



Award Recommendation

To: Oscar Wise, Contract Administration
Purchasing

From: Valerie Francois
Human Resources Director

Date: 08/15/18

Re: RFP18-020 Employer and Voluntary Benefits Insurance

A Request for Proposal (RFP) was solicited in accordance with RFP18-020 for Employer & Voluntary Benefits Insurance by the Human Resources Department for City employees for the following insurance:

- Group Life, and Accidental Death and Dismemberment
- Long Term Disability
- Voluntary Short-Term Disability
- Voluntary Life and Accidental Death and Dismemberment
- Voluntary Accident Insurance
- Voluntary Critical Illness Insurance
- Voluntary Air Ambulance Insurance

The RFP solicitation was advertised in the Austin American Statesman newspaper and posted to the City of Round Rock website. The City received responses from 6 vendors offering to provide insurance benefits for one or more of the insurance types outlined in the RFP including: Aetna, Aflac Group, Colonial Life & Accident, Madison National Life, Metropolitan Life and Minnesota Life. No responses were received for Voluntary Air Ambulance Insurance.

Human Resources staff with the assistance of HR's consultant; Holmes Murphy performed an evaluation based on criteria published in the RFP. Scoring (1=Worst;5=Best) for: Account Management/Local Support, Benefit Administration Platform, Experience, Communication Support, Cost and Premiums. Based on those evaluations the following contract award recommendations are being made.

Group Life, and Accidental Death and Dismemberment- Employer Paid

Vendor Name	Estimated Annual Premium	Score
Minnesota Life	\$67,154	4.5
Aetna	\$69,684	3.6
Metropolitan Life	\$82,992	3.2
Colonial Life & Accident	\$77,290	2.8

- **Recommended Vendor: Minnesota Life – 5-year rate guarantee**

Long Term Disability-Employer Paid

Vendor Name	Estimated Annual Premium	Score
Madison National Life	\$73,558	4.5
Aetna	\$84,067	3.6
Metropolitan Life	\$139,761	3.2

- **Recommended Vendor: Madison National Life – 3-year rate guarantee**

Voluntary Short-Term Disability- Employee Paid (Optional)

Vendor Name	Score
Madison National Life	3.7
Aetna	4
Metropolitan Life	3.4

- **Recommended Vendor: Madison National Life – 2-year rate guarantee**

For clarification, the decision was made to move the Short-Term Disability to Madison National Life, even though Aetna provided the most competitive pricing. From a disability claims management standpoint, it is in the best interest of the City to keep both the Short-Term Disability and Long-Term Disability with the same carrier. This allows the disability carrier to share information with both disability units and coordinate possible return-to-work, disability claims management and claimant care. In addition, it provides a clean transition for a claimant who is out on Short Term Disability and later moves over to Long Term Disability. Some other factors that were taken into consideration:

- Madison National Life had a longer rate guarantee on the Long-Term Disability – 3 years
- Madison National Life over the term of the contract provides savings to the City of Round Rock given the Long-Term Disability is employer paid.
- The Short-Term Disability rates from Madison National Life matched the current employee rates on the Short-Term Disability for the exact same benefits.
- Madison National Life experience and current client listing of public groups in Texas was taken into consideration
- Positive responses from references of public groups in Texas regarding ease of administration and customer service

Voluntary Life and Accidental Death and Dismemberment-Employee Paid (Optional)

Vendor Name	Score
Minnesota Life	4.5
Aetna	3.6
Colonial Life & Accident	3.6
Metropolitan Life	3.2

- **Recommended Vendor: Minnesota Life – 5-year rate guarantee**

Voluntary Accident Insurance-Employee Paid (Optional)

Vendor Name	Score
Metropolitan Life	4.3
Aflac	3.8
Colonial Life & Accident	3.2

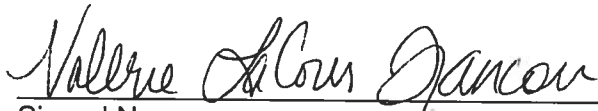
- Recommended Vendor: Metropolitan Life – 3-year rate guarantee

Voluntary Critical Illness Insurance-Employee Paid (Optional)

Vendor Name	Score
Metropolitan Life	4.3
Aflac	3.8
Colonial Life & Accident	3.4

- Recommended Vendor: Metropolitan Life – 3-year rate guarantee

Approvals:



Signed Name:

Printed Name: Valerie Francois
Human Resources Director

8/16/18
Date:


Purchasing Manager Review

Printed Name: Teresa Reddy
Purchasing Manager, Finance

8/16/2018
Date: