



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Issue purchase order and enter into an agreement with Unum Group to provide group term life insurance for employees for a three-year period, in an amount not to exceed \$254,664.00, Accounts 101-25000-601250, 501-25000-601250, Requisition 1374226

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Date	Ver.	Action By	Action	Result
4/17/2014	1	Board of Commissioners	Approved	Pass
4/17/2014	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF APRIL 17, 2014

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Issue purchase order and enter into an agreement with Unum Group to provide group term life insurance for employees for a three-year period, in an amount not to exceed \$254,664.00, Accounts 101-25000-601250, 501-25000-601250, Requisition 1374226

Dear Sir:

At the Board Meeting of June 2, 2011, in accordance with Contract 11-RFP-06, the Board of Commissioners awarded a purchase order to Risk Management Resources, Inc. (the assets of which were subsequently purchased by Myers Briggs & Company, Inc.) to serve as the District's broker-of-record for a three-year period. In this capacity, Myers Briggs now has responsibility for securing quotes from the insurance market for specified insurance policies, and presenting the quotes from qualified carriers to the Human Resources Department for review and for recommendation of a selected carrier to the Director of Procurement and Materials Management. The premium for the life insurance coverage is paid directly to the insurance carrier.

On March 21, 2014, the District received certain bid quotations/responses which Myers Briggs had solicited pursuant to the Detailed Specifications for group term life insurance for the District's 1872 employees for a three-year period from July 1, 2014 through June 30, 2017. Fourteen (14) carriers were approached for quotations and three (3) responsive quotes were received from:

Standard Insurance Company - \$268,056.00 (Basic), \$2,273,466.00 (Optional), \$2,541,522.00 (Total)
 MetLife - \$274,032.00 (Basic), \$2,138,172.00 (Optional), \$2,412,204.00 (Total)
 Unum - \$254,664.00 (Basic), \$1,950,711.00 (Optional), \$2,205,375.00 (Total)

The quotations/responses were evaluated by Myers Briggs and representatives from the Human Resources and the Procurement and Materials Management Departments. Based on the review, it was determined that the District should place this coverage with Unum Group. The company is licensed to do business in Illinois and complied with the terms and conditions of the bid specifications. The company's A.M. Best Company rating is A (Excellent). Unum is the second largest carrier in the group life insurance market covering more than 17 million lives. The proposal submitted by Unum offers significant cost savings for the basic life insurance coverage paid by the District (approximately \$17,868.00 in savings annually) and the optional and dependent life insurance coverage paid by employees (approximately \$219,528.00 in savings annually).

In view of the foregoing, it is recommended that the Director of Procurement and Materials Management be authorized to issue a purchase order to Unum Group in an amount not to exceed \$254,664.00.

The estimated expenditures for 2014, 2015, 2016 and 2017 are \$42,444.00, \$84,888.00, \$84,888.00 and \$42,444.00 respectively. Funds for 2014 are available in Accounts 101-25000-601250 and 501-25000-601250. Funds for 2015, 2016 and 2017 are contingent upon the Board of Commissioners' approval of the District's budget for those years.

Requested, Denice E. Korcal, Director of Human Resources

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for April 17, 2014.