



## Legislation Text

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**File #:** 0499-2021, **Version:** 1

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The Director of the Human Resources Department requests to modify and extend the existing contract with the Dearborn National Life Insurance Company for one year and to provide funding from February 1, 2021 through January 31, 2022 for this program.

In 2020, the City bid out the short term disability claim and administrative program. The current incumbent, Dearborn National Life Insurance Company, will no longer be the provider for this program effective February 1, 2021. However, it is necessary to pay new claim administrative fees associated with claims not yet received by January 31, 2021, but have a short term disability date of January 31, 2021 and prior. Therefore, funding needs to be encumbered to do so. The new claim administrative fees are charged at \$500.00/claim.

The prior contract modification, authorized in Ord. 0052-2021, authorized expenditures for run off claim fees as of January 31, 2021. The run off claims associated with that modification are charged at \$200.00/claim.

The maximum administrative fees for this modification from February 1, 2021 through January 31, 2022 will not exceed \$5,000.

Emergency action is requested to ensure funding is available to fund new claim administrative fees associated with the end of the current contract.

**FISCAL IMPACT:** Funding is available in the 2021 Employee Benefits Fund for this contract.

To authorize the Human Resources Director to modify and extend the contract with the Dearborn National Life Insurance Company to provide funding for run off administrative fees from February 1, 2021 through January 31, 2022; to authorize the expenditure of up to \$5,000.00 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. (\$5,000.00)

**WHEREAS**, it is in the best interest of the City of Columbus to modify and extend the existing contract with The Dearborn Life Insurance Company for one year from February 1, 2021 through January 31, 2022; and

**WHEREAS**, this contract will only fund new claim administrative fees associated with the end of the current contract; and

**WHEREAS**, it is necessary to authorize the expenditure of up to \$5,000 or so much thereof as may be necessary, to pay contract costs for new claim administrative fees; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Human Resources in that it is immediately necessary to modify and extend the existing contract with The Dearborn National Insurance Company to ensure new claim administrative fees associated with the end of the current contract are 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 modify and extend the existing contract with The Dearborn National Insurance Company to allow new claim administrative fees associated with the end of the current contract to be paid from February 1, 2021 through January 31, 2022.

**SECTION 2.** That the expenditure of \$5,000 or so much thereof as may be necessary for coverage is hereby authorized per the account codes in the attachment to 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.