City of Louisville
COLORADO • SINCE 1878

CITY COUNCIL COMMUNICATION
AGENDA ITEM 5B

SUBJECT: APPROVE AGREEMENT WITH MUTUAL OF OMAHA TO PROVIDE LIFE & DISABILITY BENEFITS TO CITY EMPLOYEES EFFECTIVE JANUARY 1, 2025

DATE: SEPTEMBER 17, 2024

PRESENTED BY: ROBIN BROOKHART, INTERIM HUMAN RESOURCES DIRECTOR

SUMMARY:
Human Resources requested the City's benefits broker bid out life & disability coverage. Three companies were considered: Lincoln Financial Group (incumbent), MetLife, and Mutual of Omaha.

Mutual of Omaha had more generous offerings than the City's current vendor, better administrative technology, and better pricing on all lines of coverage. The City will save approximately $42,620 per calendar year for the employer paid Basic Life and AD&D coverage, Dependent Life, Short Term Disability and Long Term Disability.

FISCAL IMPACT:
Approximately $42,620 savings to the City compared to current vendor Lincoln Financial Group.

PROGRAM/SUB-PROGRAM IMPACT:
Employee Benefits.

RECOMMENDATION:
Staff recommends accepting the contract with Mutual of Omaha effective 1/1/2025.

ATTACHMENT(S):
1. Life & Disability RFP Results
2. 2024-08-05 Mutual of Omaha Agreement – Approved by City Attorney

STRATEGIC PLAN IMPACT:

☒	**Financial Stewardship & Asset Management**	☐	**Reliable Core Services**
☐	**Vibrant Economic Climate**	☐	**Quality Programs & Amenities**
☐	**Engaged Community**	☒	**Healthy Workforce**
☐	**Supportive Technology**	☐	**Collaborative Regional Partner**

2025 LIFE & DISABILITY MARKET ANALYSIS

Prepared For: City of Louisville

Brown & Brown

Disclaimer Information

The analysis of the following plans is a summary. Please refer to the policy certificate for a full list of coverage and exclusions.

The rates and benefits in this proposal are based upon underwriting factors which include, but are not limited to, the census provided, the effective date shown, the status of employees/dependents (i.e. actively at work, COBRA, FMLA), final enrollment, etc. If any of the aforementioned changes prior to the proposed effective date, the final provisions, including rates, for these plans may vary or result in the proposed plan to be withdrawn.

If you select to change carriers, any existing plans with other carriers should not be cancelled until advised by Brown & Brown, Inc.

This proposal may not be a complete listing of all available benefit options. Different benefit levels may be available.

This presentation is the proprietary work product of Brown & Brown, Inc. and is not authorized for further use or distribution.

All insurance carriers have their own operating procedures. A change in carrier could affect certain benefits and coverage.

Brown & Brown, Inc. representatives are available to explain any items presented. It is assumed that the recipients of this proposal will seek an explanation of any items that may be in question.

Brown & Brown, Inc. representatives may from time to time provide guidance regarding certain requirements affecting health plans, including the requirements of federal and state health care reform legislation. Such guidance is based on good-faith interpretation of laws and regulations currently in effect, and is not intended to be a substitute for legal advice. Employers should contact their own legal counsel for advice regarding legal requirements.

The network provider/facility lists obtained via paper directories or carrier websites may contain providers and facilities that are no longer participating in the insurance carriers' networks. We cannot be responsible for any changes to the provider/facility listings that are not reflected. To ensure that a specific provider or facility is still participating in the provider's preferred network, we recommend contacting the provider/facility directly.

Failure to adhere to provisions of the Affordable Care Act (such as pay-or-play, employer reporting requirements, benefit mandates, etc.) may result in significant fees and penalties to the employer. For a more comprehensive explanation of what fees and penalties may apply to you, you may contact your Brown & Brown, Inc. representative at any time.

You are required to comply with Health Care Reform's Summary of Benefits & Coverage (SBC) distribution guidelines, which include requirements for SBC distribution at the plan renewal date. If an employee must enroll to continue coverage, the SBC must be provided when open enrollment materials are distributed. If enrollment materials are not distributed, employees must receive an SBC by the first day they are eligible to enroll. For insured plans, if coverage continues automatically for the next year, the SBC must be provided at least 30 days before the beginning of the new plan year. If the policy is not issued by that date, the SBC must be provided within seven business days once the information is available. Please refer to the Department of Health & Human Services' (HHS) official guidance for complete details regarding renewal and other SBC distribution guidelines.

This proposal is for illustrative purposes and is not a complete explanation of the policies. It is intended to provide a brief, general description of the coverages quoted. Please remember that only the insurance policies can give you the actual insuring agreements, limits of coverage, definitions, exclusions, terms and conditions of the insurance shown in this proposal. Upon issue, please read your policy carefully. This presentation is the proprietary work product of Brown & Brown and is not authorized for further use or distribution. Executive summaries and proposals are created by Brown & Brown; neither Brown & Brown nor the carrier will be held responsible for typographical or clerical errors.

Notice of Carrier Financial Status

Brown & Brown makes every attempt to place coverage with carriers rated A- or better* through AM Best (www.ambest.com), a national credit rating agency with a specific focus on the insurance industry. Because an AM Best rating is not required by the various state departments of insurance, there are many carriers in the Employee Benefits industry that elect not to participate in AM Best's rating process for various reasons. Therefore, Brown & Brown periodically places coverage with carriers rated less than A- or non-rated by AM Best.

Please be advised that Brown & Brown does monitor carriers rated less than A- or non-rated on an ongoing basis. However, because Brown & Brown cannot certify the financial soundness or stability of any insurance company or alternative risk transfer entity, or otherwise predict whether the financial condition of a company might improve or deteriorate, we encourage you to review the financial information for each carrier at AM Best's website (www.ambest.com), a state department of insurance website, the applicable carrier website and/or with your accountant, legal counsel and other advisors.

If you need assistance identifying the appliable issuing carriers for your current coverage, renewal coverage, or the coverage options being presented to you, please feel free to contact us at 914.337.1833 for assistance. Alternative quotes with an A- or better rated carrier may also be available upon your request.

AM Best General Rating Guide

Financial Strength Rating	
A++, A+	Superior
A, A-	Excellent
B++, B+	Good
B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Suspended

Financial Size Category (in Thousands)			
Class I	Up to	$1,000	
Class II	$1,000	to	$2,000
Class III	$2,000	to	$5,000
Class IV	$5,000	to	$10,000
Class V	$10,000	to	$25,000
Class VI	$25,000	to	$50,000
Class VII	$50,000	to	$100,000
Class VIII	$100,000	to	$250,000
Class IX	$250,000	to	$500,000
Class X	$500,000	to	$750,000
Class XI	$750,000	to	$1,000,000
Class XII	$1,000,000	to	$1,250,000
Class XIII	$1,250,000	to	$1,500,000
Class XIV	$1,500,000	to	$2,000,000
Class XV	$2,000,000	or	Greater

Basic Life & AD&D - $500,000 Benefit Amount

Carrier	Lincoln Current	Mutual of Omaha Initial Proposal	Mututal of Omaha Revised B&B Proposal
Benefit Schedule	2.5x Annual Salary	2.5x Annual Salary	2.5x Annual Salary
Benefit Maximum	$300,000	$500,000	$500,000
Guarantee Issue	$300,000	$500,000	$500,000
Accelerated Death Benefit	75% to $250,000	80% to $500,000	80% to $500,000
Dependent & Spouse Benefit	$2,500	$2,500	$2,500
Benefit Reduction	By 35% at 65, by 60% at 70, by 75% at 75	By 35% at 65, by 60% at 70, by 75% at 75	By 35% at 65, by 60% at 70, by 75% at 75
Employer Contribution	100%	100%	100%
Waiver of Premium	Included	Included	Included
Portability	Not Included	Not Included	Not Included
Conversion	Included; EOI is not required	Included; EOI is not required	Included; EOI is not required
Eligibility	30 Hours per Week	30 Hours per Week	30 Hours per Week
Class Description	Class 1: All Full-Time Employees	Class 1: All Full-Time Employees	Class 1: All Full-Time Employees
Rate Guarantee	1/1/2025	1/1/2028	1/1/2028
Commissions	**Flat 10%**	**Flat 10%**	**Net**
Life Rate per $1,000	$0.162	$0.100	$0.090
AD&D Rate per $1,000	$0.030	$0.030	$0.030
Dependent Life Rate per Unit	$0.610	$0.610	$0.610
Covered Volume	$39,767,350	$42,580,100	$42,580,100
Basic Life Annual Premium	$77,308	$51,096	$45,987
AD&D Annual Premium	$14,316	$15,329	$15,329
Dependent Life Annual Premium	$747	$747	$747
Total Annual Premium	**$92,371**	**$67,172**	**$62,062**
Percent Change		**-27.28%**	**-32.81%**
Dollar Change		**-$25,199**	**-$30,309**

Note: Above exhibit is provided to assist in evaluating your program and estimating plan expenses.
Data is gathered from various sources and is unaudited.

Voluntary Life

Benefits	Lincoln Current	Mutual of Omaha Initial Proposal	Mutual of Omaha Revised B&B Proposal
Employee Guarantee Issue	$150,000	$150,000	$150,000
Employe Benefit Maximum	5 x Annual Salary up to $500,000	5 x Annual Salary up to $500,000	5 x Annual Salary up to $500,000
Spouse Guarantee Issue	$50,000	$50,000	$50,000
Spouse Benefit Maximum	$250,000	$250,000	$250,000
Child Benefit Maximum	$10,000	$10,000	$10,000
Age Reductions	Reduce to: 65% at age 65 40% at age 70 25% at age 75	Reduce to: 65% at age 65 40% at age 70 25% at age 75	Reduce to: 65% at age 65 40% at age 70 25% at age 75
Accelerated Benefit	75% to $250,000	75% to $250,000	75% to $250,000
Portability	Included	Included	Included
Conversion	Included	Included	Included
Eligibility	30 Hours	30 Hours	30 Hours
Participation	Subject to Underwriting	25%	25%
Rate Guarantee	1/1/2026	1/1/2028	1/1/2028
Commissions	**Flat 15%**	**Flat 15%**	**Net**
Age Banded Premium per $1000	Employee & Spouse	Employee & Spouse	Employee & Spouse
0 - 19	$0.059	$0.059	$0.059
20 - 24	$0.059	$0.059	$0.059
25 - 29	$0.071	$0.071	$0.059
30 - 34	$0.094	$0.094	$0.094
35 - 39	$0.106	$0.106	$0.106
40 - 44	$0.118	$0.118	$0.118
45 - 49	$0.177	$0.177	$0.177
50 - 54	$0.271	$0.271	$0.271
55 - 59	$0.506	$0.506	$0.506
60 - 64	$0.777	$0.777	$0.777
65 - 69	$1.496	$1.496	$1.496
70 - 74	$2.426	$2.426	$2.426
75 - 79	$2.426	$2.426	$2.426
80+	$2.426	$2.426	$2.426
AD&D - EE	$0.040	$0.040	$0.040
AD&D - SP	$0.050	$0.050	$0.040
AD&D - CH	$0.050	$0.050	$0.040
Child Cost per $1000	**$2.130**	**$2.130**	**$0.110**

Note: Above exhibit is provided to assist in evaluating your program and estimating plan expenses.
Data is gathered from various sources and is unaudited.

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Long Term Disability

Carrier	Lincoln Current	Mutual of Omaha Initial Proposal	Mutual of Omaha Revised B&B Proposal
Benefit Amount	60%	60%	60%
Benefit Maximum	$10,000	$10,000	$10,000
Benefit Minimum	$100	$100	$100
Own Occ	Class 1: 60 mo Class 2: 36 mo	Class 1: 60 mo Class 2: 36 mo	Class 1: 60 mo Class 2: 36 mo
Pre-Existing Condition	3/12	3/12	3/12
Elimination Period	90 Days	90 Days	90 Days
Employer Contribution	100%	100%	100%
Eligibility	30 Hours	30 Hours	30 Hours
Covered Employees	199	199	199
Rate Guarantee	1/1/2025	1/1/2028	1/1/2028
Commissions	**Flat 10%**	**Flat 10%**	**Net**
LTD Rate per $100	$0.390	$0.340	$0.310
Covered Volume	$1,459,998	$1,459,998	$1,459,998
Total Annual Premium	**$68,328**	**$59,568**	**$54,312**
Percent Change		**-12.82%**	**-20.51%**
Dollar Change		**-$8,760**	**-$14,016**

Note: Above exhibit is provided to assist in evaluating your program and estimating plan expenses.
Data is gathered from various sources and is unaudited.

Short Term Disability

Carrier	Mutual of Omaha Proposal
Benefit Percentage	67%
Weekly Maximum	$2,500
Weekly Minimum	$10
Elimination Period (Accident/Sickness)	7/7
Benefit Duration	13 Weeks
FICA Match	Included
W2 Prep	Includded
Rate Guarantee	1/1/2027
Commissions	**Net**
STD Rate per Employee	$2.410
Monthly Total	$480
Annual Premium	**$5,755**

Note: Above exhibit is provided to assist in evaluating your program and estimating plan expenses.
Data is gathered from various sources and is unaudited.

Critical Illness

	Lincoln Current		Mutual of Omaha Initial Proposal	Mutual of Omaha Initial Proposal
Childhood Conditions	100%		100%	100%
Portability	Included to age 70		Included to age 70	Included to age 70
Pre-Existing Condition	12/12		6/12	6/12
Wellness Benefit	$50		$50	$50
Rate Guarantee	1/1/2025		1/1/2027	1/1/2027
Commissions	**Flat 10%**		**Flat 10%**	**Net**
Age Banded Premium per $1000	Employee & Spouse Smoker	Employee & Spouse Nonsmoker	Employee & Spouse	Employee & Spouse
0 - 19	$0.202	$0.182	$0.150	$0.150
20 - 24	$0.202	$0.182	$0.150	$0.150
25 - 29	$0.310	$0.268	$0.190	$0.150
30 - 34	$0.448	$0.362	$0.250	$0.250
35 - 39	$0.696	$0.522	$0.340	$0.250
40 - 44	$1.258	$0.832	$0.510	$0.510
45 - 49	$2.294	$1.344	$0.750	$0.510
50 - 54	$3.562	$1.916	$1.080	$1.080
55 - 59	$5.162	$2.580	$1.530	$1.080
60 - 64	$7.816	$3.656	$2.250	$2.250
65 - 69	$11.602	$5.170	$3.160	$2.250
70 - 74	$11.602	$5.170	$4.420	$4.420
75 - 79	$11.602	$5.170	$4.420	$4.420
80+	$11.602	$5.170	$4.420	$6.980
Child Cost per $1000	**$0.296**		**NA**	**NA**

Note: Above exhibit is provided to assist in evaluating your program and estimating plan expenses.
Data is gathered from various sources and is unaudited.

Accident

Carrier	Lincoln Current	Mutual of Omaha Initial Proposal	Mutual of Omaha Revised B&B Proposal
Occupational Coverage	Nonoccupational	Nonoccupational	Nonoccupational
Ambulance - Ground	$225	$300	$300
Ambulance - Air	$1,125	$1,500	$1,500
Emergency Room Treatment	$150	$300	$300
Initial Hospital Admission	$1,000	$1,500	$1,500
Major Diagnostic Exam	$150	$300	$300
Dislocation	$6,750	$10,000	$10,000
Fracture	$9,000	$9,000	$9,000
Coma	None	50% of AD&D	50% of AD&D
Rate Guarantee	1/1/2025	1/1/2027	1/1/2027
Commissions	**Flat 15%**	**Flat 15%**	**Net**
EE	$8.31	$4.70	$3.76
EE+SP	$13.51	$7.21	$5.77
EE+CH	$14.38	$10.31	$8.25
FAM	$19.52	$13.56	$10.84

Note: Above exhibit is provided to assist in evaluating your program and estimating plan expenses.
Data is gathered from various sources and is unaudited.

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Hospital Indemnity

Carrier	Mutual of Omaha Proposal
Portability	Included
Pre-Exisitng Condition	12/12
Complications of Pregnancy	Covered
Routine Childbirth	Covered
Newborn Care	Covered
Initial Hospital Admission	$1,500
Daily ICU Confinement	$200
Daily Hospital Confinement	$200
Duration	Up to 30 Days
Wellness Benefit	$50
Rate Guarantee	1/1/2027
Commissions	**Net**
EE	$15.14
EE+SP	$34.82
EE+CH	$10.89
FAM	$41.78

Note: Above exhibit is provided to assist in evaluating your program and estimating plan expenses.
Data is gathered from various sources and is unaudited.

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Life & Disability - Employer Paid Cost Summary

	Lincoln Current	Mutual of Omaha Initial Proposal	Mutual of Omaha Revised B&B Proposal
Employee Count			
Basic Life	199	199	199
AD&D	199	199	199
Dependent Life	124	124	124
LTD	199	199	199
STD ASO	-	199	199
PEPM			
Basic Life per $1000	$0.162	$0.100	$0.090
AD&D per $1000	$0.030	$0.030	$0.030
Dep. Life per $10,000	$0.610	$0.610	$0.610
LTD per $100 of covered payroll	$0.390	$0.340	$0.310
STD ASO PEPM	-	$2.410	$2.410
Volume			
Basic Life	$39,767,350	$42,580,100	$39,767,350
AD&D	$39,767,350	$42,580,100	$39,767,350
LTD	$1,459,998	$1,459,998	$1,459,998
Annual Cost			
Basic Life	$77,308	$51,096	$42,949
AD&D	$14,316	$15,329	$14,316
Dependent Life	$908	$908	$908
LTD	$68,328	$59,568	$54,312
STD ASO	-	$5,755	$5,755
Total Annual Cost	**$160,860**	**$132,656**	**$118,240**
% Change		**-17.5%**	**-26.5%**
$ Change		**($28,204)**	**($42,620)**

*STD is currently being billed per claim at $157 per new claim and $47 monthly per ongoing claim

Note: Above exhibit is provided to assist in evaluating your program and estimating plan expenses.
Data is gathered from various sources and is unaudited.

ADMINISTRATIVE SERVICES AGREEMENT

(Self-Funded Short-Term Disability Plan)

This Administrative Services Agreement ("Agreement"), effective January 1, 2025 ("Effective Date"), is between City of Louisville ("Contractholder") and the insurance company which has executed this Agreement ("Company").

RECITALS

Company has issued to Contractholder a group long term disability policy which insures Contractholder's eligible employees and other individuals eligible for coverage ("Policy"); and

Contractholder has adopted a self-funded program of short-term disability income benefits ("Plan") for its employees and other individuals eligible for coverage under the Plan ("Participants"); and

Contractholder desires to engage Company to provide certain short-term disability income claims evaluation and related services to the Plan, pursuant to the terms and conditions set forth herein.

In consideration of the mutual promises contained herein, the parties agree as follows:

SECTION 1: RESPONSIBILITIES AND DUTIES OF COMPANY

1.1 Company's Responsibilities

Company neither insures nor underwrites any liability of Contractholder, but acts only as the provider of services described in this Agreement and the Exhibits attached hereto. Company has no responsibility to the Plan or Contractholder other than as specifically provided in this Agreement. Company may delegate any of its contractual obligations under this Agreement to any of its affiliates or subcontractors.

1.2 Services and Reports

Company shall provide the services and reports described in EXHIBIT 1, DESCRIPTION OF SERVICES, in addition to the other duties and responsibilities described herein.

SECTION 2: RESPONSIBILITIES, DUTIES AND REPRESENTATIONS OF CONTRACTHOLDER

2.1 Responsibility for Plan

Contractholder agrees to retain responsibility for compliance with all applicable federal, state and local laws, including ERISA, if applicable, and for all Plan claims and all expenses incident to the Plan, except for the services and expenses specifically assumed by Company in this Agreement. Contractholder retains all authority and responsibility to control, manage and operate the Plan.

2.2 Contractholder's Authority

Except as otherwise provided herein, Contractholder or a fiduciary designated by Contractholder shall retain full discretion and authority to construe and interpret the Plan with respect to all questions regarding the amount and payment of, and eligibility for, any Plan benefits in accordance with the terms of the Plan.

2.3 Plan Documents

Prior to the Effective Date, Contractholder shall furnish to Company copies of all documents relating to the Plan, including, without limitation, a detailed description of the Plan and employee communications relating to the Plan. Contractholder shall amend any such document, at the request of Company, if the provision to be amended is inconsistent with this Agreement. Contractholder shall be solely responsible for ensuring that all Plan documents comply with applicable laws and regulations. Any proposed modification or amendment of the Plan shall be communicated by Contractholder giving at least ninety (90) days' advance written notice to Company. Implementation of any modification or amendment shall be mutually agreed upon by Contractholder and Company and shall be evidenced by an amendment to this Agreement. The term "Plan" as used in this Agreement shall include each such modification or amendment as of the implementation date agreed upon by the parties.

2.4 Names
Contractholder shall not alter, use or reproduce, by any means, any logo, trademark, service mark, or name of Company or any company affiliated with Company, in any advertising, publicity releases, customer lists or otherwise, without the prior written consent of an authorized representative of Company.

2.5 Eligibility and Census of Participants
No later than sixty (60) days prior to each anniversary of the Effective Date, Contractholder shall provide Company with a complete census of all Participants. Such census shall be in an electronic format agreed upon by Contractholder and Company. At the time of a claim, Contractholder shall determine a Participant's eligibility for coverage under the Plan and advise Company.

2.6 Enrollment
Contractholder shall be responsible for the following Plan enrollment activities:

a) responding to all routine inquiries from Participants concerning enrollment in the Plan and its terms, conditions and operations as well as respond to Participants' questions concerning Plan claims;
b) notifying Participants of their right to apply for benefits and supplying them with any necessary claim forms and claim filing instructions; and
c) notifying Participants of any other rights as required of Contractholder by any applicable law.

2.7 Eligibility and Enrollment Verification Process
Contractholder shall implement and maintain an enrollment and eligibility verification process which provides Company with Participant eligibility and enrollment information on a timely basis to enable Company to provide services under this Agreement. It is mutually understood that the effective performance by Company under this Agreement shall require that it be advised on a timely basis by Contractholder of the identity of Participants and the effective dates or the termination dates of their coverage.

2.8 Complaints by Participants
Contractholder shall promptly advise Company of any complaints made by Participants of which Contractholder is aware that concern the services provided by Company.

2.9 Tax Obligations
Contractholder shall be responsible for all federal and state tax obligations related to disability income benefits under the Plan.

2.10 Escheat
Contractholder is solely responsible for complying with all abandoned property or escheat laws and for making any required payments and for filing any required reports, to the extent applicable.

2.11 Compliance with Applicable Laws
Contractholder shall comply with all applicable laws related to its obligations under this Agreement.

SECTION 3: PLAN ADMINISTRATOR AND PLAN DOCUMENTS

3.1 Company's Fiduciary Role
Company shall not be deemed to be a fiduciary for any purpose or for any duties whatsoever other than to the extent that any actions taken by Company pursuant to this Agreement would be considered to be fiduciary duties under applicable law. Company is not a fiduciary authorized to manage, acquire or dispose of plan assets on a discretionary basis. Additionally, Company is not the Plan "administrator" as defined in Section 3(16)(A) of ERISA or any other law.

3.2 Plan Documents
Contractholder shall ensure that the Plan's governing documents specifically state that:

a) the Contractholder or Plan sponsor (or other person, committee or entity that is not Company) is the named fiduciary or plan administrator for the Plan; and
b) Contractholder has the discretion and authority to make final determination of Plan claims on appeal and/or to designate a named fiduciary to make all final decisions on appeals.

In no event shall the Plan's governing documents state that Company is a named fiduciary or plan administrator for the Plan. Upon request, Contractholder shall furnish Company with a copy of the Plan's governing documents.

SECTION 4: ADMINISTRATION FEES AND OTHER EXPENSES

4.1 Fees and Expenses
Contractholder shall:

a) pay Company the administration fees and other fees and payments for services performed under this Agreement as set forth in Exhibit 2 and in other provisions of this Agreement; and
b) pay or reimburse Company for other charges, fees, taxes, assessments, surcharges, interest, costs, attorneys fees, expenses or debts for which Contractholder is responsible under this Agreement, including, without limitation, any fees, taxes, assessments, surcharges, debts or expenses imposed upon the Plan or Contractholder by any governmental authority.

4.2 Time of Payments
Contractholder shall pay Company all amounts which are due and payable to Company as directed by Company in its billing statement.

4.3 Interest
Interest will accrue on any amount due under this Agreement, which has not been paid within thirty (30) days of receipt of written demand for such amount, at the rate of one (1) percent per month, or the highest rate permitted by law, whichever is lower.

SECTION 5: LIABILITY AND INDEMNIFICATION

5.1 Responsibility for Lawsuits
Contractholder will undertake the defense of any lawsuits arising from or related to a claim for Plan benefits and may either settle or contest such lawsuit when in its reasonable judgment it appears expedient to do so. Company will have no duty or obligation to defend against any such lawsuit but will cooperate with Contractholder in such defense. Contractholder agrees to be responsible for and pay the amount of Plan benefits, interest, costs, attorneys' fees, and other amounts or damages included in any judgment or settlement with respect to the lawsuit. Notwithstanding the foregoing, Company may at its sole option retain separate counsel, at its own cost and expense, to represent Company in the defense of the lawsuit.

5.2 Indemnification by Company
Subject to Section 5.1 RESPONSIBILITY FOR LAWSUITS, Company shall indemnify, defend and hold Contractholder harmless from any liability, loss, costs, expenses or damages (including, without limitation, reasonable attorneys' fees, court costs and extracontractual and punitive damages) incurred by Contractholder by reason of any claim, demand or lawsuit arising out of or resulting from any negligence or intentional wrongdoing or other act or omission of Company with respect to the performance of its services under this Agreement. However, Company shall not be liable to Contractholder for the amount of any Plan benefits, interest, costs and attorneys' fee paid by Company, mistakes of judgment, incorrect determinations of benefits payable, actions taken in good faith, or actions taken based upon eligibility information furnished by Contractholder, or other information furnished to Company by Contractholder, a Participant or a person who claims to be covered under the Plan, or any health care provider. The obligations of this Section shall not extend to any injury, loss, or damage which is caused solely by the act, omission, or other fault of the Contractholder.

5.3 Indemnification by Contractholder
Intentionally deleted.

5.4 Reimbursement of Taxes and Other Charges
Contractholder shall reimburse Company, within thirty (30) days after written demand from Company, for any state premium or similar tax, or any similar benefit or Plan related charge, surcharge or assessment, however denominated, including any penalties and interest payable with respect thereto, assessed against Company on the basis of and/or measured by the amount of Plan benefits administered by Company pursuant to this Agreement. Contractholder shall also be responsible for and reimburse Company for any other expense, fee, or charge, other than those for which Company has specifically assumed responsibility under this Agreement, within thirty (30) days after written demand from Company.

5.5 Contractholder's Direction
Company shall not be liable for any act or failure to act, in the exercise of its powers and performance of its duties hereunder, if the act or failure to act is at the instruction or direction of Contractholder.

5.6 Insurance

Company shall procure and maintain the minimum insurance coverages listed below. All coverages shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by the Company pursuant to this Agreement. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured by the Company to maintain continuous coverage. A certificate of insurance shall be completed by the Company 's insurance agent(s) as evidence that policies providing the required coverages, conditions, and minimum limits are in full force and effect, and shall be subject to review and approval by Contractholder prior to commencement of any services under this Agreement. The required coverages include:

a) General Liability insurance with minimum combined single limits of $1,000,000 each occurrence and $2,000,000 aggregate. The policy shall include Contractholder, its officers and its employees, as additional insureds and shall contain a severability of interests provision.
b) Professional Liability coverage with minimum combined single limits of $1,000,000 each occurrence and $1,000,000 aggregate.

SECTION 6: CONFIDENTIAL INFORMATION

The performance of the duties and obligations required under the Agreement may require a party to disclose to the other party certain confidential or proprietary information. In order to properly protect such information, the parties agree to comply with the CONFIDENTIALITY AND SECURITY ADDENDUM attached hereto and hereby incorporated by reference.

SECTION 7: INSPECTION OF BOOKS AND RECORDS

7.1 Maintenance of Records

Contractholder shall keep regular and accurate records of all transactions related to this Agreement during the term of this Agreement and for at least seven (7) years thereafter.

7.2 Access to Records

During the term of this Agreement and for seven (7) years thereafter, Company or its representative shall have the right, during normal business hours and with at least thirty (30) days' advance written notice, to inspect, audit and make copies from the books and records of Contractholder related to this Agreement, including, without limitation, the Plan's governing documents.

7.3 Audit

Contractholder may audit Company's compliance with its obligations under this Agreement, and Company shall supply the Contractholder with reasonable access to information required or maintained by Company in performing services under this Agreement. Company shall be required to supply only such information which is in its possession and which is reasonably necessary for Contractholder to administer the Plan, provided that such disclosure is not prohibited by any third-party contracts to which Company is a signatory or any requirements of law. Contractholder hereby represents that, to the extent any disclosed information contains confidential personal information about a Participant, the Participant has authorized Contractholder or Contractholder otherwise has the legal authority to have access to such information.

Contractholder shall give Company at least thirty (30) days' advance written notice of its intent to perform such an audit and its need for such information and shall represent to Company that the information that shall be disclosed therein is reasonably necessary for the administration of the Plan. All audits and information disclosures shall occur at a reasonable time and place at Contractholder's expense. Contractholder shall reimburse Company for costs incurred by Company with respect to any audits.

Contractholder may designate a representative acceptable to Company to conduct or participate in the audit, or to receive access to such information, provided that Contractholder and the representative enter into a written agreement with Company under which the representative agrees to use any disclosed information solely for purposes of administering the Plan, to keep such information confidential and not to disclose the information to any other entity or person.

SECTION 8: MODIFICATION OF THIS AGREEMENT

8.1 Revisions

Company shall have the right to revise this Agreement, including, without limitation, any administration fee or other fee or payment described in EXHIBIT 2, COMPENSATION AND PAYMENTS:

a) on any anniversary of the Effective Date, provided at least thirty (30) days' advance written notice has been given by Company;
b) on the date of any modification or amendment of the Plan or Company's administrative duties;
c) on the date of any merger or consolidation, or acquisition or divestiture (through stock, assets or exchange) of all or part of a business enterprise affecting Contractholder's employee population; or
d) on or after the date on which any law is enacted, issued, amended, or enforced that, in the sole discretion of Company, materially increases Company's potential or actual liability arising out of or related to Company's services or duties hereunder.

8.2 Written Notice of Revision

Any modification of this Agreement, including, without limitation, any change to the administration fee, pursuant to SECTION 8: MODIFICATION OF THIS AGREEMENT shall be made by written notice to Contractholder by Company. If Contractholder pays such revised administration fee or fails to object to any other modification in writing within fifteen (15) days of receipt of notice, this Agreement shall be deemed modified to reflect the modification as communicated by Company.

SECTION 9: TERM AND TERMINATION

9.1 Initial Term

This Agreement shall take effect on the Effective Date and shall remain in effect for a period of one (1) year unless terminated earlier as provided in SECTION 9: TERM AND TERMINATION.

9.2 Renewal of Agreement

This Agreement shall automatically renew for successive one (1) year periods, unless either Company or Contractholder gives to the other party at least sixty (60) days' advance written notice of its intention to terminate at the end of the initial term or the current renewal term, or unless this Agreement is otherwise terminated as provided in SECTION 9: TERM AND TERMINATION.

9.3 Termination

This Agreement shall terminate upon the earliest of the following dates:

a) the date specified in a written notice from one party to the other party of its intention to terminate, without cause, provided notice is given at least sixty (60) days prior to the specified date;
b) the date specified in a written notice from one party to the other party that the other party has breached any of its material obligations under this Agreement, including, without limitation, Contractholder's obligation to adequately fund the Plan Benefit Account, if applicable, pay administration fees to Company or to reimburse Company for any fees, expenses, charges, taxes, assessments, or surcharges in accordance with this Agreement;
c) the date on which the Plan terminates;
d) at the option of Company, the date upon which Company notifies Contractholder that this Agreement shall terminate due to:
    1. negligence, fraud or embezzlement on the part of Contractholder, its employees or agents as deemed to have occurred in Company's judgment;
    2. sale of controlling interest in Contractholder, which has not received at least thirty (30) days' advance written approval of Company;
    3. Contractholder's failure to accept a change in this Agreement, including, without limitation, a change to the administration fees payable hereunder;
    4. Contractholder's failure to pay Company any monthly administration fee or other payment described in this Agreement by the end of the month in which the fee or payment is due; or
    5. nonrenewal or termination of the Policy for any reason; or
e) any other date mutually agreeable to Contractholder and Company.

9.4 Termination of Claims Evaluation

Upon termination of this Agreement, Company shall immediately cease the evaluation of all Plan claims incurred after the date this Agreement terminates. For Plan claims incurred prior to the date this Agreement terminates, Company shall continue evaluation of all Plan claims and the performance of all other services hereunder until the claimant:

a) returns to work;
b) dies; or
c) reaches the maximum benefit duration;

whichever occurs first.

All other applicable provisions of this Agreement will continue to apply while Company provides any of these services.

9.5 Return of Claim Files Following Termination

Contractholder may, within three (3) years after termination of this Agreement, request in writing that Company send Contractholder any existing Plan claim files that Company holds in hard-copy form or electronically. Company may charge Contractholder $115 per hour for providing information in Company's standard format; or, if in non-standard format, any other charges, determined by Company to be reasonable and necessary to accommodate Contractholder's request.

9.6 Termination Due to Non-Appropriation

Nothing in this Agreement is intended or shall be deemed or construed as creating any multiple-fiscal year direct or indirect debt or financial obligation on the part of the Contractholder within the meaning of Colorado Constitution Article X, Section 20 or any other constitutional or statutory provision. All financial obligations of the Contractholder under this Agreement are subject to annual budgeting and appropriation by the Louisville City Council, in its sole discretion. Notwithstanding anything in this Agreement to the contrary, in the event of non-appropriation, this Agreement shall terminate effective December 31 of the then-current fiscal year.

SECTION 10: GENERAL PROVISIONS

10.1 Governing Law

This Agreement shall be governed by the laws of the State of Nebraska, without regard to the principles of conflicts of law of that State or any other state. Should any provision of this Agreement require judicial interpretation, the parties agree and stipulate that the court interpreting or considering this Agreement shall not apply any presumption that the terms of this Agreement shall be more strictly construed against a party who itself or through its agents prepared this Agreement. The parties acknowledge that all parties hereto have participated in the preparation of this Agreement, either through drafting or review, and that each party has had full opportunity to consult legal counsel of choice before execution of this Agreement.

10.2 Third Party Beneficiaries

This Agreement is for the benefit of Contractholder and Company and not for any other person or entity.

10.3 Headings

The headings of the various sections and subsections of this Agreement are inserted merely for convenience and do not, expressly or by implication, limit or define or extend the specific terms of the section or subsection so designated.

10.4 Conformance

Any terms or conditions of this Agreement that violate, conflict with or do not comply with any applicable law shall be amended to conform to such law. The parties hereto shall immediately amend this Agreement as required by applicable law.

10.5 No Waiver

Failure of either party to enforce any provision of this Agreement shall not operate to waive or modify such provision or render such provision unenforceable.

10.6 No Change

No modification or amendment of this Agreement shall be valid unless approved in writing by an officer of Company.

10.7 No Assignment

Services to be provided by Company under this Agreement may be performed in whole or in part by Company, by its parent, any of its affiliates or subsidiaries, or by any subcontractor selected by Company or by such parent, subsidiaries or affiliates. Except as set forth in the preceding sentence, neither party may assign or delegate any of the rights and obligations hereunder to any third party without the prior written consent of an officer of the other party.

10.8 Severability

In the event any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in effect.

10.9 Entire Agreement

This Agreement, including the Recitals, the Exhibits, and any amendments to the Agreement or the Exhibits, constitutes the entire agreement between the parties with respect to the Participants and the subject matter of this Agreement. All prior agreements with a publication date that precedes the publication date of this Agreement with respect to the Participants, whether oral or written, between Company and Contractholder relating to the subject matter of this Agreement are hereby declared null and void.

10.10 Independent Contractor

The only relationship between Contractholder and Company is the contractual relationship established by this Agreement. Company is an independent contractor and not an employee of Contractholder. None of the terms of this Agreement shall be construed as creating an employer-employee relationship. Company’s authority shall be limited to that which is expressly stated in this Agreement.

10.11 Force Majeure

Company shall not be liable for any failure to meet any of the obligations or provide any of the services specified or required under this Agreement where such failure to perform is due to any contingency beyond the reasonable control of Company, its employees, officers, or directors. Such contingencies include, without limitation, acts of God, fires, wars, accidents, and labor disputes or shortages.

10.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument.

10.13 Notice

Any notice required or permitted under this Agreement shall be in writing and personally sent by Certified Mail with all postage prepaid or by express mail delivery organization or overnight carrier or by facsimile upon actual receipt, addressed as set forth below or to such other address as either party may hereafter notify the other party in writing.

To Contractholder: City of Louisville
749 Main St
Louisville, CO 80027
ATTN: ___________________
Facsimile: __________________

To Company: United of Omaha Life Insurance Company
3300 Mutual of Omaha Plaza
Omaha, NE 68175
ATTN: Group Insurance Underwriting
Facsimile: (402) 351-2537

10.14 Survival

Termination of this Agreement shall not terminate the rights or obligations of either party arising prior to termination, including, without limitation, any rights or obligations under SECTION 5: LIABILITY AND INDEMNIFICATION and SECTION 6: CONFIDENTIAL INFORMATION.

This Agreement has been duly executed in duplicate by the parties as of the dates set forth below.

CITY OF LOUISVILLE	**UNITED OF OMAHA LIFE INSURANCE COMPANY**
By:____	By: ____
Typed Name: ______________________________	Typed Name: ________________________________
Title: ______________________________________	Title: _______________________________________
Date: ______________________________________	Date: _______________________________________

For record keeping purposes, the publication date of this agreement is July 24, 2024.

EXHIBIT 1

DESCRIPTION OF SERVICES

SECTION 1: CLAIMS EVALUATION SERVICES

1.1 Evaluation of Plan Claims
Company shall provide facilities, furnish personnel and establish procedures, including claim files and systems, for evaluating Plan claims.

1.2 Eligibility
Company shall determine claimant's right to benefits under the Plan. In determining any person's right to benefits under the Plan, Company shall rely upon the census and eligibility information furnished by Contractholder.

1.3 Disability Evaluation
Provided that claims for Plan benefits are submitted to Company in an electronic or paper form that is satisfactory to Company, Company shall review claims which are incurred by a claimant on or after the Effective Date but before the date of termination of this Agreement for the purpose of evaluating:

a) whether the claimant is disabled based upon the Plan requirements, standard durational guidelines used by Company and any necessary medical information/records; and
b) the period for which benefits would be payable under the Plan due to disability. Company will notify Contractholder of Company's recommendation. In making its evaluation, Company may provide the following additional services, as Company determines to be necessary and appropriate:
    1. arrange for an independent medical examination of the claimant;
    2. arrange for extraordinary claim investigation, including, but not limited to, surveillance or private investigation services; and
    3. obtain any necessary medical information and records from health care providers.

In the event Company determines that any of the above listed additional services are necessary and appropriate, Company shall notify Contractholder of the fees/charges for such services and Contractholder shall be responsible for such fees/charges.

1.4 Calculation of Benefit Amounts
Contractholder will calculate the benefit amounts payable under the Plan and will advise the claimant and Company of the calculation.

1.5 Notice of Disability Determination
If Company determines that a claim is payable under the Plan, Company shall notify the claimant of the approval and that a benefit payment is forthcoming. Company shall also communicate the decision to the Contractholder. If Company determines that all or part of the benefit is not payable under the Plan, Company shall notify the claimant of the denial and of the claimant's right to appeal the denial. If requested by Contractholder, Company may advise Contractholder of the recommended handling prior to the notice of approval or denial to the claimant.

1.6 Claim Appeals
All appeals relating to any claim for benefits or any determination made by Company in accordance with Exhibit 1 hereto will be made by Contractholder who will perform a review of the claim and Company's determination. Contractholder shall communicate the appeal decision to the claimant. Contractholder shall ensure that the Plan, including, without limitation, any Plan description or employee communication relating to the Plan furnished to Participants, accurately and completely describes the claim appeal process.

1.7 Plan Benefit Booklet
Utilizing Company's standard provisions for the administration of a short-term disability plan, Company shall develop a benefit booklet for the Plan, which is a document outlining the terms and features of the Plan and its administration. Company shall provide the benefit booklet to Contractholder electronically. If Contractholder desires to revise the Plan benefit booklet, Contractholder shall notify Company of same and if the revisions are acceptable to Company, Company shall

revise the Plan benefit booklet accordingly. Contractholder shall distribute the Plan benefit booklets (including any updates or revisions) to Participants.

1.8 Payment of Plan Benefits
Contractholder is solely responsible for paying Plan benefits to claimants.

1.9 Phone Number
Company shall make available a toll-free customer service telephone number for Plan claimants.

1.10 Access to Online Claim Reports
Company shall provide to Contractholder access to certain reports, which Contractholder may access online at any time by utilizing a unique registration key, user identification and password as provided by Company to Contractholder. These standard reports shall identify the following:

a) approved claims;
b) terminated claims;
c) pending claims; and
d) monthly summary of approved/terminated/pending claims.

EXHIBIT 2

COMPENSATION AND PAYMENTS

Administration Fee

Contractholder shall pay Company by the end of the month following receipt of Company's monthly billing statement a monthly administration fee equal to $2.41 for each Participant covered under the Plan for that month.

Other Fees and Payments

Contractholder shall pay Company pursuant to the instructions on the billing statement, as follows:

a) Contractholder shall reimburse Company for any sales or use taxes, or any similar benefit or Plan-related charge, surcharge or assessment, however denominated, which may be imposed by any governmental authority upon the Plan or Contractholder; and
b) Contractholder shall pay to Company any other fee, interest, costs, attorney fees or charge described in the Agreement.

CONFIDENTIALITY AND SECURITY ADDENDUM

This CONFIDENTIALITY AND SECURITY ADDENDUM (“Addendum”) is made a part of the Disability Administrative Services Agreement (“Agreement”) between Contractholder and Company and is effective on the effective date of the Agreement.

SECTION 1: DEFINITIONS

The following terms shall have the following meanings.

Business Information means information, oral or in writing, that is either of such a nature that a party should reasonably believe it to be confidential or is designated as confidential by either party, including, without limitation, any information included on tapes, diskettes or other computer-generated materials that either party exchanges with the other party or its Representatives. If information is designated as confidential, such designation shall be in any written form which clearly communicates that the nonpublic business or financial information is confidential.

The term “Business Information” shall not include any information that:

a) is or becomes part of the public domain or publicly available through no act or omission or through no breach of any contracts;

b) is known at the time of disclosure without an obligation to keep it confidential, as evidenced by documentation in possession at the time of such disclosure;

c) becomes rightfully known from another source without restriction on disclosure or use; or

d) has been independently developed without the use of or any reference to Business Information.

Confidential Information means Business Information and Personal Information shared between the parties under this Addendum.

Information Security Breach means the unauthorized acquisition, access, use, disclosure, transmittal, storage or transportation of Confidential Information which is not permitted by law or by the terms of this Addendum.

Personal Information means a first name or initial, and last name, in combination with medical or financial information such as Social Security number, past, present or future physical or mental health condition or treatment, or other similar individually identifiable personal information that is not publicly available.

Representatives means all directors, officers, employees, agents, consultants, subcontractors, professional advisors and affiliates of a party.

SECTION 2: OBLIGATIONS REGARDING CONFIDENTIAL INFORMATION

2.1 Confidentiality
Each party agrees to retain the other party’s Confidential Information in confidence, and shall not use, disclose, transmit, store or transport such Confidential Information except as allowed by law or this Agreement.

2.2 Reporting an Information Security Breach
Each party agrees to report to the other party any Information Security Breach of which it becomes aware and shall cooperate to mitigate any such Information Security Breach.

2.3 Termination
The terms of this Addendum shall remain in effect for so long as Confidential Information is maintained.

2.4 Disposal of Confidential Information
Each party agrees to maintain a security policy for the disposal of paper and any other media that contains Confidential Information that includes a technology or methodology that will render Confidential Information unusable, unreadable or indecipherable.

SECTION 3: GENERAL SECURITY REQUIREMENTS

Company's security policies require appropriate safeguards commonly available, such as anti-virus, malware protection, firewalls and encryption, to prevent any use, disclosure, transmittal, storage or transportation of Personal Information other than as provided for by this Addendum. Company has a written, comprehensive information security program for the establishment and maintenance of a security system covering all electronic equipment, including its computers, and any wireless system that, to the extent technically feasible, has the following elements:

a) Secure user authentication protocols that include:
    1. control of user IDs and other identifiers;
    2. a reasonably secure method of assigning and selecting passwords, or use of unique identifier technologies, such as biometrics or token devices;
    3. control of data security passwords to ensure that such passwords are kept in a location and/or format that does not compromise the security of the data they protect;
    4. restricting access to active users and active user accounts only;
    5. blocking access to user identification after multiple unsuccessful attempts to gain access or limitation placed on access for the particular system;
    6. prohibitions against sharing or migrating access privileges to another individual; and
    7. assignment of access privileges only to identifiable, individual accounts.

b) Secure access control measures that:
    1. restrict access to records and files containing Personal Information to those who need such information to perform their job duties; and
    2. assign unique identifications plus passwords, which are not vendor supplied default passwords, to each person with computer access, that are reasonably designed to maintain the integrity of the security of the access controls.

Company will reasonably monitor systems for unauthorized use of or access to Personal Information.

Company will educate and train employees on the importance of Personal Information security. In addition:

a) Company will designate one or more employees to maintain the comprehensive information security program that considers internal and external risks to the security, confidentiality and/or integrity of electronic, paper or other records containing Personal Information, and will evaluate and improve, where necessary, the effectiveness of their current safeguards for limiting such risks;
b) Company's security policies contain requirements for storage, access and transportation of records containing Personal Information outside of business premises; and
c) Company's security policies require termination of inactive employees' access to Personal Information.