



**FOREST LAKE AREA SCHOOLS
FOREST LAKE, MN 55025**

June 2, 2016

AGENDA ITEM: 9.9

TOPIC: APPROVE PROPOSAL FOR EMPLOYEE GROUP LIFE and AD&D INSURANCE AND LTD INSURANCE

BACKGROUND: During the past year, the District Employee Benefits Committee has been reviewing the District's Life and Long Term Disability (LTD) group insurance. The District is required by law to go out for proposals on group Life and LTD insurance at least every 60 months.

PROCESS: The district has requested proposals for group Life and AD&D, and group LTD insurance. Specifications were submitted to 11 carriers, six (Life) carriers and six (LTD) carriers submitted proposals. The Request for Proposals process resulted in recommending remaining with Reliance Standard at the current rates and benefits for Group Life and AD&D Insurance and LTD Insurance. A tabulation of the proposals is attached.

RECOMMENDATION: The Administration recommends awarding the following group insurances:

LTD award to Reliance Standard "combined bid w/Life and AD&D" at premium of .376%/\$1,000 of covered payroll.

Life and AD&D award to Reliance Standard "combined bid w/LTD" at premium of \$.095 + \$.019/\$1,000.

No plan design changes for LTD or Life and the rate is guaranteed for three years.

The group insurance policies would become effective **October 1, 2016**.

**Forest Lake ISD 831
LTD, Group Life Insurance and Supplemental Life
Carrier Responses to Bid
March 18, 2016**

Carrier	Life/AD&D	LTD
Reliance Standard (current carrier)	Life/AD&D = \$.095/\$.019 per \$1,000 24 month rate guarantee Matching current benefits Must sell as a package	\$.376% 24 month rate guarantee Matching current benefits Must sell as a package
MNL	Life/AD&D = \$.115/\$.019 per \$1,000 36 month rate guarantee Matching current benefits	\$.45% 36 month rate guarantee Matching current benefits
KCL	Life/AD&D = \$.117/\$.019 per \$1,000 36 month rate guarantee KCL cannot match the WOP provision for Cancer, Stroke etc. diseases.	\$.47% 36 month rate guarantee Matching current benefits
Sun Life	Declined, uncompetitive	Declined, uncompetitive
Hartford	Declined, uncompetitive due to census and experience information	Declined, uncompetitive due to census and experience information
MET	Life/AD&D = \$.151/\$.016 per \$1,000 Life/AD&D = \$.137/\$.016 per \$1,000 EDB plan 36 month rate guarantee Matching current benefits (no EAP) Packaged rate	\$.376% with one other line of business 24 month rate guarantee Matching current benefits (no EAP) Packaged rate
Prudential	Life/AD&D = \$.16/\$.019 per \$1,000 36 month rate guarantee	\$.34% 36 month rate guarantee 24 month Mental Nervous provision vs unlimited

CIGNA	Declined Life- Uncompetitive	\$.275% 36 month rate guarantee
MN Life - Ochs	Life/AD&D = \$.110/\$.019 per \$1,000 36 month rate guarantee	N/A
Guardian	Declined, uncompetitive	Declined, uncompetitive
Liberty Mutual	Life/AD&D = \$.114/\$.019 per \$1,000 36 month rate guarantee Must sell as a package	\$.376% 36 month rate guarantee Must sell as a package

Reliance Standard - Current Rate:
Basic Life .095 - AD&D .019 per \$1,000
Reliance Standard - Current Rate:
LTD: .376%