

## EXECUTIVE SUMMARY

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The Office of Inspector General (OIG) conducted a follow-up to its Evaluation of City Employee Life Insurance. Issued in February 2012, the original report found that the City:

- Paid life insurance premiums for ineligible retirees;
- Abandoned a competitive procurement that would have yielded cost savings;
- Destroyed public records; and
- Had inadequate procedures in place to assist beneficiaries of deceased employees with the claims process.

In light of these problems, the original report included recommendations to improve the City's administration of employee life insurance benefits. The purpose of this follow-up report was to determine if the City implemented the corrective actions to which they agreed. In addition, evaluators determined whether the deficiencies identified in the original report still existed.

Evaluators found that the City made improvements to its internal policies and procedures related to administering these benefits. Specifically, the City did not pay life insurance premiums for ineligible retirees, realized cost savings through a competitive procurement process, reminded employees of their responsibility to safeguard public records, and developed a procedure to assist beneficiaries file claims.

However, the City continued to make errors in how it calculated monthly premium payments. Evaluators found that the City:

- Paid life insurance premiums for 257 part-time employees who were ineligible for the benefit;
- Overpaid life insurance premiums for full-time employees over 70 years of age; and
- Did not pay monthly life insurance premiums for 170 full-time employees who were eligible for the benefit.

Although the magnitude of these errors was significantly smaller than the problems found in the original evaluation, additional improvements are necessary to calculate accurately the number of eligible employees for life insurance benefits.