

COMMISSION FILE NO: 25-165-12 **DATE INTRODUCED:** December 1, 2025

INTRODUCED BY: Executive Director (Signature on File in the Office of the Commission)

REFERRED BY COMMISSION CHAIRPERSON TO: Policy, Finance, and Personnel Committee

RELATING TO: Authorizing the Executive Director to Extend the Contract for Active Accidental Death and Dismemberment Insurance and Active and Retiree Life Insurance Benefits

SUMMARY:

The Commission is requested to authorize the Executive Director to extend the contract with Humana Life Insurance Company to provide accidental death and dismemberment insurance for active employees and life insurance for active and retired employees for the period of January 1, 2026, through December 31, 2027.

This coverage has been with Humana since 2006. The Humana two-year renewal came in at a zero percent increase for the basic life insurance across the board and a zero percent increase for accidental death and dismemberment coverage for employees. The loss ratio for this policy has been more favorable over the last few years, and this is driving the flat increase for the renewal; however, the percentage of retirees covered compared to active employees continues to be substantial. There are approximately twice as many retirees covered under the life insurance plan as there are active employees. This creates a significantly higher average age mix than most group employer life insurance plans and leads to increased risk by the insurance company and ultimately more claims, since the retirees will be covered through death and results in a guaranteed claim.

ATTACHMENTS: **BACKGROUND** ☒ **KEY ISSUES** ☐ **RESOLUTION** ☒
FISCAL NOTE ☒ **S/W/MBE** ☐ **OTHER** ☐ _____

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COMMITTEE ACTION: _____ **DATE:** _____

COMMISSION ACTION: _____ **DATE:** _____

BACKGROUND

Authorizing the Executive Director to Extend the Contract for Active Accidental Death and Dismemberment Insurance and Active and Retiree Life Insurance Benefits

The Horton Group, the District's benefits consultant, has marketed life insurance in the past to alternate carriers; however, previous marketing efforts have generated no interest from the carrier marketplace in providing life insurance coverage due to the retiree population risk.

The zero percent renewal rate guarantee is favorable to the District.

RESOLUTION

Authorizing the Executive Director to Extend the Contract for Active Accidental Death and Dismemberment Insurance and Active and Retiree Life Insurance Benefits

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that the Executive Director is authorized to extend the contract with Humana Life Insurance Company to provide accidental death and dismemberment insurance for active employees and life insurance for active and retired employees for the period of January 1, 2026, through December 31, 2027.