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DEPARTMENT OF  
PERSONNEL

DONNA L. GILES  
DIRECTOR

CITY OF SACRAMENTO  
CALIFORNIA

APPROVED  
BY THE CITY COUNCIL

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SACRAMENTO, CA  
95814-2693

916-449-5270

June 28, 1988

JUN 28 1988

City Council  
Sacramento, California

OFFICE OF THE  
CITY CLERK

AG 87309

DIVISIONS:  
ADMINISTRATION  
EMPLOYEE SERVICES  
PERSONNEL MANAGEMENT  
SERVICES  
WORKERS'  
COMPENSATION

Honorable Members in Session:

SUBJECT: New Group Insurance Agreement With The Travelers Insurance Company

Summary.

This staff report recommends that the City Council adopt the resolution, included as Attachment 1, which authorizes the City Manager to execute a new agreement with the Travelers Insurance Company for City-sponsored group insurance plans, including indemnity health, dental, weekly indemnity (short-term disability) and life.

Background.

In January, 1988, the Travelers Insurance Company projected July 1, 1988 rate increases for City-sponsored indemnity health, dental and weekly indemnity plans, which would have resulted in a 44% across the board increase. In response to these projected rate increases, the City Manager's office formed an Ad-Hoc Insurance Committee to discuss alternatives related to the Travelers insurance plans. After discussion, the committee agreed that Mercer, Meidinger, Hansen, Inc., the City's insurance consultant, should complete a marketing plan to obtain bids for various insurance coverages, throughout the insurance community.

On May 10, 1988, the consultant reported that of 16 insurance companies contacted, only the Travelers Insurance Company submitted a bid for all City-sponsored insurance plans. Many companies declined to bid on the City's plans. The Travelers' bid results in a 37% rate increase for the indemnity health, dental and weekly indemnity plans.

The Ad-Hoc Insurance Committee recommends that a new agreement be executed with the Travelers Insurance Company, effective July 1, 1988, for indemnity health, dental, weekly indemnity and life insurance plans.

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Frequent meetings have been held with all recognized employee organizations regarding the Travelers insurance issues. There have been no objections regarding this matter from any recognized employee organization.

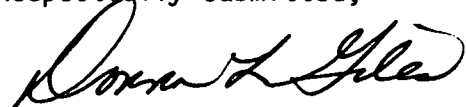
Fiscal Impact.

Since the City provides fixed health and welfare contributions for employees, the new agreement with the Travelers Insurance Company will have no fiscal impact.

Recommendation.

It is recommended that the City Council adopt the attached resolution which authorizes the City Manager to execute an agreement with the Travelers Insurance Company for indemnity health, dental, weekly indemnity and life insurance plans, effective July 1, 1988.

Respectfully Submitted,

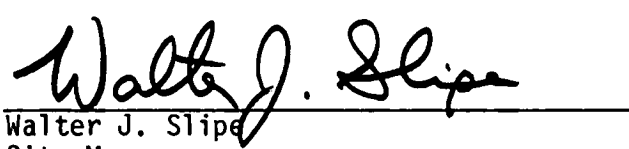


Donna L. Giles  
Director of Personnel

DLG:RES:jkn

Attachment

RECOMMENDATION APPROVED:

  
\_\_\_\_\_  
Walter J. Slipes  
City Manager

# RESOLUTION NO. 88-532

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

**APPROVED**  
BY THE CITY COUNCIL

JUN 28 1988

OFFICE OF THE  
CITY CLERK

A RESOLUTION APPROVING THE REPORT AND  
RECOMMENDATION OF THE DIRECTOR OF PERSONNEL  
TO EXECUTE AN AGREEMENT WITH THE TRAVELERS  
INSURANCE COMPANY FOR GROUP INSURANCE PLANS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

That the June 28, 1988 report and recommendation of the Director of Personnel is approved; and, further

That the City Manager is authorized to execute all necessary documents and agreements with the Travelers Insurance Company for group insurance plans, including indemnity health, dental, weekly indemnity, and life, to become effective July 1, 1988.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK