



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM



Date: May 18, 2022

To: Mark F. Miller, City Manager

From: Emily Frontera, Purchasing Manager
Rob Maleszyk, Chief Financial Officer
Dee Ann Irby, Controller
Jeanette Menig, Human Resources Director

Subject: Standard Purchasing Resolution 2 – Low Bid meeting Specifications - Short/Long Term Disability, Life and AD&D Insurance Coverage

History

- The City of Troy provides quality benefits to employees.
- All full-time employees have provisions that include access to Short/Long Term Disability Insurance, Life Insurance and Accidental Death and Dismemberment Insurance.
- City Management has historically selected the insurers for these plans as a package considering cost and coverage required by the collective bargaining agreements.
- The Hartford Life Insurance Company of America currently provides Short/Long Term Disability, Life Insurance and Accidental and Dismemberment Insurance, with the current contract expiring May 31, 2022.

Purchasing

- The City of Troy's Benefits Consultant, Arthur J Gallagher & Co solicited quotes from financially stable carriers on the City's behalf for Short/Long Term Disability, Life and AD&D Insurance coverage.
- The two most competitive options were The Hartford, the City's current provider and Reliance Standard
- The renewal quote from The Hartford includes a 3-year rate guarantee; therefore, The Hartford is recommended in the best interest of the City as detailed below.
- The new agreement will begin June 1, 2022 and shall expire May 31, 2025.

Carrier	Monthly Premium	Annual Premium	Rate Guarantee
Hartford (Current Rate)	\$17,514	\$210,170	3 Years
Quotes:			
Reliance Standard	\$16,050	\$192,605	2 years
Hartford - Renewal	\$17,715	\$212,576	3 years



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Financial

- Funds are budgeted by department for monthly/annual premium costs.
- Also, note that City of Troy employees contribute to premium costs for life and accidental death predicated upon collective bargaining agreements and benefit policies.

Recommendation

In conjunction with the City's Benefits Consultant, Arthur J Gallagher & Co, based on the premium costs and a 3-year rate guarantee it is being recommended to award a contract to *The Hartford Life Insurance Company of Hartford, CT* for Short Term Disability, Long Term Disability, Life and Accidental Death and Dismemberment Insurance for three (3) years; contract expiring May 31, 2025.