



## ● Health Benefit Broker Commissions and Fees

### Summary

This report summarizes Metropolitan's group health insurance premiums, fees and commissions paid to all Agents, Providers and Brokers as required by California Section 1367.08 of the Health and Safety Code, and Section 10604.5. The premiums and fees include both the employer and employee paid cost. This report provides the premiums and fees for 2009 and 2010 for comparison purposes.

Plan Year	Broker Administrator	Coverage	Premiums	Total Fees/ Commissions	% of Fee to Premiums
2010	CalPERS	Medical	\$33,245,844	\$133,350	.40%
2009	CalPERS	Medical	\$29,181,238	\$127,171	.44%
2010	USI Insurance / Dickerson	Non-Medical	\$5,017,312	\$181,182	3.6%
2009	USI Insurance / Dickerson	Non-Medical	\$5,015.302	\$191,418	3.8%

### Attachments

None

### Detailed Report

#### Section 1367.08 of the Health and Safety Code

A health care service plan shall annually disclose to the governing board of a public agency that is the subscriber of a group contract, the name and address of, and amount paid to, any agent, broker, or individual to whom the plan paid fees or commissions related to the public agency's group contract. As part of this disclosure, the health care service plan shall include the name, address, and amounts paid to the specific agents, brokers, or individuals involved in transactions with the public agency. The compensation disclosure required by this section is in addition to any other compensation disclosure requirements that exist under law.

#### Section 10604.5 of the Insurance Code

An insurer shall annually disclose to the governing board of a public agency that is the policyholder of a group health insurance policy, the name and address of, and amount paid to, any agent, broker, or individual to whom the insurer paid fees or commissions related to the public agency's group health insurance policy. As part of this disclosure, the insurer shall include the name, address, and amounts paid to the specific agents, brokers, or individuals involved in transactions with the public agency. The compensation disclosure required by this section is in addition to any other compensation disclosure requirements that exist under law.

#### Agents/Brokers of Record

Medical Broker/Administrator	Non-Medical Broker	Non-Medical Broker
California Public Employee Retirement Services (CalPERS) 400 Q Street Sacramento, CA 94229-2714	USI of Southern California Insurance Services, Inc. 21600 Oxnard Street, 8 <sup>th</sup> Floor Woodland Hills, CA 91367	Dickerson Employee Benefits 1918 Riverside Drive Los Angeles, CA 90039

#### Summary Services Provided

CalPERS administers and negotiates rates and coverage for all Metropolitan medical plans. Services provided by CalPERS includes: plan design, negotiating with medical and pharmaceutical carriers, developing and printing plan summaries, outlines and brochures, billing, claims processing, hosting an online database for enrollments and changes, participant appeals and grievances, website design and maintenance, and free workshops/seminars for employers, employees, and retirees.

## Board Report (Health Benefit Broker Commissions and Fees)

All non-medical health plans which include dental, vision, life, long-term disability, voluntary AD&D, flexible spending accounts, and other individual plans such as cancer, and intensive care are brokered by USI of Southern CA Insurance Services with assistance from Dickerson Employee Benefits. Services provided by USI and Dickerson includes: plan design options, negotiating rates and benefits with carriers, legal and compliance updates and advice, open enrollment support, assistance with claims processing and resolution, vendor proposals and selection, free workshops and seminars to staff, and various analysis upon request. Additionally, they assume the majority of the print cost for plan outlines and booklets including the annual employee total compensation statements.