


# COUNCIL COMMUNICATION

|   |               |   |            |                      |
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| <br>CITY OF DES MOINES<br>OFFICE OF THE CITY MANAGER | Number:       | <b>24-128</b>                                   | Meeting:   | <b>April 1, 2024</b> |
|   | Agenda Item:  | <b>35</b>                                       | Roll Call: | <b>24-0508</b>       |
|   | Submitted by: | <b>James R. Wells, Human Resources Director</b> |            |                      |

## AGENDA HEADING:

Approve contract with Lincoln Financial Group (Ellen G. Cooper, Chairman, President and Chief Executive Officer, 8801 Indian Hills Drive, Omaha, Nebraska 68046) for the provision of group and supplemental life insurance, long-term disability (LTD) and supplemental health insurance benefits for eligible employees for period July 1, 2024 through June 30, 2027.

## SYNOPSIS:

Seven (7) proposals were received in response to a request-for-proposal (RFP) for basic life, supplemental life, long-term disability insurance, and supplemental health insurance.

Lincoln received the highest overall score. Des Moines Airport Authority and Des Moines Water Works currently receive their life and LTD benefits through the City and will continue that relationship with Lincoln.

Lincoln guarantees rates for both the life and LTD benefits for the first three (3) years of the agreement (07/01/2024 – 06/30/2027) with the option to renew for an additional three (3)-year term.

## FISCAL IMPACT:

Amount: \$574,493 (\$278,983 for basic life insurance; \$295,510 for LTD)

Funding Source: ND405649

## ADDITIONAL INFORMATION:

- The City provides group life insurance to all regular full-time and regular three-quarter time employees and LTD insurance to certain eligible employees. The basic term life plan provides a death benefit to an employee's designated beneficiary(s). Employees also have access to voluntary

supplemental life coverage ranging from \$10,000 to \$500,000. The LTD plan provides income replacement for employees unable to work due to a disability lasting more than 90 days.

- The RFP process generated seven (7) proposals. Lincoln's proposal provides a decrease in the City's current basic life rate from \$0.13/\$1,000 of coverage to \$0.105/\$1,000 of coverage. Lincoln's proposal also lowers the rate for LTD insurance, decreasing current LTD costs by 22%. Additionally, Lincoln maintained current supplemental life insurance rates so employees will not experience a change in their supplemental life costs.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: September 11, 2023

Roll Call Number: [23-1265](#)

Action: [Authority](#) to enter into an extension of agreement with Voya for the provision of group life insurance, LTD and supplemental insurance benefits for the period October 1, 2023 through June 30, 2024. ([Council Communication No. 23-418](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 6-0.

Date: August 6, 2018

Roll Call Number: [18-1365](#)

Action: [Proposal](#) and Authority to enter into an agreement with Voya for Group and Supplemental Life Insurance and LTD Benefits for eligible employees. ([Council Communication No. 18-397](#)) Moved by Gatto to adopt. Motion Carried 7-0.

#### **BOARD/COMMISSION ACTION(S): NONE**

#### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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