

ACTION ITEM

CONTRACT ID:	LIFE AND LONG TERM DISABILITY INSURANCE COVERAGE RECOMMENDED VENDOR: CIGNA
BUDGETED ITEM	Funding to be included in the Annual Operating Budget for each respective contract term year.
CONTRACT AMOUNT	<p>Estimated cost of Life and Long Term Disability Coverage through Cigna for the contract period of January 1, 2020 through December 31, 2020, is approximately \$803,710 plans total (Citizens and Employees contribution).</p> <p>Citizens estimated cost for the company-paid life insurance plans at 100 percent:</p> <ul style="list-style-type: none">• Basic Life cost \$172,604• Basic AD&D cost \$23,733 <p>Employees estimated cost for the employee-funded voluntary life and long term disability plans at 100 percent:</p> <ul style="list-style-type: none">• Voluntary Life cost \$408,674• Voluntary AD&D cost \$21,001• Long Term Disability cost \$177,698
PURPOSE / SCOPE	<p>This Action Item requests approval for a new contract award for Cigna to provide Basic Life, Voluntary Life, AD&D, Voluntary AD&D and Long Term Disability insurance needed for fully-funded Life and Long-Term Disability Insurance Coverage programs to be offered to Citizens' employees, effective January 1, 2020.</p> <p>Employee participation will be determined during the annual open enrollment period and total cost will be a function of the enrollment in the Cigna Life and Long-Term Disability Insurance Coverage plans.</p>
CONTRACT TERM(S)	Base Term: January 1, 2020 through December 31, 2020
PROCUREMENT METHOD	As a fully insured product, this coverage is placed through our competitively procured insurance broker, Mercer Health & Benefits, LLC (Mercer). The incumbent provider of this coverage is Cigna and the current contract expires on December 31, 2019. Mercer negotiated on Citizens' behalf and obtained competitive quotes to continue employee Life and Long Term Disability Insurance Coverage for 2020. This quote estimates the amount for one year renewal coverage for Life and Long Term Disability Insurance Coverage.
RECOMMENDATION	<p>Staff recommends that Citizens' Board:</p> <ol style="list-style-type: none">a) Approve the contract with Cigna for Life and Long Term Disability Insurance Coverage Action item for the period of January 1, 2020 through December 31, 2020.b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
CONTACTS	Violet Bloom, Chief Human Resources Officer Elaine Thomas, Director, Total Rewards