

City Council – Action Request Form

Date: September 12, 2022

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

From: Johnnie Taylor, Assistant City Manager
Dr. Marquis Barnett, Human Resources Director

Council Action Requested:

Resolution Authorizing The City Manager To Enter Into A Contract With The Hartford For Life And Short-Term Disability Insurance

Strategic Focus Area: Service Excellence

Strategic Objective: No

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, at no cost to the employee. Employees may purchase supplemental life insurance at coverage amounts of one, two-, or three-times base pay, up to \$400,000. Employees may also purchase life insurance for their spouse and children at a benefit of \$10,000 and \$5,000, respectively. The current life AD&D insurance plan is administered by Securian, at an annual cost of \$167,092.50 with a three-year renewal option. The current contract expires December 31, 2022.

The City provides short-term disability income replacement for employees experiencing with a non-work-related injury or illness, or pregnancy, up to 26 weeks. Employees pay the full price of the premium; the City does not make any contributions toward the premiums. The current short-term disability plan is administered by The Hartford.

Committee Action:

Committee	<u>Finance 9/12/22</u>	Action	<u>Approval</u>
For	<u>Unanimous</u>	Against	<u></u>

Remarks:

Willis Towers Watson, the City’s benefit consultant, conducted a competitive proposal process to identify a plan provider for both insurance and disability insurance. Proposals for life insurance were submitted by Securian, MetLife, Symetra, The Standard, and Reliance Standard. Proposals were submitted by The Hartford, MetLife, Symetra, The Standard, OCHS Inc., and Reliance Standard for disability insurance. Each proposal was evaluated singularly and as well as a package, combining both plans under one carrier.

The criteria to score proposals and weights are below:

Evaluation Criteria	Weight
MWBE Commitment	20.00
Business Location	20.00
Cost Effectiveness/Price Value	20.00
Qualifications / Experience	20.00
Reference List of Governmental Clients	10.00
Quality of Proposal	10.00

The scores for all proposal are below:

Provider	Score	Overall Ranking
The Standard	380	1
The Harford	280	3
MetLife	280	3
Symetra	260	5
OCHS	260	5
Reliance Standard	100	7
Securian	0	8

The cost for the combining benefits under one vendor is below:

Provider	Cost
The Hartford	\$167,093
The Standard	\$167,093
MetLife	\$140,358
Symetra	\$147,041
Reliance Standard	\$147,041

Human Resources staff recommends The Hartford as the provider for life and AD&D insurance and disability insurance fort the 2023 plan year based on the following:

- Long-standing relationship as the disability provider since 2011
- Three-year rate guarantee for the life and AD&D insurance, with no increase cost to the City
- Three-year rate guarantee for disability insurance

- Rate deduction for the disability insurance, providing better value to City employees
- \$10,000 implementation credit