



## Legislation Text

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File #: 20-879, Version: 1

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### **CITY COUNCIL AGENDA ITEM**

#### **ACTION REQUESTED:**

Approve the recommendation by GCG Financial to award basic life, accidental life, supplemental life and family medical leave administration (FMLASource) renewal to Reliastar Life Insurance/VOYA Financial for an amount not to exceed \$325,000 and for a two-year term

**DEPARTMENT:** Human Resources

**SUBMITTED BY:** James Sheehan, Director

#### **BOARD/COMMISSION REVIEW:**

N/A

#### **BACKGROUND:**

One of the duties of GCG is to quote, recommend and negotiate the award of insurance benefits on behalf of the City. On April 15, 2014, City Council approved GCG Financial (GCG) as the City's benefits broker for a three-year period beginning May 1, 2014, with two, two-year options to extend. The first two-year extension to GCG's contract was approved by Council in April 2017. The second extension to GCG's contract was approved to go through 2021.

In October 2016, the city manager approved a renewal of life products and administration to VOYA Financial for a two-year period from January 1, 2017 through December 31, 2018. On March 16, 2019, the city manager approved a renewal for a two-year period from January 1, 2019 through December 31, 2020.

#### **DISCUSSION:**

Following the award to VOYA in 2019, GCG reviewed the claims experience over the past four years and even though basic life is running over a 100% loss ratio, when considering all product lines, the loss ratio is more favorable. VOYA responded to the renewal request and will maintain the same rates for the next two years.

Staff also compared current rates with the marketing analysis completed two years ago and the City remains below current market rates. The City currently has 233 employees purchasing voluntary life products with Reliastar/Voya and this would be a disruptive and lengthy process to convert each policy to another vendor.

The award for Voya basic life, accidental death and dismemberment, supplement life and FMLA administration is for two years from January 1, 2021 through December 31, 2022.

**FISCAL IMPACT:**

CIP: N/A

FMLA services are expensed to the Human Resources service account listed below. A total of \$20,093 is budgeted for the service in 2020. The 2021 budget will reflect the total established in the proposed agreement, if approved.

Basic life and accidental death and dismemberment coverage is expensed as a pass-through account to employees through bi-weekly paychecks. Both the standard coverage and voluntary additional coverages are provided for by employees. The city expenses approximately \$115,000 annually on basic life insurance and \$160,000 in additional life insurance coverage.

Account Number	Fund Description	Total Budget Amount
14101100-531305	General Fund	\$ 88,009