

**DEPARTMENT OF BUDGET AND MANAGEMENT
ACTION AGENDA**

SERVICES CONTRACT MODIFICATION

ITEM: 16-S-MOD **Agency Contact:** Anne Timmons
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DEPARTMENT/PROGRAM: Budget and Management (DBM)
Office of Personnel Services and Benefits,
Employee Benefits Division (EBD)

CONTRACT ID: F10B3400001R; Group Term Life and
Accidental Death & Dismemberment
(AD&D) Insurance
ADPICS # COE79269 (Life);
COE79271 (AD&D)

CONTRACT APPROVED: 1/2/2013 DBM BPW Agenda Item 3-S

CONTRACTOR Minnesota Life Insurance Co.
(Minnesota Life)
St. Paul, MN

CONTRACT DESCRIPTION: Provide voluntary contributory Group Term
Life (Life) insurance services and voluntary contributory Accidental Death and Dismemberment
(AD&D) insurance services for active, satellite account and retired employees, direct pay
enrollees and their eligible dependents.

MODIFICATION DESCRIPTION: Due to changes in the State's employee
benefits plans, all of the State's benefits contracts require modifications (see related DBM
contract modification Items 10-S-MOD through 16-S-MOD). This modification: (1) changes
the contract's Plan Year from the State fiscal year (FY) to the calendar year (CY) beginning with
CY2014; (2) creates a Short Plan Year to cover the period from 7/1/2013 to 12/31/2013 for six
months; and (3) extends the term of the contract by six months to coincide with the end of the
CY for the last contract Plan Year.

TERM OF ORIGINAL CONTRACT: 1/3/2013 - 6/30/2018

TERMS OF MODIFICATION: 7/1/2013 to 6/30/2018
7/1/2018 to 12/31/2018

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ITEM: 16-S-MOD (Cont.)

AMOUNT OF ORIGINAL CONTRACT: \$113,118,014 Est. (Life)
\$ 10,921,696 Est. (AD&D)
\$124,039,710 Est. Total

AMOUNT OF MODIFICATION: \$13,686,758 Est. (Life)
\$ 1,143,548 Est. (AD&D)
\$14,830,306 Est. Total

PRIOR OPTIONS/MODIFICATIONS: None

REVISED TOTAL CONTRACT AMOUNT: \$126,804,772 Est. (Life)
\$ 12,065,244 Est. (AD&D)
\$138,870,016 Est. Total

OVERALL PERCENT +/- (THIS MOD): +12.0%

ORIGINAL PROCUREMENT METHOD: Competitive Sealed Proposals

MBE PARTICIPATION: 1.02%

MBE COMPLIANCE: N/A

REQUESTING AGENCY REMARKS: Request for approval to modify the contracts to (1) change the contract's Plan Year from the State fiscal year (FY) to the calendar year (CY) beginning with CY2014; (2) create a Short Plan Year to cover the period from 7/1/2013 to 12/31/2013 for six months; and (3) extend the term of the contract by six months to coincide with the end of the CY for the last contract Plan Year.

This change is necessary to accommodate certain federal reporting requirements under both healthcare reform (the Patient Protection and Affordable Care Act) and those of the Centers for Medicare and Medicaid (CMS).

REVISED

57B

BPW 3/20/2013

**DEPARTMENT OF BUDGET AND MANAGEMENT
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ITEM: 16-S-MOD (Cont.)

FUND SOURCE: 100% Reimbursable (Employee Contributions)

APPROP. CODE: F10A02

RESIDENT BUSINESS: No

Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION