

Executive Summary

Board of Governors Meeting, July 10, 2024

Basic and Voluntary Life Insurance; Voluntary Long-Term Disability; Basic and Voluntary Accidental Death & Dismemberment; Short-Term Disability; Family Medical Leave Administration and other Administrative Services

Topic

This Action Item requests approval to enter into a contract with Symetra Life Insurance Company (Symetra) for a bundle of products and services which include Basic and Voluntary Life Insurance; Short-Term Disability (STD); Voluntary Long-Term Disability (LTD); Basic and Voluntary Accidental Death and Dismemberment (AD&D); Family Medical Leave Administration (FMLA) and other Administrative Services for eligible employees. The term of the contract will be three (3) years, and the total contract amount for the three (3) year term is estimated at \$4,083,830.87 of which an estimation of \$641,051.10 is paid directly by Citizens with the balance paid by employees electing the benefit. The employee enrollment will fluctuate over the term of the contract, which will determine the contract spend. This contract replaces existing services provided by New York Life.

History

Gallagher Benefit Services, Inc., (Gallagher), Citizens' competitively procured insurance broker, negotiated on Citizens' behalf, and requested competitive quotes from nine national vendors, including the incumbent. Eight quotes from vendors were received and evaluated by Gallagher. Gallagher recommended Citizens negotiate with the top two vendors. Following negotiations, Symetra was identified and recommended by Gallagher as the vendor who provides the greatest value to Citizens offering additional administrative services and a decrease of 6.67% over our current contract pricing. Furthermore, there are no increases to employee contribution rates.

Established in 1957, Symetra Life Insurance Company is a direct subsidiary of Symetra Financial Corporation. Symetra received an "A" rating from AM Best rating systems. Headquartered in Bellevue, WA., Symetra Financial Corporation is a diversified financial services company with \$58.6 billion in assets as of December 31, 2022, approximately 1.7 million customers and over 2,000 employees nationwide. It is traded on the New York Stock Exchange under the symbol "SYA."

Citizens estimates the portion of its' cost to be \$641,051.10 for the 100% company-paid coverage plans and services for Basic Life, Basic AD&D, STD, FMLA and other Administrative Services. Estimated cost for the employee paid portion is \$3,442,779.77 for the 100% employee-paid plans that provide Voluntary Life, Voluntary AD&D, and Voluntary LTD policies.

Executive Summary

Board of Governors Meeting, July 10, 2024

This cost assumes 1,448 participating employees. Participation in these coverages will be determined during open enrollment each year. A five (5) percent contingency amount has been added to allow for potential fluctuation of participating employees.

Recommendation

Citizens' Staff proposes that the Board of Governors:

- a) Approve a three (3) year contract with Symetra Life Insurance Company for Basic and Voluntary Life Insurance; STD and Voluntary LTD; Basic and Voluntary AD&D; FMLA and other Administrative Services for \$641,051.10 paid by Citizens and \$3,442,779.77 paid by employees, for an estimated total contract amount of \$4,083,830.87, and,
- b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.

Board of Governors Meeting, July 10, 2024

Basic and Voluntary Life Insurance; Voluntary Long-Term Disability; Basic and Voluntary Accidental Death & Dismemberment; Short-Term Disability; Family Medical Leave Administration and other Administrative Services

ACTION ITEM

New Contract

Contract Amendment

Other _____

CONSENT ITEM

Contract Amendment

Existing Contract Extension

Existing Contract Additional Spend

Previous Board Approval _____

Other _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

Move forward as Consent: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	Basic and Voluntary Life Insurance; Short-Term Disability (STD), Voluntary Long-Term Disability (LTD); Basic and Voluntary Accidental Death and Dismemberment (AD&D); and Family Medical Leave Administration (FMLA) and other Administrative Services
Purpose/Scope	<p>This Action Item represents a new contract award for Basic and Voluntary Life Insurance; Short-Term Disability (STD), Voluntary Long-Term Disability (LTD); Basic and Voluntary Accidental Death and Dismemberment (AD&D); and Family Medical Leave Administration (FMLA) and other Administrative Services to be offered to eligible Citizens' employees, effective January 1, 2025.</p> <p>The employee enrollment in these coverages will be determined during each open enrollment each year. The employee enrollment will fluctuate over the term of the contract, which will determine contract spend.</p>
Contract ID	<p>Basic and Voluntary Life Insurance; Short-Term Disability (STD), Voluntary Long-Term Disability (LTD); Basic and Voluntary Accidental Death and Dismemberment (AD&D); and Family Medical Leave Administration (FMLA) and other Administrative Services</p> <p>Agreement number: 24-24-5001-00</p> <p>Recommended vendor: Symetra Life Insurance Company (Symetra)</p>

Board of Governors Meeting, July 10, 2024

Basic and Voluntary Life Insurance; Voluntary Long-Term Disability; Basic and Voluntary Accidental Death & Dismemberment; Short-Term Disability; Family Medical Leave Administration and other Administrative Services

 ACTION ITEM
 New Contract
 Contract Amendment
 Other _____

 CONSENT ITEM
 Contract Amendment
 Existing Contract Extension
 Existing Contract Additional Spend
 Previous Board Approval _____

 Other _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

- Move forward as Consent:** This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Budgeted Item	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Funding to be included in the Annual Operating Budget for each respective contract term year.
Procurement Method	Gallagher Benefit Services, Inc. (Gallagher), Citizens' competitively procured insurance broker, requested competitive quotes from nine national vendors. Eight quotes from vendors were received and evaluated by Gallagher. Gallagher recommended Citizens negotiate with the top two vendors. Following negotiations, Symetra was identified and recommended by Gallagher as the vendor who provides the greatest value to Citizens.
Contract Amount	The total estimated contract amount is approximately \$4,083,830.87, which includes an estimated amount of \$641,051.10, paid directly by Citizens over the three (3) year term. This projection assumes 1,448 participating employees. Participation numbers for these coverages will be determined during open enrollment each year. A five (5) percent contingency amount has been added to allow the potential fluctuation in the number of participating employees.
Contract Terms	January 1, 2025, through December 31, 2027

Board of Governors Meeting, July 10, 2024

Basic and Voluntary Life Insurance; Voluntary Long-Term Disability; Basic and Voluntary Accidental Death & Dismemberment; Short-Term Disability; Family Medical Leave Administration and other Administrative Services

Board Recommendation (DOES NOT go through Committee)	Citizens' Staff proposes that the Board of Governors: <ol style="list-style-type: none"> a) Approve a three (3) year contract with Symetra Life Insurance Company for Basic and Voluntary Life Insurance; STD, Voluntary LTD; Basic and Voluntary AD&D; FMLA and other Administrative Services for \$641,051.10 paid by Citizens and \$3,442,779.77 paid by employees, for an estimated total contract amount of \$4,083,830.87; and, b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Contacts	Jeremy Pope, Chief Administrative Officer James Taylor, Director, Total Rewards