



Legislation Text

File #: 18-724, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the recommendation by GCG Financial to award basic life insurance, AD&D insurance and voluntary life insurance renewal to Reliastar Life Insurance Company through Voya Financial for a two-year term and for an amount not to exceed \$252,000

DEPARTMENT: Human Resources

SUBMITTED BY: James Sheehan, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

City Council approved GCG Financial (GCG) as the City's employee benefits broker. One of GCG's duties is to price, recommend and negotiate the award of a group life insurance vendor for the City of Naperville. GCG previously recommended and the City approved Reliastar/VOYA for our group life insurance products.

The City's current contract with Reliastar/VOYA for basic life, accidental death and dismemberment (AD&D) and optional life insurance will expire on December 31, 2018.

The City provides basic life insurance and AD&D coverage at 1.5 times an employee's salary up to a maximum of \$300,000 at no cost to the employee. Employees may purchase optional life insurance covering themselves, their spouse and/or their children at their own expense. Retirees may also purchase limited life insurance benefits through our agreement with Reliastar/VOYA.

The City's cost for basic life insurance and AD&D is based upon the volume of insurance provided to covered employees. The total cost will vary based upon salary and current headcount, therefore the above totals are based on estimates using the City's current employee population with an estimated salary adjustment for each year.

DISCUSSION:

GCG reached out to Reliastar/VOYA for a renewal quote. Reliastar/VOYA offered a renewal with no cost increase to the City and no rate changes for the voluntary portion of the policy. In light of Voya's willingness to extend the current premiums for 24 months, GCG recommends the City of Naperville renew with the Reliastar/VOYA coverage for the period of January 1, 2019 to December 31, 2020 with no changes in coverage.

Staff recommends City Council approve the recommendation by GCG to award the basic life

insurance, AD&D insurance and voluntary life insurance renewal to Reliastar Life Insurance Company through Voya Financial for an amount not to exceed \$252,000. The amounts provided are based on the current number of participants covered under the program and include an increase in volume of coverage for plan year 2019 and 2020 as premiums are based upon total salaries.

The term of this contract is two years from January 1, 2019 through December 31, 2020

FISCAL IMPACT:

Life and accidental death and dismemberment insurance is expensed to the premiums account of the Self-Insurance Fund. This agreement will be budgeted appropriately in 2019 and 2020. Supplemental life insurance is paid entirely by individual employees through voluntary payroll deductions at no expense to the City.