



Department of Employee Relations

July 18, 2019

Aldерwoman Milele Coggs, Chairwoman  
City of Milwaukee Common Council Finance and Personnel Committee  
200 East Wells Street, Room 205  
Milwaukee, WI 53202

**Tom Barrett**  
Mayor

**Maria Monteagudo**  
Director

**Renee Joos**  
Employee Benefits Director

**Nicole Fleck**  
Labor Negotiator

**File No: 190242 Resolution to Execute a Contract for the City's Life Insurance Benefit**

Dear Alderwoman Coggs and Finance Committee Members:

File number 190018 authorized the Department of Employee Relations (DER) to complete a request for proposal (RFP) process for the City's Group Life Insurance benefit. MetLife is the City's current life insurance provider and their contract expires December 31, 2019. While the City's contract with MetLife has a two year extension option, the premium rates offered by MetLife for the extension were significantly higher and warranted the completion of a RFP process for a new term beginning January 1, 2020

An evaluation committee including representatives from the DER, the Employees' Retirement System and the budget office along with Willis Towers Watson executed the RFP and reviewed and evaluated the responses. The RFP asked responders to match the plan design currently in place for both the basic and supplemental life insurance options. Multiple carriers responded to the proposal but there were several that declined given the City's past experience. City life insurance providers, including MetLife, have lost significant amounts of money, \$7M since 2014, providing this benefit to City employees and retirees.

The current rates are unsustainable and the life insurance quotes received through the RFP process reflect an effort to mitigate losses sustained through previous carriers. MetLife and Voya provided the most competitive bids with Voya coming in \$70,000 below MetLife's offer; however, even with the cost difference, bids from both carriers will result in an annual increase of over \$1.3M to the life insurance budget. A detailed report with more information is included with the file.

Upon completion of the review process, including final negotiations, the evaluation committee is recommending the City enter into a new contract with MetLife. Although Voya's offer was slightly lower, the savings is not enough to warrant the laborious and complicated switch to a new provider along with the disruption that change would cause to members.



The DER recommends the Finance and Personnel Committee approve the file to execute a three year contract with MetLife for basic and supplemental life insurance commencing January 1, 2020.

I am happy to answer any questions or comments regarding this file.

Sincerely,  
Renee Joos  
Employee Benefits

