



Council
Communication
Office of the City Manager

Date	06-04-07
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Agenda Item No.	41
Roll Call No.	<u>07-</u>
Communication No.	<u>07-337</u>
Submitted by:	Tom Turner, Human Resources Director

AGENDA HEADING:

Approve contract with The Hartford (Overland Park, Kansas) for the provision of Long-Term Disability benefits for eligible employees.

SYNOPSIS:

Approval of contract and authorizing the Mayor and City Clerk to execute and attest, respectively, with The Hartford, (Ramani Ayer, President and CEO, Overland Park, Kansas) Long Term Disability Insurance for and on behalf of the City of Des Moines for the period beginning July 1, 2007 through June 30, 2010.

FISCAL IMPACT:

Amount: \$447,000 (projected for FY 2008)

Funding Source: 2007-2008 Operating Budget, Page 187, Human Resources Department, Health/Dental Insurance, HRS960100

ADDITIONAL INFORMATION:

The City provides long-term disability (LTD) benefits to various union groups and the Supervisory, Professional and Management (SPM) group. This benefit provides partial income replacement of an employee's salary in the event they are unable to work due to an illness or accident. Benefit coverage for each union group is determined through the collective bargaining process. Employee groups MEA, CIPEC, AFSCME and SPM have an LTD benefit.

Principal Financial Group currently provides the LTD benefit and the rates under their existing contract expire June 30, 2007. Per City purchasing policy, the City solicited bids for the period beginning July 1, 2007. Six companies submitted rate proposals. The Hartford Life Group submitted the lowest bid totaling \$432,547/year based on current wages, which is \$106,811 lower than current rates. The Hartford rates are guaranteed through June 30, 2010 and the LTD benefit provides coverage consistent with the LTD benefit bargained for with each union group and the SPM group.

PREVIOUS COUNCIL ACTION(S):

Date: June 6, 2005

Roll Call Number: 05-1402

Action: Renewal of contract for Long Term Disability insurance with Principal Financial Group for SPM, CIPEC, MEA and AFSCME Employees for July 1, 2005 through June 30, 2007. ([Council Communication No. 05-330](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE