



MAYOR AND CITY COUNCIL OF LAUREL
DEPARTMENT OF BUDGET AND PERSONNEL SERVICES

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September 18, 2026

MEMORANDUM

TO: Mayor Keith R. Sydnor
Council President Brencis D. Smith
Laurel City Councilmembers
THRU: Nekesa Matlock, Deputy City Administrator
FROM: Lisa Woods, Deputy Director-BAPS
SUBJ: Employee Benefit Insurance

The City's current insurance broker, NFP Group, has provided quotes for employee health, dental, and vision insurance on the four types of employee benefit insurance the City currently provides, which includes the following:

Scope:

1. Open Access HMO Health Plan
2. Open Access Plus Health Plan with Out-of-Network benefits
3. Dental Plan
4. Vision Plan

The City currently offers these coverages to full-time and part-time employees, elected officials, and eligible dependents. Enrollment is optional and requires enrollee payments of 20% of the cost of their selected option with the exception of the vision coverage. Retirees may also enroll in these plans with a maximum City contribution of \$500 per month.

The City is currently in a one-year contract with Cigna (November 1, 2025–October 31, 2026), which included a 4.3% renewal rate increase. To secure updated insurance rates, the NFP Group conducted a full market bid with multiple carriers. Industry renewal rates for employers with 100 to 200 employees typically range from 8% to 12%. The bid results are as follows:

Bid Results:

- Cigna countered its own proposal of a 2.3% increase with a 0% increase proposal
- CareFirst BCBS offered a 0% increase over Cigna's current rates
- Aetna submitted a proposed increase of 33.5% over Cigna's current rates
- United Healthcare declined to submit a quote

Funding:

The Adopted FY2027 General Operating Budget provides \$3,378,011 for employee coverage and \$327,465 for retiree coverage/supplements under Employee Insurance.

Recommendation:

It is recommended that the Mayor and City Council award Cigna the contract for health, dental, and vision insurance for the plan period of November 1, 2026 through October 31, 2027, at a 0% rate increase. Currently, a number of City employees and dependents are facing significant and challenging health conditions. For this reason, staff also requests approval to continue coverage with Cigna to ensure stability and continuity of care. Dental and vision premiums will remain unchanged for the upcoming year.

Employees Health Insurance

LOW	Monthly	Annual	Biweekly	City	Employee
Employee	\$1,100.06	\$13,200.72	\$507.72	\$406.18	\$101.54
Double	\$2,101.11	\$25,213.32	\$969.74	\$775.79	\$193.95
Family	\$3,223.15	\$38,677.80	\$1,487.61	\$1,190.09	\$297.52
HIGH	Monthly	Annual	Biweekly	City	Employee
Employee	\$1,168.57	\$14,022.84	\$539.34	\$431.47	\$107.87
Double	\$2,231.94	\$26,783.28	\$1,030.13	\$824.10	\$206.03
Family	\$3,423.87	\$41,086.44	\$1,580.25	\$1,264.20	\$316.05

Elected Officials Health Insurance

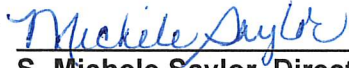
LOW	Monthly	City	Employee
Employee	\$1,100.06	\$880.05	\$220.01
Double	\$2,101.11	\$1,680.89	\$420.22
Family	\$3,223.15	\$2,578.52	\$644.63
HIGH	Monthly	City	Employee
Employee	\$1,168.57	\$934.86	\$233.71
Double	\$2,231.94	\$1,785.55	\$446.39
Family	\$3,423.87	\$2,739.10	\$684.77

Retirees Health Insurance

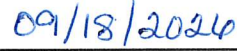
The City contributes a monthly payment, not to exceed \$500.00 towards the retiree's coverage only, regardless of choice of plan.

LOW	Retiree	Annual
Retiree	\$1,100.06	\$13,200.72
Double	\$2,101.11	\$25,213.32
Family	\$3,223.15	\$38,677.80
HIGH	Retiree	Annual
Retiree	\$1,168.57	\$14,022.84
Double	\$2,231.94	\$26,783.28
Family	\$3,423.87	\$41,086.44

Reviewed:



S. Michele Saylor, Director
Department of Budget and Personnel Services



Date

cc: Christian L. Pulley, CPM, City Administrator
Nekesa Matlock, Deputy City Administrator