



## Department of Employee Relations

**Cavalier Johnson**  
Mayor

**Vacant**  
Director

**Renee Joos**  
Employee Benefits  
Director

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Labor Negotiator

July 19, 2022

Alderwoman Marina Dimitrijevic, Chairwoman  
City of Milwaukee Common Council Finance and Personnel Committee  
200 East Wells Street, Room 205  
Milwaukee, WI 53202

### **File No: 220140 Resolution to Execute a Contract for Life Insurance and Long Term Disability**

Dear Alderwoman Dimitrijevic and Finance Committee Members:

File number 211472 authorized the Department of Employee Relations (DER) to issue a joint request for proposal (RFP) process for life insurance and long term disability (LTD) benefits. The City currently contracts with MetLife for life insurance benefits and Sun Life for LTD coverage and both carrier contracts expire on December 31, 2022.

The DER along with the City's benefits consultant decided it would be prudent to execute a joint Request for Proposal (RFP) process. Many carriers in the marketplace offer both life insurance and LTD coverage with synergies in pricing and efficiencies in administration, billing and service that can be obtained by quoting the coverages together.

An evaluation committee including representatives from the DER and the Employees' Retirement System along with the City's benefits consultant executed the RFP, reviewed the responses and evaluated final candidates. The RFP asked responders to match the current plan design for the basic and supplemental life insurance options and the LTD basic and buy-up options. Multiple carriers responded to the proposal but there were many that declined given the City's past loss ratio experience. City life insurance providers in particular, including the current carrier, have lost money providing this benefit to City employees and retirees.

Three finalists were selected for final evaluation including MetLife, Sun Life and The Standard. On the life insurance side, Sun Life provided the lowest premium rates for basic coverage and matched the current age-banded voluntary rates and family coverage premium rates. Both MetLife and The Standard offered significantly higher rates for life insurance coverage options.

MetLife offered the lowest LTD rates with Sun Life and The Standard providing competitive offers below current premium rates. However, because the life insurance benefit is significantly

more costly to the City, the review committee rated the collective offers from carriers for both the life insurance and LTD benefit. A detailed report with more information is included with the file.

While Sun Life didn't provide the lowest LTD rates, when combined with life insurance, the overall offer will result in savings to City for both life insurance and LTD. In addition, Sun Life matched the current plan design and rate structures for voluntary and family life coverage and provided competitive offers for the LTD waiting period buy-up options. Sun Life also offered a rate guarantee for three years.

Based on the aforementioned factors, the evaluation committee is recommending the City remain with Sun Life for LTD coverage and enter into a new contract with Sun Life for the life insurance benefit beginning January 1, 2023.

I am happy to answer any questions or comments regarding this file.

Sincerely,  
Renee Joos  
Employee Benefits