



# City of San Antonio

## Agenda Memorandum

**File Number:** 14-1698

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**Agenda Item Number:** 32.

**Agenda Date:** 8/21/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Human Resources

**DEPARTMENT HEAD:** Joe Angelo, Chief Human Resources Officer

**COUNCIL DISTRICTS IMPACTED:** City-Wide

### **SUBJECT:**

Dearborn National- Contract Amendment and Extension for 2015 Plan Year

### **SUMMARY:**

This Ordinance authorizes the City Manager or her designee to execute an amendment in an estimated annual amount of \$543,267 to provide Group Basic Term Life, Accidental Death and Dismemberment (AD&D), and Voluntary Term Life Insurance coverage in an estimated annual amount of \$1,060,197 under the City's Self-Funded Health Benefits Program. The current contract expires December 31, 2014 and the term of the amendment commences January 1, 2015 and ends on December 31, 2015.

### **BACKGROUND INFORMATION:**

The City of San Antonio offers group life insurance to approximately 10,004 uniformed and non-uniformed employees at no cost to the employee. This benefit is equal to one (1) time the employee's annual base salary plus an accidental death benefit equal to one (1) time the employee's annual base salary. In addition, non-uniformed employees may elect, at their own cost, supplemental life insurance coverage up to five times the employee's annual salary with evidence of insurability. Employees may also purchase dependent life insurance at \$25,000/spouse/domestic partner and \$10,000 for child(ren) through age 20 or 25 if full-time student.

### **ISSUE:**

Amendment of this contract will allow for continued basic term life insurance benefits and accidental death and dismemberment coverage for the civilian and uniformed full time employees, which is an integral part of the City's Employee Benefits Program. Continuation of this contract will also allow the ability to offer voluntary additional supplemental term life insurance coverage with the availability of expanded services and optional coverage for and children, to be offered during the open enrollment for the 2015 plan year.

**ALTERNATIVES:**

The alternative to award of this contract would be to initiate the formal RFP process which would impact continuation of current benefits to covered employees and dependents.

**FISCAL IMPACT:**

Funds are included in the Proposed FY2015 Budget for City provided basic term life insurance and accidental death and dismemberment coverage in General Ledger 5103010 Life Insurance in the employee assigned cost center. The optional voluntary additional term life insurance coverage for employees and dependents will be paid through the Employee Benefits Insurance Fund as a direct pass-through of employee payroll deductions to the vendor.

**RECOMMENDATION:**

Staff recommends approval of this ordinance to execute an amendment with Dearborn National, with a term beginning January 1, 2015 and ending on December 31, 2015, subject to and contingent upon funding and approval by the Director of Human Resources.