with employee benefit accounts. He has received extensive training through classroom instruction as an exclusive contractor with Compliance Check ® involving employment practices regulations and laws. He completed Phase II in January of 2005 and Phase I in March of 2007. Training included general compliance techniques involving ADA, COBRA, EEOC, FMLA, FLSA, Section 125, Sexual Harassment, OSHA and Employee Manuals. Complete research and support services are augmented by Compliance Check ® and annual subscriptions to Business & Legal Reports manuals involving Alaska Employment laws. Combs Insurance requires all employees, including the owners to attend a minimum of 20 hours of continuing education training each year. This is 40% higher than required by the Division of Insurance to maintain their insurance license. Our knowledge is shared with our wide scope of clients as a value added benefit of our insurance brokerage services.

**4.9. *Size of staff in south central Alaska area office.***

Combs Insurance has 15 employees to effectively service all clients needs. Exclusive operations for the City of Wasilla will be managed at our Palmer location at 341 S Alaska Street . We have designated the full-time key personnel listed above in 4.7. to be assigned to the City's team.

**4.10. Experience during the past five years working with state, borough, and local government.**

We provide all of our services from our own office and we have listed a sample of these services that we currently provide to a number of governmental and public entities within the State of Alaska including:

Lower Kuskokwim School District	2002 to present
Lower Yukon School District	2002 to present
Lake & Peninsula School District	2002 to present
Native Village of Kwinhagak/City of Quinhagak	1999 to present

The following **sample** services agreement has been executed for each of the above School Districts and the Native Village of Kwinhagak/City of Quinhagak.:

We provide the following minimum broker services to our clients during each term, such as those referenced above, in addition to traditional insurance handlings.

- a. We will check the wording and accuracy of each policy, binders, certificates, endorsements or other documents that we issue or receive from insurers and obtain revisions to such documents when needed;
- b. We will verify all rates and premium charged for your accounting and audit purposes;
- c. We will be available to answer related insurance questions that the client would have regarding their insurance program, including submission of an annual report on the insurance program;
- d. We will communicate with administration personnel, review current exposures while discussing insurance issues and services as needed;
- e. We will provide loss control suggestions, review and comment on insurer loss control services, especially regarding compliance requests and implementation scheduling;
- f. We will prepare insurance certificates as requested and maintain the list for future use;
- g. We will assist the client in the adjustment and settlement of any claims or losses that occur within the insurance program including coordination with the legal counsel;
- h. We will provide the client with loss data information as supplied by the insurance market and an annual summary of our in-house listing of reported claims, if needed as additional support;
- i. We will solicit insurance proposals from reputable insurance companies prior to the anniversary of each policy term and advise of the expected premiums and conditions for budget forecasting and actual policy premiums;
- j. We will assist in determining the insurable value of the properties owned, operated, or controlled by the client and;

4.10. *Continued.*

- k. We will perform any reasonable request for insurance services that the client may have during the contract terms to satisfy your risk management service needs;
- l. We will solicit and/or invoice all of the Property & Casualty insurance policy coverages, including general and professional liability, workers compensation, commercial auto, directors & officers liability, property, mechanical breakdown, mobile equipment, airport liability and crime insurance "net" of any commission so that the client will be able to identify the cost of insurance and the cost of insurance brokerage services. If any of the above Property & Casualty insurance policies are written on a direct payment basis with the insurer, an estimate of the annual commission will be credited toward the broker services fee,
- m. All services are conducted on a direct basis using the personnel from our local firm in Palmer.

The following **sample** services agreement has being executed for Mat-Su Services for Children and Adults, Inc. in addition to the above services.

- n. We will advise and assist Mat-Su Services for Children and Adults, Inc. in the evaluation and selection process for employee benefit programs regarding coverages, policy provisions, deductibles, co-payments, and out-of-pocket expenses,
- o. We will assist you with benefit plan design to help contain cost and maximize benefit effectiveness,
- p. We will, at your request assist with the enrollment process, assist with annual open enrollment employee seminars, and assist with routine plan administration,
- q. We will annually review your existing benefits program and provide comments and suggestions regarding areas of concern or potential improvement,
- r. We will assist with claim problems, and administrative issues at your request,
- s. We will stay up to date and inform you on current legislative issues that directly relates to employment issues and insurance in Alaska,
- t. We will provide assistance with questions or concerns regarding federal regulations and state laws relating to employment practices,



*4.10. continued.*

- u. We will provide risk management services to you at your request in the area of Employment Practices which includes comprehensive compliance reviews relating to:

HIPAA (Special Enrollment)  
FMLA (Family & Medical Leave Act)  
FLSA (Fair Labor Standards Act)  
COBRA (Consolidated Omnibus Budget Reconciliation Act)  
ADA (Americans with Disabilities Act)  
EEOC (Equal Employment Opportunity Commission)  
Section 125 (Cafeteria Plans)  
Sexual Harassment  
Employee Manual  
Employee Benefit Policy Provisions

Our agency offers general guidance on the above subjects and should not be considered legal advice. We are only offering assistance from a risk management perspective to help reduce your exposure and limit your liability,

***4.11. Attach a summary of the firm's premium volume for the past three years for employee group medical insurance including dental and prescription drug.***

Attached is a print out of production of employee group medical insurance coverage for the past three years.

July 1, 2004 to June 30, 2005

July 1, 2005 to June 30, 2006

July 1, 2006 to June 30, 2007

**(Rider #7, TAB 8)**

**"THIS IS PROPRIETARY AND CONFIDENTIAL INFORMATION"**

**4.12. Provide a list of carriers that we would approach by line for quoting the City of Wasilla's coverage.**

Combs Insurance has a strong presence in the insurance community. Underwriters know that we represent the client's interest in the marketplace. They respect our complete and thorough submissions and welcome the opportunity to work on our insurance business. This approach to maintaining these underwriting partnerships has allowed Combs Insurance to deliver superior results for our clients even during difficult times.

Combs Insurance continues to develop relationships with the following markets, including but not limited to the following:

Insurance Market	Lines of insurance coverage
AETNA Insurance Company	All lines
Alaska Public Entity Insurance	Accident/Travel Medical
American International Group	Accident/Travel Medical
Assurant Health (John Alden)	All lines
Blue Cross/Blue Shield (Premera)	All lines
Humana	Dental
Lifewise Assurance Company	Life & Disability
Symetra Financial	Life, Disability & Supplemental
Vision Service Plan (VSP)	Vision

Due to relationships with general agent markets, we have virtually unlimited access to every insurance market in Alaska. The current list of markets used by the City of Wasilla would accept a Broker of Record assignment to Combs Insurance.

***4.13. Describe and identify any anticipated potential implementation problems and our approach to resolving these problems and identify any special assistance that will be requested from the City.***

We will use the following as our guideline for research, recommendations and placement of your account. However, we can adjust to any timeline desired by the City.

The July 1, 2008 renewal date presents a problem only if the City desires to change insurance markets from the one that is supplying the current contract services.

You currently are participants in a group plan administered by Premera through the Blue Cross/Blue Shield Insurance Company of Washington & Alaska. This is a group plan of the State of Alaska Political Subdivision members. The plan structure is as follows:

Heritage Select            \$1,500.00 deductible, 20% coinsurance after the deductible, and  
                                     \$4,000.00 maximum out of pocket. An office visit co-pay of  
                                     \$25.00 is also included along with prescription drug and dental.

The current enrollment list includes approximately 30 employee only selections, 30 employee/spouse selections, 37 employee/spouse/child(ren) selections and 11 employee/child(ren) selections. Total employees enrolled: 108

A separate vision plan is also included through Vision Service Plan for approximately 106 employees with coverage including spouses and children.

Both of these plans are eligible to be renewed as currently written with very little options available to the City as you are apparently (according to the choice selection sheet signed and dated June 25, 2007) at the maximum deductible option available through this group plan. The vision plan is of minor premium and benefit cost to the city and can be renewed under the same plan.

I would recommend that upon notification as your broker of record we request that Premera process and quote the City as a stand alone group policy based upon your own underwriting experience and demographic makeup.

As a stand alone group you would have substantially more deductible and plan options available to you for cost savings. If the stand alone group proves to be advantageous to the City you could withdraw from the State of Alaska Political Subdivision group by sending 30 day notice to Premera as described in VI. Contract Termination A. 1. Page 5.

**4.13. *continued.***

If the City decides to continue with the current plan at the July 1, 2008 renewal then we would discuss alternate effective dates for re-marketing the plans for possible replacement with other available markets.

**4.14. *Indicate if the insurance can be effective July 1, 2008 if we are selected for your broker services.***

As described in 4.13. the current plan can be renewed effective July 1, 2008.

**4.15. *Describe the steps you would take in reviewing the City's current insurance program and designing changes to the program.***

***REVIEW PROCESS FOR CURRENT PLAN.***

Combs Insurance will request an immediate meeting with the City to discuss the options that are available to you regarding the renewal of the current plan with State of Alaska Political Subdivision. or alternate plans outside of the current group.

We would want to review the City of Wasilla's operating strategy for this major employee benefit and develop information regarding the goal of the human resource department as well as administration attitude and tolerance toward change.

We believe that virtually all major medical plans must eventually change to allow for continued participation by all employers including governmental entities. The continual increasing spiral of costs can only be absorbed by the employer for so long.

The current plan cost (using 100% of the premium cost, not including any employee offset back to the City) for the major medical, prescription drug and dental is approximately: \$1,031,580.00

The estimated group medical cost increase scheduled for July 1, 2008 by Premera is 28%.  
The current plan cost (again— no offset) will increase to approximately: \$1,320,428.00

Depending on the actual premium determined at renewal, the City may want to review an option to adopt a High Deductible Health Plan that is Health Savings Account eligible.



## City of Wasilla - Request for Proposal

### 4.15. *continued.*

The average overall premium difference between your current plan and an available option with Premera at a \$3,000.00 deductible, 20% coinsurance, \$5,000.00 out of pocket maximum with prescription drug included as a benefit (no separate deductible, or co-pay) and the same dental plan would be approximately 30%

The estimated group medical cost with the HSA eligible plan (again—no offset) would be approximately: \$924,300.00

This estimated cost represents a potential savings over your renewal plan of \$396,128.00

This estimated cost represents a potential savings over your current plan of \$107,280.00

But wait ..... there's more !!

The deductible under the HSA plans with Premera is applicable to a maximum of two persons for the family, instead of the current three. The out of pocket maximum is the same. Two persons for HSA and three for the current plan. The entire deductible and out of pocket amounts must be met for family prior to 100% reimbursement by Premera under HSA's.

Example: (not including the separate vision plan)

Current plan:

\$1,500.00 deductible/20% coinsurance/\$4,000.00 out of pocket maximum/\$25.00 office visit.  
Employee only. Maximum expense exposure: \$4,000.00 + \$25.00 office visit co-payments  
+ prescription drug co-payments + dental.

Employee + spouse, children, or just children. The deductible and out of pocket must be met by each member up to a total of three per calendar year.

Maximum expense exposure: \$12,000.00 + \$25.00 office visit co-payments  
+ prescription drug co-payments + dental.

HSA plan:

\$3,000.00 deductible, 20% coinsurance/\$5,000.00 out of pocket maximum.

Employee only. Maximum expense exposure: \$5,000.00 + dental.

Employee + spouse, children, or just children. The deductible increases to \$6,000.00 by any combination of the family, the out of pocket maximum increases to \$10,000.00 by any combination of the family. Maximum expense exposure: \$10,000.00 + dental.



**Combs Insurance Agency, Inc.**

*The Right Coverage at the Right Price®*



4.15. *continued.*

The City currently funds approximately \$135,000.00 into potential Health Reimbursement Accounts for the employees to use as an offset to your current deductible of \$1,500.00 after the first \$250.00 of confirmed expense by the employee. The City funds this HRA on an as needed basis, but it appears that the commitment is there for full funding if needed by the employees.

If the City chooses to enroll into a High Deductible Health Plan, we would recommend that the City combine this \$135,000.00 with the potential savings over your current plan of \$107,280.00 for a total of \$242,280.00 and distribute it 25% quarterly to each eligible employees Health Savings Account. This represents approximately \$2,400.00 for each employee. The deposit to the HSA would forever belong to the employee for their own use to offset current and future medical bills for themselves or their dependents.

This would further reduce the maximum out of pocket exposure for the employee and their family, while promoting first dollar expense monitoring by the employee as they are now using their own HSA money for costs associated with medical care.

The employee would also be eligible to contribute to the HSA account up to the maximum allowed each year. For 2008 the maximum for an individual is \$2,900.00 and for a family the maximum contribution is \$5,800.00 This amount will raise each year and there are catch up provisions for those employees over age 55.

The current HRA plan could be terminated. If any employee is not eligible for a HSA plan due to spousal coverage or Medicare eligible, the contribution of \$2,400.00 can be distributed out as salary or you can set up a Flexible Spending Account for un-reimbursed medical and use that as a vehicle to deliver a tax free benefit to the employee.

Contributions to the HSA, or FSA/URM accounts would not be taxable income to the employee so the City would save on FICA and ESC costs too. HSA's are self monitored by the employee so the Human Resource Department does not have to administer the reimbursement program for those participants, freeing up their valuable time for other issues.

We can at your request provide power point presentations to your employees explaining the benefits and attributes associated with the HSA programs. We also explain the responsibility that is now given to the employee regarding maintenance of the HSA. We have made these presentations several times over the past years so that the employees and management understands the program.

We truly believe that the HSA is the future plan for virtually every employer as a way to encourage first dollar maintenance and monitoring by employees of their own health care costs.

**4.16. Provide a copy of the most recent year's annual report.**

Enclosed is a copy of our annual report data supplied to the stockholders and board of directors on October 16, 2007 for the fiscal year ending on June 30, 2007.

The report contains the following information:

- ♦ June 30, 2007 income and expense statement.
- ♦ June 30, 2007 balance sheet.
- ♦ October 16, 2007 annual stockholders meeting agenda.
- ♦ October 16, 2007 annual board of directors meeting agenda.
- ♦ June 30, 2007 listing of corporate stockholders.
- ♦ June 30, 2007 listing of stockholder share value.

**(Rider #8, TAB 9)**

**“THIS IS PROPRIETARY AND CONFIDENTIAL INFORMATION”**

**4.17. Complete disclosure of any alleged significant prior or ongoing contract failures, contract breaches, any civil or criminal litigation or investigations pending which involves the proposer or in which the proposer has been judged guilty or liable.**

Combs Insurance Agency, Inc. has never been involved with any prior or ongoing contract failures, contract breaches, or any civil or criminal litigation or investigations described above.

**4.18. Proposer shall include any existing or potential conflict of interest relative to the performance of the contractual services resulting from the RFP.**

Combs Insurance Agency, Inc. does not have any existing or potential conflict of interest relative to the performance of the contractual services resulting from the RFP.

**4.19. Provide at least two client references.**

The following entities were solicited for reference responses to the City of Wasilla.

Mat-Su Services for Children & Adults, Inc.  
Sharon Hein, Human Resource Manager  
Telephone: (907) 352-1200  
FAX: (907) 352-1249  
E-mail: shein@mssca.org

Mat-Su Health Services, Inc.  
Angela Stein, Human Resource Manager  
Telephone: (907) 352-3201  
FAX: (907) 352-3363  
E-mail: astein@matsuhealthservices.org

Alaska Open Imaging Center, LLC.  
Becky DeBusk, Human Resource Manager  
Telephone: (907) 352-9235  
FAX: (907) 352-9232  
E-mail: becky@alaskaopen.com

Matanuska Susitna Borough, Inc.  
Lisa Reeves, Benefits Specialist  
Telephone: (907) 745-9504  
FAX: (907) 745-0886  
E-mail: lreeves@matsugov.us

**5. Cost and payment.**

Combs Insurance has included the "COST PROPOSAL" under separate cover as outlined under submittal requirements **6.15**.

# CITY OF WASILLA

•Purchasing•

290 East Herning Avenue • Wasilla • Alaska • 99654-7091

• Telephone 907-373-9047 • Fax 907-373-9011 •

## REQUEST FOR PROPOSALS

No. 0693-0-2008/WM

Health Insurance Broker Services

FINAL SCORES

Qualifications Score						
	Scorer #1	Scorer #2	Scorer #3	Scorer #4	Scorer #5	Total
Combs	36.5	72.5	65.5	41.5	51.0	267.0
Frazier	34.5	37.0	37.0	37.0	35.0	180.5
Mercer	36.5	37.5	45.5	60.5	51.5	231.5
Wilson	47.0	39.5	32.5	58.0	62.5	239.5

Fee Structure Score		
	Cost	Points
Combs	\$ 108,000.00	43.4
Frazier	\$ 37,500.00	125.0
Mercer	\$ 90,000.00	52.1
Wilson	\$ 118,000.00	39.7

Total Score		
Combs	267.0 + 43.4	310
Frazier	180.5 + 125	306
Mercer	231.5 + 52.1	284
Wilson	239.5 + 39.7	279