

## LRB-FISCAL REVIEW SECTION ANALYSIS

AUGUST 1, 2001 AGENDA

ITEM 2, FILE 010489

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #010489 is a resolution approving an amendment to the group life insurance policy.

### Background

1. The Common Council adopted Sec. 350-25-4-b-4 of the Milwaukee City Code which authorized employees represented by certain unions to apply for supplemental life insurance coverage in increments of \$1,000 up to a maximum of \$100,000 and authorizes employees at their own expense to purchase life insurance in excess of 1 ½ times their base salary.
2. Under the terms of the contract with the life insurance carrier, United Wisconsin Life Insurance Company, the carrier must approve the change in coverage.

### Discussion

1. The carrier has established the underwriting coverage and the rates for coverage.
2. This resolution approves the amendment to the group life insurance policy.
3. The carrier will provide insurance on age rated basis. The chart below shows the rates:

Age	Rate
Under 30	\$0.09
30-34	\$0.11
35-39	\$0.12
40-44	\$0.21
45-49	\$0.39
50-54	\$0.65
55-59	\$1.17
60-64	\$1.86

The above premium rates are per \$1,000 of Voluntary Supplemental Life Coverage on the portion the coverage in excess of 1.5 times salary up to a maximum of \$100,000. The coverage must be purchased in multiples of \$1,000 and terminates at age 65.

4. The carrier is requiring evidence of insurability (taking a physical) for those employees who want to purchase this coverage. For the supplemental life coverage an employee can purchase, up to 1.5 times their base salary, no evidence of insurability is required.

### Fiscal Impact

The resolution has no fiscal impact. The coverage is voluntary and paid for by the employee.

cc: Marianne Walsh  
W. Martin Morics  
Tom Hayes  
Laura Engan  
Anne Bahr  
Grant Langley

Prepared by: James Carroll, X8679  
LRB-Fiscal Review  
July 25, 2001