

Management Committee

For the Metropolitan Council meeting of August 9, 2017

Subject: Basic and Supplemental Life Insurance

Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to negotiate and award a contract with Securian in the amount of \$7,500,000 to provide basic and supplemental life insurance for all eligible Council employees for a period of five years, January 1, 2018 through December 31, 2022.

Summary of Committee Discussion/Questions

Committee members had no questions.

The motion to approve the proposed action passed unanimously.

Management Committee

Meeting date: July 26, 2017

For the Metropolitan Council meeting of August 9, 2017

Subject: Basic and Supplemental Life Insurance

District(s), Member(s): All

Policy/Legal Reference: Council Policy 3-3 Expenditures – Procurement of Goods and Services over \$500,000

Staff Prepared/Presented: Terri Bopp, Benefits Manager, 651-602-1370; Marcy Cordes, Chief Labor Relations Officer, 651-602-1582

Division/Department: Regional Administration/Human Resources - Benefits

Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to negotiate and award a contract with Securian in the amount of \$7,500,000 to provide basic and supplemental life insurance for all eligible Council employees for a period of five years, January 1, 2018 through December 31, 2022.

Background

The Council provides basic life insurance to eligible employees as negotiated in labor agreements and the Non-Rep plan. Also, supplemental life insurance is offered to employees at their own expense. The current contract with MN Life/Securian expires December 31, 2017 at the end of a five-year contract. A formal Request for Proposals was issued April 18, 2017. Proposals were due May 24, 2017. Proposals were submitted by the following companies: Aflac; CIGNA; MetLife; National Insurance Services; Securian; The Hartford; The Standard. All proposals were evaluated independently by each panel member without collaboration with any other panel member.

Rationale

The evaluation panel reached the consensus that the proposal submitted by Securian represents the best value to the Council. Securian demonstrated they could match our current basic and supplemental life plans as negotiated. They were the only proposer to offer a five-year rate guarantee and their proposed premium rates were an overall 12% reduction from current rates. Their proposed premiums were the lowest of all proposals.

Thrive Lens Analysis

Authorization to enter into a contract with Securian for basic and supplemental life insurance supports the Thrive outcome of Stewardship by providing quality life insurance plans at the lowest cost available over the next five years.

Funding

Funding is considered in the Operating Budget of each division.

Known Support / Opposition

None