



CITY COUNCIL COMMUNICATION

August 17, 2010

SUBJECT: Award of Contract for Group Term Life Insurance and Disability Insurance and Optional Life Products

SUBMITTED BY: Carolyn Marshall, Human Resources/Risk Administrator

REFERENCE NO: RFP 015-10

ACTION REQUESTED:

Consider award of RFP# 015-10 for group term life insurance, long term disability, short term disability and optional life insurance products to Dearborn National for the period beginning October 1, 2010 and ending September 30, 2012 with the exception of the alternate life coverage which is to become effective January 1, 2011.

ALTERNATIVES:

- Award to another Vendor
- Reject all proposals

SUMMARY OF SUBJECT:

Staff received proposals from three companies for group term life, accidental death and dismemberment, long and short term disability and optional life insurance products. Currently, the City provides employees with group term life insurance equal to 1.5 times their annual salary through an insurance company and additional life insurance coverage through TMRS equal to 1 times their salary. Staff recommends that the life insurance coverage levels be combined effective January 1, 2011 and purchased solely from Dearborn National. Staff recommends that all other coverage levels except for accidental death and dismemberment be awarded to Dearborn National effective October 1, 2010. Coverage for accidental death and dismemberment will be awarded separately based on extended benefit options available through another carrier.

FINANCIAL CONSIDERATIONS:

Revenue Sources:	City & Employee Contributions
Expenditure Accounts:	Various
Estimated Expenditure:	\$162,837
Estimated Expenditure:	\$154,953
Under Projection By:	(\$7,884)
Other Comments:	

SUPPORTING DOCUMENTS:

- Quote Analysis
- Vendor List

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **SC** _____

City Secretary's Office