



Legislation Text

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Funding for the short term disability insurance program is necessary to insure continuation of the program in accordance with the negotiated labor contracts. This ordinance authorizes the Human Resources Director to enter into contract with The Hartford Life and Accident Insurance Company and to provide funding from February 1, 2021 through January 31, 2022 for this program.

In 2020, the Human Resources Employee Benefits Office, with the assistance and consultation of the benefits consulting firm, bid out for short-term disability services for city employees, via RFP015739.

The program services approximately 5,500 active full time employees. The RFP team reviewed five disability providers and interviewed the top three finalists. After careful consideration and evaluation, The Hartford Life and Accident Insurance Company was selected as being the lowest and best bid for short term disability services for the city.

The effective date for the contract is February 1, 2021; the contract term is 3 years, with two (2) one (1) year renewals. This represents year one of the three year contract.

The total obligation of this contract in year one is \$3,630,000. The breakdown of expense is \$230,000 for administrative fees and \$3,400,000 for claims.

Cost estimates for 2021 are based on 2019-2020 benefits fund expenditures using a two-year average of actual city utilization, expected changes due to union negotiations, as well as input from the city's employee benefits consultant.

EMERGENCY DESIGNATION: Emergency action is requested to ensure the life insurance program for city employees is able to commence as soon as contractually possible, thereby maintaining continuity of service.

FISCAL IMPACT: Funding is available from and within the 2021 Employee Benefits Fund for this contract. This ordinance is contingent on the passage of the 2021 insurance appropriation ordinance 0020-2021.

To authorize the Human Resources Director to enter into contract with The Hartford Life and Accident Insurance Company to provide all eligible employees short term disability insurance coverage from February 1, 2021 through January 31, 2022, and to authorize the expenditure of \$3,630,000.00 from the Employee Benefits Fund, or so much thereof as may be necessary to pay the costs of said contract; and to declare an emergency. (\$3,630,000.00)

WHEREAS, it is in the best interest of the City of Columbus to contract with The Hartford Life and Accident Insurance Company to provide all eligible employees short term disability insurance administration from February 1, 2021 through January 31, 2022; and

WHEREAS, it is necessary to authorize the expenditure of up to \$3,630,000, or so much thereof as may be necessary to pay contract costs for short term disability insurance services; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Human Resources in that it is immediately necessary to authorize the Director to contract with The Hartford Life and Accident Insurance Company to ensure the short term disability program for city employees is able to commence as soon as contractually possible. **Now, Therefore,**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Human Resources Director is hereby authorized to contract with The Hartford Life and Accident

Insurance Company to provide short term disability insurance to all eligible employees from February 1, 2021 through January 31, 2022.

SECTION 2. That the expenditure of \$3,630,000 or so much thereof as may be necessary for coverage is hereby authorized per the accounting codes in attachment of this ordinance.

SECTION 3. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 4. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage, if the Mayor neither approves nor vetoes the same.