



## REQUEST FOR ACTION CITY COUNCIL

Agenda Date: 10/15/2024  
Agenda Section: Consent Agenda

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**Department Origination:** Finance

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**Agenda Item:** Authorize Contract Execution of Lincoln Financial Life and Disability Insurance Coverage for Sourcewell Ancillary Programs

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**Approval Required:** Simple Majority Vote

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### **BACKGROUND**

As part of the city's employee benefit package, the city provides ancillary insurance in the form of life and long-term disability insurance. The city currently is a member of the Sourcewell cooperative where we obtain our employee health insurance coverage. Similar to health insurance, Sourcewell is able to obtain lower life and disability insurance premiums through its volume and competitive bidding process.

The city currently has its ancillary life and long-term disability insurance program with Sun Life through Sourcewell. This year Sourcewell solicited requests for proposals (RFP) for ancillary insurance. As a result of the RFP process, Lincoln Financial Group was selected to provide Sourcewell's ancillary insurance program beginning in 2025. With the insurance carrier change, the premium rates will remain the same with the change to Lincoln Financial in 2025.

### **FINANCIAL IMPLICATIONS**

Continuing to utilize the Sourcewell program with Lincoln Financial will result in no change in the premium rates for 2025. Based upon current census information, the 2025 cost to the city is anticipated to be approximately \$16,500 for the employee benefits. The cost has been incorporated into the 2025 preliminary budget.

Similar to the current Sun Life plan, an employee may elect to purchase additional life insurance through Lincoln Financial. The premiums for the additional coverage are at the employees' expense and will continue to be administered through payroll deduction. Lincoln Financial has offered a one-time full open enrollment opportunity for employees to elect up the guaranteed issue amounts without evidence of insurability.

### **STAFF RECOMMENDATIONS**

Finance Director Vacinek recommends execution of the life and disability insurance contract with Lincoln Financial through the Sourcewell cooperative ancillary programs for the city provided insurance. Through the cooperative's program, the city achieves savings on these existing employee benefits.

### **COUNCIL ACTION REQUESTED**

Motion to authorize execution of Lincoln Financial life and disability insurance contract for Sourcewell Ancillary Programs