



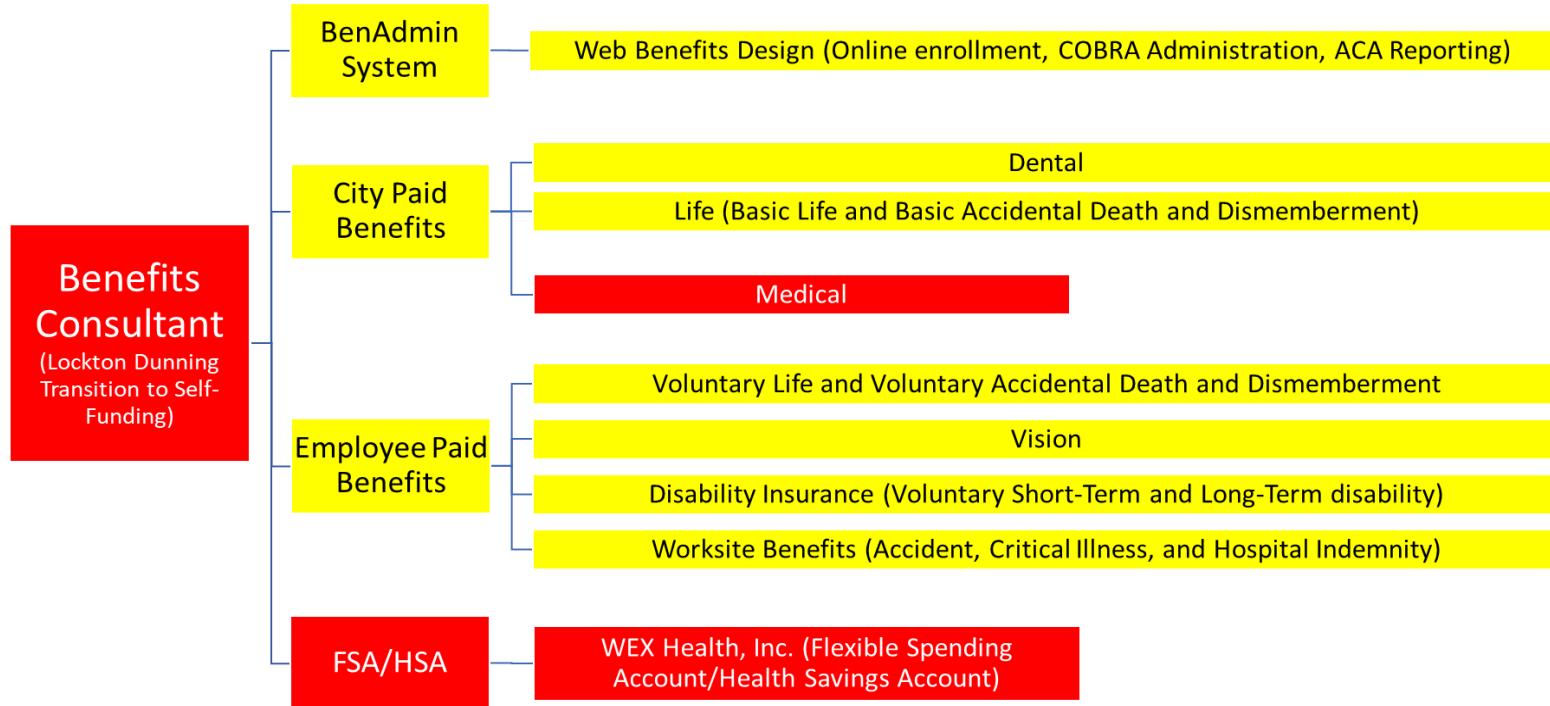
2021-2022 PLAN YEAR BENEFITS RENEWAL RFP 21-17

RS-21-048

April 6, 2021

City of Killeen Benefits

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Background

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Request for Proposal (RFP) for:

BenAdmin system

- online benefits enrollment software
- administers COBRA and ACA reporting
- paid by the City and insurance vendors

Dental insurance

- paid by the City - 100% of dental premium for employee only coverage on the lowest plan option
- employees may purchase higher coverage as well as additional coverage for spouse/children/family

Life Insurance

- Basic Life and Basic Accidental Death and Dismemberment
- paid by the City

Voluntary Life and Voluntary Accidental Death and Dismemberment insurance

- paid by the employee

Disability Insurance

- Voluntary short-term and long-term disability
- paid by the employee

Vision Insurance

- paid by the employee

Worksite Benefits

- Accident, Critical Illness with Cancer, and Hospital Indemnity
- paid by the employee

Web Benefits Design

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- ❑ Web Benefits Design (WBD) currently serves as the City's online benefits enrollment software
- ❑ Web Benefits Design also administers Consolidated Omnibus Budget Reconciliation Act (COBRA) and the Affordable Care Act (ACA) reporting
- ❑ Reviewed five (5) BenAdmin proposals and by continuing services with WBD, the city will save an estimate \$12,395 annually
- ❑ WBD will be partially funded by the City and partially funded by the dental, vision, life and disability, and worksite vendors

Dental Plan

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- ❑ Lincoln Financial Group is currently the insurance carrier for the City's Dental plan
- ❑ The City pays 100% of dental premium for employee only coverage on the lowest plan option
- ❑ Employees may purchase higher coverage as well as additional dental care coverage for eligible family members or dependents at their added expense
- ❑ Reviewed five (5) Dental insurance proposals
- ❑ Transitioning to MetLife insurance, the City and employees will save an estimated total of \$95,262 annually, a 14% overall decrease, with minimal benefit and network disruption

Dental Plan

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MetLife - Low Plan					Difference over current monthly cost		
Enrollment Tier	Current Enrollment	City of Killeen Cost	EMPLOYEE Cost	TOTAL	\$ Diff COK Cost	\$ Diff EE Cost	
Employee	229	\$19.38	\$0.00	\$19.38	(\$5.32)	\$0.00	
Employee/Spouse	46	\$19.38	\$23.72	\$43.10	(\$5.32)	(\$0.90)	
Employee/Children	69	\$19.38	\$27.99	\$47.37	(\$5.32)	(\$1.36)	
Employee/Family	60	\$19.38	\$57.24	\$76.62	(\$5.32)	(\$2.08)	
Total	404				Annual \$ Cost Diff	Annual % Diff	
Annual Cost		\$93,954	\$77,482	\$171,436	(\$28,912)	-14%	
MetLife - High Plan					Difference over current monthly cost		
Enrollment Tier	Current Enrollment	City of Killeen Cost	EMPLOYEE Cost	TOTAL	\$ Diff COK Cost	\$ Diff EE Cost	
Employee	350	\$19.38	\$4.40	\$23.78	(\$5.32)	(\$0.14)	
Employee/Spouse	137	\$19.38	\$24.73	\$44.11	(\$5.32)	(\$8.92)	
Employee/Children	142	\$19.38	\$38.99	\$58.37	(\$5.32)	(\$0.25)	
Employee/Family	134	\$19.38	\$73.50	\$92.88	(\$5.32)	(\$1.22)	
Total	763				Annual \$ Cost Diff	Annual % Diff	
Annual Cost		\$177,443	\$243,763	\$421,206	(\$66,350)	-14%	
Total for Both Plans		1,167	\$271.398	\$321.245	\$592.643	(\$95,262)	-14%

Estimated Annual Savings to City	\$74,501
Estimated Annual Savings to Employees	\$20,761
Estimated Total Annual Savings	\$95,262

Other Ancillary Products

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- Paid by the City
 - Life Insurance (Basic Life and Basic Accidental Death, and Dismemberment)
 - FY22 transition from Lincoln to MetLife
 - No financial impact
- Paid by the Employee
 - Voluntary Life and Voluntary Accidental Death and Dismemberment
 - Transition from Lincoln to MetLife
 - Disability Insurance (Voluntary Short-Term and Long-Term Disability)
 - Transition from Lincoln to MetLife
 - Worksite Insurances (Accident, Critical Illness, and Hospital Indemnity)
 - Transition from Lincoln to Allstate
 - Vision
 - Transition from Guardian to Avesis
 - Minimal benefit and network disruption
 - No financial impact

Executive Financial Summary

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Product	Current	Recommendation	Estimated Annual Savings to City	Estimated Annual Savings to Employees
BenAdmin with COBRA				
Annual Employer Paid	\$74,034	\$75,434	(\$1,400)	-
Annual Estimate Paid by Subsidies from Life, Disability, Dental, Vision, Vol. Benefits	(\$24,442)	(\$36,837)	\$12,395	-
Basic Life and Accidental Death & Dismemberment (AD&D)				
Annual Employer Paid	\$24,000	\$24,000	\$0	-
Voluntary Life and AD&D				
Annual Employee Paid	\$249,000	\$214,000	-	\$35,000
Voluntary Short-Term Disability				
Annual Employee Paid	\$125,000	\$90,000	-	\$35,000
Voluntary Long-Term Disability				
Annual Employee Paid	\$98,000	\$70,000	-	\$28,000
Dental				
Annual Employer Paid	\$345,899	\$271,398	\$74,501	-
Annual Employee Paid	\$342,006	\$321,245	-	\$20,761
Vision				
Annual Employee Paid	\$105,888	\$105,888	-	\$0
Grand Total			\$85,496	\$118,761
Total Estimated Annual Savings to City and Employees			\$204,257	

Staff Alternatives

- To consider entering into a contract with one of the other vendors for BenAdmin, Dental, Life and Disability, Vision, and Worksite products
- To consider entering into a new contract with Web Benefits Design and entering into a contract with one of the other vendors for Dental, Life and Disability, Vision, and Worksite products
- To consider entering into a new contract with Web Benefits Design for online benefit enrollment and administration with an estimated \$12,395 annual savings, effective August 1, 2021; recommending to the Employee Benefits Trust that the City enter into an agreement with MetLife for dental insurance with an estimated \$95,262 annual savings for the City and employees; entering into an agreement with MetLife for voluntary life and disability insurance yielding \$98,000 estimated annual savings for employees; entering into an agreement with Avesis for vision; and entering into an agreement with Allstate for the worksite products, effective October 1, 2021. The total overall estimated annual savings to the City and employees of \$204,257

Staff Recommendation

Staff recommends the third alternative entering into a new contract with Web Benefits Design for online benefit enrollment and administration with an estimated \$12,395 annual savings, effective August 1, 2021; recommending to the Employee Benefits Trust that the City enter into an agreement with MetLife for dental insurance with an estimated \$95,262 annual savings for the City and employees; entering into an agreement with MetLife for voluntary life and disability insurance yielding \$98,000 estimated annual savings for employees; entering into an agreement with Avesis for vision; and entering into an agreement with Allstate for the worksite products, effective October 1, 2021. The total overall estimated annual savings to the City and employees of \$204,257.