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**Sponsor:** Human Resources

**Meeting Date:** 9/19/2023

**Title:** Agreement with Madison National Life Insurance for Employee Long-Term and Short-Term Disability Insurance

**File Number:** 2023-379

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**Background and Rationale:**

Approximately 3800 employees are eligible for the Ramsey County's long-term disability (LTD) and short-term disability (STD) insurance programs. The LTD program includes both basic and optional benefits. All eligible employees are automatically enrolled in the basic LTD plan. The STD plan is voluntary. Currently 1,957 employees are enrolled in the optional LTD buy-up plan and 2,026 employees are enrolled in the voluntary short-term disability plan.

Providing market competitive coverage and plans attracts and retains employees. Every three to five years, the county issues a solicitation for disability insurance in compliance with state law and to ensure the best options are provided to employees at a competitive price.

Human Resources issued a competitive solicitation for disability insurance for active employees for up to five years in compliance with state law and as the previous contract expires December 31, 2023. The solicitation objectives included:

- Maximize the quality of the disability and life insurance benefits provided
- Demonstrate excellent customer services and claims processing
- Provide disability and life insurance benefits at a competitive cost
- Minimize the time and expense to the County for administration of the plan
- Ability to provide insurance plans that match or closely match the current plan
- Willingness to provide no-cost/value-added services or enhancements to the current plan

Below is a competitive solicitation summary:

Request for Proposals (RFP)      Life Insurance

RFP Release Date      December 14, 2022

RFP Response Date      December 27, 2022

Contractors Notified      210

Respondents      Madison National Life, MetLife

Proposal Evaluation Committee      Benefits Manager, Benefits Supervisor, Labor Relations Specialist, Sr Business Analyst, Director of Policy & Planning, Deputy Director of Finance, Deloitte Consulting

RFP Evaluation Criteria      Background, Plan Administration, Implementation, Cost and Presentation

Contractor Recommended      Madison National Life

Based on the recommendation of the Evaluation Committee, including Deloitte Consulting, the Human Resources department recommends Madison National Life who provided rate decreases for 2024 from 2023 for the county provided basic LTD program and optional (employee paid) LTD and STD programs with a 0% rate cap guarantee for the life of the contract.

2024 Rate Summary - 0% rate cap guarantee for 2025, 2026, 2027, 2028.

<u>Basic Long Term Disability Insurance</u>	<u>Current Rate</u>	<u>2024 Rate</u>
County paid per \$100 monthly salary	\$0.095	\$0.084

Optional Long Term Disability Insurance

Employee paid per \$100 monthly salary		
Under age 40	\$0.077	\$0.068
Age 40-49	\$0.200	\$0.176
50 and over	\$0.239	\$0.211

Optional Short Term Disability Insurance

Employee paid per \$100 monthly salary		
30 day elimination period	\$0.390	\$0.344
60 day elimination period	\$0.298	\$0.264
90 day elimination period	\$0.182	\$0.161

**Recommendation:**

The Ramsey County Board of Commissioners resolved to:

1. Approve the agreement with Madison National Life Insurance Co., Inc., 400 1241 John Q Hammons Drive, Madison, WI 53715 for employee long-term and short-term disability insurance for the period of September 20, 2023 through to December 31, 2026 and may be renewed for up to two additional one-year periods.
2. Authorize the Chair and Chief Clerk to execute the agreement.
3. Authorize the County Manager to enter into agreement and execute amendments to the agreement in accordance with the county's procurement policies and procedures provided the amounts are within the limits of available funding.

A motion to approve was made by Commissioner Ortega, seconded by Commissioner Reinhardt.

Motion passed.

Aye: - 6: Frethem, Martinson, Moran, Ortega, Reinhardt, and Xiong

Absent: - 1: McGuire

By:   
 Mee Cheng, Chief Clerk - County Board