

# COUNTY OF NEVADA

## DEPARTMENT OF HUMAN RESOURCES

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### NEVADA COUNTY BOARD OF SUPERVISORS

#### Board Agenda Memo

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**MEETING DATE:** July 28, 2020

**TO:** Board of Supervisors

**FROM:** Steven Rose, Director of Human Resources

**SUBJECT:** Resolution approving a personal services contract between the County of Nevada and ReliaStar Life Insurance Company to provide Basic and Supplement Life Insurance for employees and their dependents, Accidental Death and Dismemberment Insurance, and Long-Term Disability and Short-Term Disability Insurance to select groups of employees, in the maximum amount of \$174,000, for the period of August 1, 2020 through December 30, 2023, and authorizing the Chair of the Board of Supervisors to execute the contract and grant the Human Resources Director approval to execute the annual renewals

**RECOMMENDATION:** Approve the attached contract and resolution

**FUNDING:** Funding for the employee life insurance, long term (LTD) and short term (STD) disability insurance is contained within the Department's annual budgets. The supplemental life insurance program is funded by employees, so this contract does not specify a dollar amount for that coverage.

**BACKGROUND:**

Over the course of the last nine months, the Human Resources Department, with the assistance of Kennan and Associates, conducted in-depth market research and interviews with six different insurance brokers. The research revealed that there were additional services available at a cost savings to the County, including more cost-effective basic life insurance, long term and short-term disability benefits. This also provided the county the opportunity to consolidate these three benefits under one provider, resulting in better rates and longer rate guarantees.

As our new benefit broker, Keenan and Associates submitted requests for proposals for life, STD and LTD services and received five responses including the current vendor. After a thorough review, the County has selected ReliaStar Life Insurance Company as the new provider, offering basic and supplemental Life Insurance, Long-Term and Short-Term Disability to eligible employees and their families.

The basic life insurance rate will drop from 0.168 per \$1,000 to 0.07 cents per \$1,000 of coverage. The AD&D insurance rate will drop from 0.030 per \$1,000 to 0.015 cents per \$1,000

of coverage. This reduction in rate will save the County roughly \$26,000 annually in premium costs.

There are 99 employees covered under Long-Term Disability by MOU/Agreement. Currently the rate is 0.473 and based on payroll costs approximately \$37,671 annually. ReliaStar has reduced the rate to 0.340 per \$100 of covered payroll, thereby saving the County an estimated \$10,592.

There are 19 employees covered under Short-Term Disability by MOU/Agreement. Currently the rate is 0.208 and based on payroll costs approximately \$7,047 annually. ReliaStar Life Insurance Company has reduced the rate to 0.090 per \$10.00 of weekly benefit, thereby saving the County an estimated \$3,998.

ReliaStar will be providing the County's total life, LTD, and STD package at an overall savings of approximately 51% from our previous vendor over the contract period. Supplemental rates will remain the same and guaranteed not to increase over the life of the contract.

There will be no gap in service while the contract is being finalized.

Your consideration of this change is appreciated.

**Item Initiated and Approved by:** Steven Rose, Director of Human Resources

Submitted Date: July 13, 2020