

M Management Committee

Executive Summary

Item: 2009-337 SW

Meeting date: October 14, 2009

ADVISORY INFORMATION

Date:	September 29, 2009
Subject:	Extension of contract with Hartford for Long Term Disability insurance.
District(s), Member(s):	All
Policy/Legal Reference:	Council Policy 3-3 Expenditures more than \$250,000
Staff Prepared/Presented:	Chris Piehowski, Benefits Specialist, and Sandi Blaeser, Assistant Director, Employee Relations
Division/Department:	Human Resources

Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to execute a 2 year extension (1/1/2010-12/31/2011) of the contract for Long Term Disability Insurance with Hartford.

Background

In 2006, Hartford was selected to continue to be the Council's Long Term Disability (LTD) Insurance provider. The contract was for 3 years (2007, 2008, 2009) with the option to extend for two additional years. We have been offered the current rate of \$0.27 per \$100 of covered compensation to continue through 2011.

Rationale

Prior to 2007, our rate with Hartford was \$0.35 per \$100 for 2003, 2004, and 2005. It was \$0.36 per \$100 in 2006, then dropped to the current \$0.27 per \$100. Informal quotes were requested from 5 local carriers in early May 2009. Two declined, one did not respond, and the other two indicated they would charge in the low to high \$0.30's per \$100.

Funding

Based on 2009 enrollment, the projected cost to the Council for 2010 and 2011 is \$444,250.44 (\$222,125.22 annually), a zero percent increase.

Known Support / Opposition

None