



Legislation Details (With Text)

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Title: CONSIDER APPROVAL OF CIGNA/NEW YORK LIFE POLICY RENEWALS TO PROVIDE GROUP LIFE AND AD&D, VOLUNTARY LIFE, SHORT TERM AND LONG TERM DISABILITY BENEFITS TO CITY EMPLOYEES

Sponsors:

Indexes:

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Attachments: 1. Exhibit I - New York Life Renewal Rate Summary, 2. Exhibit 2 - CIGNA 2017 Initial Client Application and Fiduciary Form

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, September 05, 2023

Consent

SUBJECT:

CONSIDER APPROVAL OF CIGNA/NEW YORK LIFE POLICY RENEWALS TO PROVIDE GROUP LIFE AND AD&D, VOLUNTARY LIFE, SHORT TERM AND LONG TERM DISABILITY BENEFITS TO CITY EMPLOYEES

I. SUMMARY

On December 31, 2020 New York Life acquired Cigna’s Group Life, accident, and disability insurance business. Staff is submitting the renewal proposal for the policies to the City Council with a recommendation that New York Life continue to serve as the City’s vendor for Group Life and Voluntary Life, Short Term and Long Term Disability, which originally went into effect March 1, 2017. As a result of another bid proposal during the renewal period, New York Life has confirmed a three (3) year rate guarantee at the same rates currently paid by the City.

II. RECOMMENDATION

1. APPROVE renewal of New York Life policies for Group Life and AD&D Insurance, Voluntary Life, Short Term and Long Term Disability benefits for an additional thirty-six months with guaranteed rates equal to the current rates paid by City.

2. AUTHORIZE the Mayor to sign all documents that are necessary to effectuate renewal of the policies.

III. ALTERNATIVES

Take any action deemed appropriate.

IV. BACKGROUND

On February 21, 2017, the City Council approved CIGNA to be the provider of Group Life Insurance, Short Term and Long Term Disability benefits for Full-time City employees, whereby the policies went into effect March 1, 2017.

At the time, CIGNA provided an aggregate premium reduction over a 36-month rate guarantee period as compared to the City’s previous provider. CIGNA’s plan also includes Healthy Rewards, My Secure Advantage, Cignassurance, Healthy Working Life, Secure Travel and Life Assistance Program. These supplementary employee benefits are at no additional cost to the City.

Now, New York Life has confirmed a three (3) year rate guarantee at the same rates currently paid by the City. Staff is submitting the renewal proposal for the policies to the City Council with a recommendation that New York Life continue to serve as the City’s vendor for Group Life Insurance and AD&D, Voluntary Life, Short Term and Long Term Disability. New York Life’s proposal for the renewed Group Life Insurance (Exhibit No. 1) summarizes the premium rates as follows:

Product Policy Number	Inforce Rate	Renewal Rate	Coverage Basis	Volume	Inforce Premium	Renewal Premium	Annual Premium Change	% Change	Rate Guarantee
Basic Life FLX0967822	\$0.12	\$0.12	Per \$1,000 Face	26,725,000	\$38,484	\$38,484	\$0	\$0	36 months
Vol Life FLX0967822	\$0.49	\$0.49	Per \$1,000 Face	23,208,000	\$136,463	\$136,463	\$0	\$0	36 months
LTD LK 0965343	\$1.05	\$1.05	Per \$100 Monthly Covered Payroll	1,707,936	\$215,199	\$215,000	\$0	\$0	36 months
STD LK 0752174	\$0.38	\$0.38	Per \$10 WI	262,788	\$119,831	\$119,831	\$0	\$0	36 months
Carve-out OK 0969324	\$0.025	\$0.025	Per \$1,000 Face	26,725,000	\$8,018	\$8,018	\$0	\$0	36 months

New York Life has also confirmed the renewal for the Employee Assistance and Wellness Support Program (EAP). The current rate is \$2.31 per employee per month (PEPM).

V. FISCAL IMPACT

There is no fiscal impact. Funds for these employee benefits were included in the FY 23/24 Operating Budget in account 101-99-999-906-6034. Funds for the next two fiscal years will be included in the drafting of FY 24/25 and FY 25/26 Operating Budgets.

VI. EXHIBITS

1. New York Life Renewal Rate Summary (pgs. 3-5)
2. Cigna's 2017 initial Client Application & Fiduciary Form (pgs. 6-19)

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