



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, July 14, 2020
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Consider a rate extension of the group Long-Term Disability Insurance policy
Background Information:	<p>Last year (2019), our group Long-Term Disability insurance policy went out for bids. We received a favorable bid from Madison National Life Insurance Company, Inc., resulting in a rate decrease from \$0.19 to \$0.175 per \$100 of covered payroll; a cost savings of approximately \$996.00 annually. The current policy will expire on 01/01/2023. Our broker had requested 5-year rates with that bid, but instead, we received a 3-year rate guarantee beginning 01/01/2020. Recently, our broker went back to Madison National Life on a block of groups to see if a rate extension would be offered. Madison National Life has agreed to a rate extension at the same rates until 01/01/2026.</p> <p>If approved by the Council, this will result in an additional 3 years with no rate increases. Staff recommend approval of the rate extension resulting in stable rates across the next 5 years (2020-2025).</p>
Fiscal Impact:	Our existing (2020) rates represent a decrease from 2019. If this extension is approved, there would be no change in rates from 2020-2025.
Alternative/Variations:	None recommended.
Recommendations:	To approve a rate extension of the group Long-Term Disability insurance policy with Madison National Life Insurance Company, Inc.