



# STATE BAR OF TEXAS

## DEPARTMENT OF RESEARCH AND ANALYSIS

### **2019-20 TEXAS BAR PRIVATE INSURANCE EXCHANGE - REVIEW**

In September, the Board approved the subcommittee's recommendation to continue with Member Benefits Inc. (MB) as the administrator of the Texas Bar Private Insurance Exchange (PIE). The following presents information on the agreement term approved by the Insurance/Member Benefits Subcommittee.

On January 2, 2020 the Insurance/Member Benefits Subcommittee unanimously voted to extend the Member Benefits Inc. agreement for an additional ten years, with one-year automatic renewals.

#### **TERM PROVISIONS**

The following notable changes were made to the term language:

- Allows the agreement to be terminated by either party with or without cause on one-hundred eighty (180) days written notice
- Adds additional termination clause linked to customer satisfaction and utilization.

#### **MEMBER BENEFITS PROPOSED REVENUE**

A ten-year term that would provide additional non-dues revenue of \$202,021 over three years, an additional \$481,210 over six years, and an additional \$993,499 over ten years.

The request for an extended term from Member Benefits Inc. is for added leverage in negotiating with insurers.

#### **BOARD ACTION**

Consider, discuss, and approve subcommittee recommendation regarding term of proposed extension of agreement with Member Benefits Inc.

**MEMBER BENEFITS PROJECTED REVENUE**

	Existing 3-YR Term	10-YR Term
2020	\$608,210	\$667,640
2021	\$615,179	\$682,365
2022	\$623,091	\$698,495
<b>3-YR Total</b>	<b>\$1,846,480</b>	<b>\$2,048,501</b>
<b>Difference</b>		<b>\$202,021</b>
2023	\$630,655	\$714,610
2024	\$638,522	\$731,442
2025	\$646,702	\$749,016
<b>6-YR Total</b>	<b>\$3,762,360</b>	<b>\$4,243,570</b>
<b>Difference</b>		<b>\$481,210</b>
2026	\$655,211	\$767,362
2027	\$664,058	\$786,505
2028	\$673,262	\$806,477
2029	\$682,831	\$827,306
<b>10-YR Total</b>	<b>\$6,437,721</b>	<b>\$7,431,220</b>
<b>Difference</b>		<b>\$993,499</b>