

Resolution #19-0356
Resolution Book 1, Volume 1
Page 132

**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**

WHEREAS, the City of Winston-Salem provides life and accidental death and dismemberment insurance coverage for benefitted employees at a coverage amount of one year's base pay – up to \$150,000; and

WHEREAS, this coverage is provided at no cost to the employee; and

WHEREAS, employees may purchase supplemental life insurance at benefit amounts of one, two and three times base pay, as well as life insurance coverage for their spouses and children; and

WHEREAS, this insurance coverage is provided by Securian/North Carolina Mutual through an agreement that expires December 31, 2019; and

WHEREAS, the City's benefits consultant, WillisTowersWatson, conducted a competitive proposal process for a life and accidental death & dismemberment insurance provider; and

WHEREAS, of the thirteen life insurance providers invited to submit proposals, competitive proposals were received from the following seven vendors: Securian/North Carolina Mutual, The Hartford, Symetra, The Standard, UNUM, Met Life, and Reliance Standard; and

WHEREAS, these proposals were evaluated based on the following factors: (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, (4) price value; (5) MWBE commitment; and (6) business location (local, North Carolina, other states); and

WHEREAS, based on this evaluation, Securian/North Carolina Mutual is the recommended vendor; and

WHEREAS, Securian/North Carolina Mutual's 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; and

WHEREAS, Securian/North Carolina Mutual is the City's current life and AD&D insurance vendor and has provided excellent program administration and customer service; and

WHEREAS, North Carolina Mutual, Securian's reinsurance partner, is a North Carolina-based company headquartered in Durham and the largest minority-owned life insurance company in the country; and

WHEREAS, 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 and a \$61,000 savings over current costs; and

WHEREAS, Securian/North Carolina Mutual's proposed rates for supplemental life insurance offered for purchase by employees remain the same as the current contracted rate; and

WHEREAS, City staff recommends that the City enter into an agreement with Securian/North Carolina Mutual for the provision of employee life and accidental death and dismemberment insurance for plan year 2020; and

WHEREAS, funds are budgeted for these premiums in the Employee Benefits Fund.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Winston-Salem City Council, that the City Manager is authorized to enter into an agreement with Securian/North

Carolina Mutual for the provision of employee life and accidental death and dismemberment insurance for plan year 2020 at an amount not to exceed \$174,000.

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to renew this contract for up to three years at the same not to exceed amount, consistent with the three-year rate guarantee provided by Securian/North Carolina Mutual.