

City Council – Action Request Form

Date: June 10, 2019

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Carmen Caruth, Human Resources Director
Ben Rowe, Assistant City Manager

Council Action Requested:

Resolution Authorizing the City Manager to Enter into an Agreement with Securian/North Carolina Mutual for the Provision of Employee Life and Accidental Death & Dismemberment Insurance

Strategic Focus Area: Service Excellence

Strategic Objective: Maintain the City's Financial Strength

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

The City of Winston-Salem provides life and accidental death and dismemberment (AD&D) insurance coverage for benefitted employees at a coverage amount of one year's base pay - up to \$150,000. This coverage is provided at no cost to the employee. Employees may purchase supplemental life insurance at benefit amounts of one, two and three times base pay. Additionally, they may purchase life insurance for their spouses at a benefit of \$10,000 and children at a benefit of \$5,000 per child. Currently, this life insurance coverage is provided by Securian/North Carolina Mutual through an agreement that expires December 31, 2019.

The City's benefits consultant, WillisTowersWatson, conducted a competitive proposal process for a life insurance vendor. Thirteen life insurance providers were invited to submit proposals and competitive proposals were received from the following seven vendors: Securian/North Carolina Mutual, The Hartford, Symetra, The Standard, UNUM, Met Life, and Reliance Standard.

Committee Action:

Committee	Finance 6/10/19	Action	Approval
For	Unanimous	Against	

Remarks:

These seven proposals were evaluated by the City's benefits consultant based on (1) the quality of the proposal (completeness of the proposal, plan design, service factors), (2) vendor qualifications and experience (years of service, benefits administration experience, reference checks, staff credentials), (3) local government clients, and (4) price value. Tiesha Hinton, Assistant Director of Business Inclusion and Advancement, evaluated each proposal for MWBE commitment and business location (local, in North Carolina, outside North Carolina).

A team consisting of the following: Ben Rowe, Assistant City Manager; Lisa Saunders, Chief Financial Officer; Kemberly Ewing, Deputy Human Resources Director, and Carmen Caruth, Human Resources Director, reviewed the consultant's recommendations and the MWBE commitment and business location information. Based on this information, the team is presenting Securian/North Carolina Mutual as the recommended vendor.

Securian/North Carolina Mutual is the current life and AD&D insurance vendor. Their financial ratings, public sector client base, and value-added services (beneficiary financial counseling, legacy planning resources, travel assistance services, grief resources) are factors highly considered in staff's recommendation. This company has provided excellent program administration and customer service. Additionally, North Carolina Mutual, Securian's reinsurance partner, is a North Carolina-based company headquartered in Durham, and it is the largest minority-owned life insurance company in the country.

Securian/North Carolina Mutual's proposal package for employee life and AD&D insurance is \$174,000, which represents a 30% decrease from their current rates, a \$61,000 savings over current costs. The rates for supplemental life insurance offered for purchase by employees remain the same as the current contracted rate.

Therefore, City staff recommends approval of the accompanying resolution authorizing the City Manager to enter into an agreement with Securian/ North Carolina Mutual for the provision of employee life and accidental death and dismemberment insurance in an amount not to exceed \$174,000. Further, since Securian/North Carolina Mutual offered a three-year rate guarantee, it is recommended that the City Manager be authorized to renew this contract for up to three years at the same not-to-exceed amount.