



Legislation Details (With Text)

**File #:** 22-0258      **Version:** 1      **Name:** 2/22/22 UNUM Renewal 2022  
**Type:** Resolution      **Status:** Passed  
**File created:** 2/22/2022      **In control:** City Council  
**On agenda:** 2/22/2022      **Final action:** 2/22/2022  
**Enactment date:** 2/22/2022      **Enactment #:** R-22-044

**Title:** Resolution to Authorize Payments to Unum Life Insurance Company of America and to Renew Associated Group Term Life, Accident, and Disability Insurance Policies for City Employees and their Eligible Dependents, and to Authorize the City Administrator to Execute the Necessary Documentation (\$615,000 in 2022, \$615,000 in 2023).

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. UNUM Renewal 2022.pdf

Date	Ver.	Action By	Action	Result
2/22/2022	1	City Council	Approved	Pass

Resolution to Authorize Payments to Unum Life Insurance Company of America and to Renew Associated Group Term Life, Accident, and Disability Insurance Policies for City Employees and their Eligible Dependents, and to Authorize the City Administrator to Execute the Necessary Documentation (\$615,000 in 2022, \$615,000 in 2023)

The attached Resolution authorizes renewal of the group term life, optional life, accidental death and dismemberment, short-term disability, and optional long term disability insurance policies with our group insurance provider, and related payments. The City is in a current contract with Unum Life Insurance Company of America through 12/31/2022. This mid contract renewal would allow the City to extend the contract for an additional year through 12/31/2023 while also reducing the rates effective 1/1/2022. The City’s estimated two-year cost of this employee benefit is reduced from \$440,000 in 2022 and \$440,000 in 2023 to \$425,000 in 2022 and \$425,000 in 2023 effective 1/1/2022. Unum’s products are fully insured. The City will pay the total cost of basic insurance premiums, and share with employees the cost of employee optional 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.

Marsh & McLennan Agency, our healthcare advisor, conducts the bidding on our behalf and recommends a service provider. We last completed this bidding process for these lines of coverage for plan year 2019. UNUM remained the best option and offered a two-year rate guarantee through 2020. UNUM held these rates again for plan years 2021 & 2022, and this renewal decreases the rates through 2023. We did not go out to bid for these services this year as UNUM has proven to be an excellent partner offering superior customer service and various ways to ease administration for these complex benefits.

**Budget/Fiscal Impact:** The above referenced cost projections are in accordance with the approved FY22 Risk Fund budget and anticipated FY23 and FY24 Risk Fund budget. The benefit coverage

levels will remain the same for the FY22-FY24, as currently underwritten.

Prepared By: Jessica Hull, Employee Benefits Supervisor

Reviewed By: Marc Thompson, Interim Director of HR and Labor Relations

Approved By: Milton Dohoney Jr., Interim City Administrator

Whereas, The City provides group term life insurance coverage to City employees and their eligible dependents, optional life insurance coverage, accidental death and dismemberment coverage, optional 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 \$615,000 in 2022 and \$615,000 in 2023;

Whereas, The City's contract with Unum Life Insurance Company of America is due for renewal on January 1, 2023;

Whereas, There is a decrease of premium in the renewal rates for the existing short term disability insurance, group term life insurance and accidental death and dismemberment insurance, and no increase of premium in the renewal rates for existing optional life insurance or optional long term disability insurance coverage with Unum Life Insurance Company of America;

Whereas, Human Resources Services recommends renewal of these policies and authorization of these payments;

Whereas, Funds have been appropriated in the approved FY22 Risk Fund budget and are planned for and will be budgeted in the FY23 and FY24 Risk Fund 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 of America complies with the requirements of the City's Non-Discrimination and Living Wage Ordinances;

RESOLVED, That City Council approve the authorization for payments to Unum Life Insurance Company of America for the provision of group term life insurance, optional life insurance, accidental death and dismemberment insurance, short term disability insurance and optional long term disability insurance coverage to City employees and their eligible dependents, and associated policy renewals, in accordance with this Resolution at an estimated annual cost of \$615,000 in 2022 and \$615,000 in 2023, payable from the Risk Fund, allocated to the applicable months of FY22 - FY24, and subject to final FY23 and FY24 Risk Fund budget approval;

RESOLVED, That City Council approve the renewal of the policy for the period January 1, 2022 to December 31, 2023, with UNUM Life Insurance Company of America;

RESOLVED, That the City Council approve a ten percent (10%) annual contingency to be expendable from each fiscal year Risk Fund budget, subject to City Administrator approval; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution including execution of: any documents to add the benefits authorized herein, any renewals, and any changes or amendments that do not exceed the amount authorized herein.