Memorandum

MIAMI-DADE COUNTY

Date: October 8, 2008

EDHS Workshop
Agenda Item No. 2(D)

To: Honorable Chairperson Audrey M. Edmonson
and Members, Economic Development and Human Services Committee

From: George M. Burgess
County Manager

Subject: Report regarding Taxicab Chauffeur Health Insurance

This report is being provided in response to requests made at the April 23, 2008 Economic Development and Human Services Committee Taxicab Workshop for staff to review the feasibility of using advertising revenues or other alternatives to assist with the healthcare insurance cost for taxicab chauffeurs, the possibility of taxicab chauffeurs being insured through the County's insurance plan, and personal liability protection for taxicab chauffeurs.

According to the U.S. Census Bureau statistics, the lack of universal health insurance coverage in the United States adversely affects 47 million people or some 15.8 percent of the nation's population. This data also shows that the problem is more severe in Florida with nearly 20.5 percent lacking health insurance coverage. A study released by the University of Florida revealed that nearly 600,000 Miami-Dade residents, or about 29 percent of those under 65, were without health insurance. Taxicab chauffeurs generally represent a largely disadvantaged population with inadequate access to health insurance. Because they are classified as independent contractors, they do not receive employment–based health coverage. In addition, their low income levels place the cost of private individual health policies out of reach for most chauffeurs

As independent contractors, chauffeurs do not have access to a single employer or group of employers who can serve as a group policy holder. Additionally, there is currently no other entity, such as a union or professional association where the majority of chauffeurs are active members. This does not afford them the ability to collect contributions, make premium payments on a consistent basis, and guarantee high participation levels for the group. The relative instability of the taxicab chauffeur group and perceived hazards of the job make it an unattractive risk to underwrite. Based on these reasons, it appears that private market alternatives are only feasible if mandatory participation in a single group were required of chauffeurs. Even with this condition, the initial start-up of any program would likely be difficult.

The lack of health insurance coverage among taxicab chauffeurs is not unique to Miami-Dade County. A 2007 nationwide survey (attached) conducted by the International Association of Transportation Regulators (IATR) found that of all cities surveyed, only Las Vegas, a city where taxicab chauffeurs are employees of taxicab companies, affords health benefits to chauffeurs. The New York City Taxi and Limousine Commission (TLC) provides outreach and enrollment assistance to link qualifying chauffeurs and their families to New York State's health insurance programs for low-income residents. San Francisco tried for several years to create a health insurance program for taxicab chauffeurs whereby the public, chauffeurs, medallion holders, companies, and the City would contribute to pay for the program. However, the program was rejected by the City's Board of Supervisors due to concerns relating to high costs and overlap with the City's existing Health Plan which provides health care benefits to all low and middle-income residents of San Francisco.

The Consumer Services Department (CSD), General Services Administration (GSA)-Risk Management and the Office of Countywide Healthcare Planning (OCHP) reviewed potential options for the purposes of this report. Listed below are their findings and recommendations.

Miami-Dade County–BlueCross BlueShield Low Cost Comprehensive Health Insurance Product
This three-year pilot program, approved by the Board on May 20, 2008, is a plan co-designed by Blue Cross Blue Shield of Florida, Inc. and OCHP which offers residents the opportunity to purchase health insurance for themselves and their families with affordable monthly payments. This healthcare program is an innovative approach to insurance coverage and has the potential of becoming a replicable model for other communities and agencies throughout Florida and the US. This option is generally believed to be the best available option for addressing the healthcare needs of taxicab chauffeurs.

The plan targets the estimated 600,000 residents countywide under the age of 65 who are unable to afford private health insurance, and who are ineligible for other public programs such as Medicaid. The program includes primary and specialty care, inpatient services, diagnostic services, and pharmacy benefits. The proposed monthly premiums are as low as $69 monthly for a 19-year-old male. The approximate median age of uninsured residents, age 35, can receive coverage for $110 (males) and $122 (females) monthly. The median age of Miami-Dade County taxicab chauffeurs is 49 years old. According to the proposed rates, they will pay a monthly premium of $187.94 (males) and $202.90 (females). Coverage requires a medical review and is issued on an individual basis. This means that individuals with some severe chronic diseases may not qualify. The rates established under this product are subject to review and approval by the Florida Office of Insurance Regulation and are based on a low cost provider network which must be developed (negotiations are currently underway).

The product's Go-Live date is scheduled for July 1, 2009, which is when coverage will begin. Initial enrollment is scheduled to begin May 2009. CSD may be able to provide outreach and enrollment assistance to Miami-Dade County taxicab chauffeurs who may be eligible, similar to the role played by the TLC in New York.

Florida Health Insurance Program
At the State level, another alternative for healthcare coverage is the "Cover Florida" Plan, which was signed into law by Governor Charlie Crist on May 21, 2008 and is slated to begin January 2009. Under this healthcare plan an insurer is permitted to provide limited coverage plans at reduced premium costs, much like the County's plan. The policies would be available to any Floridian, between the ages of 19 and 64, who has been uninsured for at least six months. All plans will be "guarantee issue," meaning individuals can't be turned down due to a pre-existing acute medical condition. In addition, the individual must not be eligible for public insurance programs.

In order to make the policies affordable (at an estimated cost of $150 per month), the State of Florida is permitting insurers to offer policies that do not include many of the 52 services that standard policies must currently cover. There will be two types of plans offered: those that provide primary and medical office-based care and those that provide hospital care. These low-cost plans will include preventive services, office visits, screenings, surgery, prescription drugs, durable medical equipment and diabetes supplies. In order to keep the plans low in cost, hospital visits may be limited to a number of days or by a cap in covered expenditures. Finally, the plan permits parents to cover their children until the age of 30, while in the past coverage ended at 25.

Details regarding the cost, services and providers of the "Cover Florida" Plan are currently limited. This program provides some of the low-cost benefits of traditional health insurance programs provided by employers; however, it does not require an employer-employee relationship in order to obtain coverage under the plan. This program may be a viable option for taxicab chauffeurs who may otherwise be unable to acquire health insurance coverage.

County Employee Health Insurance Plan
CSD staff met with GSA Risk Management to determine the feasibility of taxicab chauffeurs being insured through the County's Health Insurance Plan. Staff strongly recommends against allowing taxicab chauffeurs into the County's Health Insurance Plan. The County's consultant has advised that if the County were to begin covering individuals who are not employees, and who do not have any type of relationship with County employees, there is a great concern that the County's plan will cease to be an "accident and health plan" for purposes of Internal Revenue Code Secs. 104 and 105. That could result in adverse tax consequences for all County employees currently enrolled in the plan.

The potential financial impact on the County's self insured plan cannot be predicted. Given staff's understanding of the lack of insurance benefits available to this group, as well as the nature of the job they perform, it is likely they may have chronic medical conditions which require care. This may drive up the overall costs of the County's program and result in increases to those County employees currently paying for dependent premiums. If the alternative were to price this group separately, it is likely that the costs would be price prohibitive.

The inclusion of taxicab chauffeurs also presents a number of significant administrative concerns. Among those would be reporting of participants, collection of premiums, programming requirements, and the need to re-negotiate our contract with AvMed since the inclusion of this group was not contemplated in the agreement and would necessitate additional services.

Taxicab Advertisement Revenues
At the Taxicab Workshop, a speaker suggested that revenue from advertising could be used to support health insurance coverage for taxicab chauffeurs. Miami-Dade County Code allows the display of third-party advertisements on the outside or inside of a taxicab provided that approval is given by CSD. Various types of advertisements have been authorized, including roof top, body wrap and hubcap advertisements. Currently, almost 600 taxicabs display advertising.

Advertisers normally pay the vehicle owner a fee (typically $50 per month) for the right to place advertising on its vehicle. In many cases chauffeurs receive no benefit from this since they may not be the vehicle owner. It is estimated that only 30 percent of taxicab chauffeurs own their vehicles. There are some jurisdictions that require a permit fee to place advertising on taxicabs. These are typically nominal fees, such as $100 per year or per advertising campaign, and are used to support regulatory activities.

A new form of taxicab advertisement is being tested in other jurisdictions which places LCD monitors on rooftop advertisements. These advertisements appear on a digital display and also include global positioning technology. The advertisements are programmed to appear at specific locations and as a vehicle enters a location the advertisement may change. This system allows an advertiser to target a specific geographical area. It also permits a large volume of advertisements in the same location on one vehicle without compromising the color scheme of the taxicab. Due to the potential for a larger number of advertisements, it is estimated that the monthly fee paid to vehicle owners would range from $75 and $125.

This technology may generate additional income for the passenger service companies, medallion holders and the 30 percent of chauffeurs who own their taxicab vehicles; however, it cannot be determined whether chauffeurs would direct the additional revenue to offset the cost of acquiring health insurance coverage.

Personal Liability Protection/Personal Injury Protection
In addition to reviewing healthcare alternatives for taxicab chauffeurs, staff was directed to review personal liability protection/personal injury protection (PLP/PIP). PLP/PIP varies from state to state. In some states, including Florida, PLP/PIP coverage is mandatory.

Pursuant to Florida Statute 324.032, a taxicab is required to hold a motor vehicle liability policy with specified minimum limits; however, taxicabs are excluded from obtaining personal injury protection insurance (PIP) based on Florida Statute 627.733(1) and Florida case precedent. CSD has determined that in Maryland, which has a similar statutory exclusion, courts have ruled that the exclusion does not apply if the taxicab chauffeur owns his/her own personal vehicle with PIP coverage. The Maryland Supreme Court found that if a taxicab chauffeur is in an accident while driving a taxicab, but owns his/her own personal vehicle with PIP coverage, he/she is covered under their personal policy. Staff is aware that some taxicab chauffeurs in Florida may have filed claims under the PIP coverage on their own personal vehicle for accidents involving a taxicab. Florida courts have not specifically addressed this issue.

Due to the State's exclusion on taxicab PIP, a feasible alternative may be accidental death and dismemberment insurance (ADD). The Taxicab, Limousine and Paratransit Association (TLPA), an industry professional association, has partnered with AIG Accident & Health Division, a subsidiary of American International Group, Inc. (AIG), to develop a customized package specifically tailored to the needs of for-hire chauffeurs. Under this arrangement, the ADD coverage is placed on the vehicle to prevent it from being considered a benefit through an employer-employee relationship. The chauffeur need not be a member of the TLPA in order to participate. The ADD coverage may be offered through the taxicab company, which is the preferred method for AIG; however, an individual chauffeur may contact the TLPA to arrange for an application in order to receive ADD benefits. There are no fees associated with the application. All authorized chauffeurs of a covered vehicle will receive the policy benefits.

In order to recover from the accidental death and dismemberment policy, a chauffeur while operating the vehicle must have sustained an injury covered by the policy (including assault and battery). In addition, the chauffeur may choose to include accident medical expense coverage which may cover the usual and customary charges incurred for medical services received by the chauffeur due to a covered injury. This coverage is per accident (up to $10,000 after a $250 deductible). Also, a chauffeur may include weekly accident indemnity coverage to pay the chauffeur up to $200 weekly for up to 13 weeks. This coverage may be initiated as a result of an injury occurring during covered activity that rendered the chauffeur totally disabled within 30 days of the accident that caused the injury. Based on staff's discussion with the insurer the cost would be under $50 on a monthly basis and coverage may be obtained on an individual basis. Additional information regarding this coverage is attached.

Three options have been identified for disseminating/providing ADD policy coverage to chauffeurs. The first is requiring Passenger Service Companies (PSC) to provide chauffeurs with information regarding ADD policy coverage, which the chauffeur would then access on their own. In selecting this option, it may be difficult to monitor the information that the PSC is providing to drivers, or to control whether the information actually gets into the hands of all drivers. The second option is for the CSD to provide this information to chauffeurs during the chauffeur training program. Should the CSD disseminate information about the TLPA-sponsored ADD policy coverage, there may be concern as to whether the County is endorsing a particular ADD policy plan as there may be other providers who offer ADD policy

coverage. Both of the aforementioned options may leave chauffeurs who lease vehicles through fleet operators, rather than owning their own vehicles, without the opportunity for coverage.

The final option is to require the medallion holder or entity providing passenger services to provide the ADD policy coverage, just as they are presently responsible for providing liability insurance coverage. If this option is selected, there is a possibility that the cost will be passed through to chauffeurs at a rate even higher than the actual cost to buy the coverage as an individual. State law prohibits the County's regulation of taxicab lease rates. Notwithstanding this concern, this option is the most beneficial and would extend coverage to all chauffeurs. A Code amendment is required to implement this option.

Please do not hesitate to contact me directly at 305-375-1880 or CSD Director Cathy Grimes Peel at 305-375-5952 if you have any questions regarding this matter.

Attachments

c: Honorable Carlos Alvarez, Mayor
Honorable Chairman Bruno A. Barreiro and Members,
Board of County Commissioners
Denis Morales, Chief of Staff, Office of the Mayor
Alina Hudak, Assistant County Manager
Susanne M. Torriente, Assistant County Manager
Cathy Grimes Peel, Director, Consumer Services Department
Wendi Norris, Director, General Services Administration
Janet Perkins, Director, Office of Countywide Healthcare Planning.
Mario Goderich, Deputy Director, Consumer Services Department
Joe Mora, Director, Passenger Transportation Regulatory Division

SURVEY OF SOCIAL BENEFITS FOR TAXICAB DRIVERS, APRIL 2007

Jurisdiction	No. of Taxicabs	How Permitted	Independent Contractors or Employees	Lease Drivers or Owner/Drivers	Lease Cost	Est Lease Driver Hourly Net Wage	Est Owner/Driver Hourly Net Wge	Health Care Benefits (Describe Components)	Workers Comp Benefits (Describe Components)	Mandatory or Optional	Cost of Benefits	How Financed
Anchorage, AK	162	individual permits	independent contractors	combination	capped at $85 per day shift and $75 per night shift	estimated at $15 per hour	estimated at $15 per hour	none	none	not mandated	n/a	n/a
Atlanta, GA	1,600	indivdual permits, mainly associated with authorized vehicle for hire companies	company decides status, generally considered as independent contractors	combination	$70 per shift to $500 per week	no info	no info	unknown, doubt if any is provided	unknown, doubt if any is provided	not mandated	n/a	n/a
Austin, TX	669	franchised companies; 455 + 159 + 55 pending vehicle authorities	company decides status, all are independent contractors at present	combination	varies, not tracked	no info	no info	none	none	not mandated	n/a	n/a
Broward County, FL	877	individual permits with various companies	company decides status, generally considered as independent contractors	combination	varies, not tracked	no info	no info	none that we are aware of	none that we are aware of	not mandated	n/a	n/a
Chicago, IL	6,500	individual licenses which may include multiple licenses to a single company; must affiliate with a color scheme and dispatch - 25 current affiliations (color scheme operators, ranging in size from 10 to 1,500 cabs) - also have independent owner/operators - 300 of which are not affiliated	independent contractors	combination	max rates of $63 per 12 hour shift; $85.50 per day; $513 weekly with vehicle with repairs & maint; $300 max medallion only rental	no info	no info	none	mandatory for lease drivers - $1,000,000 each accident and $1,000,000 each employee	worker's comp is mandatory for lease drivers, optional for owner operators	unsure, premiums vary based on driving history	owners collect $4.50 per shift to cover partial cost of worker's comp insurance
Columbus, OH	500	300 individual permits & 200 company permits	independent contractors	combination	no info	no info	no info	none	none	not mandated	n/a	n/a
Dallas, TX	2,022	13 companies have annual operating authorities ranging from 33 to 824 vehicles	independent contractors	combination	varies, not tracked	no info	no info	none	none	not mandated	n/a	n/a
Fairfax Co., VA	576	four companies ranging from 67 to 283 vehicle authorities		combination	$425 to $600 per week	$12 to $21 per hour	slightly higher than lease drivers	some companies provide hmo health care benefits with no dental	none	not mandated, drivers choice	$396 per month when offered	driver pays for coverage, when offered
Fortworth, TX	255	individual permits to franchised companies ranging from 25 to 200 vehicle authorities	independent contractors	combination, driver lease from fleet owners	varies, not tracked	no info	no info	none that we are aware of	none that we are aware of	not mandated	unknown, if any	unknown, if any

SURVEY OF SOCIAL BENEFITS FOR TAXICAB DRIVERS, APRIL 2007

Jurisdiction	No. of Taxicabs	How Permitted	Independent Contractors or Employees	Lease Drivers or Owner/Drivers	Lease Cost	Est Lease Driver Hourly Net Wage	Est Owner/Driver Hourly Net Wge	Health Care Benefits (Describe Components)	Workers Comp Benefits (Describe Components)	Mandatory or Optional	Cost of Benefits	How Financed
Honolulu, HI	no cap	individual permits w/ drivers contracting with companies for dispatch services	independent contractors	owner/drivers	n/a	n/a	no info	unknown	unknown	not mandated	n/a	n/a
Houston, TX	2,245	144 companies	independent contractors	combination	$70-100 per shift	no info	no info	none	none	not mandated	n/a	n/a
Los Angeles, CA	2,303	nine franchises ranging from 70 to 739 vehicle authorities (permits) each	independent contractors	67% lease drivers; 33% owner/drivers	$500 per week	estimated at $12-$17 per hour (with tip)	estimated and $13-$18 per hour (with tip)	none	none, companies provide $25-100K ad&d for drivers while working including some personal injury hospitalization & disability coverage by a few operators	not mandated, drivers may request franchisee to provide common health care plan at drivers expense	n/a	n/a
Miami-Dade County, FL	2,080	individual license holders, may hold more than one permit	independent contractors	combination	$300/wk no radio; $450/wk with radio dispatch	no info	no info	none	none	not mandated	n/a	n/a
Nashville, TN	524	seven companies have been issued taxicab certificates ranging from 15 to 120 vehicle authorities	company decides status, independent contractors at present	combination	varies by company and shift	no info	no info	none	none	not mandated	n/a	n/a
New York, NY	13,034	individual permits with some fleets	independent contractors	combination	max caps of $666 per shift weekly with daily ranging from $105 to $129	approx $13 net wage per hour prior to tips or other fares		none thru taxi industry, some drivers may qualify for the state run "Health Plus" program based on lower income levels	yes, paid for by medallion owners for lease drivers	health care not provided by taxi industry but worker's comp is mandated via state law	no info	worker's comp by medallion owners
Oakland, CA	318	individual permits issued to about 31 companies, 5 large companies	employees	combination	fees vary by company	no info	no info	none	none	not mandated	n/a	n/a
Orange County, CA	764	permits cabs and drivers for over 32 cities in the county, including 21 companies and 1,119 drivers	no stance by county	no info	no info	no info	no info	unknown	unknown	not mandated	n/a	n/a
Phoenix, AZ	819 in City; 213 at Sky Harbor Airport	permits to companies (3 providers at airport using 71 cabs each)	independent contractors	combination	daily lease caps of $93; $15 and $130 for the three airport providers	no info; ave 9 mile airport trip = $22 approx fare per trip without waiting charges or tips		none	none; state is currently reviewing legislation re: workman's comp for indep. contractors	not mandated	n/a	n/a

SURVEY OF SOCIAL BENEFITS FOR TAXICAB DRIVERS, APRIL 2007

Jurisdiction	No. of Taxicabs	How Permitted	Independent Contractors or Employees	Lease Drivers or Owner/Drivers	Lease Cost	Est Lease Driver Hourly Net Wage	Est Owner/Driver Hourly Net Wge	Health Care Benefits (Describe Components)	Workers Comp Benefits (Describe Components)	Mandatory or Optional	Cost of Benefits	How Financed
Philadelphia, PA	1,670	1600 medallions plus five partial rights companies (70 vehicles total) that can only place vehicles in certain areas of the city	medallion holder decides status, generally considered as independent contractors	combination	max - $570/wk medallion owned; $420/wk driver owned	no info	no info	none	none	not mandated	n/a	n/a
San Antonio, TX	788	12 companies ranging from 7 to 525 vehicles in size and 12 cooperatives ranging from 7 to 24 vehicles	independent contractors	combination	about $100 per day	no info	no info	none	none	not mandated	n/a	n/a
San Diego, CA	1,180	individual permits and permits to companies	owner decides status, independent contractors at present	combination	about $350 per week	no info	estimated at about $200 daily revenue	none	some owners provide $25K ad&d through vehicle insurance	not mandated	n/a	n/a
San Francisco, CA	1381 + 50 pending	956 individual medallion holders (who must drive at least part time) and 34 companies	independent contractors per prop K but may be treated as employees in regard to health care and workers comp benefits	combination	capped at $91.50 per shift	driver income estimated from $24,000 to $70,000 per year		none at present; working on program whereby the public, drivers, medallion holders, companies, and the city all pay part of program	taxi companies who lease the medallions must provide workers comp to the drivers	worker's comp has been mandated for some time; health care review requested, with Commission recommendations for program coverage and cost layout provided to Board of Supvrs	health care costs can vary, but looking at about $240 cost per participating driver (4,000 drivers estimated)	worker's comp by co.; plans to spread health insurance costs
San Jose, CA	500	individual permits to 15 different companies	independent contractors	combination	$275 to $800 per week	no info	no info	none	some amount of workman's comp provided thru cab companies	not mandated	workman's comp - approx $6,000 per year	lease fees paid by the driver covers workman's comp costs
Seattle & King County, WA	651 active in Seattle; 502 in King County	651 individual permits with 6 associations in Seattle; King County - individual permits issued to associatons and coops - largest has 344 permits and an owner usually has 1 to 2 vehicles	owner decides status, independent contractors at present	combination - 80% lease drivers; 20% owner/drivers in Seattle	approx $85 per shift; varies by shift & dispatch company	approx $10 per hour		none	state pays driver worker's comp claims & is investigating how to recover money from taxicab industry	not mandated	no info	state currently pays for worker's comp claims
St. Louis, MO	1,000	individual permits to about 100 owners and 2,000 drivers	most are independent contractors	owner drivers	n/a	n/a	no info	none	none	not mandated	n/a	n/a

MEMORANDUM

Agenda Item No. 14(A)(12)

TO:	Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners	**DATE:**	May 20, 2008
FROM:	R. A. Cuevas, Jr. County Attorney	**SUBJECT:**	Resolution approving Miami-Dade County BlueCross BlueShield of Florida, Inc. co-designed insurance produce for the uninsured residents of Miami-Dade County

This resolution was amended by the Health and Public Safety Committee to delete the words stricken through and to add the words underlined, as indicated in the item.

The accompanying resolution was prepared and placed on the agenda at the request of Commissioner Joe A. Martinez and Commissioner Carlos A. Gimenez.

R. A. Cuevas, Jr.
County Attorney

RAC/bw

Memorandum

MIAMI-DADE COUNTY

Date: May 20, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

Agenda Item No. 14(A)(12)

From: George M. Burgess
County Manager

Subject: Resolution recommending approval of the Miami-Dade County - BlueCross BlueShield of Florida, Inc. co-designed low cost comprehensive health insurance product for the uninsured residents of Miami-Dade County, and authorization to finalize a no-cost contract for a three-year pilot implementation.

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) approve the attached Miami-Dade County - BlueCross BlueShield of Florida, Inc. (BCBSF) co-designed low cost comprehensive health insurance product (Product) for uninsured residents of Miami-Dade County; and that the Board authorize the County Mayor or designee to finalize a no-cost contract with BCBSF for a three-year pilot implementation.

SCOPE

The pilot implementation of the Product would be made available to uninsured residents Countywide.

FISCAL IMPACT/FUNDING SOURCE

The no cost contract with BCBSF protects Miami-Dade County government from being responsible for financing the Product through general revenue. The Office of Countywide Healthcare Planning (OCHP) has been charged with the successful design of the Product, and upon Board approval, will work with BCBSF to refine the design during the pilot and will monitor and evaluate the outcomes. OCHP will perform these responsibilities within its existing staff. BCBSF will bear the cost of obtaining regulatory approval of the Product, preparing the marketing plan and marketing materials, obtaining media purchases and member enrollment, as well as taking all claims risk.

TRACK RECORD/MONITOR

BCBSF has more than 60 years of health care experience in Florida with a demonstrated commitment to providing affordable health care solutions to Floridians. BCBSF has a proven track record of financial stability, strong reserves, quality provider networks, value-added services and high customer satisfaction. BCBSF also has extensive experience in developing both limited benefit health insurance products as well as innovative health insurance products and with obtaining the required regulatory approval to deploy such products. OCHP staff will closely monitor enrollment and service utilization as reported by BCBSF, and will work with BCBSF to engage in continuous quality improvements throughout the three-year pilot. BCBSF has agreed to contract with the safety-net providers at market rates, thus providing new points of access to enrolled members and a new source of income to the safety-net providers. OCHP will closely monitor the impact on these providers. Staff will provide updates after the first six months, and quarterly oral reports to the Health and Public Safety Committee for the duration of the pilot.

BACKGROUND

BCC Healthcare Task Force, established by Ordinance (No. 05-169) through County Commissioner Joe A. Martinez's leadership, recommended that the County develop a low cost health insurance product to help decrease the significant number of County residents who lack health insurance and the growing demand for charity care. Sponsored by Commissioner Martinez and approved by the Board on

December 4, 2007, Contract No. 8347: Limited Benefits Insurance Product, directed staff to work collaboratively with BCBSF to co-design a comprehensive insurance product with very low premiums and cost-sharing (deductibles and co-pays). The proposed Product was to be brought back to the Board for its approval to initiate a pilot implementation by BCBSF, in collaboration with OCHP, for three (3) years.

Target Population & Goals – This Product is targeted to the estimated 600,000 uninsured County residents under age 65, many of who are unable to afford existing private health insurance and who do not qualify for public programs (such as Medicaid and KidCare). Small group employers who employ less than fifty employees and have been unable to purchase cost effective health insurance, will be targeted for the group coverage product. It is staff's intention that eligibility for the Product shall not be contingent upon immigration status and citizenship.

The measurable goals of this pilot implementation and post-pilot full implementation are to (1) increase the number of insured; (2) achieve increased sustainability for safety net providers, including Jackson Memorial Hospital, its broader Jackson Health System and Federally Qualified Health Centers; (3) reduce avoidable visits to the ER and avoidable hospital admissions; (4) establish a "Medical Home" for enrollees who will have access to a full spectrum of services from primary to inpatient care; and ultimately, over time, (5) a healthier Miami-Dade County resident population. It is projected that in the first 12 months of enrollment, there will be approximately 4,000 to 6,000 new enrollees in the Product.

Design Features – A unique Product has resulted from this collaboratively designed effort between the County (through OCHP) and BCBSF. No known similar product exists locally, statewide, or nationally. This new type of product combines features of indemnity insurance and the more common coinsurance model in a way that maximizes benefits while offering an affordable premium and member out-of-pocket structure. Attachment A, "Key Points," provides a summary of the unique features of this co-designed product.

This co-designed Product includes comprehensive benefits including primary and specialty care, inpatient (hospital) services, diagnostic services, and pharmacy benefits. This Product will incorporate Chronic Disease Management and Emergency Room alternatives to increase healthcare efficiencies, decrease cost of charity care and improve health outcomes. Refer to attachment B, "Benefits Overview Matrix," for a list of benefits for individual and group plans and their corresponding deductibles, coinsurance and co-payments.

Swipe card technology will be used to facilitate eligibility, benefits, and payment to providers, thereby lowering administrative costs. The significant elements of BCBSF's commercial network will be combined with local safety-net providers, including participating Federally Qualified Health Centers and the Jackson Health System. This will ensure a broad provider network with community based access to primary care.

As a result of the co-design process, persons will be able to purchase this Product for a planned monthly premium as low as $69 for a 19-year-old male with the premium for the uninsured population approximate median age of 35 being $110 per month for a male (these monthly premium rates are subject to review and approval by the Florida Office of Insurance Regulation and are based on a low cost provider network which must be developed with negotiations currently underway). Attachment C, "Proposed Rates," provides individual and group planned monthly premiums by gender and age cells. During the implementation process, BCBSF, in collaboration with OCHP, will continue to improve the cost effectiveness of the Product. Enrollees will have unlimited visits to both primary and specialty

physicians with little or no co-payments after an insurance paid allowance of $50 per visit and the certainty, that if a catastrophic hospitalization occurs, the most they will pay in a year is $2,500. The benefits would continue up to a Lifetime Maximum of $5,000,000.

The Product will be offered to both individuals and small businesses. The group product is what is a 'guaranteed issue' product and will be provided regardless of health status to all employees being enrolled though it will have some pre-existing condition exclusions. The individual product will be 'medically underwritten' which means that some individuals with certain health conditions may not be eligible for enrollment. Individuals who are not eligible for enrollment will be offered a lower cost product on a guaranteed issue basis that covers primary and specialty physician office visits and that provides a pharmacy benefit. This guaranteed issue product will provide the same local access to physician services and will have the goal of aiding individuals in transition into an underwritten, broader spectrum product. OCHP and BCBSF will collaboratively monitor the progress of these individuals, assist them in better managing their conditions and re-offer, as appropriate, the more comprehensive Product. OCHP will report, by Commission District, on the progress of this parallel program with the goal of continuously increasing the number of individuals eligible for enrollment in the comprehensive co-designed MDC/BCBSF product.

Next Steps – Upon Board approval of Staff's proposal (with or without any added options outlined in Attachment D, "Additional Benefit Options"), Staff will finalize a contract with BCBSF for the Board's approval. BCBSF will prepare the application to the Florida Office of Insurance Regulation for approval including the Product description, pricing and marketing materials. Additionally, BCBSF will develop a comprehensive marketing plan to reach the target population. To the extent permitted by State statute and regulation, the marketing and enrollment process will utilize community-based resources such as community-based providers and social service agencies to assist individuals in applying to BCBSF for this Product. Neighborhood events may be used to both enroll and educate members to help ensure that enrolled members understand how to utilize their benefits.

Over the next several months the County, through OCHP, will continue to work collaboratively with BCBSF to ensure that the Product and the implementation processes are completed in a way that meets the objectives of the County. BCBSF will negotiate with providers to develop agreements, apply for Florida Office of Insurance Regulation approval for the plan and rate filings, develop marketing materials and outreach plan, commence sales, implement marketing campaign during March-April 2009, and begin enrollment in May for an effective date of July 1, 2009.

Assistant County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: May 20, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 14(A)(12)

Please note any items checked.

✓ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised

____ 6 weeks required between first reading and public hearing

____ 4 weeks notification to municipal officials required prior to public hearing

____ Decreases revenues or increases expenditures without balancing budget

____ Budget required

____ Statement of fiscal impact required

____ Bid waiver requiring County Manager's written recommendation

____ Ordinance creating a new board requires detailed County Manager's report for public hearing

____ Housekeeping item (no policy decision required)

____ No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 14(A)(12)
5-20-08

RESOLUTION NO. _____

RESOLUTION APPROVING THE MIAMI-DADE COUNTY - BLUECROSS BLUESHIELD OF FLORIDA, INC. CO-DESIGNED INSURANCE PRODUCT FOR THE UNINSURED RESIDENTS OF MIAMI-DADE COUNTY, AND AUTHORIZING THE COUNTY MAYOR OR DESIGNEE TO FINALIZE A NO-COST CONTRACT FOR A THREE-YEAR PILOT IMPLEMENTATION

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the Miami-Dade County - BlueCross BlueShield of Florida, Inc. co-designed insurance product for uninsured residents of Miami-Dade County including specified benefits, premiums, co-payments, coinsurance, and deductibles; ~~and~~[1] authorizes the County Mayor or designee to finalize a contract with BlueCross BlueShield of Florida, Inc. for a three-year pilot implementation of the co-designed product in substantially the form attached hereto and made a part hereof, and to submit the same for approval by this Board, and directs the Public Health Trust, through its Jackson Health System, to participate in the outreach and education efforts related to the new product.

[1] Committee amendments are indicated as follows: words double stricken-through are deleted, words double-underlined are added.

The foregoing resolution was sponsored by Commissioner Joe A. Martinez and Commissioner Carlos A. Gimenez and was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman
Barbara J. Jordan, Vice-Chairwoman

Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 20th day of May, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. HB

Hugo Benitez

ATTACHMENT "A"

Miami-Dade County/BlueCross BlueShield of Florida

Low Cost Comprehensive Health Insurance Product

Key Points

- Unique Health Insurance Product Never Before Available – *Combines Low Cost Premiums + Comprehensiveness + Cost-Saving Strategies*
  - Low Premium = $110 for 35 yr old male/$122 for 35 yr old female (approximate median age of uninsured MDC population)
  - "Allowance" for Office-Based Primary & Specialty (old-style indemnity – keeps costs down for greatest service utilization)
  - 90/10% (BCBSF/member) split for hospital-related care (low cost share, post deductible/max out-of-pocket – when its needed most)
- High Value
  - $50 -- Allowance pays all but small co-pay (estimated: $10-$20) of average discounted routine physician visit
  - $2,500 – Maximum Annual Out-of-Pocket
  - $5 million -- Lifetime Maximum Benefit
- Accessibility and Sustainability
  - Broad network includes: traditional BCBSF providers + safety net
  - Market-based negotiated rates
  - Guaranteed Issuance = group product (with pre-existing exclusions)
    - Individual product = will exclude some individuals from coverage; however a *collaborative transitional initiative* will be available (to assist some individuals in qualifying for other underwritten product)
- Features
  - Insurance Company's Swipe Card (not a government program)
  - Electronic Record -- target = full electronic bill and patient file (Availity©)
  - Disease Management and ER alternatives (nurse line, web-based info and Urgent Care Centers)

ATTACHMENT "B"

Miami-Dade County/BlueCross BlueShield of Florida -- Low Cost Comprehensive Health Insurance Product

Benefits Overview Matrix

Revised: 5-7-08

Proposed - These plans and rates are subject to review and approval by the Florida OIR and are based on a low cost provider network which must be developed with negotiations currently underway.

Benefits	Individual Plan ("medically underwritten" e.g., certain conditions prohibit coverage)	Group Plan ("guaranteed issuance" e.g., certain conditions subject to time limited exclusions)
Estimated Monthly Premiums		
Single Male Age 35 Individual Plan	$110	NA
Single Female Age 35 Individual Plan	$122	NA
Averaged Premium based on Single Males and Females Avg Age of 35 Group Plan (1)	NA	Total Premium $236 Employee Share $118
Calendar Year Deductible (CYD) - Only Applies As Indicated		
In-Network	$250 Deductible (yrly -- hospital & other)	Same as individual (per person)
Out-of-Network	$750 Deductible (yrly -- hospital & other)	Same as individual (per person)
Coinsurance		
In-Network	90% / 10% (BCBSF/member split of Discounted Hospital related)	Same as individual (per person)
Out-of-Network	60% / 40% (BCBSF/member split of Discounted Hospital related)	Same as individual (per person)
Out-of-Pocket Maximum Most a Person Must Pay In Each Year (2)		
In-Network	$2,500 Per Person Per Year	Same as individual (per person)
Out-of-Network	$5,000 Per Person Per Year	Same as individual (per person)
Office Services		
In-Network Family Physician / PCP	$50 BCBSF Allowance (towards Discounted office visit --member pays balance)	Same as individual (per person)
In-Network Specialist	$50 BCBSF Allowance (towards Discounted office visit --member pays balance)	Same as individual (per person)
Lab performed at participating lab (Quest)	Fully Covered	Fully Covered
Out of Network Providers - Office Visits	$50 BCBSF Allowance (towards NON--Discounted office visit -- member pays balance)	Same as individual (per person)
Out of Network Providers - Surgical Services	$750 Deductible + 60% / 40% (BCBSF member split)	Same as individual (per person)
Urgent Care Center - In Network	$50 BCBSF Allowance (towards Discounted office visit --member pays balance)	Same as individual (per person)
Allergy Injection In-Network	$50 BCBSF Allowance (towards Discounted office visit --member pays balance)	Same as individual (per person)
Hospital Services		
Inpatient In-Network	$250 Deductible +90% / 10% (BCBSF/member split of Discounted Hospital Services)	Same as individual (per person)
Inpatient Out-of-Network	$500 Per Admission + $750 Deductible + 60% / 40% (BCBSF/member split of **Non-Discounted** out-of-network Hospital Services)	Same as individual (per person)
Outpatient In-Network - Surgical Services	$250 Deductible + 90% / 10% (BCBSF/member split of Discounted Hospital-based Outpatient Services)	Same as individual (per person)
Outpatient Out-of-Network - Surgical Services	$750 Deductible + 60% / 40% (BCBSF/member split of Non-Discounted out-of-network Hospital Services)	Same as individual (per person)
Emergency Room - In-Network - Surgical	$250 Deductible + 90% / 10% (BCBSF/member split of **Discounted** Hospital Services)	Same as individual (per person)
Emergency Room - In-Network - Non-Surgical	$1,000 Per Visit + $250 Deductible + 90% / 10% (BCBSF/member split of **Discounted** ER non-surgical services, after PAD and deductible)	Same as individual (per person)
Emergency Room - Out-of-Network - Surgical	$750 Deductible + 60% / 40% (BCBSF/member split of Non-Discounted Hospital Services)	Same as individual (per person)
Emergency Room - Out-of-Network - Non-Surgical	$1,000 Per Visit + $750 Deductible +60% / 40% (BCBSF/member split of **Non-Discounted** Hospital Services)	Same as individual (per person)
Benefit Maximums		
Lifetime Maximum	**$5,000,000**	**Same as individual (per person)**
Substance Dependency (Other Than Office Visit)	(Covered for Office Visits only)	Same as individual (per person)
Mental Health (Other Than Office Visit)	(Covered for Office Visits only)	Same as individual (per person)
Hospice	**$5,200 LTM (Life Time Maximum)**	**Same as individual (per person)**
Home Health Care	Not Covered	Same as individual (per person)
Skilled Nursing Facility	Not Covered	Same as individual (per person)
Outpatient Therapy and Spinal Manipulations	**$1,500 Maximum Per Calendar Year**	**Same as individual (per person)**
Preventive Health		
Mammograms (Routine And Diagnostic)	Fully Covered	Same as individual (per person)
Well Child	$50 BCBSF Allowance (towards **Discounted** office visit --member pays balance)	Same as individual (per person)
Adult Wellness	$50 BCBSF Allowance (towards **Discounted** office visit --member pays balance)	Same as individual (per person)
Other		
Independent Clinical Labs	Fully Covered	Same as individual (per person)
Independent Diagnostic Testing Facility	$75 co-pay + BCBSF pays balance of Discounted fee	Same as individual (per person)
Contraceptive Injections	Not Covered	Same as individual (per person)
Prosthetics & Orthotics - Related to Surgical	$250 Deductible +90% / 10% (BCBSF/member split of Discounted Services)	Same as individual (per person)
Durable Medical Equipment - Related to Surgical	$250 Deductible + 90% / 10% (BCBSF/member split of Discounted Services)	Same as individual (per person)
Ambulance Services	$250 Deductible + 90% / 10% (BCBSF/member split) up to a Maximum $400 Per Day Ground & $4,000 Per Day Air/Water	Same as individual (per person)
Ambulatory Surgical Center - In Network	$250 Deductible +90% / 10% (BCBSF/ member split of Discounted Services)	Same as individual (per person)
Ambulatory Surgical Center - Out-of-Network	$750 Deductible + 60% / 40% (BCBSF/member split of Non-Discounted Services)	Same as individual (per person)
Outpatient Therapy and Spinal Manipulations	$250 Deductible + 90% / 10% (BCBSF/member split of Discounted Services)	Same as individual (per person)
Pharmacy	$10 Generic only Plus Discount Card For Non-Covered	Same as individual (per person)
Dental	$50 BCBSF Allowance (towards Discounted office visit --member pays balance)	Same as individual (per person)
Maternity	Maternity Rider available	**Maternity Covered**

Notes: (1) Based on a 40 person census all age 35, 20 males and 20 females

(2) All deductibles, coinsurance, and co-payments (except for pharmacy co-payments) count towards the Annual Out-Of-Pocket Maximum

ATTACHMENT "C"

Miami-Dade County/BlueCross BlueShield of Florida
Low Cost Comprehensive Health Insurance Product

Proposed Rates

Note: These monthly premium rates are subject to review and approval by the Florida OIR and are based on a low cost provider network which must be developed with negotiations currently underway.

Rates for Individual Product		
Age	**Sex**	**Rate**
10	F	$ 65.02
20	F	$ 77.76
30	F	$ 101.96
35	F	$ 122.00
40	F	$ 142.34
50	F	$ 202.90
64	F	$ 272.70
10	M	$ 65.02
20	M	$ 72.32
30	M	$ 91.08
35	M	$ 110.00
40	M	$ 128.74
50	M	$ 187.94
64	M	$ 324.38

Rates for Group Product					
Age	**Male**	**Female**	**EE + Sp**	**Male EE + Ch**	**Female EE + Ch**
00-24	$ 100.62	$ 250.26	$ 350.88	$ 401.62	$ 551.26
25-29	$ 129.86	$ 285.52	$ 416.24	$ 425.70	$ 581.36
30-34	$ 165.98	$ 290.68	$ 456.66	$ 470.42	$ 594.26
35-39	$ 172.86	$ 297.56	$ 470.42	$ 471.28	$ 595.12
40-44	$ 244.24	$ 331.96	$ 576.20	$ 514.28	$ 602.00
45-49	$ 309.60	$ 354.32	$ 663.92	$ 566.74	$ 611.46
50-54	$ 411.94	$ 437.74	$ 849.68	$ 649.30	$ 674.24
55-59	$ 528.90	$ 509.12	$ 1,038.02	$ 774.86	$ 755.08
60-64	$ 725.84	$ 624.36	$ 1,350.20	$ 894.40	$ 792.06

Note: EE = Employee; Sp = Spouse; Ch = Child

Note: Rates for Groups are based on the census of the group using the age and sex of each member of the group. For example, a group of 40 persons all age 35, half male and half female would have a group rate of $236.00 per person, at least half of which would be paid by the employer resulting in each person paying $118.00 (if the employer paid only half).

ATTACHMENT "D"

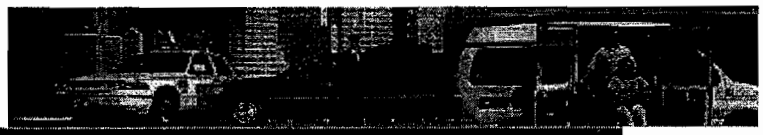
Miami-Dade County/BlueCross BlueShield of Florida

Low Cost Comprehensive Health Insurance Product

Additional Benefit Options

Option	Premium Impact	Impact on Premium Single Male Age 35
Lower the Annual Out-of-Pocket Maximum from $2,500 to $1,500	Increase premium by 8% to 9%	Increase premium from $110 to $120
Eliminate the Pharmacy benefit and just provide the Pharmacy Discount Card	Reduce premium by 10%	Decrease premium from $110 to $99
Increase Member Coinsurance from 10% to 20% for hospital services	Reduce premium by 1%	Decrease premium from $110 to $109
Eliminate the Independent Diagnostic Testing facility benefit	Reduce premium by 2.5%	Decrease premium from $110 to $107

Note: These plans and rates are subject to review and approval by the Florida OIR and are based on a low cost provider network which must be developed with negotiations currently underway.



TAXICAB, LIMOUSINE & PARATRANSIT ASSOCIATION

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Rockville, MD 20852
P. (301) 984 5700
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email: info@tlpa.org

Member ID:

Last Name:

Sign in

Forgot your login info?

Association Member News

TLPA Announces New AD&D Insurance Program for Member Companies

TLPA is pleased to announce a historic first: our endorsement of a product designed to help benefit our members.

TLPA is sponsoring an **Accidental Death and Dismemberment (AD&D) Program** designed for our members. In the TLPA AD&D Program, coverage is purchased on the vehicle, not the driver, so no employee-employer relationship exists or is implied. This feature is critical to the majority of our members.

The mainstay of TLPA's AD&D program is that members can purchase $100,000 Accidental Death and Dismemberment coverage (including assault and battery) for their drivers. This coverage provides much-needed payments to a driver's beneficiary if the driver is injured or killed while driving an insured vehicle.

In response to a request from TLPA's Taxicab, Limousine & Sedan, and Paratransit & Contracting Steering Committees that the association solicit for insurance to cover independent contractor and/or employee drivers, the Board of Directors approved issuing a request for proposals. The end result of two rounds of RFPs open to all TLPA associate members who offer insurance is the selection of a broker, John Burnham Insurance Services, which has years of experience in our industry and has developed a similar product specifically for their large transportation clients. Some TLPA Board members have purchased the coverage for many years.

Additional coverage available

Members who purchase the insurance can expand the accident coverage by including two additional marquee benefits — **Accident Medical Expense** to cover the usual and customary charges incurred for medically necessary medical services received by the driver due to a covered injury* up to $10,000 per accident (after a $250 deductible and any other valid and collectible insurance) and/or **Weekly Accident Indemnity** to pay the driver up to $200 weekly for up to 13 weeks if, as a result of an injury*, the driver is rendered totally disabled within 30 days of the accident that caused the injury. Payments will begin after the first 30 days of total disability.

TLPA has partnered with AIG Accident & Health Division, a subsidiary of American International Group, Inc. (AIG), to help develop this customized

package, which can address the real-life needs of drivers who face the rigors of daily transport and the associated accident exposures which come from traversing the country's highways and byways. Further, partnering with AIG Accident & Health Division, TLPA is confident that the high level of quality service and advocacy to which its members have come accustomed will continue.

Underwriter

Coverage is underwritten by National Union Fire Insurance Company of Pittsburgh, Pa., with its principal place of business in New York, N.Y., and is subject to underwriting review and approval. The description herein is a summary only. It does not include all terms, conditions and exclusions of the policy described. The actual policy will contain complete details of coverage and exclusions. Coverage may not be available in all states.

Contact information

For more information, please contact Mr. Masoud Shahri at John Burnham Insurance Services, (619) 525-2849 or by e-mail at shahri@johnburnham.com. If your insurance agent is an associate member of TLPA, he or she may access our plan for you by contacting Mr. Shahri.

**Injury — means bodily injury: (1) which is sustained as a direct result of an unintended, unanticipated accident that is external to the body and that occurs while the injured person's coverage under the Policy is in force; (2) which occurs while such person is participating in a Covered Activity; and (3) which directly (independent of sickness, disease, mental incapacity, bodily infirmity or any other cause) causes a covered loss.*

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ELIGIBILITY

Class I All of your drivers in registered vehicles.

Class II All of your fare paying passengers in a registered vehicle, age 18 and over.

Class III All of your fare paying passengers in a registered vehicle, under age 18.

COVERAGE

Coverage is extended to both the Driver and Passenger(s).

Driver: While operating or boarding or alighting from a Policyholder's covered Vehicle.

Passenger(s): While boarding or riding or alighting from a Policyholder's covered Vehicle.

BENEFIT SCHEDULE

	Option 1	Option 2	Option 3	Option 4
Class I				
Accidental Death & Dismemberment Benefit				
Maximum Amount:	$100,000	$100,000	$100,000	$100,000
Accident Medical Expense Benefit				
Maximum Amount:	N/A	$10,000	N/A	$10,000
Deductible:	N/A	$250	N/A	$250
Maximum Period:	N/A	52 weeks	N/A	52 weeks
Weekly Accident Indemnity Benefit				
Weekly Maximum Amount:	N/A	N/A	$200	$200
Maximum Number of Weeks:	N/A	N/A	13 Weeks	13 Weeks
Class II				
Accidental Death & Dismemberment Benefit				
Maximum Amount:	$100,000	$100,000	$100,000	$100,000
Class III				
Accidental Death & Dismemberment Benefit				
Maximum Amount:	$50,000	$50,000	$50,000	$50,000

The Maximum Amounts are used to determine amounts payable under each Benefit. Actual amounts payable will not exceed the maximums, and may be less than the maximums under circumstances specified in the Policy.

Aggregate Limit **$400,000**

	Option 1	Option 2	Option 3	Option 4
Monthly Rate* per Vehicle including an administration fee payable to TLPA.	$19	$21	$24	$26

Vehicles in Fleet:

Monthly Cost:

**The monthly rate will be guaranteed for 24 months from the effective date of the coverage being offered by this proposal.*

Policy Issuance Company: National Union Fire Insurance Company

Policy Forms: C11696DBG

COVERAGE

Accidental Death and Dismemberment Indemnity

The Company shall pay an indemnity determined from the Table of Losses if an Insured Person sustains a loss stated therein resulting from injury, provided that:

(a) such loss occurs within 365 days after the date of accident causing such loss; and

(b) the indemnity payable for any such loss shall be the amount stated opposite such loss in said Table, and the Principal Sum stated there in shall be the amount stated as Principal Sum applicable to such person and this Coverage; and

(c) if more than one loss stated in the Table is sustained as the result of one accident, only one of the amounts so stated in said Table, the largest, shall be payable.

TABLE OF LOSSES

Description of Loss Indemnity

For Loss of	Percentage of Maximum Amount
Both Hands or Both Feet	100%
Sight of Both Eyes	100%
One Hand and One Foot	100%
One Hand and the Sight of One Eye	100%
One Foot and the Sight of One Eye	100%
Speech and Hearing in Both Ears	100%
One Hand or One Foot	50%
The Sight of One Eye	50%
Speech or Hearing in Both Ears	50%
Hearing in One Ear	25%
Thumb and Index Finger of Same Hand	25%

"Loss" of a hand or foot means complete severance through or above the wrist or ankle joint. "Loss" of sight of an eye means total and irrecoverable loss of the entire sight in that eye. "Loss" of hearing in an ear means total and irrecoverable loss of the entire ability to hear in that ear. "Loss" of speech means total and irrecoverable loss of the entire ability to speak. "Loss" of thumb and index finger means complete severance through or above the metacarpophalangeal joint of both digits.

If more than one Loss is sustained by an Insured as a result of the same accident, only one amount, the largest, will be paid.

ACCIDENTAL MEDICAL EXPENSE BENEFIT

Accident Medical Expense Benefit. If an Insured suffers an Injury that, within 90 days of the date of the accident that caused the Injury, requires him or her to be treated by a Physician, the Company will pay the Usual and Customary Charges incurred for Medically Necessary Covered Accident Medical Services received due to that Injury, up to the Maximum Amount per Insured for all Injuries caused by the same accident. This benefit is payable only for such charges incurred after the Deductible has been met and within 52 weeks after the date of the accident causing that Injury. If an Injury requires plastic surgery, such expenses, including related covered dental expenses, may be incurred after the Deductible has been met within 260 weeks after the date of the accident causing that Injury.

Covered Accident Medical Service(s) - means any of the following services:

1. Hospital semi-private room and board (or room and board in an intensive care unit); Hospital ancillary services (including, but not limited to, use of the operating room or emergency room); or use of an Ambulatory Medical Center;
2. services of a Physician or a registered nurse (R.N.);
3. ambulance service to or from a Hospital;
4. laboratory tests;
5. radiological procedures;
6. anesthetics and the administration of anesthetics;
7. blood, blood products and artificial blood products, and the transfusion thereof;
8. physical therapy and occupational therapy;
9. rental of Durable Medical Equipment;
10. artificial limbs, artificial eyes or other prosthetic appliances;
11. medicines or drugs administered by a Physician or that can be obtained only with a Physician's written prescription; or
12. plastic surgery limited to the face.

Ambulatory Medical Center - means a licensed facility providing ambulatory surgical or medical treatment, other than a Hospital, clinic or Physician's office.

Deductible - means the amount of Usual and Customary Charges for Medically Necessary Covered Accident Medical Services that must be incurred by the Insured due to Injuries resulting from an accident before Accident Medical Expense benefits become payable due to Injuries resulting from that accident. The amount of the Deductible is the Deductible Amount shown in the Benefit Schedule. Accident Medical Expense benefits are not payable for charges applied to the Deductible.

Durable Medical Equipment - refers to equipment of a type that is designed primarily for use, and used primarily, by people who are injured (for example, a wheelchair or a hospital bed). It does not include items commonly used by people who are not injured, even if the items can be used in the treatment of injury or can be used for rehabilitation or improvement of health (for example, a stationary bicycle or a spa).

Hospital - means a facility that: (1) is operated according to law for the care and treatment of injured people; (2) has organized facilities for diagnosis and surgery on its premises or in facilities available to it on a prearranged basis; (3) has 24 hour nursing service by registered nurses (R.N.'s), and (4) is supervised by one or more Physicians. A Hospital does not include: (1) a nursing, convalescent or geriatric unit of a hospital when a patient is confined mainly to receive nursing care; (2) a facility that is, other than incidentally, a rest home, nursing home, convalescent home or home for the aged; nor does it include any ward, room, wing, or other section of the hospital that is used for such purposes; or (3) any military or veterans hospital or soldiers home or any hospital contracted for or operated by any national government or government agency for the treatment of members or ex-members of the armed forces.

Medically Necessary - means that a Covered Accident Medical Service is: (1) essential for diagnosis, treatment or care of the Injury for which it is prescribed or performed; (2) meets generally accepted standards of medical practice; and (3) is ordered by a Physician and performed under his or her care, supervision or order.

COORDINATION OF BENEFITS FOR ACCIDENTIAL MEDICAL EXPENSE BENEFITS

"Other valid and collectible group insurance" shall mean any plan providing medical expense benefits for or by reason of dental, physician, nurse, hospital care, treatment, or confinement, or the performance of surgery and/or any anesthesia, which benefits are provided by (1) any type of service plan contracts, any group or blanket insurance; employee benefit plan or any plan arranged through an employer, trustee, union or employee benefit association, or (2) any plan or program created or administered by national or state government, or agencies thereof.

This provision shall apply in determining the benefits as to a person covered under this plan for any claim determination period. If an allowable expense exceeds the amount of benefit payable under any other valid and collectible group insurance for such person during such time period, the Company will pay such excess expenses incurred due to a covered injury.

"Allowable Expense" means any necessary, reasonable and customary item of expense at least a portion of which is covered under at least one of the plans covering the person for whom claim is made.

When a plan provides benefits in the form of services rather than cash payments, the reasonable cash value of each service rendered shall be deemed to be both an allowable expense and a benefit paid.

WEEKLY ACCIDENT INDEMNITY

If, as a result of an Injury, the Insured is rendered Totally Disabled within 30 days of the accident that caused the Injury, the Company will pay a benefit after 30 day(s) of Total Disability due to that Injury in any one Period of Disability. No benefit is provided for the first 30 day(s) of Total Disability in that Period of Disability. The amount of the benefit per week is the lesser of: (1) the Weekly Maximum Amount shown for the Weekly Accident Indemnity Benefit in the Benefit Schedule; or (2) 70% of Weekly Earnings. It is payable weekly so long as the Insured remains Totally Disabled due to that Injury in that Period of Disability, up to the Maximum Number of Weeks shown for the Weekly Accident Indemnity Benefit in the Benefit Schedule in all Periods of Disability resulting from all Injuries caused by the same accident. The Company will pay benefits calculated at a rate of 1/7th of the weekly benefit for each day of Total Disability for which the Company is liable when the Insured is Totally Disabled for less than a full week. Only one benefit is provided for any one day of Total Disability, regardless of the number of Injuries causing the Total Disability. No benefits are payable under this Rider if the Insured had no earnings at the time of the accident causing the Injury from an occupation, job or work being performed at that time.

If the Insured returns to perform the material and substantial duties of his or her occupation for any employer on a full or part-time basis, he or she may return to Total Disability status if: (1) the Insured has not been back to work for longer than 30 days; and (2) the Insured is again Totally Disabled due to the same Injury which caused the original Total Disability.

Periods of Total Disability separated by less than 30 consecutive days will be considered one period of disability unless due to separate and unrelated causes.

The Company reserves the right (as often as it may reasonably require) to determine, on the basis of all the facts and circumstances, that the Insured is Totally Disabled, including, but not limited to, requiring an independent medical examination provided at the expense of the Company.

Occupation - as used in this Rider, means the occupation, job or work the Insured performed at the time of the accident causing the Injury for which benefits are claimed under this Rider.

Period of Disability - as used in this Rider, means a period of consecutive days of continuous Total Disability.

Totally Disabled/Total Disability - as used in this Rider, means that the Insured is unable to perform the material and substantial duties of his or her Occupation for any employer.

Weekly Earnings - as used in this Rider, means the Insured's base weekly earnings in his or her Occupation at the time of the accident causing the Injury for which benefits are claimed under this Rider, but not including overtime, bonuses, tips, commissions, and special compensation.

LIMITATION ON MULTIPLE BENEFITS

If an Insured Person suffers one or more losses from the same accident for which amounts are payable under more than one of the following Benefits provided by this Policy, the maximum amount payable under all of the Benefits combined will not exceed the amount payable for one those losses, the largest: Accidental Death Benefit, Accidental Dismemberment Benefit.

EXCLUSIONS

The Plan does not cover any loss caused in whole or in part by, or resulting in whole or in part from, the following:

1. suicide or any attempt at suicide or intentionally self-inflicted Injury or any attempt at intentionally self-inflicted Injury or autoeroticism.

2. sickness, disease, mental incapacity or bodily infirmity whether the loss results directly or indirectly from any of these.

3. the Insured's commission of or attempt to commit a crime.

4. infections of any kind regardless of how contracted, except bacterial infections that are directly caused by botulism, ptomaine poisoning or an accidental cut or wound independent and in the absence of any underlying sickness, disease or condition including but not limited to diabetes.

5. declared or undeclared war, or any act of declared or undeclared war, except if specifically provided by this Policy.

6. participation in any team sport or any other athletic activity, except participation in a Covered Activity.

7. full-time active duty in the armed forces, National Guard or organized reserve corps of any country or international authority. (Unearned premium for any period for which the Insured is not covered due to his or her active duty status will be refunded) (Loss caused while on short-tem National Guard or reserve duty for regularly scheduled training purposes is not excluded).

8. travel or flight in or on (including getting in or out of, or on or off of) any vehicle used for aerial navigation, if the Insured is:

   a. riding as a passenger in any aircraft not intended or licensed for the transportation of passengers;
   b. performing, learning to perform or instructing others to perform as a pilot or crew member of any aircraft;
   c. riding as a passenger in an aircraft owned, leased or operated by the Policyholder or the Insured's employer.

9. the Insured being under the influence of intoxicants while operating any vehicle or means of transportation or conveyance.

10. the Insured being under the influence of drugs unless taken under the advice of and as specified by a Physician.

11. the medical or surgical treatment of sickness, disease, mental incapacity or bodily infirmity whether the loss results directly or indirectly from the treatment.

12. stroke or cerebrovascular accident or event; cardiovascular accident or event; myocardial infarction or heart attack; coronary thrombosis; aneurysm.

13. any condition for which the Insured is entitled to benefits under any Workers' compensation Act or similar law.

14. the Insured riding in or driving any type of motor vehicle as part of a speed contest or scheduled race, including testing such vehicle on a track, speedway or proving ground.

15. any loss incurred while outside the United States, its Territories or Canada.

AGGREGATE LIMIT OF INDEMNITY

The Aggregate Limit of Indemnity shall be the total limit of the Company's liability for all indemnities payable under Accidental Death Indemnity, Accidental Dismemberment Indemnity coverages of the Policy with respect to all classes of Insured Persons arising out of injury sustained by two or more Insured Persons as the result of any one accident.

If the total of such indemnities exceed the Aggregate Limit of Indemnity, the Company shall not be liable to any one Insured Person for a greater proportion of such Insured Person's indemnity afforded by the Accidental Death Indemnity, the Accidental Dismemberment Indemnity coverages than said Aggregate Limit of Indemnity bears to the total indemnities afforded by the Accidental Death Indemnity, the Accidental Dismemberment Indemnity coverages to all such Insured Persons.

BENEFICIARY DESIGNATION

The beneficiary of an Insured Person shall be that person or those persons designated by the Insured Person for this insurance.

Any Insured Person who has not made an irrevocable designation of beneficiary may designate a new beneficiary at anytime without the consent of the beneficiary by filing with the Insurance Company a written request at the General Office of the Insurance Company. When such a request is received by the Insurance Company whether the Insured Person be then living or not, the change of beneficiary shall relate back to and take effect as of the date of execution of the written request, but without prejudice to the Insurance Company on account of any payment theretofore made by it.

THE INSURANCE COMPANY

American International Group, Inc.

American International Group, Inc. (AIG) is the world's leading international insurance and financial services organization, with operations in more than 130 countries and jurisdictions. AIG member companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In the United States, ASIG companies are the largest underwriters of commercial and industrial insurance and AIG American General is a top-ranked life insurer. AIG's global businesses also include retirement services, financial and asset management. AIG's financial services business includes aircraft leasing, financial products, trading and market making. AIG's growing global consumer finance business is led in the United States by American General Finance. AIG also has one of the largest U.S. retirement services businesses through AIG SunAmerica and AIG VALIC, and is a leader in asset management for the individual and institutional markets, with specialized investment management capabilities in equities, fixed income, alternative investments and real estate. AIG's common stock is listed in the U.S. on the New York Stock Exchange and ArcaEx, as well as the stock exchanges in London, Paris, Switzerland and Tokyo

NOTICE TO PROPOSED MASTER POLICYHOLDER:

This is a group accident proposal only. It is not a contract of insurance. This proposal provides a summary of the policy featrures only and does not cover all the terms, conditions and limitations. The policy will contain the actual terms, conditions and limits of the coverage to be provided. If there is any conflict between this quote and the policy, the policy will govern in a ll cases. Acceptance of this quote is contingent upon and subject to the actual terms of the policy as issued.

Please note that this quote is valid for 90 days.

If you wish to bind coverage, please sign and fax to (619) 525-2876.

Plan Chosen:

Policyholder Signature

Effective Date of Coverage

Broker Signature

Date