



MEMORANDUM

To: Mayor and City Council

From: Vivyon V. Bowman, Director of Administration and Human Resources

Date: September 25, 2018

Reference: Approval of Life, Accidental Death & Dismemberment and Long-Term Disability Insurance Coverage

2030: Top Quality City Workforce

Introduction:

Consider approval of the renewal proposal for Life, Accidental Death and Dismemberment (AD&D) and Long-Term Disability (LTD) coverage with Prudential Financial in the annual amount of \$276,355 as budgeted and authorizing the City Manager to sign all necessary documents.

Analysis:

These plans cover employees, and in certain instances dependents, for loss of life, limbs, and disability while covered under this plan. The City is in a current rate guarantee with all Prudential products, rates will not change for the 2018 plan year leading to a 0% increase in cost. Additionally, the City completed an RFP for these coverages in July of 2018 to determine if the rates and plan designs were still competitive. The eight (8) vendor responses were reviewed and we believe that Prudential offers the best overall value to the City of Coppel and its employees. Two vendors (Dearborn and Hartford) did provide some savings when compared to Prudential; but, are not the same benefit/service levels to which the City and its employees are accustomed. For example:

- **Dearborn** – Dearborn is more commonly paired with fully insured Blue Cross/Blue Shield plans which is not recommended regardless of the savings.
- **Hartford** – A quality life and disability vendor. Savings of only 8% off current; but, not comparable to what the City's current coverage. Does not include Worldwide Travel Assistance and Financial Pathways Education program.

For the above reasons we are recommending that the City continue with Prudential for Life, Accidental Death and Dismemberment (AD&D) and Long-Term Disability (LTD).

Legal Review:

This is a purchase of an insurance product and no agreement is warranted.

Fiscal Impact:

These costs have been budgeted in the City's Self-Insurance Fund.

Recommendation:

The city staff recommends the Mayor and City Council approval of the Prudential Life, Accidental Death and Dismemberment (AD&D) and Long-Term Disability (LTD) renewal proposal as outlined above.