

Financial Services
Ron Y. Steiger, Chief Financial Officer

SUBJECT: RENEWAL OF GROUP TERM LIFE INSURANCE AND FLEXIBLE BENEFITS PROGRAM

COMMITTEE: FISCAL ACCOUNTABILITY

LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES

At the Board meeting of September 3, 2014, the Board approved the award of RFP# 041-PP10, Group Term Life Insurance and Flexible Benefits Program to various proposers effective January 1, 2015, for multiple year periods with the ability to extend for up to two additional one year periods subject to successful negotiations. Staff has worked with Aon Hewitt; the District's Benefits Consultant and has successfully negotiated the following renewals:

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

The Board provides benefit eligible employees Board-paid group 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 Policies. 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.

MetLife initially proposed a 12% increase on the Core Board Paid Life Insurance; however, staff successfully reduced the increase to 7.5% for each of the remaining two years of the contract effective January 1, 2018 through December 31, 2019. The increase is due to an increase in claims.

Additionally, staff successfully negotiated a two-year renewal of the Core Accidental Death and Dismemberment at expiring rates effective January 1, 2018 through December 31, 2019.

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

Staff successfully negotiated a two-year renewal for both the Voluntary Group Life Insurance and Accidental Death and Dismemberment insurance for active employees at expiring rates effective January 1, 2018 through December 31, 2019

MetLife's proposed a 20% increase as their best and final proposal for the retiree Voluntary Group Life Insurance for each year of the remaining two years and a flat renewal on the Retiree Accidental Death and Dismemberment. The increase is due largely to a loss ratio of 423.9%. 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.

MetLife - 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.

Staff successfully negotiated a two-year renewal for the Blanket Accident Policy for Police Officers at expiring rates effective January 1, 2018 through December 31, 2019

Dental Plans

The Board offers its eligible employees, retirees, and dependents with a comprehensive dental program through Delta Dental and UnitedHealthcare, consisting of four indemnity plans and four managed care dental plans. Staff has negotiated rates for the remaining two one-year renewals effective January 1, 2018 through December 31, 2019.

Delta Dental:

Staff successfully negotiated a two-year renewal with Delta Dental at expiring rates effective January 1, 2018 through December 31, 2019.

DeltaCare USA (DHMO)				
	Expiring Rates		New Rates	
	Standard	High	Standard	High
Employee Only	\$7.91	\$13.31	\$7.91	\$13.31
Employee & Family	\$20.14	\$33.98	\$20.14	\$33.98

Delta Dental Indemnity Dental (PPO)				
	Expiring Rates		New Rates	
	Standard	High	Standard	High
Employee Only	\$17.24	\$40.63	\$17.24	\$40.63
Employee & Family	\$52.90	\$121.48	\$52.90	\$121.48

UnitedHealthcare:

Staff successfully negotiated a two-year renewal at expiring rates for the DHMO and Standard PPO plans. Additionally, staff was successful in negotiating a 2% reduction in the PPO High Plan, while continuing to offer the same benefits effective January 1, 2018 through December 31, 2019.

UnitedHealthcare Managed Care Dental (DHMO)				
	Expiring Rates		New Rates	
	Standard	High	Standard	High
Employee Only	\$8.33	\$10.86	\$8.33	\$10.86
Employee & Family	\$21.20	\$27.70	\$21.20	\$27.70

UnitedHealthcare Indemnity Dental (PPO)				
	Expiring Rates		New Rates	
	Standard	High	Standard	High
Employee Only	\$18.15	\$37.92	\$18.15	\$37.16
Employee & Family	\$55.68	\$113.36	\$55.68	\$111.09

Vision Plans:

The Board offers its eligible employees, retirees, and dependents two vision plans through Davis Vision and UnitedHealthcare Vision. The plans provide access to both in-network and out-of-network optometrist and ophthalmologist. At the Board meeting of September 3, 2014, the Board approved a four-year rate guarantee for both plans through December 31, 2018.

Voluntary Hospital Indemnity Plan:

The Board offers a Hospital Indemnity plan through Cigna Healthcare to its eligible employees, retirees, and dependents for an admitted inpatient hospital stay due to a covered sickness or injury at levels of daily coverage of \$50, \$100 or \$150.

Staff successfully negotiated a two-year renewal with Cigna Healthcare at expiring rates effective January 1, 2018 through December 31, 2019.

Legal Plans and Senior Assistance:

The Board offers its eligible employees, retirees, and dependents the option of two Group Legal and Senior Assistance Programs through ARAG and MetLaw. The group legal plans provide 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.

At the Board meeting of September 3, 2014, the Board approved a five-year rate guarantee with ARAG Group. Therefore, the current rates and plan design will remain the same through December 31, 2019.

Additionally, staff successfully negotiated a two-year renewal at expiring rates with MetLaw effective January 1, 2018, through December 31, 2019.

Identity Theft Protection

The Board offers its eligible employees, retirees, and dependents an identity theft protection plan through ID watchdog. This program provides monitoring of personal records, including credit monitoring, regular client updates, and thorough research and resolution services.

Staff successfully negotiated a two-year renewal at expiring rates effective January 1, 2018, through December 31, 2019.

Short and Long Term Disability Program

The Board previously approved the award of Short and Long Term Disability Coverages to The Hartford Life and Accident Insurance Company for a three year term beginning January 1, 2015, with the ability to extend for two additional one-year periods subject to successful renewal negotiations. Staff successfully negotiated a renewal at the expiring rates for a one year period, effective January 1, 2018 through December 31, 2018.

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

1. Renew contracts for group term life insurance and flexible benefits with the following companies, pursuant to the provisions of Request For Proposals (RFP) #041-PP10, Group Term Life Insurance and Flexible Benefits Program, for benefit eligible employees, retirees and their eligible dependents for the following monthly premiums:
 - 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:

Effective January 1, 2018, through December 2019:

	2018	2019
CORE LIFE INSURANCE		
Board-Paid Basic Life-Actives	\$.117	\$.126
Core Optional Life-Employee		
Under 25 years	\$.037	\$.037
25-29 years	\$.037	\$.037
30-34 years	\$.051	\$.051
35-39 years	\$.072	\$.072
40-44 years	\$.072	\$.072
45-49 years	\$.142	\$.142
50-54 years	\$.205	\$.205
55-59 years	\$.395	\$.395
60-64 years	\$.457	\$.457
65-69 years	\$.895	\$.895
70-74 years	\$ 1.435	\$1.435
75+ years	\$ 2.207	\$2.207
	2018	2019
Core Optional Life-Spouse		
Under 35 years	\$.063	\$.063
35-44 years	\$.132	\$.132
45-54 years	\$.377	\$.377
55-59 years	\$.741	\$.741
60-64 years	\$ 1.143	\$1.143
65-69 years	\$ 1.805	\$1.805
70-74 years	\$ 2.797	\$2.797
75+ years	\$ 5.471	\$5.471
Core Optional Life-Child		
Under 35 years	\$.198	\$.198
35-44 years	\$.214	\$.214
45-54 years	\$.091	\$.091
55-59 years	\$.076	\$.076
60-64 years	\$.042	\$.042
65-69 years	\$.030	\$.030
70-74 years	\$.030	\$.030
75+ years	\$.030	\$.030

	2018	2019
Core Optional Life - Retiree		
2,000 Basic Life	\$ 6.22	\$ 7.47
\$5,000 Basic Life	\$ 15.57	\$18.69
\$10,000 Basic Life	\$ 31.15	\$37.38
Core AD&D		
AD&D Basic	\$.010	\$.010
AD&D Optional (Employee)	\$.020	\$.020

AD&D Dependent (spouse)	\$.020	\$.020
OPTIONAL LIFE and AD&D INSURANCE		
Optional Group Life	\$.138	\$.138
Optional AD&D – Employee	\$.013	\$.013
Optional AD&D – Family	\$.026	\$.026
Optional Life – Retiree	\$.360	\$.432
Optional AD&D – Retiree	\$.013	\$.013
Optional AD&D – Family	\$.026	\$.026
CORE Part Timer Life Insurance		
AFSCME \$10K	\$.122	\$.122
UTD \$5K	\$.122	\$.122
Blanket Police Officer Accident Policy	\$.009	\$.009

- b. DeltaCare USA Dental- Managed Care Dental (DHMO) coverage effective January 1, 2018 through December 31, 2019 with monthly premiums as follows:

	<u>Standard</u>	<u>High</u>
Employee Only	\$ 7.91	\$13.31
Employee & Family	\$20.14	\$33.98

- c. Delta Dental- PPO Plans coverage effective January 1, 2018 through December 31, 2019 with monthly premiums as follows:

	<u>Standard</u>	<u>High</u>
Employee Only	\$ 17.24	\$ 40.63
Employee & Family	\$ 52.90	\$121.48

- d. UnitedHealthcare Dental- Managed Care Dental (DHMO) coverage effective January 1, 2018 through December 31, 2019 with monthly premiums as follows:

	<u>Standard</u>	<u>High</u>
Employee Only	\$ 8.33	\$10.86
Employee & Family	\$21.20	\$27.70

- e. UnitedHealthcare- PPO Plans coverage effective January 1, 2018 through December 31, 2019 with monthly premiums as follows:

	<u>Standard</u>	<u>High</u>
Employee Only	\$ 18.15	\$ 37.16
Employee & Family	\$ 55.68	\$111.09

- f. Davis Vision- Vision coverage effective January 1, 2018 through December 31, 2018 with monthly premiums of \$5.06 employee and \$12.21 for employee & family
- g. UnitedHealthcare – Vision coverage effective January 1, 2018 through December 31, 2018 with monthly premiums of \$5.30 employee and \$13.26 for employee and family;
- h. ARAG Group – Pre-paid legal coverage effective January 1, 2018 through December 31, 2019 at monthly premiums of \$14.76/employee and eligible dependent(s);
- i. ARAG Group – Senior Advocate Plan effective January 1, 2018 through December 31, 2019 at a monthly premium of \$7.76/employee and eligible dependents;
- j. MetLife- MetLaw- Hyatt Legal - Pre-paid legal coverage effective January 1, 2018 through December 31, 2019 at monthly premiums of \$15.95/employee and eligible dependent(s)
- k. MetLife- Senior Advocate Plan effective January 1, 2018 through December 31, 2019 at a monthly premium of \$6.35/employee and eligible dependents;
- l. Cigna HealthCare – Hospital Income Protection (HIP) effective January 1, 2018 through December 31, 2019 with monthly premiums as follows:

	\$50/day	\$100/day	\$150/ day
Employee	\$ 2.48	\$ 4.96	\$7.44
Emp & Fam.	\$ 6.20	\$12.40	\$18.60
PTime Emp.	\$ 2.48	\$ 4.96	\$7.44
Emp & Fam.	\$ 6.20	\$12.40	\$18.60
Retiree Only	\$ 2.48	\$ 4.96	\$7.44
Ret. & Fam.	\$ 6.20	\$12.40	\$18.60

m. ID Watchdog Inc. – Identity Theft Protection effective January 1, 2018 through December 31, 2019 with monthly premiums as follows:

Employee Only	\$ 7.95
Employee & Family	\$13.95

n. Short Term Disability effective January 1, 2018 through December 31, 2018 with monthly premiums as follows:

Standard Plan -	\$ 9.84
Standard Upgrade -	\$ 15.83
High Plan -	\$ 12.38
High Plan Upgrade -	\$ 19.18

o. Long Term Disability effective January 1, 2018 through December 31, 2018 with monthly premiums as follows:

Level 1 -	\$ 19.88
Level 2 -	\$ 25.47
Level 3 -	\$ 38.40
Level 4 -	\$ 0.873 per \$100

RS: mf