



# Board of County Commissioners Agenda Request

3B  
Agenda Item #

**Requested Meeting Date:** 9/26/2017

**Title of Item:** Accept Supplemental Insurance Bids effective 1/1/2018

|  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> REGULAR AGENDA<br><input type="checkbox"/> CONSENT AGENDA<br><input type="checkbox"/> INFORMATION ONLY   | <b>Action Requested:</b><br><input checked="" type="checkbox"/> Approve/Deny Motion<br><input type="checkbox"/> Adopt Resolution (attach draft)<br><i>*provide copy of hearing notice that was published</i> | <input type="checkbox"/> Direction Requested<br><input type="checkbox"/> Discussion Item<br><input type="checkbox"/> Hold Public Hearing* |
| <b>Submitted by:</b><br>Bobbie Danielson   |  | <b>Department:</b><br>Administration/HR   |
| <b>Presenter (Name and Title):</b><br>Bobbie Danielson, HR Director  |  | <b>Estimated Time Needed:</b><br>5-10 minutes   |
| <b>Summary of Issue:</b><br>We are required by statute to go out for insurance bids every 60 months. (Excludes PEIP, a state plan.) Requesting Board approval to accept bids from the following carriers:<br><br>Life Insurance: Minnesota Life (same as current carrier). Employer rate will decrease from \$2.10/month to \$1.875/month for \$15k employee life coverage on 1/1/2018. Dependent life (employer paid) remains the same at \$3.10/month. No change to supplemental life insurance rates. 3 year rate guarantee.<br><br>Short-term Disability: Dearborn National (same as current carrier). No change to current rates. 2 year rate guarantee.<br><br>Long-term Disability: Madison National (same as current carrier). County reimbursed premium decreases from \$.25 per \$100 of covered payroll to \$.225. Voluntary plan premium decreases by \$0.02 to \$0.10 per \$100 of benefit, depending on Age bracket.<br><br>New! Add voluntary Vision Plan with EyeMed. No Copay plan. Covers materials as described, not exams. |  |   |
| <b>Alternatives, Options, Effects on Others/Comments:</b>  |  |   |
| <b>Recommended Action/Motion:</b><br>Motion to accept the bid of Minnesota Life (life ins), Dearborn National (short-term disability), Madison National (LTD), and EyeMed (vision plan), effective 1/1/2018, with the expectation that Minnesota Life extends the new guarantee issue from \$100k to \$200k for all employees, not just new hires.   |  |   |
| <b>Financial Impact:</b><br>Is there a cost associated with this request? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>What is the total cost, with tax and shipping? \$<br>Is this budgeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please Explain:</i>   |  |   |

## Aitkin County - Short Term Disability

| Company                              | Dearborn National - CURRENT   | Dearborn National | Madison National   |
|--------------------------------------|---|-------------------|--|
| Funding                              | 100% employee paid  | Match Current     | Match Current  |
| Scheduled Weekly Benefit             | 60% of weekly earnings to a maximum of \$1,000 weekly benefit. Elections are made in \$50 increments.   | Match Current     | Match Current  |
| Maximum Weekly Benefit               | \$1,000   | Match Current     | Match Current  |
| Maximum Benefit Period               | 11 weeks or until LTD becomes payable   | Match Current     | Match Current  |
| Elimination Period (Injury/Sickness) | 15 <sup>th</sup> day accident/15 <sup>th</sup> day sickness   | Match Current     | Match Current  |
| Pre-Existing Conditions              | 3/12  | Match Current     | Match Current  |
| Annual Enrollment                    | Full open each annual enrollment period for all employees. Pre-ex applies to all increases.   | Match Current     | Not Included   |
| Definition of disability             | Perform Material and Substantial duties of regular occupation AND your disability earnings are less than 20% of PDE. Partial disability included. | Match Current     | Match Current  |
| Minimum Weekly Benefit               | \$25  | Match Current     | Match Current  |
| Integrate with Sick Leave            | Sick leave plus STD benefit cannot exceed 100% of pre-disability earnings. Does not have to exhaust sick/vacation.                                | Match Current     | Match Current  |
| Additional Features                  | Survivor's Benefit  | Match Current     | Match Current and Include Employee Assistance Program (EAP) and Identity Theft |
|                                      | Work Incentive Benefit  |                   |  |
|                                      | Worksite Modification Benefit   |                   |  |
| Value Add Ons                        | NA  | Match Current     | Match Current  |
| Enhancements                         | NA  | Match Current     | Match Current  |
| Other Deviations                     | NA  | Match Current     | Match Current  |
| Prepares W2s                         | YES   | Match Current     | Match Current  |
| Pays ER Portion of FICA              | YES   | Match Current     | Match Current  |
| Rate Guarantee                       |   |                   |  |

## Aitkin County - Long Term Disability

| Company                           | Madison National - Current  | Madison National                                  |
|-----------------------------------|---|---|
| Insurance Carrier:                | Madison National  | Match Current                                     |
| A.M. Best Company Rating          | A-  | Match Current                                     |
| Employer Paid                     | Class 5 Only  | Match Current                                     |
| Scheduled Monthly Benefit         | Class 1,2,5 – 60% to \$5,000  | Match Current                                     |
|                                   | Class 3 - \$100 increments, 60% to \$5,000  | Match Current                                     |
| Maximum Benefit Period            | SSNRA   | Match Current                                     |
| Elimination Period                | 90 consecutive days   | Match Current                                     |
| Your Occupation Definition        | Class 2: 60 months, Class 1, 3, 5: 36 months  | Match Current                                     |
| OR / AND Definition               | OR  | Match Current                                     |
| Minimum Monthly Benefit           | \$100   | Match Current                                     |
| ONE (1) Material Duty/or Duties   | One   | Match Current                                     |
| Pre-Existing Conditions           | 3/3/12  | Match Current                                     |
| Integrate/Sick Leave              | Pays in addition to sick pay  | Match Current                                     |
| Integration                       | Class 3: 70% All Source   | Match Current                                     |
| Partial Disability/Loss           | Yes   | Match Current                                     |
| Definition of disability          | Zero day  | Match Current                                     |
| Rehabilitation                    | Included  | Match Current                                     |
| Alcoholism/Drugs                  | 24 months lifetime unless hospital confined, with recovery  | Match Current                                     |
| Mental/Nervous                    | 24 months lifetime unless hospital confined, with recovery  | Match Current                                     |
| 12 Month Work Incentive           | First 12 months of disability   | Match Current                                     |
| Conversion                        | Included  | Match Current                                     |
| Waiver of Premium                 | Included  | Match Current                                     |
| Survivors Benefit                 | Included  | Match Current                                     |
| Family Care Expense               | Included  | Match Current                                     |
| Annual Enrollment                 | Class 3: Employees currently enrolled in the LTD can increase coverage during each 30 day annual enrollment period with no health questions (increases subject to pre-ex). Employees enrolling for the first time are subject to underwriting approval. | Match Current                                     |
| Value Add Ons                     | None  | Employee Assistance Plan (EAP) and Identity Theft |
| Enhancements                      | NA  | None Listed                                       |
| Deviations                        | NA  | None Listed                                       |
| Prepares W2s                      | Yes   | Match Current                                     |
| Pays ER Portion of FICA           | Yes   | Match Current                                     |
| Rate Guarantee                    |   |   |
|                                   | NA  | 3 years   |
| County Pd Premium                 |   |   |
| Rate per \$100 of covered payroll | \$0.25  | \$0.225   |
| Employee Pd Buy-Up                |   |   |
| Age                               | Rate per \$100 of Benefit   | Rate per \$100 of Benefit                         |
| 0-24                              | \$0.20  | \$0.18  |
| 25-29                             | \$0.27  | \$0.24  |
| 30-34                             | \$0.32  | \$0.29  |
| 35-39                             | \$0.48  | \$0.43  |
| 40-44                             | \$0.59  | \$0.53  |
| 45-49                             | \$0.73  | \$0.66  |
| 50-54                             | \$0.83  | \$0.75  |
| 55-59                             | \$0.97  | \$0.87  |
| 60+                               | \$1.00  | \$0.90  |

**Aitkin County - Life Insurance**

|   |             | CURRENT PLAN - MN Life   |                   | MN Life  |                   |
|---|-------------|--|-------------------|--|-------------------|
| Rating AM Best  |             | A+   |                   | A+   |                   |
|   | Volume      | Rate per \$1,000   | Monthly Premium   | Rate per \$1,000   | Monthly Premium   |
| Active Basic Life   | 3,255,000   | \$0.120  | \$390.60          | \$0.105  | \$341.78          |
| Active Basic AD&D   | 3,255,000   | \$0.020  | \$65.10           | \$0.020  | \$65.10           |
| <b>Total Active Basic Life and AD&amp;D</b>                         |             | <b>\$0.140</b>   | <b>\$455.70</b>   | <b>\$0.125</b>   | <b>\$406.88</b>   |
| Percentage Active Basic Life Savings                                |             |  |                   |  | 10.71%            |
| Monthly Active Basic Life Savings                                   |             |  |                   |  | \$48.82           |
| <b>Supplemental Life &amp; AD&amp;D Employee/Retiree and Spouse</b> |             |  |                   |  |                   |
| Age   | Volume      | Rate per \$1,000 Life  | Monthly Premium   | Rate per \$1,000 Life  | Monthly Premium   |
| Under 25  | \$50,000    | \$0.050  | \$2.50            | \$0.050  | \$2.50            |
| 25 - 29   | \$625,000   | \$0.060  | \$37.50           | \$0.060  | \$37.50           |
| 30 - 34   | \$260,000   | \$0.080  | \$20.80           | \$0.080  | \$20.80           |
| 35 - 39   | \$1,860,000 | \$0.090  | \$167.40          | \$0.090  | \$167.40          |
| 40 - 44   | \$885,000   | \$0.120  | \$106.20          | \$0.120  | \$106.20          |
| 45 - 49   | \$870,000   | \$0.210  | \$182.70          | \$0.210  | \$182.70          |
| 50 - 54   | \$1,090,000 | \$0.370  | \$403.30          | \$0.370  | \$403.30          |
| 55 - 59   | \$355,000   | \$0.610  | \$216.55          | \$0.610  | \$216.55          |
| 60 - 64   | \$660,000   | \$0.750  | \$495.00          | \$0.750  | \$495.00          |
| 65 - 69   | \$195,000   | \$1.310  | \$255.45          | \$1.310  | \$255.45          |
| 70 - 74   | \$10,000    | \$2.060  | \$20.60           | \$2.060  | \$20.60           |
| 75  | \$0         | \$2.380  | \$0.00            | \$2.380  | \$0.00            |
| <b>Monthly Supplemental Life Premium</b>                            |             |  | <b>\$1,908.00</b> |  | <b>\$1,908.00</b> |
| <b>Monthly Supp AD&amp;D Premium</b>                                | \$6,860,000 | <b>\$0.03</b>  | <b>\$205.80</b>   | <b>\$0.03</b>  | <b>\$205.80</b>   |
| <b>Dependent Life Package</b>                                       | 165         | <b>\$3.10</b>  | <b>\$511.50</b>   | <b>\$3.10</b>  | <b>\$511.50</b>   |
| <b>Total Supplemental Life Premium</b>                              |             |  | <b>\$2,625.30</b> |  | <b>\$2,625.30</b> |
| <b>Optional New Hire GI</b>   |             | \$100,000 Employee, \$25,000 Spouse, Dep Life Pkg  |                   | \$200,000 Employee, \$25,000 Spouse, \$15,000 Child  |                   |
| <b>Rate Guarantee</b>   |             | NA   |                   | 3 years  |                   |
| <b>Accelerated Death Benefit</b>                                    |             | 100% to \$1,000,000 (both basic plus supp life)  |                   | Match  |                   |
| <b>Portability</b>  |             | Yes, on basic and supplemental life  |                   | Match  |                   |
| <b>Child Age</b>  |             | 14 days to age 26  |                   | Live birth to age 26 (no reductions under 6 months of age)   |                   |
| <b>Online Capabilities</b>  |             | Personalized Benefit Statements, LifeBenefitsExtra (LBE) website, and access to claims and UW approval |                   | Match  |                   |
| <b>Value Add Ons</b>  |             | Life Suite: Bene Counseling, Will Prep, Travel Assist, Legacy Planning                                 |                   | Match  |                   |
| <b>Age Reductions</b>   |             | None   |                   | Match  |                   |
| <b>Deviations Listed in RFP</b>                                     |             | NA   |                   | NA   |                   |
| <b>Other Enhancements</b>   |             | NA   |                   | Adding a Child Life only option with \$10,000 or \$15,000 option<br>First newborn child benefit<br>Annual open enrollment for new child life up to new maximum of \$15,000<br>Enhanced AD&D definition that includes new seatbelt and airbag benefit |                   |

| Aitkin County Vision Proposals     |  |   |
|------------------------------------|--|---|
| In-Network Benefits                | Avesis - Option 1<br>Copay   | No<br>EyeMed - Option 1<br>No Copay   |
| <b>MONTHLY RATES</b>               |  |   |
| Employee Only                      | \$5.51   | \$5.97  |
| Employee + Spouse                  | \$10.42  | \$11.35   |
| Employee + Children                | \$11.35  | \$11.95   |
| Employee + Family                  | \$14.61  | \$17.56   |
| <b>CO-PAY</b>                      |  |   |
| Exam                               | Not Included   | Not Included  |
| Materials                          | No copay on frames, contacts, and standard lenses.                         | No copay on frames, contacts or standard lenses. Copay on premium lenses only |
| <b>FREQUENCY</b>                   |  |   |
| Exam                               | NA   | NA  |
| Lenses                             | Every 12 months  | Every 12 months   |
| Frames                             | Every 24 months  | Every 24 months   |
| Contacts                           | Every 12 months<br>(in lieu of frame and spectacle lenses)                 | Every 12 months<br>(can use contact and frame allowance in same year)         |
| <b>MATERIALS</b>                   |  |   |
| Elective Contact Lenses            | Up to \$130 allowance (no copay)   | Up to \$130 allowance (no copay)  |
| Frames                             | \$50 whole sale allowance, equals aprox \$100 - \$150 retail<br>(no copay) | \$130 retail allowance (no copay)   |
| Lenses                             | Covered in full. Premium lens covered up to \$50 (plus<br>20% off retail)  | Standard lens covered in full, premium lens copay is<br>between \$65-\$120    |
| <b>PROVIDERS</b>                   |  |   |
| Providers within 40 miles of 56431 | 6  | 6   |
| <b>REIMBURSEMENT</b>               |  |   |
| How Discount is applied            | Discount taken at time of purchase for In Network<br>providers             | Discount taken at time of purchase for In Network<br>providers                |
| <b>PARTICIPATION</b>               |  |   |
|                                    | 10 employees   | 10 employees  |
| <b>RATE GUARANTEE</b>              |  |   |
|                                    | 3 years  | 4 years   |