



CITY OF NOVI CITY COUNCIL
APRIL 3, 2023

SUBJECT: Approval of a one-year contract extension for employee benefit broker services between the City of Novi and Gallagher Benefit Services, Inc.

SUBMITTING DEPARTMENT: Human Resources

BACKGROUND INFORMATION:

In 2018 the City and Gallagher Benefit Services entered into a three-year contract with two one-year extensions. That contract will expire on April 21, 2023.

Gallagher Benefit Services works with the City, specifically Human Resources, to provide benefit consultation in the areas of health, dental, disability, and life insurance. Gallagher has been providing exceptional services to the City and to its employees since 2007. They assist Human Resources in resolving complaints and/or disputes concerning employee medical and/or disability claims, as well as provide services with regard to the City's annual renewal for these benefits.

The City of Novi is not billed for the services Gallagher provides. Gallagher receives payment directly from the insurance carriers, based upon a percentage of premiums paid to each provider. It has been confirmed, in writing, that there are no fee increases planned for 2023. Additionally, Gallagher has removed all commissions from the City's life and disability plans and does not receive any commission for the City's dental plan.

At the March 6th Consultant Review meeting, a one-year extension to the above contract was recommended for City Council approval.

RECOMMENDED ACTION: Approval of a one-year contract extension for employee benefit broker services between the City of Novi and Gallagher Benefit Services, Inc.