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Staff Report for Resolution Authorizing the City of San Leandro to Join the California State Association of Counties Excess Insurance Authority (CSAC-EIA) Joint Powers Authority (JPA)

**SUMMARY AND RECOMMENDATIONS**

Staff recommends that the City Council adopt a resolution authorizing the City of San Leandro to join the California State Association of Counties Excess Insurance Authority (CSAC-EIA) Joint Powers Authority and delegate authority to the City Manager to act on the City’s behalf in matters relating to the City and CSAC-EIA.

**BACKGROUND**

The CSAC Excess Insurance Authority is a member directed insurance risk sharing pool. Since 1979, the CSAC-EIA has worked to reduce insurance costs for members so agencies can have access to programs at lower rates. Participation in CSAC-EIA combines the purchasing powers of organizations across California and leverages the size of the group to provide flexible insurance options.

Currently, the City participates in a fully insured dental plan through MetLife. Upon staff’s request, the City’s benefits broker, Alliant Insurance Services, obtained a quote for Delta Dental, which is offered through the CSAC-EIA dental program. In comparison to MetLife, Delta Dental’s quote offers reduced premiums to the City and a larger network of participating dental providers. By pooling dental claims from 127 public agencies, the CSAC-EIA dental program will provide stable dental rates and low administrative fees provided by Delta Dental. Under the CSAC-EIA dental program, the City would maintain autonomy for managing the dental benefits, plan design, rules and eligibility. Future dental rates paid by the City will be determined by CSAC-EIA, but will be based on the City’s claim data and history. The City will still maintain the ability to alter benefit plans in response to rate increases.

The City has met and conferred with each employee bargaining unit regarding this change in dental carriers. All bargaining units have approved the transition from MetLife dental to the CSAC-EIA dental program with Delta Dental. Upon approval by the City Council to join the CSAC-EIA, the City of San Leandro will join the dental pool effective January 1, 2014 and all employees currently enrolled in MetLife will transition to Delta Dental.

### **Fiscal Impacts**

There is no cost to join the CSAC-EIA dental program. By changing dental carriers from MetLife to Delta Dental, the City's dental rates will decrease overall for 2014 by 6.7%. This represents a savings to the City of approximately \$23,867 based on current enrollment.

### **ATTACHMENTS**

- Joint Powers Agreement Creating the CSAC Excess Insurance Authority
- Memorandum of Understanding Dental Program

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