



Legislation Text

File #: 05-2439, **Version:** 1

Recommendation to authorize City Manager to execute agreement with Aetna Life Insurance Company to provide life insurance for employees with rates as outlined, and to execute any subsequent amendments necessary to maintain the recommended benefit levels and remain in compliance with state and federal laws on all plans. (Citywide)

As provided by the Salary Resolution and through Memoranda of Understanding, the City provides term life insurance coverage to eligible employees.

The Human Resources Department solicited Requests for Proposals from qualified vendors. Seven proposals were submitted. A selection committee, comprised of representatives from the Human Resources Department, the City Manager's Office and the City Auditor's Office evaluated all the proposals submitted. As a result of this review process, Aetna Life Insurance Company was selected as the insurance carrier because their product most closely met or exceeded the requirements of the RFP and also provided the most competitive rates. They have agreed to provide coverage without rate increases for the next three benefit years at a premium rate for term life insurance of \$0.124 for every \$1000 of coverage per month.

This item was reviewed by Senior Deputy City Attorney Donna Gwin on February 17, 2005 and by Budget Management Officer David Wodynski on February 16, 2005.

City Council action is requested on March 1, 2005, as this life insurance agreement must be implemented by April 1, 2005.

The annual cost of these programs is estimated to be \$268,600 to the Employee Benefits Fund (IS 391) in the Department of Financial Management Citywide (XC). This is a savings of approximately \$286,400 over the previous year. These costs are included in the Fiscal Year 2005 Adopted Budget and the savings are captured in the Three-Year Financial Strategic Plan.

Approve recommendation.

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[Respectfully Submitted,]