

## City of Ann Arbor

## Legislation Details (With Text)

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Title: Sponsors:	Resolution to Approve the Renewal Contracts with Unum Life Insurance Company of America, Inc. to Provide Group Term Life, Accidental Death and Dismemberment, Short-Term Disability, and Long-Term Disability Insurance Coverage to City Employees and/or Their Dependents and Authorize the City Administrator to Execute the Necessary Documentation (\$420,000.00)						
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Resolution to Approve the Renewal Contracts with Unum Life Insurance Company of America, Inc. to Provide Group Term Life, Accidental Death and Dismemberment, Short-Term Disability, and Long-Term Disability Insurance Coverage to City Employees and/or Their Dependents and Authorize the City Administrator to Execute the Necessary Documentation (\$420,000.00)

The attached Resolution authorizes the City Administrator to execute the renewal of group term life, accidental death and dismemberment, short-term disability, and long term disability coverage with our group insurance provider. The estimated cost of this employee benefit renewal is \$420,000.

This Plan is a fully-insured program, and requires the City to pay for the total cost of basic life insurance premiums, and share with employees the cost of employee optional life insurance premiums. Employee labor contracts and employee benefit plans establish the level of life insurance, accidental death and dismemberment, and short term and long-term disability insurance coverage for City employees. The City currently pays the following premiums: \$0.14/1000 for basic life insurance coverage, \$0.11/1000 for optional life insurance coverage, and \$2.20/1000 for retiree life insurance coverage. For the upcoming Fiscal Year 2008-2009, there is no change to these premium rates. The City currently pays \$0.035/1000 for accidental death and dismemberment coverage, and \$0.47/100 for short-term disability coverage. For the upcoming Fiscal Year 2008-2009, there is no change to these premium rates.

Employees currently pay the following premiums: \$0.11/1000 for optional life insurance coverage; \$1.68 or \$2.84 for optional dependent life insurance coverage, and \$0.34/100 for optional long-term disability coverage. For the upcoming Fiscal Year 2008-2009, there is no change to these premium rates.

Unum Life Insurance Company received Human Rights approval on May 1, 2008.

The above referenced cost projections are in accordance with the approved Fiscal Year 2008 - 2009 budget, barring any unforeseen circumstances. The benefit coverage levels will remain the same for the Fiscal Year 2008-2009 as currently underwritten.

Prepared By: Elizabeth S. Edwards, Employee Benefits Manager

Reviewed By: Carol S. Schuler, Director of Human Resources and Labor Relations

Approved By: Roger W. Fraser, City Administrator

Whereas, The City provides group term life insurance coverage to City employees and their eligible dependents, optional life insurance coverage, long-term disability coverage and short-term disability coverage in accordance with the employee benefits program and various labor contracts at an estimated annual cost of approximately \$420,000.00;

Whereas, A portion of the City's contract with Unum Life Insurance Company of America is due for renewal on July 1, 2008;

Whereas, There is no increase of premium in the renewal rates or existing group term life insurance, optional life insurance, or optional long term disability insurance coverage with Unum Life Insurance;

Whereas, Human Resources Services recommends renewal of this contract at the monthly rates stated above;

Whereas, Funds have been appropriated in the Fiscal Year 2008 - 2009 budget to cover projected costs associated with the provision of group term life insurance, optional life insurance, accidental death and dismemberment coverage, short term disability coverage, and optional long term disability coverage; and

Whereas, Unum Life Insurance Company received Human Rights approval on May 1, 2008;

RESOLVED, That City Council approve renewal contract for the period July 1, 2008 to June 30, 2009, with Unum Life Insurance Company to provide group term life, accidental death and dismemberment and disability insurance coverage to City employees and their eligible dependents; and

RESOLVED, That the City Administrator is authorized and directed to execute the necessary contract documentation after approval as to form by the City Attorney and take any further necessary administrative actions to implement this resolution.