



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, October 11, 2022
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Consider approval of agreements with Cigna and Hartford for Voluntary Employee Supplemental Benefits
Background Information:	<p>The Employee Insurance Advisory Committee met on September 22 and September 28 to hear presentations from two benefit carriers for voluntary employee supplemental benefits: AFLAC and Cigna/Hartford. The Committee is recommending the Council consider approval of agreements with Hartford and Cigna for these benefits. <i>(This committee is comprised of 7 union, 3 non-union, and 1 management representative.)</i></p> <p>There is No Cost to the City for these supplemental benefit plans; employees pay 100% of the premium costs.</p> <p>Cigna and Hartford provide the following voluntary benefit plans for employees on a voluntary basis—the benefit summaries for each are attached:</p> <ul style="list-style-type: none"> • Group Accident Insurance (Cigna) • Group Critical Illness Insurance (Cigna) • Group Hospital Care Insurance (Cigna) • Short-term Disability (STD) Insurance (Hartford) <p>These voluntary benefits are currently being offered by a local AFLAC representative on an individual basis. The Committee received benefit summaries from both companies to review and compare benefit plans and rates and were able to ask questions of both carriers. The advantages to Cigna/Hartford are:</p> <ul style="list-style-type: none"> • Rate reductions on some Cigna plans due to being part of a group government pool with negotiated plan design and rates • Cost comparisons showed rate reductions for the STD benefit • Benefit elections are able to be offered through our open enrollment platform • Guaranteed issue policies and no employee health history questions <p>There is no risk (no loss of benefits) to employees with existing AFLAC plans. Employees who desire to keep their existing AFLAC plans may do so on a direct pay basis.</p> <p>There is no multi-year commitment with Cigna; the City can elect to cancel the agreements at any time.</p> <p>If approved, Staff will partner with Integrity Employee Benefits (broker for this benefit) to communicate the changes during the employee open enrollment period.</p>
Fiscal Impact:	No cost to the City.

Alternative/ Variations:	None recommended. The Employee Insurance Advisory Committee is recommending the carrier change.
Recommendations:	To authorize staff to approve agreements with Cigna and Hartford for voluntary employee supplemental benefits effective 01/01/2023.