



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#21-0907

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: October 5, 2021

TITLE: Motion Authorizing Purchase of Basic Employee Life and Accidental Death
& Dismemberment Insurance – The Standard Life Insurance Company –
\$601,444 – **(Commission Districts 1, 2, 3 and 4)**

Recommendation

Staff recommends the City Commission approve the purchase of basic employee life and accidental death and dismemberment (AD&D) insurance policies through The Standard Life Insurance Company for all full-time employees. The three-year estimate amount of \$601,444 includes a three-year rate guarantee of \$.06 per \$1,000 of payroll for the basic employee life and \$.015 for the AD&D. The Standard also provided a fourth and fifth-year rate guarantee on an incurred loss ratio not to exceed 85% during the first 30 months of experience on the City paid employee life and employee voluntary benefit coverages.

Background

About five years ago, in an attempt to be more competitive with other local government employers, the City purchased life insurance for all full-time employees at one times their salary. This policy purchased was underwritten by The Standard Life Insurance Company.

Inasmuch as the competitive solicitation and selection process is inapplicable to the purchase of insurance and insurance-related products pursuant to Subsection 2-176(d), Fort Lauderdale Code of Ordinances, the City's contracted consultant, marketed this insurance requesting proposals from eleven qualified insurance companies. Six companies responded with proposals and five declined to quote due to their inability to offer competitive rates. The Standard Life Insurance Company, once again, provided the best terms and conditions compared to the other qualified proposers.

After a thorough analysis of the proposals received, The Standard's proposal offers the best overall terms and conditions compared to the other proposers. The city paid premium for these benefits is increasing by 25% based on adverse experience over the past five years. Other proposers offered proposals calling for basic life premium increases of 83% up to 250%.

If the enrollment number increases throughout the Plan Year, the total premium will have to be increased. This policy is for the period of January 1, 2022 through December 31, 2022. The Insurance Advisory Board reviewed and recommended approval of this item at their September 22, 2021 meeting.

Staff, and by recommendation from the Insurance Advisory Board and the City's Benefits Consultant, requests City Commission approval for the purchase of group term life insurance from The Standard Life Insurance Company in the estimated amount of \$601,444.

Resource Impact

Funds for this purchase in the amount of \$191,724 are available in the FY 2022 Budget in the account listed below:

<i>Funds available as of October 1, 2021</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	PURCHASE AMOUNT
545-INS220101-5135	Self-Insured Health Benefits	Non-Oper Exp/Other Carrier Premiums	\$30,508,142	\$30,508,142	\$191,724
TOTAL AMOUNT ►					\$191,724

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning.

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are United.

This item supports the *Advance Fort Lauderdale 2040* Comprehensive Plan, specifically advancing:

- The Internal Support Focus Area
- Implementation Element
- Goal 1: The Fort Lauderdale Comprehensive Plan shall accomplish the City's *Fast Forward Fort Lauderdale 2035* Vision Plan regarding the City's future growth and the six Cylinders of Excellence and shall be the City's primary policy document to guide all of its activities and development.

Attachments

Exhibit 1 - Consultant's Summary and Recommendation

Exhibit 2 - Premium Analysis Summary

Exhibit 3 - Proposal

Exhibit 4 - Certificate - Group Life Insurance

Exhibit 5 - Amendment to Certificate - Group Life Insurance

Exhibit 6 - Insurance Advisory Board - Meeting Minutes

Prepared by: Guy Hine, Risk Manager, Human Resources
Michael Naftaniel, Benefits Manager, Human Resources

Department Director: Tarlesha W. Smith, Esq., Human Resources