

Request for Proposal Insurance Agent of Record

Lisa Hernandez
Human Resources Director
City Council Meeting
April 18, 2023

Summary

- Question
 - To select an Insurance Agent of Record from the top-rated Firms and Authorizing the City Manager to enter into a professional services contract with the selected Insurance Agent of Record for the City's employee group health insurance plan.
- Options
 1. Gallagher Benefit Services, Inc.
 2. McGriff Employee Benefit Solutions
- Declaration
 - A selection of Insurance Agent of Record will authorize the Agent to commence negotiations of employee's group health insurance plans and coverage options with carriers, and proposing best options to City.

Purpose

- HR Best Practice suggests solicitation of an RFP for Insurance Agent of Record to occur every three to five years.
- Seeking requests regularly ensures the city is acting fiscally responsible respective to the welfare of its employees and their families.
- Seeking requests also allows the city to evaluate the qualifications and experiences of the submitting Agents to ensure their capabilities offered meet the city's expectations.

Background

- The City's current Insurance Agent of Record contract was awarded to Gallagher Benefit Services, Inc. in July 2018.
- An RFP for Insurance Agent of Record was solicited for 30-days, with a submittal deadline date of March 23, 2023.
- Four (4) Responses were received:
 1. SWBC Employee Benefits Group
 2. Walker Brokers
 3. McGriff Employee Benefits Solutions
 4. Gallagher Benefit Services, Inc.
- Review Committee evaluated Agent's qualifications.

RFP Insurance Agent of Record Review Committee

- Assistant Police Chief, Tacquard
- Assistant Fire Chief, Burnside
- Assistant Public Works Director, Dimaline
- City Secretary, Passailaigue
- Human Resource Director, Hernandez

Scoring Criteria

Fulfillment of Submission Requirements

- Statement of Qualified Consultant Services
- Staff Availability
- Past & Present Client Contacts
- Completed Conflict of Interest Questionnaire
- Biography/Resumes of Persons Assigned to City
- Explanation of Compensation Proposal

Scoring Criteria

Responses to Scope of Services

- Content Knowledge and Technical Approach
 - Regulatory & Compliance: Affordable Cares Act (ACA), Health Information Privacy Rules (HIPAA), Continuation of Health Coverage (COBRA)
- Quality & Thoroughness of Services Proposed
- Qualifications & Experience of Firm & Assigned Representatives
 - Years in Business and Experience Working with Municipalities
 - Assigned Team Members qualifications & years with Firm
- Project Design
 - Method of Open Enrollment, Price/Commission Basis, Location & Availability of Team
- Other Aspects Considered
 - Employee Access Platforms/Portals
 - Customer Support / Claims Assistance Operation
 - Past and Present Reference Checks

Average Scores

2023 Insurance Agent of Record RFP Average Scores		SWBC Employee Benefits Consulting Group	Walker Brokers	McGriff Employee Benefit Solutions	Gallagher Benefit Services, Inc.
Understanding of the Scope of the Project - 30%					
<ul style="list-style-type: none"> Content and Technical approach - 15 Information on ACA, HIPAA, and COBRA - 10 Any Additional services that benefit the City - 5 		17.4	11.8	26.4	25.4
Quality and Adequacy of Response - 25%					
<ul style="list-style-type: none"> Completeness of the RFP - did they answer everything - 10 Quality and Quantity of Services to be Rendered - 10 Thoroughness of the RFP - were they detailed in their response - 5 		18.0	10.4	22.2	21.2
Qualifications in Providing Similar Services -15%					
<ul style="list-style-type: none"> Qualifications of Personnel assigned to LV - 10 Familiarity with working with municipal governments - 5 		8.4	7.2	13.4	13.4
Experience of designated City Representation - 15%					
<ul style="list-style-type: none"> Experience of Personnel Assigned to LV - 8 Experience of Firm - 7 		9.6	5.4	12.6	12.4
Overall Project Design - 15%					
<ul style="list-style-type: none"> Methodology - What is the approach to handling open enrollment - 6 Price - what commission is being assessed - 6 Location of the firm - Are they local - 3 		11.4	5.4	10.0	11.0
TOTAL (Possible 100 points)		64.8	40.2	84.6	83.4

➤ RFP's were rated individually.

➤ Total score was the average from all individual scores.

Fiscal Impact

- Commissions paid to the Insurance Agent of Record has no direct fiscal impact on the city, the commissions are paid as a part of the health insurance premium fee structure.
- Commissions can be paid based on Percentage of Premium or Price per Employee per Month.
 - Gallagher: 4% on medical, or \$30.26 PEPM; 10% on dental, vision, accident; 15% life/other
 - McGriff: \$30.00 PEPM on medical, 10% dental, vision, life; 15% other

Recommendation

- Due to the 1-point differential in the scoring average, the selection of either Firm would satisfy.
- The Review Committee recommends a Presentation/Interview with the City Council from the top two Firms for Final Selection:
 1. Gallagher Benefit Services, Inc.
 2. McGriff Employee Benefit Solutions