



# Milwaukee County

## Legislation Text

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From the Employee Benefits Administrator, an informational report regarding the renewal of the MetLife Contract for basic and supplemental life insurance. **(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

### 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.