

**CITY COUNCIL  
COMMUNICATION:**

02-547

**AGENDA:**

OCTOBER 21, 2002

**SUBJECT:**CITY PAID AND  
SUPPLEMENTAL  
LIFE INSURANCE  
REQUEST FOR  
PROPOSALS**TYPE:**RESOLUTION  
ORDINANCE  
RECEIVE/FILE**SUBMITTED BY:**THOMAS TURNER  
HUMAN  
RESOURCES  
DIRECTOR**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA****SYNOPSIS —**

Report to Council of results for the Life Insurance Request for Proposals (RFP) approved on August 19, 2002 (Roll Call No. 02-2072) and recommendation to select Employers Mutual Companies effective December 1, 2002, upon completion of negotiations with the Legal Department.

**FISCAL IMPACT —**

A reduction of \$0.01 per \$1,000 of coverage per month results in savings of approximately \$7,500 per year. The total reduction achieved from Fiscal Year (FY) 2003 is \$0.11 (FY2003 - \$0.25/1,000 versus EMC at \$0.14/1,000). Savings will be both in enterprise funded operations and Trust and Agency funds.

**RECOMMENDATION —**

**Receive and file the staff recommendation to select EMC Employers Modern Life, Des Moines, Iowa (Bruce Kelly, CEO) as the life insurance provider for City sponsored plans.**

**BACKGROUND —**

The City provides, at no cost to employees, certain levels of term life insurance coverage depending on the employee's bargaining unit. Employees of the Wastewater Reclamation Facility (WRF) are provided a small Accidental Death and Dismemberment policy. Additionally, Municipal Employees Association (MEA) and Supervisory, Professional, and Management (SPM) employees are able to purchase supplemental life insurance on themselves and their dependents. Principal Financial Group is the City's current carrier for this insurance.

Three companies provided quotes under the RFP – Principal, Wellmark, and EMC. Wellmark provided their quote through a cooperative arrangement with Fort Dearborn Life of Chicago, Illinois. The ratings and scoring of the RFP are attached to the roll call. Representatives of the various bargaining units and SPM were invited to review the quotes and scoring. Three of the units (American Federal, State, County, and Municipal Employees [AFSCME], MEA, and Police Bargaining Association) participated in the review. EMC offers the lowest cost per unit for all coverage and meets the financial requirements. Principal is the second lowest cost. Their quote is one cent lower than their current rates of \$0.17 per thousand. Wellmark placed third in both cost and overall score.

The Council, by its action on August 19, 2002, has already provided authority for the Legal Department to negotiate a contract and the Mayor to execute the contract for life insurance coverage. This communication is intended to inform

the Council of the results of the RFP.