



City of Broken Arrow

Request for Action

File #: 22-673, Version: 1

**Broken Arrow City Council
Meeting of: June 6, 2022**

Title:

Approval of and authorization to execute an amended Group Term Life Policy and Rate confirmation with Minnesota Life Insurance Company to provide group term life, accidental death and dismemberment and supplemental life insurance to City employees, accepting the enhanced benefits and incorporating required changes as provided by the enhancement document for the Group Term Life Policy for the City of Broken Arrow to be effective July 1, 2022

Background:

As part of the employee benefit program, the City of Broken Arrow provides term life and accidental death and dismemberment benefits to all fulltime employees, except those covered by an agreement with the International Association of Firefighters. (The IAFF provides insurance benefits to its members.) The existing life insurance benefit provided is equal to an employee's annual base salary, not to exceed \$150,000.00.

In June 2013, the City Council accepted a proposal from Minnesota Life Insurance Company to provide this coverage to all eligible City employees. At the time, Minnesota Life Insurance Company guaranteed their rate for a period of three years. In 2016, they guaranteed that same rate for an additional three years, along with the same in 2019. Similarly, Minnesota Life is providing the same rate guarantee for an additional three-year term.

This year, staff is recommending we add additional enhancements to the policy to allow for an enriched supplemental life insurance program. The enriched program does not include rate increases for the City-provided coverage but does allow employees to choose additional coverage for themselves. The enhanced benefits include:

Special guaranteed issue enrollment for currently insured participants which allows participants to elect or increase coverage by \$10,000 annually without completing an evidence of insurability. Additionally, new employees will see an increased supplemental life maximum of \$250,000 guaranteed issue instead of the previous \$150,000 limit. Additionally, employees can purchase up to \$500,000 versus the previously offered \$350,000 maximum benefit.

Increased supplemental life maximum and guaranteed issue for child(ren). The current child life rates are \$10,000 and the new proposed amount increases the benefit to \$15,000 for newly eligible children. Additionally, the enhancement will extend child life eligibility for the full coverage amount at birth to age 26; the previous benefit provided \$1,000 in coverage for children age 14 days up to 6 months and coverage ceasing at age 19 unless the child was a fulltime student.

City staff recommends approving and authorizing execution of the rate confirmation, accepting the enhanced benefits and incorporating required changes as provided by the enhanced document and other necessary changes for legal and language updates to the Group Term Life Policy for the City of Broken Arrow. The attached Life Policy (Life Policy City of Broken Arrow) will be amended to include enhancements and any

necessary language updates after Council approves the changes.

Cost: \$92,000

Funding Source: Group Health and Life Fund

Requested By: Kelly Cox, Human Resources Director

Approved By: City Manager's Office

Attachments: **City of Broken Arrow - Life - Plan Enhancements**
2022 - 2025 Life Rate Confirmation - City of Broken Arrow
Life Policy City of Broken Arrow

Recommendation:

Approve and execute an amended Group Term Life Policy and Rate confirmation with Minnesota Life Insurance Company to provide group term life, accidental death and dismemberment and supplemental life insurance to City employees, accepting the enhanced benefits and incorporating required changes as provided by the enhancement document for the Group Term Life Policy for the City of Broken Arrow