



LEGISLATIVE MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Suzanne Sherman, City Manager

THRU: Laura Clawson, Human Resources Director

DATE: September 19, 2024

RE: Contract: Voluntary Supplemental Insurance Benefits, City employees - Human Resources Department (Cigna Health & Life Insurance Company - paid by employee).

SUMMARY:

The City offers full time eligible employees the option to elect to enroll in Voluntary Supplemental Insurance Benefit Plans. The current coverage includes three plans:

- Hospital Care (HC): The plan pays for qualifiable hospital confinements. Available for employees and their dependents.
- Accident Injury (AI): The plan pays employees cash benefit for expenses resulting from on or off the job injuries. The plan is also available for dependents.
- Critical Illness (CI): The plan pays cash benefits in the event the employee is diagnosed with an illness covered under this plan. Dependent coverage is also available.

Currently, the plans are structured with an auto-substantiate feature that coordinates with the health insurance plan, Cigna, allowing necessary claim documentation to be directly obtained from the health plan. This reduces the burden on employees, eliminating the need for them to gather and submit additional documentation to support their claims. The current agreement with Cigna Health & Life Insurance Company (CHLIC) for these coverages will terminate on December 31, 2024 with no renewal periods remaining.

The Gehring Group is the City's Broker of Record for Health Insurance and related plans. At the City's request, the Gehring Group conducted a competitive bidding process and obtained multiple quotes for these benefits. After thorough review and consideration, Staff recommends a new agreement of services for Voluntary Supplemental Insurance, AI, CI, and HC with Cigna Health & Life Insurance Company (CHLIC), through December 31, 2025. It is the intent of the City to resolicit these offerings in 2025 for the 2026 benefit year to align with the Health Insurance

solicitation to maintain the auto substantiation coordination feature.

REQUESTING DEPARTMENTS:

Human Resources

Procurement

FISCAL IMPACT:

Voluntary Supplemental insurance benefits are budgeted through Other Employee Benefits (OEB) account #513-2531-519-45-15 with an approximate cost per year of \$79,000 and are 100% employee paid. This City serves as a “pass through” for this service, collecting premiums from employees and remitting to the carrier on their behalf.

STAFF RECOMMENDATION:

Motion to approve a new agreement for services for Voluntary Supplemental Insurance benefit plans with Cigna Health & Life Insurance Company (CHLIC) for the 2025 benefit year, from January 1, 2025, through December 31, 2025.

ATTACHMENTS:

1. Supplemental Accident Insurance Grid-Gehring Group
2. Supplemental Hospital Insurance Grid- Gehring Group
3. Supplemental Critical Illness Grid-Gehring Group