

Agenda Item-Back-Up Information
Board Meeting of October 2, 2007
Group Life Insurance

Background:

Annual renewal of the group benefits for the district witnessed a late submitted life insurance increase of sixty three [63] percent. Upon review of the increase, a recommendation for renewal at anywhere near this amount could not be made. Bids were sought within the tight time constraints and eight [8] companies responded. See attached spread sheet for highlights.

Discussion:

A continuation of the same program that has been in place for the past seven [7] years was sought. The lowest bid submitted by MetLife met the requirements sought.

The “Base” plan paid by the Board for each of its employees [10 & 20 thousand each depending upon pay-grade] under the new proposal will increase by .025 per thousand of coverage or a 9.8% increase over the expiring. This amounts to approximately \$10,800 annually [\$9,600 bargaining unit and \$1,200 non-bargaining]. The “Optional” life plan paid by the employee will increase by .022 per thousand over the expiring rate or a 9.2% increase. The optional plan was designed to allow employees to purchase insurance to meet their personal needs and also includes retirees. The Dependent Life plan [\$10,000 for spouse and \$5,000 for child] is renewed at the same rate as expiring coverage of \$2.75 per month. MetLife also provided a 3 year rate guarantee for the quoted prices. Finally, a portability provision is included. This will allow employees that leave the district for other than retirement to keep their coverage.

Recommendation:

The Superintendent recommends approval of the contract with MetLife for the 2008 plan year.

Attachment

Life Bid Summary for 2008

	AIG Current	AIG Proposed	%Change	Metlife	% Change	Reliastar	Standard	Sun Life	Lincoln	Ft. Dearborn	Amer.Fid
Basic Life	\$0.205	\$0.360	75.6%	\$0.225	9.80%	\$0.287	\$0.279	\$0.34	\$0.30	\$0.29	Declined
Basic AD&D	\$0.020	\$0.020	0.0%	\$0.020	0.0%	\$0.020	\$0.020	\$0.02	\$0.02	\$0.02	Declined
Retiree Life	\$0.240	\$0.430	79.2%	\$0.262	9.2%	\$0.336	\$0.300	\$0.34	\$0.37	\$0.35	Declined
Opt. Life	\$0.240	\$0.290	20.8%	\$0.262	9.2%	\$0.275	\$0.300	\$0.35	\$0.47	\$0.29	Declined
Opt.AD&D	\$0.200	\$0.020	0.0%	\$0.020	0.0%	\$0.020	\$0.020	\$0.02	\$0.02	\$0.02	Declined
Dep Life	\$2.75	\$4.25	54.5%	\$2.75	0.0%	.55 perdep	\$2.75	\$2.75	\$2.75	\$3.15	Declined
Rate Guarantee N/A		2 Years		3 Years		2 Years	2 Years	2 Years	2 Years	2 Years	