



Agenda Item No.: 47.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING ON: OCTOBER 6, 2010

DEPARTMENT: HUMAN RESOURCES
DIRECTOR: DAN TARWATER

☒ **Consent** ☐ **Discussion**

SUBJECT:

Approval to contract with Standard Insurance for the City's basic life/AD&D, voluntary life and long-term disability (LTD) plans (\$584,757 Self Insurance Internal Service Fund)

Fiscal Impact:

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No Impact

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Augmentation Required

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Budget Funds Available

Amount: \$584,757

Funding Source: Self-Insurance Internal Service Fund

Dept./Division: Human Resources/Insurance Services Division

PURPOSE/BACKGROUND:

The City currently has long-term disability, basic life insurance and voluntary life insurance plans with three different insurance carriers. A Request for Proposal (RFP) was submitted in July, seeking quotes for a plan that would place the three plans with one carrier for maximum pricing leverage and streamlined administration. As a result of the RFP, Standard Insurance offered the best combination of competitive rates for all three plans. The proposed contract provides for a reduction of \$105,528.24 in fees for the city for basic life and LTD, and a 30% reduction in rates for our employees electing to purchase voluntary life. In addition, this will provide an opportunity for an open enrollment period, so employees previously not purchasing voluntary life insurance will be able to do so. Rates are guaranteed for a three year period.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Memo Regarding Standard Insurance
2. Submitted at Meeting Correspondence from Fringe Benefits Insurance, Inc. by Pat Johnson