

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: RFP-600679-09/BJC - COBRA Administration and Group Term Life and AD&D Insurance

DEPARTMENT: Administrative Services

DIVISION: Purchasing and Contracts

AUTHORIZED BY: Frank Raymond

CONTACT: Betsy Cohen

EXT: 7112

MOTION/RECOMMENDATION:

Award RFP-600679-09/BJC - COBRA Administration and Group Term Life and AD&D Insurance as follows: COBRA Administration to Conexis, Tierra Verde; Group Term Life Insurance and AD&D Insurance to The Standard, Tampa.

County-wide

Ray Hooper

BACKGROUND:

RFP-600679-09/BJC will provide for COBRA Administration and Group Term Life and AD&D Insurance for Seminole County Government and Constitutional Officers employees. A basic life insurance benefit is provided to all permanent full time employees of Seminole County including the Constitutional Officers. Employees have an option to buy additional coverage for themselves and their dependents at their own expense. The project was publicly advertised and the County received the following proposals, based on the categories:

COBRA	LIFE INSURANCE & AD&D
AETNA	AETNA
BCBS	BCBS
Conexis	CIGNA
UHC	LINCOLN
	METLIFE
	MUTUAL OF OMAHA
	THE STANDARD

The Evaluation Committee which consisted of Gregory Foppiani, Risk Program Manager/Administrative Services Department; Wendy Garrett, Benefits Coordinator/Administrative Services Department; Meloney Lung, Manager/Administrative Services Department; Frank Raymond, Director/Administrative Services Department; and Andria Herr, AGIS, Consultant for Seminole County evaluated the proposals. Consideration was given to the proposed network, access to care, financial proposal, administration and customer service, contract considerations, benefits and account management.

The cost for COBRA services is approximately \$5,000.00 and the agreement will be effective January 1, 2010 through December 31, 2011. The cost to the County for the group life is approximately \$159,250.00 and there is no change in the optional coverage premiums. The agreement will be effective January 1, 2010 through December 31, 2012 with a rate guarantee for three (3) years.

Findings and evaluations from the Evaluation Committee were presented to the Risk management Executive Committee on August 4, 2009. The Risk Management Executive Committee consists of Commissioner Bob Dallari; Commissioner Carlton D. Henley; Commissioner Michael McLean; Cynthia Coto, County Manager; Joe Forte, Deputy County Manager; and Frank Raymond, Director, Administrative Services Department.

STAFF RECOMMENDATION:

The Risk Management Executive Committee recommends the award of RFP-600679-09/BJC - COBRA Administration and Group Term Life and AD&D Insurance as follows: COBRA Administration to Conexis, Tierra Verde; Group Term Life Insurance and AD&D Insurance to The Standard, Tampa.

ATTACHMENTS:

1. COBRA Administration
2. Group Term Life and AD&D Benefits

Additionally Reviewed By: No additional reviews

Seminole County Government RFP #600679-09BJC
January 1, 2010 COBRA Pricing Sheet



	Blue Cross Blue Shield of Florida (Ceridian) Current Vendor	Aetna	United HealthCare	Conexis
Group Set-up fee	N/A	\$1,000.00	\$500.00	\$1,350
On-going Maintenance Fee (annual & subsequent years)	Included in Medical Premium	None	\$250.00	None Disclosed
Qualifying Event:				
Fee per qualifying event notices	Included in Medical Premium	\$8.00 - Electronic File (Secure Web Transfer) - standard format	\$14.00	\$10.50 per notice*
COBRA Initial Rights notifications (per notice)	Included in Medical Premium	\$3.00	\$3.00	\$3.25
Direct Billing (per participant per month)	Included in Medical Premium	Not Clearly Disclosed	\$4.50	\$5.00
Past Due notices to Continuant	Included in Medical Premium	Included in the PPPM fee.	Included	\$1.00 per notice
Continuant Takeover Charge	N/A	Included in the PPPM fee.	\$14.00	\$10.00 on time fee per continuant
Ongoing COBRA Continuant per month.	Included in Medical Premium	\$6.70	\$4.50	None
Premium Remittance to Carriers	N/A	N/A	N/A	\$50 per month per carrier
2% premium goes to:	Retained by BCBSFL	Retained by Aetna.	Returned to Seminole County	Retained by Conexis
Estimated Annual Cost Based on (114 QE Notices, 76 New Hires & 19 COBRA participants on the plan for 9 months)	\$4,800 for dental	\$2,140 (Does not include direct billing cost)	\$3,094	\$4,849

* Electronic data interface with employer's HRIS system

Year 2 Guarantee:

We guarantee these fees will not increase more than 5% in plan year 2.

No increase to above fee

Yes

Year 3 Guarantee:

We guarantee these fees will not increase more than 5% in plan year 3.

No increase to above fee

No

**Seminole County Government RFP #600679-09BJC
January 1, 2010 Life Insurance Benefit Comparison
County Paid Base Life Policy**



Plan Summary	Lincoln Financial Current Carrier & Plan	Blue Cross Blue Shield Alternative Carrier	CIGNA Alternative Carrier	The Standard Alternative Carrier
● Benefit	Active Employees: One times basic annual earnings rounded to the next higher \$1,000 Retirees: Flat \$5,000	Active Employees: One times basic annual earnings rounded to the next higher \$1,000 Retirees: Flat \$5,000	Active Employees: One times basic annual earnings rounded to the next higher \$1,000 Retirees: Flat \$5,000	Active Employees: One times basic annual earnings rounded to the next higher \$1,000 Retirees: Flat \$5,000
● Definition of Earnings	Annual base salary: Includes commissions, Excludes bonuses, overtime or any additional compensation.	Annual base salary: Includes commissions, Excludes bonuses, overtime or any additional compensation.	Annual base salary: Excludes commissions, bonuses, overtime or any additional compensation.	Annual base salary: Includes commissions, Excludes bonuses, overtime or any additional compensation. Matches Current. They are flexible.
● Guarantee Issue Amount	\$500,000 (combined for basic & optional life)	\$300,000	The lesser of one times annual compensation to a max of \$500,000	\$500,000 (combined for basic & optional life)
● Minimum Benefit	\$10,000	\$10,000	\$10,000	\$10,000
● Maximum Benefit	\$500,000 (combined for basic & optional life)	\$300,000	\$500,000	\$500,000
● Accidental Death & Dismemberment	Included for Active Employees & Retirees	Included for Active Employees Only	Included for Active Employees Only	Included for Active Employees & Retirees
● Conversion	Included	Included	Included	Included
● Retirees Covered	Yes, for \$5,000 benefit for life & AD&D coverage.	Yes, for \$5,000 benefit. No AD&D.	Yes, for \$5,000 benefit. No AD&D.	Yes, for \$5,000 benefit for life & AD&D coverage.
● Age Reduction Schedule	None	50% at age 70 (not applicable to retiree coverage)	None due to Age Discrimination in Employment Act for Active Employees & Retirees	None
● Waiver of Premium	Included for Active Employees & Retirees	Included for Active Employees & Retirees	Included for Active Employees Only	Included for Active Employees Only
● Accelerated Death Benefit	Included	Included	Included	Included for Active Employees Only
● Rate Guarantee	Next Renewal 1/1/2012	2 years	3 years	3 years
● Commissions	7% Payable to LB Bryan and Associates	None	Flat 10% to LB Bryan and Associates	Flat 10% payable to LB Bryan and Associates
Life Rate Summary/\$1000 of Benefit	\$0.22	\$0.22	\$0.17	\$0.15
AD&D Rate Summary/\$1000 of Benefit	\$0.03	\$0.03	\$0.03	\$0.02
Estimated Monthly Volume	\$79,023,000	\$79,023,000	\$79,024,000	\$78,991,000
Total Monthly Premium	\$19,755.75	\$19,755.75	\$15,567.73	\$13,270.49
Total Annual Premium	\$237,069.00	\$237,069.00	\$186,812.74	\$159,245.86
Estimated Commissions	\$16,594.83	\$0.00	\$18,681.27	\$15,924.59
Percentage Change		0.00%	-21.20%	-32.83%
Discount for Medical Insurance	N/A	1% (\$159,455 on renewal rates)	N/A	N/A
		* Retiree rate will be \$1.79 per \$1,000. Estimated retiree volume is \$535,000 for an annual premium of \$11,492.	Retiree Rate: \$1.79 per \$1000 Volume Estimated: \$535,000 Annual Premium: \$11,496	Retiree Rate: \$1.79 per \$1000 & \$0.03 per \$1000 for AD&D Volume Estimated: \$535,000 Annual Premium: \$11,688

This is for summary purposes, in all instances your policy will govern.

Please Note: All volumes are shown based on the carrier responses. There are variances in the coverage amounts for each carrier, thus the difference in monthly volumes.

Seminole County Government RFP #600679-09BJC
January 1, 2010 Life Insurance Benefit Comparison
County Paid Base Life Policy

Plan Summary	MetLife Alternative Carrier	Aetna Alternative Carrier	Mutual of Omaha Alternative Carrier	Lincoln Financial Current Carrier-Alternative Quote
● Benefit	Actives: 1 Times Base Annual Earnings Retirees: Flat \$5000	1 times basic annual earnings to a max of \$500,000 (combined with Optional life)	Active Employees: One times basic annual earnings rounded to the next higher \$1,000 Retirees: Flat \$5,000	Active Employees: One times basic annual earnings rounded to the next higher \$1,000 Retirees: Flat \$5,000
● Definition of Earnings	Annual base salary: Excludes commissions, bonuses, overtime or any additional compensation.	Annual base salary: Includes commissions averaged over 12 month period, Excludes bonuses, overtime or any additional compensation.	Annual base salary: Includes commissions, Excludes bonuses, overtime or any additional compensation. Matches Current. They are flexible.	Annual base salary: Includes commissions, Excludes bonuses, overtime or any additional compensation. Matches Current.
● Guarantee Issue Amount	\$250,000 Combined with Optional Life	\$500,000	\$500,000 (combined for basic & optional life)	\$500,000 (combined for basic & optional life)
● Minimum Benefit	None	\$10,000	\$10,000	\$10,000
● Maximum Benefit	\$500,000	\$500,000 (Combined with optional life)	\$500,000 (combined for basic & optional life)	\$500,000
● Accidental Death & Dismemberment	\$500,000	Included for Active Employees & Retirees	Included for Active Employees Only	Included for Active Employees & Retirees
● Conversion	None	Yes	Included	Included
● Retirees Covered	Retirees: Flat \$5000	Yes - @ \$5,000	Yes, for \$5,000 benefit	Yes, for \$5,000 benefit for life & AD&D coverage.
● Age Reduction Schedule	None	None	None	None
● Waiver of Premium	Included for Active Employees & Retirees who are disabled before age 60.	Included for Active Employees Only	Included for Active Employees Only	Included for Active Employees & Retirees
● Accelerated Death Benefit	Included	Included for active employees only	Included for Active Employees Only	Included
● Rate Guarantee	3 Years	2 Years	3 Years	2 Years
● Commissions	Flat 10% payable to LB Bryan and Associates	None	Flat 10% payable to LB Bryan & Associates	Flat 7% payable to LB Bryan Associates
Life Rate Summary/\$1000 of Benefit	\$0.24	\$0.24	\$0.18	\$0.19
AD&D Rate Summary/\$1000 of Benefit	\$0.02	\$0.02	\$0.02	\$0.03
Estimated Monthly Volume	\$78,443,150	\$79,370,000	\$79,373,000	\$79,365,000
Total Monthly Premium	\$20,316.78	\$20,556.83	\$15,477.74	\$17,460.30
Total Annual Premium	\$243,801.31	\$246,681.96	\$185,732.82	\$209,523.60
Estimated Commissions	\$24,380.13	\$0.00	\$18,573.28	\$14,666.65
Percentage Change	2.84%	4.05%	-21.65%	-11.62%
Discount for Medical Insurance	N/A	.25% (\$41,923 based on current plan rates)	N/A	N/A
	Retiree Rate: \$1.99 per \$1000 & \$.024 per \$1000 for AD&D Volume Estimated: \$308750 Annual Premium: \$7461	Retiree Rate: \$2.57 per \$1000 Volume Estimated: \$535,000 Annual Premium: \$16,500	Retiree rate will be \$1.79 per \$1,000. Estimated retiree volume is \$535,000 for an annual premium of \$11,492.	Retiree life rate will be \$1.79 per \$1,000 & \$.03/\$1000 for AD&D. Estimated retiree volume is \$525,000 for an annual premium of \$11,466.

NOTE: MetLife also included an alternative plan, but the rate was higher than the most competitive proposals.

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Please Note: All volumes are shown based on the carrier responses. There are variances in the coverage amounts for each carrier, thus the difference in monthly volumes.

**Seminole County Government RFP #600679-09BJC
January 1, 2010 Life Insurance Benefit Comparison
Employee Paid Optional Life Policy**

Plan Summary	Lincoln Financial Current Carrier & Plan	Blue Cross Blue Shield Alternative Carrier	CIGNA Alternative Carrier	The Standard Alternative Carrier
• Benefit	EE: Increments of \$10,000 SP: Increments of \$5,000 CH: 14 days to 6 Months old \$1,000 6 Months or greater \$5,000 or \$10,000	EE: Increments of \$10,000 SP: Increments of \$5,000 CH: 14 days to 6 Months old \$500 6 Months or greater \$5,000 or \$10,000	EE: Increments of \$10,000 SP: Increments of \$5,000 CH: 14 days to 6 Months old \$500 6 Months or greater \$5,000 or \$10,000	EE: Increments of \$10,000 SP: Increments of \$5,000 CH: \$10,000
• Guarantee Issue Amount	EE: \$500,000 SP: \$50,000 CH: \$10,000	EE: through age 59 - \$130,000 (with minimum of 25% participation) Employees age 60+ are subject to a lesser guaranteed issue limit. SP: \$30,000 Spouse coverage terminates at age 65.	EE: lesser of 3 times annual earnings to a max of \$500,000 SP: \$50,000 CH: \$10,000	EE: \$500,000 (combined with base life) SP: \$50,000 CH: \$10,000
• Minimum Benefit	EE: \$10,000 SP \$5,000 CH: 6 months and older \$10,000	EE: \$10,000 SP \$5,000 CH: 6 months and older \$5,000	EE: \$10,000 SP \$5,000 CH: 6 months and older \$10,000	EE: \$10,000 SP \$5,000 CH: \$10,000
• Maximum Benefit	EE: \$500,000, not to exceed 5 x salary SP: \$100,000, not to exceed 50% of employee coverage CH: age 6 months and older \$10,000 not to exceed 50% of employee coverage	EE: \$500,000, not to exceed 5 x salary SP: \$250,000, not to exceed 50% of employee coverage in place CH: age 6 months and older \$10,000, not to exceed 50% of employee coverage in place	EE: \$500,000, not to exceed 5 x salary SP: \$100,000, not to exceed 50% of employee coverage CH: age 6 months and older \$10,000	EE \$500,000, not to exceed 5 x salary (combined with base life) SP: \$100,000, not to exceed 50% of employee coverage CH: \$10,000 not to exceed 50% of
• Accidental Death & Dismemberment	Included	Quoted as a separate product/policy	Included	Included
• Conversion	Included	Included	Included	Included
• Offered to Retirees	No	No	No	No
• Age Reduction Schedule	Employee 50% at age 70 and terminates at age 80 or retirement whichever comes first. Spouse coverage mirrors employee coverage and follows the employees age.	Employee coverage reduces 35% at age 65, to 50% at age 70 and terminates at retirement. Spouse coverage terminates at age 65.	Employee 50% at age 70 for Employee & Spouse	Employee & Spouse 50% at age 65, to 50% at age 70 and terminates at age 80 or retirement.
• Waiver of Premium	Included	Included	Included	Included
• Participation Requirement	25% of all eligible employees & 10% of Spouses	25% of all eligible employees	20% of all eligible employees	Greater of 500 employees or 30% of eligible employees
• Rate Guarantee	Next Renewal 1/1/2012	2 years	3 Years	3 years
• Commissions	Fiat 7% to LB Bryan and Associates	None	Fiat 10% to Lon Bryan & Associates	Fiat 10% to Lon Bryan & Associates
Life Rate Summary/\$1000 of Benefit	Age Banded	Age Banded, please see proposal	\$0.30 for ee/\$.26 for spouse/\$.60 for \$5k of Child Life & \$1.18 for \$10k of child life	Employee: \$.30 Spouse: \$.26 Child(ren):\$1.18 per month
AD&D Rate Summary/\$1000 of Benefit	Offered as a separate benefit	Quoted separately, please see proposal	\$0.03	

This is for summary purposes, in all instances your policy will govern.

Additional Questions:

1) Will you grandfather current amounts employees have elected without providing EOI?	N/A	Yes, subject to proof of prior coverage.	Yes.	Yes
2) Will you allow employees to buy additional life insurance at open enrollment? How much? Will they have to provide EOI?	N/A	Employees may increase their VGTL coverage in place by one increment of \$10,000 during annual enrollment period.	Yes, up to \$10,000 per year without providing EOI.	Enrolled employees may purchase an additional \$10,000 up to the GI at annual enrollment without EOI.
3) Will you allow the County to remain self-billed?	N/A	Yes, quote assumes self-billing of all coverages.	Yes.	Yes

Please Note: All volumes are shown based on the carrier responses. There are variances in the coverage amounts for each carrier, thus the difference in monthly volumes.

**Seminole County Government RFP #600679-09BJC
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Employee Paid Optional Life Policy**

Plan Summary	MetLife Alternative Carrier	Aetna Alternative Carrier	Mutual of Omaha Alternative Carrier	Lincoln Financial Current Carrier -Alternative Quote
● Benefit	EE: Increments of \$10,000 SP: Increments of \$5,000 CH: 14 days to 6 Months old \$1,000 6 Months or greater \$5,000 or \$10,000	EE: Increments of \$10,000 SP: Increments of \$5,000 CH: 14 days to 6 Months old \$1,000 6 Months or greater \$5,000 or \$10,000	EE: Increments of \$10,000 SP: Increments of \$5,000 CH: Increments of \$10,000	EE: Increments of \$10,000 SP: Increments of \$5,000 CH: 14 days to 6 Months old \$1,000 6 Months or greater \$5,000 or \$10,000
● Guarantee Issue Amount	EE: Lesser of 3 times pay or \$250,000 (combined with basic life) SP: \$25,000 CH: \$10,000	EE: \$200,000 SP: \$50,000 CH: \$10,000	EE: \$500,000 SP: \$50,000 CH: \$10,000	EE: \$500,000 (combined with base life) SP: \$50,000 CH: \$10,000
● Minimum Benefit	EE: \$10,000 SP: \$5,000 CH: \$1,000	EE: \$10,000 SP: \$5,000 CH: \$5,000	EE: \$10,000 SP: \$5,000 CH: \$5,000	EE: \$10,000 SP: \$5,000 CH: 6 months and older \$10,000
● Maximum Benefit	EE: \$500,000, not to exceed 5 x salary SP: \$100,000 CH: \$10,000	EE: \$500,000, not to exceed 5 x salary (also combined with base life amount) SP: \$100,000, not to exceed 50% of employee coverage CH: age 6 months and older	EE: \$500,000 SP: \$100,000, not to exceed 50% of employee coverage CH: \$10,000 not to exceed 50% of employee coverage	EE: \$500,000 SP: \$100,000, not to exceed 50% of employee coverage CH: age 6 months and older \$10,000 not to exceed 50% of
● Accidental Death & Dismemberment	Included	Included	Included	Included
● Conversion	None	Included	Included	Included
● Offered to Retirees	No	No	No	No
● Age Reduction Schedule	None	Employee & Spouse 50% at age 70, terminates at age 80.	Employee 50% at age 70, and terminates at retirement. Spouse coverage terminates at age 70.	Employee & Spouse 50% at age 70 and terminates at age 80 or retirement.
● Waiver of Premium	Included	Included	Included	Included
● Participation Requirement	25% of all eligible employees	34% of all eligible employees	25% of all eligible employees	25% of all eligible employees & 10% of Spouses
● Rate Guarantee		2 Years	3 Years	2 Years
● Commissions	Flat 10% to Lon Bryan & Associates	None	Flat 10% to Lon Bryan & Associates	Flat 7% to Lon Bryan & Associates
Life Rate Summary/\$1000 of Benefit	Age Banded	Age Banded	Employee: \$.30 Spouse: \$.30 Child(ren):\$1.18 per month \$0.03	Employee: \$.30 Spouse: \$.26 Child(ren):\$1.18 per month \$0.03
AD&D Rate Summary/\$1000 of Benefit	Offered as a separate benefit	Offered as a separate benefit		

This is for summary purposes, in all instances your policy will govern.

Additional Questions:

1) Will you grandfather current amounts employees have elected without providing EOI?	Yes	Yes	Yes.	Yes.
2) Will you allow employees to buy additional life insurance at open enrollment? How much? Will they have to provide EOI?	Yes. \$10,000 increments per open enrollment to max \$250,000.	One increment of \$10,000 up to the GI limit.	Yes, up to \$10,000 per year without providing EOI.	Yes, up to \$10,000 per year without providing EOI.
3) Will you allow the County to remain self-billed?	Yes.	Aetna has included their standard, summary billing.	Yes.	Yes.

Please Note: All volumes are shown based on the carrier responses. There are variances in the coverage amounts for each carrier, thus the difference in monthly volumes.