

Financial Services
Richard H. Hinds, Chief Financial Officer

**SUBJECT: REQUEST FOR AUTHORIZATION TO RENEW
EXISTING CONTRACT FOR SHORT AND LONG
TERM DISABILITY COVERAGES**

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

**LINK TO STRATEGIC
FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

At the Board meeting of November 20, 2007, authorization was received to award RFP# 095-GG10, Short and Long Term Disability Coverages, to Hartford Insurance Company effective January 1, 2008 to December 31, 2010. In accordance with the RFP document, the initial term of the contract was for a three (3) year period beginning January 1, 2008 with the ability to renew for two additional one-year periods. Staff has negotiated a reduction in rates ranging from 3% to 10% in savings on all tiers of coverage for the two additional one-year periods effective January 1, 2011 to December 31, 2012.

Monthly renewal rates compared to current rates are as follows:

	<u>Renewal Rate</u>	<u>Current Rates</u>	<u>Percent Decrease</u>
<u>Short Term Disability</u>			
Standard Plan	\$10.36	\$10.99	-6%
Standard Upgrade	\$15.83	\$16.46	-4%
High Plan	\$12.38	\$13.01	-5%
High Upgrade	\$19.18	\$19.81	-3%
<u>Long Term Disability</u>			
Level 1	\$21.73	\$24.14	-10%
Level 2	\$27.85	\$30.94	- 3%
Level 3	\$41.97	\$46.63	-10%
Level 4	\$0.95/\$100	\$1.06/\$100	-10%

Monthly rates for Short Term and Long Term Disability options are based on a per employee per month rate, except for Level 4, Long Term Disability which is based on a rate per \$100 of monthly pay.

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Plan options consist of the following:

Short Term Disability

Standard - 60% of salary up to \$500/week with benefits payable for 22 weeks

Standard Upgrade - Same as Standard with benefits payable for 24 weeks

High Plan - 60% of salary up to \$1,000/week with benefits payable for 22 weeks

High Upgrade – Same as Standard with benefits payable for 24 weeks.

Long Term Disability

Level 1 – 60% of monthly salary not to exceed \$1,800

Level 2 – 60% of monthly salary not to exceed \$3,000

Level 3 – 60% of monthly salary not to exceed \$5,000

Level 4 – 60% of monthly salary not to exceed \$7,500

RECOMMENDED:

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

1. Hartford Life and Accident Insurance Company (A.M. Best A+ XV), the contract for Short Term coverage, effective January 1, 2011 to December 31, 2012 at the following monthly rates:

Standard Plan	\$ 10.36
Standard Upgrade	\$ 15.83
High Plan	\$ 12.38
High Upgrade	\$ 19.18

2. Harford Life and Accident Insurance Company (A. M. Best A+XV), the contract for Long Term Disability coverage, effective January 1, 2011 to December 31, 2012 at the following rates:

Level 1	\$ 21.73
Level 2	\$ 27.85
Level 3	\$ 41.97
Level 4	\$ 0.95 per \$100/mo. Pay

RHH:abc