

TO: James L App, City Manager
FROM: Dennis Fansler, Management Analyst
SUBJECT: Employee Group Benefit Plan: Life Insurance
DATE: March 7, 2000

NEEDS: For the City Council to consider a new employee Life insurance carrier.

- FACTS:**
1. The City's Life insurance provider is Fortis. Fortis has underwritten the policy for the past 3½ years.
 2. The insurance coverage will be modified on April 1, 2000 in accordance with a contractual agreement negotiated with the Management Group(Raised from the current \$50,000 to \$200,000).
 3. Because of the impending change Gene Gray, of Gray & Troy, quotes were solicited from life insurance providers.
 4. Standard Insurance Company responded with the best overall package. The package includes no raise in premiums, a three year rate guarantee, and a 1 year extension of group long term disability insurance at the current premium.
 5. The City's Health Committee recommends Standard.
 6. Worker associations endorse the Health committee's recommendation.

**ANALYSIS &
CONCLUSION:**

Life insurance coverage has been unchanged for 3½ years. During the last round of labor negotiations the Management group was granted an additional \$150,000 of Life Insurance coverage. This increase brings the total management coverage to \$200,000 for each member of the group.

POLICY

REFERENCE: "Memorandum's of Understanding"(MOU) with worker associations document commitment to provide a Life insurance program.

FISCAL

IMPACT: Maximum \$2,588 for FY00, \$10,500 for FY01 which has been included in the approved budget. Increased cost is the result of additional coverage for the Management group. The increase is one component of a negotiated wage and benefit package .

OPTIONS:

- A. Adopt resolution approving group Life insurance provider change.
- B. Amend, modify or reject option above.

RESOLUTION NO. 00-

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF EL PASO DE ROBLES AUTHORIZING CHANGE OF
THE CITY'S LIFE INSURANCE PROVIDER.

WHEREAS, the City's Life insurance provider currently is Fortis; and

WHEREAS, in accordance with a contractual agreement, the Management group will receive a life insurance coverage increase of \$150,000, bringing the total coverage to \$200,000 per member; and

WHEREAS, because of the significant coverage increase, competitive quotes were solicited; and

WHEREAS, Standard Insurance Company is the low bidder at \$.23 per \$1,000 of coverage per month; and

WHEREAS, the City's Health Insurance Committee has reviewed the proposal and recommends the change to Standard Insurance Company; and

WHEREAS, worker associations endorse the Health Committee's recommendation.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Paso de Robles that the City enter into a contract with Standard for a period of three years commencing April 1, 2000.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 7th day of March 2000 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Duane Picanco, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk