

# M Management Committee

Executive Summary

Item: 2009-337 SW

Meeting date: October 14, 2009

## ADVISORY INFORMATION

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