



Legislation Text

File #: 0021-2022, **Version:** 1

BACKGROUND:

Funding for the short term disability insurance program is necessary to ensure continuation of the program in accordance with the negotiated labor contracts. The Human Resources Department requests to contract with The Hartford Life and Accident Insurance Company and to provide funding from February 1, 2022 through January 31, 2023 for this program.

The effective date for the contract is February 1, 2022; the contract term is 3 years, with two (2) one (1) year renewals. This represents year two of the three year contract.

The total obligation of this contract in year two is \$3,600,000.00. The breakdown of expense is \$200,000.00 for administrative fees and \$3,400,000.00 for claims.

Cost estimates for 2022 are based on 2020-2021 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 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 in the 2022 Employee Benefits Fund for this contract. This ordinance is contingent on the passage of the 2022 insurance appropriation ordinance 0014-2022.

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, 2022 through January 31, 2023, and to authorize the expenditure of \$3,600,000.00 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. (\$3,600,000.00)

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, 2022 through January 31, 2023; and

WHEREAS, it is necessary to authorize the expenditure of up to \$3,600,000.00, 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 enter into 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, thereby maintaining continuity of service; **Now, Therefore,**

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

SECTION 1. That the Human Resources Director is hereby authorized to enter into contract with The Hartford Life and Accident Insurance Company to provide short term disability insurance to all eligible employees from February 1, 2022 through January 31, 2023.

SECTION 2. That the expenditure of \$3,600,000.00 or so much thereof as may be necessary for coverage is hereby authorized to be expended as follows:

Department: 4602 | Fund: 5502 | Subfund: 550208 | Program: RM005 | Amount: \$200,000.00 (STD Admin)

Department: 4602 | Fund: 5502 | Subfund: 550208 | Program: RM006 | Amount: \$3,400,000.00 (STD Claims)

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.