



Legislation Text

File #: 200555., **Version:** 1

Award of Contract for Group Life Insurance to the Standard Insurance Company as Proposed by Gallagher Benefits Services (B)

This item involves a request for the City Commission to approve the selection of the Standard Insurance Company as the provider for Group Life Insurance Benefit.

The City of Gainesville provides employer paid life insurance to all regular employees who work twenty hours or more and all retirees. The benefit varies based on the employee's base salary. All regular full-time employees receive a benefit of \$50,000. Regular employees who work less than full-time receive a benefit equal to two times their annual salary with a maximum benefit of \$50,000. The benefit for Charter Officers is two-times their annual salary up to \$250,000 and is included in their employment contracts.

The City issued a Request for Proposal for Group Life Benefits in 2020 for a three year term, but was interested in rate guarantees beyond the initial three year term. As a result of this process, the City received nine responses to the RFP. The proposals were evaluated by staff based on price and the ability to match the City's current life insurance benefit, including a requirement that all current covered employees and retirees would continue to be covered without a loss of benefit. The policy form was rated as a pass/fail and each company was evaluated based on financial strength and the ability to perform the services provided and finally price. Since only those life insurance companies that matched the City's benefit requirements could be considered, price was essentially the factor that had the most impact on the selection process. The lowest bid, submitted by the Standard, was \$0.27/\$1000 and represents a reduction in the rate currently paid by approximately 17%

Using the above criteria, and considering this is a price driven selection process, staff rated the proposal submitted by Standard Insurance Company through Gallagher Benefits Services as the lowest qualified proposal. The proposal of \$0.27/\$1000 was less than any other proposal. The coverage offered is identical to the coverage currently provided. The Standard Insurance Company has guaranteed the rate of \$0.27/\$1000 for three years and included a carrier option to negotiate additional rate guarantees based on loss performance for two additional years.

Funds of approximately \$400,000 have been included in the proposed Fiscal Year 2021 Employee Health and Accident Benefits Fund operating budget.

The City Commission: authorize 1) the selection for Group Life Insurance to The Standard Insurance Company as proposed by Gallagher Benefit Services for three years beginning January 1, 2021. 2) the issuance of a Purchase Order in an amount sufficient to cover the applicable charges for Group Life Insurance, and 3) the City Manager or designee to negotiate and execute, subject to the approval of the City Attorney as to form and legality, the documents necessary to place the insurance policy through Gallagher Benefits Services.