

Financial Services  
Richard H. Hinds, Chief Financial Officer

**SUBJECT:                   REQUEST FOR AUTHORIZATION TO AWARD REQUEST  
FOR PROPOSALS (RFP) #070-JJ10, GROUP TERM LIFE  
INSURANCE AND FLEXIBLE BENEFITS PROGRAM**

**COMMITTEE:               INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS**

**LINK TO DISTRICT  
STRATEGIC PLAN:        IMPROVE FINANCIAL SERVICES**

At the Board meeting of April 22, 2009, the Board authorized the Superintendent of Schools to issue RFP# 070-JJ10, Group Term Life Insurance and Flexible Benefits Program to obtain competitive proposals for core life insurance coverage and flexible benefits, other than disability coverages, to become effective January 1, 2010.

The RFP was issued and at the regularly scheduled bid opening of May 19, 2009, proposals were received from the following companies:

Core Life Insurance and Accidental Death and Dismemberment (AD&D)

CIGNA  
MetLife  
Hartford  
ING  
Minnesota Life  
Humana

Voluntary Life Insurance and Accidental Death and Dismemberment (AD&D)

CIGNA  
AFLAC  
MetLife  
Hartford  
ING  
Minnesota Life  
Humana

Blanket Accident Policy for Police Officers

CIGNA  
MetLife  
Hartford  
ING

Dental HMO Plans

CIGNA  
MetLife  
Humana  
UnitedHealthcare  
Delta Dental

Dental Indemnity Plans

CIGNA  
AFLAC  
MetLife  
Humana  
UnitedHealthcare  
Delta Dental

Group Legal

Hyatt  
PrePaid Legal  
US Legal Services  
ARAG

Hospital Indemnity

CIGNA  
AFLAC

Vision

CIGNA  
AFLAC  
Humana  
UnitedHealthcare  
Advantica  
Davis Vision  
EyeMed  
VSP

Identity Theft Protection

CIGNA\*  
MetLife\*  
Hartford\*  
PrePaid Legal  
US Legal Services  
ID Watchdog  
World Wide Benefits

\*CIGNA, Hartford and MetLife proposed basic ID Theft Assistance services coupled with Life or AD&D benefits. In addition, Hartford proposed enhanced ID Theft services through their partner, Trilegiant.

The Superintendent's Ad-Hoc Committee authorized by the Board at its meeting of April 22, 2009, which is comprised of the following individuals, met on July 7, 2009; July 24, 2009; August 18, 2009; and August 28, 2009:

Chief Financial Officer  
Risk and Benefits Officer  
Assistant Superintendent, Human Resources, Recruitment & Performance  
Assistant Superintendent, Leadership and Development  
District Director, Compensation Administration  
ERP Team Leader, Benefits Information Technology Services  
Benefits Manager, Risk and Benefits Management, Palm Beach County Schools

These Ad-Hoc Committee meetings were open to the public and included representatives from the Board's labor organizations who actively participated in discussions and question and answer sessions held with all proposers.

Pursuant to Board authorization, the Superintendent's Ad-Hoc Committee was convened to review proposals received on May 19, 2009 and have made the following recommendations for award to become effective January 1, 2010. All premiums have been guaranteed for a three-year period.

#### Core Life Insurance and Accidental Death and Dismemberment (AD&D)

The Board provides benefit eligible employees Board-paid core term life insurance and AD&D at one or two times their annual salary in accordance with their respective union or employee association contract and School Board Rules. Employees may also purchase optional life insurance and AD&D up to five times their annual salary after one year of purchasing optional life, plus dependent term life insurance at their own expense. Basic life insurance is also offered to retirees at their own expense.

It is the recommendation of the Ad-Hoc Committee that the core life insurance and AD&D be awarded to Metropolitan Life Insurance Company (MetLife). The proposal received from MetLife provides overall savings of 16.79% over 2009 premiums including the basic life premium for active employees being reduced to \$0.132/\$1,000 coverage from the current premium of \$0.178/\$1,000 and basic AD&D premiums of \$.010/\$1,000 from \$.014/\$1,000 coverage.

#### Voluntary (Optional) Life Insurance and Accidental Death and Dismemberment (AD&D)

Benefit eligible employees and retirees may purchase voluntary group term life insurance in \$10,000 increments from a basic \$10,000 up to \$100,000 and AD&D. It is recommended that MetLife be awarded this coverage at a premium of \$.30/\$1,000 coverage for optional life and \$.013 (employee)/\$.026 (family)/\$1,000 for AD&D. These premiums represent savings of over 9% over current premiums of \$.33/\$1,000 life and \$.017/\$.035 AD&D.

#### Blanket Accident Policy for Police Officers

The Board must provide blanket accident policies for its police officers in compliance with Section 112.19, Florida Statutes, Law Enforcement, Correctional, and Correctional Probation Officers; Death Benefits. It is recommended that MetLife be awarded this coverage at a premium of \$.009/\$1,000 coverage.

#### Dental Program

The Board offers its employees a comprehensive dental program consisting of two indemnity plans and two managed dental plans. Benefit eligible employees, retirees and their dependents may purchase dental coverage from four options as both the indemnity plan and the managed dental plan contain standard and high dental plan options. It is the recommendation of the Ad-Hoc Committee that both the indemnity and managed dental coverage be awarded to MetLife.

The managed care dental program (Dental HMO) provides a standard and high option, the difference of which is reflected in the co-payments paid by employees for dental procedures. The savings in premiums as a result of this RFP represent a 7% decrease over 2009 premiums.

The indemnity dental plans offer employees the ability to seek services from any licensed dentist, with the ability to reduce their out of pocket expenses if they use a contracted PDP network dentist. The program is provided on a two tier platform with the standard plan providing a scheduled benefit which includes fixed co-payments for covered dental procedures. The high option plan pays a percentage of the negotiated fees for providers participating in the MetLife PDP network and provides a percentage of usual and customary charges for all other dental providers. The savings in premiums as a result of this RFP represent a 6% decrease over 2009 premiums.

Vision

The Board offers its benefit eligible employees, retirees and their eligible dependents coverage for vision services including exams, glasses, contact lenses, etc. It is the recommendation of the Ad-Hoc Committee that the vision coverage be awarded to UnitedHealthcare (UHC) inclusive of monthly premiums of \$5.76 for employee only coverage and \$14.40 for family coverage, a reduction from \$6.70 and \$16.08 respectively.

Hospital Indemnity

The Board offers its eligible employees, retirees and their dependents a Hospital Indemnity Plan which provides \$50, \$100, or \$150 per day options for inpatient hospital admissions. It is the recommendation of the Ad-Hoc Committee that the hospital indemnity coverage be awarded to Cigna HealthCare (Cigna). Premiums for these three options remain the same as 2009 which included a 15% reduction over 2008 premiums.

	<u>\$50/day</u>	<u>\$100/day</u>	<u>\$150/ day</u>
Board Paid	\$ 1.25	\$ 2.50	N/A
Employee	\$ 4.25	\$ 8.50	\$12.75
Emp & Fam.	\$ 5.50	\$11.00	\$16.50
Part Time			
Emp & Fam.	\$ 9.75	\$20.00	\$29.30
<u>Retirees</u>			
Retiree Only	\$ 4.25	\$ 8.50	\$12.75
Ret. & Fam.	\$ 9.75	\$20.00	\$29.50

Group Legal and Senior Assistance

The Board offers its eligible employees and their families a Group Legal and Senior Assistance Program. It is the recommendation of the Ad-Hoc Committee that the coverage be awarded to ARAG Insurance Company. The group legal plan provides a broad selection of benefits for legal services from both network and non-network attorneys.

The senior assistance program provides employees with legal services specific to the needs arising from the employee's parents/grandparents, as well as the spouse's parents and grandparents. Monthly premiums for the group legal have remained the same since 2003 at \$17.30 for employee-paid coverage with two new plan enhancements, Debt Collection Defense and Contested Guardianship. Employer-paid coverage was reduced from \$13.25 to \$12.50 and Senior Assistance reduced from \$7.78 to \$7.76.

#### Identity Theft Protection

Staff is recommending the addition of identity theft protection to the comprehensive voluntary benefits offered to eligible employees. Proposals were requested for this coverage within the RFP and it is the recommendation of the committee that it be awarded to ID Watchdog Inc. This program provides monitoring of personal records, including credit monitoring; regular client updates; and thorough research and resolution services. Monthly premiums are \$7.95 for employee only coverage and \$14.95 for employee & family coverage.

RECOMMENDED: That The School Board of Miami-Dade County, Florida:

1. award group term life insurance and flexible benefits to the following companies, pursuant to the provisions of Request For Proposals (RFP) #070-JJ10, Group Term Life Insurance and Flexible Benefits Program, and subsequent clarifications and negotiations, for benefit eligible employees, retirees and their eligible dependents for a three-year term effective January 1, 2010, with the ability to extend for two additional one-year periods subject to successful renewal negotiations and Board action for the following monthly premiums effective January 1, 2010 through December 31, 2012:
  - a. Core Life Insurance and AD&D; Voluntary Life and AD&D; and Blanket Accident Policy for Police Officers: Metropolitan Life Insurance Company (MetLife), at the following monthly premiums per \$1,000 coverage:

<b>CORE LIFE INSURANCE</b>	
Board-Paid Basic Life-Actives	\$ .132
Board-Paid Basic Life-Retirees	\$ .522
Core Optional Life-Employee	
Under 25 years	\$ .042
25-29 years	\$ .042
30-34 years	\$ .056
35-39 years	\$ .077
40-44 years	\$ .077
45-49 years	\$ .147
50-54 years	\$ .210
55-59 years	\$ .400
60-64 years	\$ .462
65-69 years	\$ .900
70-74 years	\$ 1.440
75+ years	\$ 2.212
Core Optional Life-Spouse	
Under 35 years	\$ .063
35-44 years	\$ .132
45-54 years	\$ .377
55-59 years	\$ .741
60-64 years	\$ 1.143
65-69 years	\$ 1.805
70-74 years	\$ 2.797
75+ years	\$ 5.471
Core Optional Life-Child	
Under 35 years	\$ .198
35-44 years	\$ .214
45-54 years	\$ .091
55-59 years	\$ .076
60-64 years	\$ .042
65-69 years	\$ .030
70-74 years	\$ .030
75+ years	\$ .030
Core Optional Life - Retiree	
2,000 Basic Life	\$ 1.425
\$5,000 Basic Life	\$ 1.520
\$10,000 Basic Life	\$ 1.504
Core AD&D	
AD&D Basic	\$ .010
AD&D Optional (Employee)	\$ .020
AD&D Dependent (spouse)	\$ .025

<b>OPTIONAL LIFE and AD&amp;D INSURANCE</b>	
Optional Group Life	\$ .300
Optional Life – Retiree	\$ .300
Optional AD&D – Employee	\$ .013
Optional AD&D – Family	\$ .026
Blanket Police Officer Accident Policy	\$ .009

- b. ARAG Group – Pre-paid legal coverage at monthly premiums of \$17.30/employee and eligible dependent(s) and \$12.50 Board-paid options;
- c. ARAG Group – Senior Advocate Plan at a monthly premium of \$7.76/employee and eligible dependents;
- d. Cigna HealthCare – Hospital Income Protection (HIP) with monthly premiums as follows:

	<u>\$50/day</u>	<u>\$100/day</u>	<u>\$150/ day</u>
Board Paid	\$ 1.25	\$ 2.50	N/A
Employee	\$ 4.25	\$ 8.50	\$12.75
Emp & Fam.	\$ 5.50	\$11.00	\$16.50
Part Time			
Emp & Fam.	\$ 9.75	\$20.00	\$29.30
<u>Retirees</u>			
Retiree Only	\$ 4.25	\$ 8.50	\$12.75
Ret. & Fam.	\$ 9.75	\$20.00	\$29.50

- e. UnitedHealthcare – Vision coverage with monthly premiums of \$5.76/employee and \$14.40/employee and family;
- f. Metropolitan Life Insurance Company (MetLife) – Managed Care Dental coverage with monthly premiums as follows:

	<u>Standard</u>	<u>High</u>
Employee Only	\$ 7.46	\$10.56
Employee & Family	\$19.02	\$26.95

- g. Metropolitan Life Insurance Company (MetLife) – Indemnity dental coverage with monthly premiums as follows:

	<u>Standard</u>	<u>High</u>
Employee Only	\$16.62	\$ 34.72
Employee & Family	\$50.98	\$103.79

- h. ID Watchdog Inc. – Identity Theft Protection with monthly premiums as follows:

Employee Only	\$ 7.95
Employee & Family	\$14.95

RHH:sbc