



AGENDA ITEM SUMMARY FORM

MEETING DATE: October 25, 2022

PREPARED BY: Colleen Martin

AGENDA CONTENT: Discussion and possible action on the 2023 life insurance benefit.

AGENDA ITEM SECTION: Consent Agenda

BUDGETED AMOUNT: \$3,276.00 **FUNDS REQUESTED:** \$5,460.00

FUND: xxx-xx-140

EXECUTIVE SUMMARY:

The city provides a Basic Term Life/AD&D insurance policy to all full-time and permanent part-time employees. The employee is offered the opportunity to purchase Supplemental Voluntary Life/AD&D coverage for themselves as well as their spouse and dependent child(ren).

The city's consultant is HUB International, who on the City's behalf, published an RFP for the above products which was posted in The Facts on September 15 and 22, 2022 with responses going to the City's HUB Consultant Julian Fontana. Responses to the RFP were due no later than October 13, 2022.

The City sought bids for Term Life/AD&D at the current coverage level of \$15,000 as well as a coverage level of \$25,000 which is more in line with the market.

The City received seven (7) responses to the RFP. Although BCBS/Dearborn has the highest of the top three (3) bids, the maximum savings would result in \$1,592, which does not warrant the disruption in service. The incumbent, BCBS/Dearborn has offered a two (2) year rate guarantee of \$3,276.00 for \$15,000 of coverage or \$5,460.00 for \$25,000 of coverage.

If the city elects a coverage level of \$25,000, the cost difference of \$2,184.00 will be covered by the cost savings on the medical renewal.

RECOMMENDATION:

The staff recommends the city renew with BCBS/Dearborn Life with \$25,000.00 in Basic Term Life/AD&D coverage for \$5,460.00.