



# City of Broken Arrow

## Legislation Details (With Text)

<b>File #:</b>	19-1052	<b>Name:</b>	
<b>Type:</b>	Consent Item	<b>Status:</b>	Agenda Ready
<b>File created:</b>	8/12/2019	<b>In control:</b>	Broken Arrow City Council
<b>On agenda:</b>	8/20/2019	<b>Final action:</b>	
<b>Title:</b>	Approval of and authorization to execute Amendment No. 6 to the Agreement between Unum Life Insurance Company of America and the City of Broken Arrow to provide long-term disability insurance to City employees		
<b>Sponsors:</b>			
<b>Indexes:</b>			
<b>Code sections:</b>			
<b>Attachments:</b>	1. Unum Amendment No. 6		

Date	Ver.	Action By	Action	Result
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### Broken Arrow City Council Meeting of: 08-20-2019

**Title:**

Approval of and authorization to execute Amendment No. 6 to the Agreement between Unum Life Insurance Company of America and the City of Broken Arrow to provide long-term disability insurance to City employees

#### Background:

As part of the employee benefits program, the City of Broken Arrow provides long-term disability insurance to all full-time employees, except for those covered by a collective bargaining agreement. The long-term disability benefit provides financial protection for employees by paying 60% of the employee's monthly earning while disabled. The City pays 100% of the cost of this coverage.

Staff received notice that if the existing plan remained, an increase of 5% to the current rates would be incurred. It was recommended that staff consider removing a non-standard, uncommon provision of the plan, the "Disability Plus Rider." This provision provides for an additional 20% of earnings when an employee is considered severely disabled, and has only been used in payment on one of the City's claims from 2007-2013. Staff was assured that removal of this provision does not compromise the competitiveness of the disability plan benefit. Removing the "Disability Plus Rider" would result in no increase in rates and/or premiums for the upcoming policy year. The rate would remain at \$0.55 per \$1,000 of coverage.

Unum has been excellent to work with and provides exceptional customer service. Staff recommends approval of the benefit renewal with removal of the "Disability Plus Rider."

**Cost:** \$120,000

**Funding Source:** Group Health and Life Fund

**Requested By:** Jannette McCormick, Human Resources Director

**Approved By:** City Manager's Office

**Attachments:** Unum Amendment No. 6

**Recommendation:**

Approve and authorize execution of Amendment No. 6 with Unum Life Insurance Company of America.