



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Date: May 1, 2019

To: Mark F. Miller, City Manager

From: MaryBeth Murz, Purchasing Manager
Lisa Burnham, Finance Manager
Tom Darling, Director of Financial Services
Jeanette Menig, Human Resources Director

Subject: Standard Purchasing Resolution 2 – Low Bid meeting Specifications - Short/Long Term Disability, Life and AD&D Insurance Coverage

History

- The City of Troy provides quality benefits to employees.
- All full-time employees have provisions that include access to Short/Long Term Disability Insurance, Life Insurance and Accidental Death and Dismemberment Insurance.
- City Management has historically selected the insurers for these plans as a package considering cost and coverage required by the collective bargaining agreements.
- Unum Life Insurance Company of America currently provides Short/Long Term Disability, Life Insurance and Accidental and Dismemberment Insurance, with the current contract expiring in April and UNUM has agreed to continue to provide coverage for Short/Long Term Disability, Life and AD&D Insurance Coverage thru the month of May; contract expiring May 31, 2019.

Purchasing

- The City of Troy's Benefits Consultant, *Arthur J. Gallagher & Co.*, solicited quotes from reputable, financially stable carriers on the City's behalf Short/Long Term Disability, Life and AD&D Insurance Coverage.
- Five (5) carriers responded with quotes, including UNUM, the City's current provider.
- The quote from The Hartford is the second lowest monthly/annual premium and also includes a 3 year rate guarantee so is therefore being recommended in the best interest of the City as detailed below.

Carrier	Monthly Premium	Annual Premium	Rate Guarantee
UNUM (Current Rate)	\$15,868	\$190,421	2years
Quotes:			
SunLife	\$15,882	\$190,587	2years
The Hartford	\$16,866	\$202,388	3yrs. (2yr-STD)
The Standard	\$17,006	\$204,073	2 years
UNUM	\$18,580	\$222,959	2 years
NIS	\$21,700	\$260,395	3yrs. (2yr-STD)



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Purchasing (continued)

- The Hartford's quote was the lowest monthly/annual premium and offers a 3 year rate guarantee as detailed above.
- The new agreement will begin June 1, 2019 and shall expire May, 31, 2021.

Financial

- Funds are budgeted by Department for monthly/annual premium costs.
- The Hartford will extend and provide *early rate pass* after the first year to align all benefits to renew after 3 years.
- Also, note that City of Troy employees contribute to premium costs for life and accidental death predicated upon Employee Bargaining Group Agreements.

Recommendation

In conjunction with the City's Benefits Consultant, *Arthur J. Gallagher and Associates*, based on the premium costs and a 3-year rate guarantee it is being recommended to award a contract to *The Hartford Life Insurance Company of Hartford, CT* for Short Term Disability, Long Term Disability, Life and Accidental Death and Dismemberment Insurance for three (3) years; contract expiring May 31, 2021.