

RESOLUTION NO. 75583

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH FRINGE BENEFITS MANAGEMENT COMPANY FOR VOLUNTARY INSURANCE SUPPORT SERVICES AT NO COST TO CITY AND AGREEMENTS WITH TRUSTMARK INSURANCE COMPANY FOR VOLUNTARY CRITICAL ILLNESS AND ACCIDENT GROUP INSURANCE PRODUCTS AT NO COST TO CITY.

WHEREAS, the City of San Jose ("City") conducted a request for proposal ("RFP") process to select a provider or providers of voluntary (participant-paid) insurance benefits for the period of January 1, 2011 through December 31, 2014; and

WHEREAS, the RFP Review Committee consisting of key stakeholders identified issues and objectives and set selection criteria; and

WHEREAS, the RFP Review Committee selected Critical Illness Insurance (with Cancer Rider) and Accident Insurance products offered by Trustmark Insurance Company ("Trustmark"); and

WHEREAS, the RFP Review Committee selected Fringe Benefits Management Company ("FBMC") as the third party administrator/broker through which to purchase Trustmark's Critical Illness and Accident insurance products and as the City's provider of enrollment, administration and customer services in support of those insurance products; and

WHEREAS, Trustmark will be compensated through insurance premiums paid to

Trustmark by the City employees, retirees and dependents and beneficiaries who enroll in the City's Critical Illness Insurance and Accident Insurance group plans; and

WHEREAS, FBMC will be compensated by Trustmark through broker commissions on the insurance premiums paid to Trustmark by the City employees, retirees and dependents and beneficiaries who enroll in the City's Critical Illness Insurance and Accident Insurance group plans; and

WHEREAS, the City desires to negotiate and execute Critical Illness Insurance and Accident Insurance group plans with Trustmark, to be purchased through FBMC, and to negotiate and execute an agreement with FBMC to provide the City with support services for the Trustmark group insurance products; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager is hereby authorized to:

1. Negotiate and execute an Agreement with Fringe Benefits Management Company ("FBMC") to provide enrollment, administration and customer services (broker services) in support of the City's voluntary insurance benefits program for employees, retirees, dependents and beneficiaries for the period of January 1, 2011 to December 31, 2011, and to exercise up to three one-year options to renew the Agreement through December 31, 2014, for no cost to City for the potential four-year term; and

2. Negotiate and execute any group plan documents, adoption agreements, Business Associate Agreements, or other ancillary agreements with FBMC that are necessary to facilitate the Agreement for voluntary insurance support services, for the period of January 1, 2011 through December 31, 2014; and
3. Negotiate and execute, through FBMC, any group insurance plan contracts, Business Associate Agreements, or other agreements with Trustmark Insurance Company ("Trustmark") that are necessary to provide voluntary (participant-paid) insurance benefits, including Critical Illness Insurance (with Cancer Rider) group plans and Accident Insurance group plans, for City's employees, retirees, dependents and beneficiaries for the period of January 1, 2011 through December 31, 2014, for no cost to City for the potential four-year term.

ADOPTED this 5th day of October, 2010, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, HERRERA,
KALRA, LICCARDO, NGUYEN, OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.



CHUCK REED
Mayor

ATTEST:



LEE PRICE, MMC
City Clerk