

M Management Committee

Business Item
Item: 2010-349 SW

Meeting date: October 13, 2010

ADVISORY INFORMATION

Date:	October 5, 2010
Subject:	Amendment of contract with Minnesota Life for life insurance
District(s), Member(s):	All
Policy/Legal Reference:	Council Policy 3-3 Expenditures more than \$100,000
Staff Prepared/Presented:	Ron Groess, Benefits Manager, 651-602-1370
Division/Department:	Human Resources

Proposed Action/Motion

That the Metropolitan Council authorizes the Regional Administrator to execute a amendment to extend the contract for life insurance with Minnesota Life for two years (January 1, 2011 to December 31, 2012).

Issues/Background

This vendor was selected through a competitive process in 2007 and a three year contract was signed. Because rates offered for 2011 and 2012 are competitive, staff recommends that the contract be amended to include coverage through 2012.

Minnesota Life is the life insurance carrier for the Council. We have been offered a basic life rate of .218 per \$1,000 for the two years of 2011 and 2012.

Rationale

The rate that is being offered is reasonable due to losses that Minnesota Life has experienced over the last three years on our contract. They are also competitive against rates received from three other vendors through an informal survey.

Funding

The recommended amendment features a rate of \$.218 per \$1,000, which is a 4.8% increase over the current contract rate per thousand.

Known Support / Opposition

None