

# Memorandum



**Date:** September 21, 2010

**To:** Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager

Supplement to  
Agenda Item No. 801A

**Subject:** Supplement to Recommendation for Approval to Award Contract No. RFP724:  
Employee Group Legal Services Program

On July 13, 2010, the recommendation to award the referenced contract for the County's Employee Group Legal Services Program to the ARAG Insurance Company (ARAG) was presented at the Budget, Planning and Sustainability Committee. At the meeting, the Committee requested information regarding the proposed plan benefits, rates and satisfaction survey scores as compared to the Miami-Dade Public Schools (MDPS) contract for this Program. The Committee also requested information on the percentage of union members participating in the County's current group legal services plan. A meeting with County union leaders to review the recommended contract, plan benefits, coverage and exclusions was encouraged. There was discussion regarding the inclusion of a second vendor to offer legal services in the program. This supplement addresses these requests.

**1. Assessment Report:**

Attachment No. 1 entitled "Group Legal Insurance" details the plan benefits offered in the recommended contract (RFP724) as compared to the MDPS Group Legal Services Program. The findings were shared with Board members in a memorandum dated August 18, 2010. Plan benefits are listed for MDC's provider (ARAG), and MDPS' two providers (ARAG and US Legal). Attachment No. 2 entitled "MDC and MDPS Group Legal Plan Exclusions, Rates, Enrollment & Survey" provides a side-by-side comparison of MDC and MDPS plan exclusions, rates, enrollment data and group specific 2009 satisfaction survey results for ARAG. US Legal was not a provider in 2009; therefore, there are no survey results for this provider.

**2. Percentage of Union Member Participation:**

Attachment No. 3 entitled "MDC Group Legal Plan Enrollment by Bargaining Unit" provides a chart detailing union member participation by tier (i.e., Single, Couple and Family) in the County's current Group Legal Services Program. The attachment also includes the number of eligible members in each union and the corresponding percentage of participation.

**3. Meeting with Union Leaders:**

On July 27, 2010, staff met with County union leaders. All eight collective bargaining union representatives were invited. The following five unions were represented at the meeting:

- AFSCME Local 199 (General Employees)
- AFSCME Local 3292 (Solid Waste Employees)
- AFSCME Local 121 (Water & Sewer Employees)
- AFSCME Local 1542 (Aviation Employees)
- TWU Local 291 (Transit Employees)

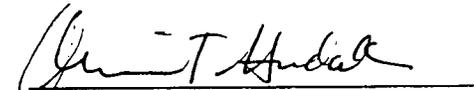


Description	Original Plan Benefits	Enhancements/Changes to Plan Benefits
<b>Defense of DUI</b> ( <i>legal defense against the charge of driving while intoxicated</i> )	Covered under General In-Office Benefit (6 hours per family, per year)	Paid-in-full (In-Network)  \$2080 (Non-Network) Trial indemnity benefits of \$1600 for up to three days of trial time are included in this amount. (\$200 per ½ day of trial time) Non-Network Attorney coverage is \$60.00 per hour up to stated amount.
<b>Dissolution of Marriage</b> ( <i>Uncontested, Contested or Defense of Post Decree Issues</i> )	<u>Uncontested:</u>  Paid-in-full (In-Network)  \$420 (Non-Network) Non-Network Attorney coverage is \$60.00 per hour up to stated amount.  <u>Contested:</u> 20 hours Paid-in-full (In-Network). Network attorney will bill \$85/hr. thereafter.  \$1080 (Non-network) Non-Network Attorney coverage is \$60.00 per hour up to stated amount.  <u>Or Defense of Post Decree Issues:</u> Paid-in-full (In-Network)  \$360 (Non-Network) Non-Network Attorney coverage is \$60.00 per hour up to stated amount.  <b>All of the above include a 6 month waiting period for new enrollees.</b>	<u>Uncontested:</u>  Paid-in-full (In-Network)  \$420 (Non-Network) Non-Network Attorney coverage is \$60.00 per hour up to stated amount.  <u>Contested:</u> 15 hours Paid-in-full (In-Network). Network attorney will bill \$85/hr. thereafter.  \$900 (Non-network) Non-Network Attorney coverage is \$60.00 per hour up to stated amount.  <u>Or Defense of Post Decree Issues:</u> 8 Hours Paid-in-full (In-Network)  \$480 (Non-Network) Non-Network Attorney coverage is \$60.00 per hour up to stated amount.  <b>No waiting period for new enrollees.</b>
<b>General In-Office</b> ( <i>legal advice, negotiation, document preparation and review</i> ) ( <i>except excluded or non-covered items</i> ).	6 hours per family, per year (In-Network)  \$360 (Non-Network)	4 hours, limited to 2 hours every 6 months, per year, per family (In-Network)  \$120 (Non-Network) Non-Network Attorney coverage is \$60.00 per hour up to stated amount.

**5. Inclusion of an Additional Vendor in the Program:**

The second ranked vendor as a result of the competitive evaluation process is Hyatt Legal Plans of Florida, Inc. The addition of a second vendor to the program requires negotiations with the vendor and, if a successful contract results, a bid waiver award recommendation, as the method of award in the solicitation stipulated award to a single vendor. Additionally, the County would meet with ARAG Insurance Company to determine whether their offer would be affected by the addition of the second vendor to the program, as this action could potentially result in the number of enrollees being split between ARAG Insurance Company and Hyatt Legal Plans of Florida, Inc. Although it has been suggested that an additional vendor would increase participation, it should be noted that MDPS experienced a drop in overall enrollment the year it introduced a second plan. Additionally, because open enrollment will be held next month, there is insufficient time to accomplish the steps required to add a second plan and educate employees about their options. Through the renegotiations with ARAG, we have been able to enhance the benefits in response to the concerns raised by the unions and believe the recommended plan meets the needs of employees. Because of the aforementioned concerns, staff recommends award to ARAG and not pursuing the addition of a second vendor.

Attachments

  
Assistant County Manager

## Memorandum



**Date:** August 18, 2010

**To:** Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager 

**Subject:** Group Legal Insurance

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The attached information has been prepared in response to requests made by Commissioners Edmonson and Gimenez at the July 13, 2010 meeting of the Budget, Planning and Sustainability Committee regarding the group legal insurance agenda item. The attached reports identify the enrollment in the group legal program by bargaining unit, as well as a comparison of the County's group legal program and rates to that of Dade County Public Schools. This comparison is intended to highlight the plan benefits and is not reflective of every benefit covered by the plans. Exact terms and exclusions of coverage for each benefit plan are contained in the certificates of insurance issued by the companies.

If further information is needed, please contact General Services Administration Director Wendi J. Norris at 375-4513 or me directly.

#### Attachments

c: Honorable Carlos Alvarez, Mayor  
Alina Tejeda Hudak, Assistant County Manager  
Jennifer Glazer-Moon, Special Assistant/Director, Office of Strategic Business Management  
Miriam Singer, Director, Department of Procurement Management  
Charles Anderson, Commission Auditor

2010 LEGAL PLAN COMPARISON

BENEFIT	DESCRIPTION	ARAG/MDC		ARAG/MDPS		US LEGAL/MDPS	
		IN-NETWORK	NON-NETWORK	IN-NETWORK	NON-NETWORK	IN-NETWORK	NON-NETWORK
Administrative Hearings	Legal disputes in administrative proceedings (Not involving employer).	Paid in full	\$1200*	Paid in full	\$1200*	Paid in full	\$1200*
Consumer Protection	Legal action required for the enforcement of written or implied warranties.	Paid in full	\$2200**	Paid in full	\$2200**	Paid in full	\$2400**
Court Adoption	Legal services rendered to the named insured to become adoptive parents.	Paid in full	\$300*	Paid in full	\$350*	Paid in full	\$350*
Personal Bankruptcy	Representation in a personal non-business bankruptcy.	Paid in full (1)	\$420*	Paid in full	\$420*	Paid in full	\$500*
IRS Audit / Collection Protection	• Consultation	\$420* for consultation	\$420* for consultation	\$420* for consultation	\$420* for consultation	\$420* for consultation	\$420* for consultation
	• Representation at IRS Audit/Pre-Litigator	\$900* for representation	\$900* for representation	\$900* for representation	\$900* for representation	\$900* for representation	\$900* for representation
	• Defense for IRS Litigation	\$1800* prior to trial \$1600** at trial as def	\$1800* prior to trial \$1600** at trial as def	\$5000*	\$5000*	\$5000*	\$5000*
Estate Planning	• Individual Simple Will	Paid in full	\$100	Paid in full	\$100*	Paid in full	\$100*
	• Codicil	Paid in full	\$60*	Paid in full	\$60*	Paid in full	\$60*
	• Complex Wills (will w/trust)	Paid in full 6 hours	\$300*	Paid in full 6 hours	\$240*	Paid in full	\$240*
	• Living Will	Paid in full	\$60*	Paid in full	\$60*	Paid in full	\$60*
	• Durable Power of Attorney	Paid in full	\$60*	Paid in full	\$60*	Paid in full	\$60*
Dissolution of Marriage	• Uncontested	Paid in full (1)	\$420*	Paid in full	\$600*	Paid in full	\$600*
	• Contested	20 hours Paid in full. Network attorney will bill \$85/hr thereafter (1)	\$1080*	10 hours Paid in full. Network attorney will bill \$70/hr thereafter	\$600*	15 hours Paid in full per cal. year. Network attorney will bill \$70/hr thereafter 15 hours Paid in full per cal. year	\$600*
Juvenile Court Proceedings (except traffic matters)	• Defense of Post Decree Issues	Paid in full (1)	\$360*	Paid in full	\$360*	Paid in full	\$600*
		Paid in full	\$2080**	Paid in full	\$2080**	Paid in full	\$2100*

2010 LEGAL PLAN COMPARISON

BENEFIT	DESCRIPTION	ARAG/MDC		ARAG/MDPS		US LEGAL/MDPS	
		IN-NETWORK	NON-NETWORK	IN-NETWORK	NON-NETWORK	IN-NETWORK	NON-NETWORK
Real Estate Transactions	<ul style="list-style-type: none"> <li>• Purchase or Sale of Principal Residence</li> <li>• Refinancing</li> </ul>	Paid in full 1 x year	\$240*	Paid in full 1 x year	\$360**	Paid in full	\$360*
General In-Office	Legal advice, negotiation, document preparation and review (except excluded or non-covered items).	6 hours per year, per family	\$360*	2 hrs every 6 month/yr per fam non-cumulative**	\$120*	Paid in full	\$60*
Criminal Misdemeanor Defense	Legal defense against criminal misdemeanor charges, except those involving motorized vehicles.	Covered under Gen In-Office benefit	N/A	Paid in full	\$2080**	Paid in full	\$2100**
Defense of DUI	Legal defense against the charge of driving while intoxicated.	Covered under Gen. In-Office benefit	N/A	Paid in full	\$2080**	Paid in full	\$2100**
Traffic Charges	Legal defense against traffic misdemeanor charges which could directly result in suspension or revocation of your driving privilege.	Covered under Gen. In-Office benefit	N/A	Paid in full	\$2080*	Paid in full	\$2100**
Felony	Legal defense against felony charges alleged to have arisen out of a single occurrence, including all hearing or appearances before any court or any authority or agency of Federal, State, or Local government, in which named insured is defendant.	Covered under Gen In-Off benefit	N/A	Paid in full	\$2500*	Paid in full	\$2500**
Immigration Assistance	Visa Extensions, Naturalization and Deportation (removal)	Paid in full	\$1200*	Paid in full	\$1200*	Paid in full	\$420*

**US Legal** } \* Non-network Attorney coverage is \$60 per hour to the stated amount for pre-trial; \$200 for 1/2 day trial.  
 \*\* Trial coverage of \$1600 is included in these amounts (\$200 for 1/2 day trial and major coverage) Pre-trial is the stated amount less \$1600.

**ARAG** } \* Non-network Attorney coverage is \$60 per hour up to the stated amount.  
 ... Trial indemnity benefits of \$1600 for up to three days of trial time are included in this amount (\$200 per 1/2 day of trial time).  
 ... Major trial time is part out the rate of \$200 per 1/2 day of trial time.  
 (1) 6 months waiting period for new enrollees.

**Group Legal Plans**

EXCLUSIONS	ARAG MDC	ARAG MDPS	US Legal MDPS
Actions or disputes between you and your employer, or your employer's insurance carrier, unions, plan underwriter, and any party where coverage is prohibited by law.	✓	✓	✓
Workers' compensation, unemployment compensation, class actions, interventions and Amicus Curiae	✓	✓	✓
Matters relating to patents, copyrights, or appeal proceedings	✓	✓	✓
Actions in small claims court	✓	✓	Unable to determine
Matters relating to structural damage to dwellings, appurtenances and paved surfaces	✓	✓	✓
Real estate refinancing, title search, title insurance, title abstracting, filing fees, reporters' fees, court costs and other miscellaneous costs	✓		Unable to determine
Probate	✓	✓	✓
Preparing, completing or filing a federal, state, or local tax return	✓	✓	✓

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**RATES**

BW Rate	ARAG-MDC	ARAG-MDPS	US Legal MDPS
Employee	\$7.37	\$7.98	\$7.80
Employee + one dependent	\$9.45	\$7.98	\$7.80
Employee + family	\$9.72	\$7.98	\$7.80

Enrollment	2009	2010
ARAG-MDC	12,280	11,696
ARAG-MDPS	15,989	9,740
US Legal- MDPS	N/A	2,963

Satisfaction Survey Results	2009
ARAG-MDC	95.1%
ARAG-MDPS	86.8%

**MDC GROUP LEGAL ENROLLMENT BY BARGAINING UNIT**

(ARAG Deduction 520)

BU	A	C	D	E	F	G	H	K	L	M	P	Total
TIER												
Single	431	394	762	1281	236	228	1635	810	619	359	51	51
Couple	148	120	208	351	27	92	515	341	226	133	15	15
Family	150	87	326	487	39	86	507	370	260	106	32	32
<b># Eligible</b>	729	601	1296	2119	302	406	2657	1521	1105	598	98	<b>11,432</b>
<b>%</b>	1695	2083	2425	5277	564	843	7291	3382	3067	1473	265	<b>28,465</b>
<b>Enrolled</b>	43.01%	28.85%	53.44%	40.16%	45.48%	48.16%	36.44%	44.97%	36.03%	40.60%	36.98%	<b>40.16%</b>

**Bargaining Units**

- A AFSCME 121 Water and Sewer Employees
- C IAFF 1403 Fire Fighter Employees
- D TWU Local 291 Transit Employees
- E PBA Rank & File
- F AFSCME 3292 Solid Waste Employees
- G AFSCME 1542 Aviation Employees
- H AFSCME 199 General Employees
- K GSAF Supervisory
- L Non-Bargaining
- M GSAF Professional
- P PBA Law Enforcement Supervisory

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MDC AND MDPS GROUP LEGAL PLAN EXCLUSIONS, RATES, ENROLLMENT & SURVEY

MDC AND MDPS GROUP LEGAL PLAN EXCLUSIONS	ARAG MDC	ARAG MDPS	US Legal MDPS
Actions or disputes between you and your employer, or your employer's insurance carrier, unions, plan underwriter, and any party where coverage is prohibited by law.	✓	✓	✓
Workers' compensation, unemployment compensation, class actions, interventions and Amicus Curiae	✓	✓	✓
Matters relating to patents, copyrights, or appeal proceedings	✓	✓	✓
Actions in small claims court	✓	✓	Unable to determine
Matters relating to structural damage to dwellings, appurtenances and paved surfaces	✓	✓	✓
Real estate refinancing, title search, title insurance, title abstracting, filing fees, reporters' fees, court costs and other miscellaneous costs	✓		Unable to determine
Probate	✓	✓	✓
Preparing, completing or filing a federal, state, or local tax return	✓	✓	✓

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RATES

B/W Rate	ARAG-MDC	ARAG-MDPS	US Legal MDPS
Employee	\$7.29	\$7.98	\$7.80
Employee + one dependent	\$9.34	\$7.98	\$7.80
Employee + family	\$9.61	\$7.98	\$7.80

Enrollment	2009	2010
ARAG-MDC	12,280	11,432
ARAG-MDPS	15,989	9,740
US Legal- MDPS	N/A	2,963

Satisfaction Survey Results	2009
ARAG-MDC	95.1%
ARAG-MDPS	86.8%

**MDC GROUP LEGAL PLAN ENROLLMENT BY BARGAINING UNIT**

(ARAG Deduction 520)

	BU	A	C	D	E	F	G	H	K	L	M	P	Total
TIER													
Single		431	394	762	1281	236	228	1635	810	619	359	51	
Couple		148	120	208	351	27	92	515	341	226	133	15	
Family		150	87	326	487	39	86	507	370	260	106	32	
# Eligible		729	601	1296	2119	302	406	2657	1521	1105	598	98	11,432
% Enrolled		43.01%	28.85%	53.44%	40.16%	45.48%	48.16%	36.44%	44.97%	36.03%	40.60%	36.98%	40.16%

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Bargaining Units
A AFSCME 121 Water and Sewer Employees
C IAFF 1403 Fire Fighter Employees
D TWU Local 291 Transit Employees
E PBA Rank & File
F AFSCME 3292 Solid Waste Employees
G AFSCME 1542 Aviation Employees
H AFSCME 199 General Employees
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L Non-Bargaining
M GSAF Professional
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