

RESOLUTION NO. _____

APPROVAL OF 2021 CONTRACT RENEWAL WITH THE LINCOLN FINANCIAL GROUP TO PROVIDE LONG TERM DISABILITY, GROUP LIFE AND ACCIDENTIAL DEATH & DISMEMBERMENT COVERAGE

Item No. 5d

WHEREAS, the renewal date of the current contract with The Lincoln Financial Group to provide long-term disability, group term life and accidental death & dismemberment (AD&D) coverage to full-time, non-union employees is June 1, 2021; and

WHEREAS, the procurement provisions for the Lincoln Financial Group contract provides for a one-year contract with four subsequent annual one-year renewal options without additional procurement. Renewal of the contract for the 2021 - 2022 plan year will represent the second of the four one-year renewal options; and

WHEREAS, the Lincoln Financial Group premium cost for the 2020 - 2021, twelve-month plan year through May 2021 is \$79,147.10; and

WHEREAS, the Lincoln Financial Group has proposed a premium increase to the group term life insurance coverage from \$0.230 per thousand to \$0.251 per thousand, in the total annual amount of \$2,252.37. There was no proposed premium increase to the long-term disability or accidental death & dismemberment coverages; and

WHEREAS, the proposed premium increase represents an increase of approximately 3% to the overall group cost and generates a total estimated cost of \$81,399.47 for the 2021 - 2022 plan year; and

WHEREAS, it is anticipated that there will be some fluctuation in the 2021 - 2022 premium costs as a result of changes in employees' employment status, as well as the addition of new employees; and

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WHEREAS, funding for this contract renewal will be factored into the FY 2021 - 2022 operating budgets.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS that the Executive Director and Contracting Officer, Lisa Osanka, is authorized to enter into a contract renewal with the Lincoln Financial Group to provide long-term disability, group term life and accidental death & dismemberment insurance coverage to Louisville Metro Housing Authority full-time, non-union employees for the period of June 1, 2021 through May 31, 2022 for an estimated amount not to exceed \$81,399.47.

RESOLUTION BACKGROUND STATEMENT

APPROVAL OF 2020 CONTRACT RENEWAL WITH THE LINCOLN FINANCIAL GROUP TO PROVIDE LONG TERM DISABILITY, GROUP LIFE AND ACCIDENTIAL DEATH & DISMEMBERMENT COVERAGE

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I. **STATEMENT OF FACTS:**

The renewal date of the current contract with the Lincoln Financial Group is June 1, 2021. The procurement provisions for the contract provides for a one-year contract with four subsequent annual one-year renewal options without additional procurement, with each subsequent year's contract renewal requiring Board approval. Renewal of the contract for the plan year 2021 - 2022 represents the second of the four annual one-year renewal options.

The premium billing to LMHA for the 2021-2022 plan year (June 2021 through May 2022) was \$ 79,147.10. The Lincoln Financial Group has proposed an increase to the term life insurance monthly premium from \$0.230 per thousand to \$0.251 per thousand resulting in a total annual premium increase cost of \$2,252.37. The Lincoln Financial Group did not propose premium increases to the long-term disability or accidental death & dismemberment coverages.

The proposed premium increase represents an increase of approximately 3% to the overall group cost, thereby generating a total estimated cost of \$81,399.47 for the 2021 - 2022 plan year.

As is customary, it is anticipated that there will be some fluctuation in the 2021 - 2022 plan year premium costs as a result of changes in employees' employment status (employment separations, new hires, etc.).

Funding for the contract renewal will be factored into the 2021-2022 operating budget.

II. **ALTERNATIVES:**

- A. Approve the contract renewal with the Lincoln Financial Group for the 2021 - 2022 plan year.
- B. Do not approve the contract renewal with the Lincoln Financial Group for the 2021 - 2022 plan year.

III. **RECOMMENDATION:**

Staff recommends Alternative "A"

RESOLUTION BACKGROUND STATEMENT

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IV. JUSTIFICATION:

- Due to the contract renewal occurring on June 1, 2021, LMHA must implement the necessary steps required to assure there is no interruption in long-term disability, group term life and accidental death & dismemberment coverage for its employees.
- Funding for the contract renewal will be factored into the 2021 - 2022 operating budget.
- LMHA staff completed the Contract Renewal Evaluation Form. This vendor received an overall rating of "Average".

V. BUDGET APPROVAL:

Funding for this contract renewal will be factored into the FY 2021 and FY 2022 operating budgets.

Angela Larsson, Director of Finance

Date

VI. PROCUREMENT CERTIFICATION:

The award of a contract renewal for long-term disability, group term life and accidental death & dismemberment premiums is in compliance with the Louisville Metro Housing Authority's Procurement Policies and Procedures.

Steve Webb, Purchasing Agent

Date

Submitted by: Joyce A. Babb
Director of Personnel
May 18, 2021