



Legislation Text

File #: 17-893, **Version:** 1

City Council Meeting Date: July 11, 2017

To: Mayor and City Council
City Administrator

From: Michelle Mahowald, Communications & Human Resources Director

Consider approval of Employee group long-term disability insurance with Madison National Life

Action Requested:

The Northfield City Council consider approval of employee group long-term disability insurance with Madison National Life effective August 1, 2017.

Summary Report:

The City is required to follow the State of Minnesota Bid Law 471.6161 Group Insurance; Governmental Units. It has been five years since the City made a request for proposal (RFP) for employee group long-term disability coverage. Ochs, Inc. is the City's agent of record for employee group long-term disability coverage and assisted the City with the process.

The City placed an ad in the Northfield News on May 24, 2017. Ochs, Inc. sent requests for proposals to potential long-term disability carriers. One proposal from The Municipal Pool responded with a quote underwritten by Madison National Life Insurance Company, Inc. by the June 21, 2017 deadline.

Madison National Life Insurance Company, Inc. is the City's current employee group long-term disability carrier.

Financial Impacts:

15% reduction to our current rate with a 3-year rate guarantee. The City currently pays \$.17 monthly rate per \$100 of covered payroll. The Municipal Pool proposal decreases the City's cost to \$.145 monthly rate per \$100 of covered payroll.

Tentative Timelines:

If approved, the new rate will be effective August 1, 2017.