

SAINT PETERSBURG CITY COUNCIL

Consent Agenda

Meeting of January 8, 2009

To: The Honorable James Bennett, Chair and Members of City Council

Subject: Renewing an agreement with Standard Insurance Company for group ancillary insurance at an estimated annual premium of \$821,397.

Explanation: On December 20, 2007 City Council approved a one-year agreement for group ancillary insurance services effective through March 31, 2009. Under the renewal of contract clause, the city reserves the right to extend the agreement for four one-year periods if mutually agreeable. This is the third one-year renewal.

The vendor provides basic life insurance for employees and retirees, supplemental life insurance for employees and dependents, voluntary accidental death and dismemberment insurance for employees, retirees and dependents and long term disability and personal accident and injury coverage for management employees.

Basic life insurance coverage is provided to city employees at the city's cost and to retirees at their expense. The supplemental life insurance premium is paid for by the employees and retirees. Voluntary accidental death and dismemberment coverage is paid for by the employees and retirees. Short term disability administrative services, long term disability insurance and personal accident and injury coverage are provided for management employees at the city's cost.

The Purchasing Department, in cooperation with the Human Resources Department, recommends for renewal:

Standard Insurance Company.....\$821,397

Basic Life Insurance:	
Employee volume 66,256 (in 1,000's)	\$128,007
Retiree volume – 5,692 (in 1,000's)	295,073
<i>Premium increase of 9%</i>	
Supplemental Life Insurance:	
Employee volume – 53,930 (in 1,000's)	\$226,506
Spouse volume - 5,005 (in 1,000's)	13,213
Child(ren) volume – 1,220 (in 1,000's)	1,757
Voluntary Accidental Death and Dismemberment:	
Employee volume – 66,425 (in 1,000's)	\$27,898
Employee Family volume - 146,725 (in 1,000's)	70,428
Retiree volume – 4,375 (in 1,000's)	1,838
Retiree family volume – 15,350 (in 1,000's)	7,368
Long Term Disability and Personal Accident and Injury:	
Management employees - rates based on actual salary	\$ 42,589
Management employees Personal Accident and Injury – volume 16,000 (in 1,000;s)	6,720

The vendor has agreed to uphold the terms and conditions of RFP No. 6446 dated September 21, 2005. This agreement will be effective through March 31, 2010. For Plan Year April 2009 – March 2010 the projected cost of the life insurance and disability insurance plans will be \$821,397. The city's cost is projected to be \$177,316; the employees' portion is projected to be \$339,802, and the retirees' portion is projected to be \$304,279, depending on enrollment.

Although the Basic Life Insurance premium increase for the 2009-2010 plan year is 9%, the rates for Supplemental Life, Voluntary Accidental Death and Dismemberment, Long Term Disability and Management Personal Accident and Injury will remain at the current levels. The overall city cost (\$177,316) represents a 7.1% increase over the amount authorized for Plan Year 2008 (\$165,531).

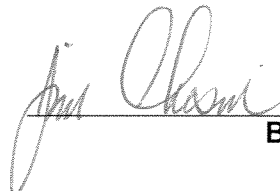
Cost/Funding/Assessment Information: Funds have been previously appropriated in the Life Insurance Fund (5123), Human Resources Group Benefits (0901177).

Attachments: Group Life Insurance Rate History
Supplemental Life Insurance Monthly Cost
Accidental Death and Dismemberment Rate History
Resolution

Approvals:



Administrative



Budget

Group Life Insurance Rate History
953-63 Insurance, Ancillary Group Services

	Plan Years				
	2005	2006	2007	2008	2009
Basic Employee Life Insurance	\$0.235	\$0.150	\$0.150	\$0.150	\$0.161
Basic Retiree Life Insurance	\$3.960	\$3.960	\$3.960	\$3.960	\$4.320
Employee Supplemental Life Insurance	\$0.425	\$0.350	\$0.350	\$0.350	\$0.350

Note: Cost per \$1,000 of coverage

**Supplemental Life Insurance Monthly Cost
953-63 Insurance, Ancillary Group Services**

Effective April 1, 2009

Salary Range	Low Option Coverage	Monthly Cost	High Option Coverage	Monthly Cost
\$20,000 - 24,999	20,000	7.00	40,000	14.00
\$25,000 - 29,999	25,000	8.75	50,000	17.50
\$30,000 - 34,999	30,000	10.50	60,000	21.00
\$35,000 - 39,999	35,000	12.25	70,000	24.50
\$40,000 - 44,999	40,000	14.00	80,000	28.00
\$45,000 - \$49,999	45,000	15.75	90,000	31.50
\$50,000 or more	50,000	17.50	100,000	35.00
Spouse coverage*	10,000	\$2.20	25,000	\$5.50
Child(ren) coverage**	5,000	\$.60	--	--

Note: *The employee must enroll in supplemental life insurance to be able to enroll the spouse and children.

Employee supplemental coverage must be at least \$20,000 to elect \$10,000 in spouse coverage, and at least \$50,000 to elect \$25,000 in spouse coverage.

**The monthly rate of \$.60 provides \$5,000 in coverage for each eligible child.

**Accidental Death and Dismemberment Rate History
953-63 Insurance, Ancillary Group Services**

**Employee and Retiree Rate History
Plan Years**

	2005	2006	2007	2008	2009
Employee Only:					
\$ 25,000	\$.88	\$.88	\$.88	\$.88	\$.88
\$ 50,000	1.75	1.75	1.75	1.75	1.75
\$ 75,000	2.63	2.63	2.63	2.63	2.63
\$100,000	3.50	3.50	3.50	3.50	3.50
\$125,000	4.38	4.38	4.38	4.38	4.38
\$150,000	5.25	5.25	5.25	5.25	5.25
\$175,000	6.13	6.13	6.13	6.13	6.13
\$200,000	7.00	7.00	7.00	7.00	7.00
\$225,000	7.88	7.88	7.88	7.88	7.88
\$250,000	8.75	8.75	8.75	8.75	8.75
\$275,000	9.63	9.63	9.63	9.63	9.63
\$300,000	10.50	10.50	10.50	10.50	10.50
Family Plan:					
\$ 25,000	\$1.08	\$1.08	\$1.00	\$1.00	\$1.00
\$ 50,000	2.15	2.15	2.00	2.00	2.00
\$ 75,000	3.23	3.23	3.00	3.00	3.00
\$100,000	4.30	4.30	4.00	4.00	4.00
\$125,000	5.38	5.38	5.00	5.00	5.00
\$150,000	6.45	6.45	6.00	6.00	6.00
\$175,000	7.53	7.53	7.00	7.00	7.00
\$200,000	8.60	8.60	8.00	8.00	8.00
\$225,000	9.68	9.68	9.00	9.00	9.00
\$250,000	10.75	10.75	10.00	10.00	10.00
\$275,000	11.83	11.83	11.00	11.00	11.00
\$300,000	12.90	12.90	12.00	12.00	12.00

A RESOLUTION APPROVING THE RENEWAL OF AN AGREEMENT WITH STANDARD INSURANCE COMPANY FOR GROUP ANCILLARY INSURANCE AT AN ESTIMATED ANNUAL PREMIUM NOT TO EXCEED \$821,397 FOR THE HUMAN RESOURCES DEPARTMENT; AUTHORIZING THE MAYOR OR MAYOR'S DESIGNEE TO EXECUTE ALL DOCUMENTS NECESSARY TO EFFECTUATE THIS TRANSACTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, On January 5, 2006 City Council approved the award of a one-year agreement with four one-year renewal options to Standard Insurance Company for group ancillary insurance services pursuant to RFP No. 6446 dated September 21, 2005; and

WHEREAS, on January 11, 2007 City Council approved the first one-year renewal option; and

WHEREAS, on January 8, 2008 City Council approved the second one-year renewal option; and

WHEREAS, the City desires to exercise the third one-year renewal option; and

WHEREAS, the Purchasing Department, in cooperation with the Human Resources Department recommends renewal of this Agreement.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida, that the renewal of the Agreement with Standard Insurance Company for group ancillary insurance at an estimated annual premium not to exceed \$821,397 for the Human Resources Department is hereby approved and the Mayor or Mayor's Designee is authorized to execute all documents necessary to effectuate this transaction; and

BE IT FURTHER RESOLVED that this Agreement will be effective through March 31, 2010

This Resolution shall become effective immediately upon its adoption.

Approved as to Form and Substance:



City Attorney (Designee)