



Department of Human Resources
Division of Employee Benefits

INTER-OFFICE COMMUNICATION

Date: 2/21/2013
To: Marina Dimitrijevic, County Board Chairwoman
FROM: Matthew Hanchek, Employee Benefits Administrator *MH*
SUBJECT: **Informational report from the Employee Benefits Administrator, regarding the renewal of the MetLife Contract for basic and supplemental life insurance. (No Board Action Required)**

Issue/Background

Milwaukee County has partnered with MetLife to deliver basic and supplemental life insurance coverage for eligible employees and retirees. The current agreement also included an “evergreen” clause allowing for automatic renewals in the absence of any material change in terms. Currently, the rate per \$1000 of covered salary is \$0.64.

Active employee utilization has typically been favorable; however, underlying issues with the retiree life coverage cause overall adverse utilization. Metlife proposed a 1-yr renewal with no increase. This is appropriate based on the claims paid through the plan. However, given the length of the current relationship with Metlife, and time that has elapsed since the original RFP, the Benefits Division directed Willis of Wisconsin to perform a market check by soliciting competing bids from 10 other large-employer group term life vendors and providing Metlife with an opportunity to improve upon their renewal quote.

Of the ten vendors solicited, 7 vendors decline to submit a bid, indicating their rates were not competitive. One vendor offered coverage at significant increase, while two others offered to match the incumbent with restrictions. Metlife did not improve their offer for 2013, but did commit to offering a no-increase renewal again in 2014.

Based on the state of the market, the County’s utilization experience, and the favorable renewal terms, the Benefits Division is exercising the renewal option for 2013. Minimally, a similar market check will be conducted prior to 2014.

cc: Chris Abele, County Executive
Amber Moreen, Chief of Staff County Executive’s Office
Kelly Bablitch, Chief of Staff, County Board
Kerry Mitchell, Director, Department of Human Resources
Donald Tyler, Director, Department of Administrative Services
Craig Kammholz, Fiscal & Budget Administrator, DAS-Fiscal
Steve Cady, Fiscal And Budget Analyst, County Board