



Cover Memorandum/Staff Report

File #: 25-1166

Agenda Date: 9/15/2025

Item #: 6.D.

TO: Mayor and Commissioners
FROM: Duane D'Andrea, Human Resources Director
THROUGH: Terrence R. Moore, ICMA-CM
DATE: September 15, 2025

AMENDMENT TO THE AGREEMENT WITH THE STANDARD FOR EMPLOYEE BASIC LIFE, SUPPLEMENTAL, SPOUSE AND DEPENDENT LIFE INSURANCE, EMPLOYEE ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE AND RETIREE LIFE.

Recommended Action:

Motion to Approve Amendment to the Agreement with The Standard for Employee Basic Life, Supplemental, Spouse and Dependent Life Insurance, Employee Accidental Death and Dismemberment Insurance and Retiree Life.

Background:

The Standard provides Employee Basic Life, Supplemental, Spouse and Dependent Life Insurance, Employee Accidental Death and Dismemberment Insurance and Retiree Life policies for the city since October 1, 2017.

The rate guarantee with The Standard for Employee Basic Life and Retiree Life of \$0.297 per one thousand dollars ended on September 30, 2025. Due to high claims experience, insurance broker, The Gehring Group/Risk Strategies, received declinations from other life insurance providers because they couldn't produce comparable rates.

The Standard is offering a renewal rate of \$0.347 per one thousand dollars which equates to approximately \$28,285.07 increase to Basic Life (14.2% - city paid) and \$7,402.59 increase to Retiree Life (15.2%) for a total estimated increase of \$35,687.66. Retiree Life is a passthrough cost with retirees paying 100% of their premiums. This rate guarantee will be for a period of one (1) year, ending September 30, 2026.

The amendment to the contract also adds a One Time Open Enrollment period beginning August 11, 2025, and ending August 22, 2025, with elections made during this period becoming effective October 1, 2025. Employees may increase or apply for contributory coverage for themselves, spouses, and dependents up to the Guaranteed Issue (GI) amount of \$200,000 for employees and \$50,000 for spouses. Evidence of Insurability is required for those whose Evidence of Insurability was not approved by the Standard during any prior period of eligibility. (Prior declines remain declined.)

The one-time enrollment period reduces barriers for employees to obtain extra voluntary life insurance policies without medical review while the plan receives additional premiums. This

additional revenue will help stabilize the overall claims experience and prevent higher costs for all policyholders in the future.

Staff seeks approval to amend the Agreement with The Standard to provide both retiree and basic life at the rate of \$0.342 per thousand and offer a one-time open enrollment period for October 1, 2025 effective date. This amendment would add an additional \$28,285.07 in costs to the City.

City Attorney Review:

Approved as to form and legal sufficiency

Funding Source/Financial Impact:

City Funded Basic Life and Accidental Death and Dismemberment Insurance and Retiree Life
(Income/Expense)

551-00-000.341-240 / 551-13-041-513.45-40 \$255,000.00

Employee Funded Supplemental Spouse and Dependent Life Insurance (Income/Expense)

551-00-000.341-260 / 551-13-041-513.45-37 \$194,400.000

Timing of Request:

The amendment to the agreement will be effective to October 1, 2025.

Attachments:

- Simple Legal Review Checklist
- Amendment Request Form - 163645 - AMND-50811 - V3
- 163645 City of Delray Beach - 10.1.2025 Renewal Letter
- Gehring Group Standard Renewal Rate
- Original Contract + Amendments