

BOCC APPROVAL JUNE 7, 2017
BOARD OF BIDS AND CONTRACTS JUNE 1, 2017

6. LIFE, ACCIDENTAL DEATH AND DISMEMBERMENT, AND DEPENDENT LIFE INSURANCE -- DIVISION OF HUMAN RESOURCES

FUNDING -- DIVISION OF HUMAN RESOURCES

(Request sent to 64 vendors)

RFP #17-0011 Contract

	Advance Life Insurance Company of Kansas dba Blue Cross and Blue Shield of Kansas Option 1	Advance Life Insurance Company of Kansas dba Blue Cross and Blue Shield of Kansas Option 2	Advance Life Insurance Company of Kansas dba Blue Cross and Blue Shield of Kansas Option 3	Metropolitan Life Insurance Company dba MetLife*	Aetna Life Insurance Company	Minnesota Life Insurance Company dba Securian Financial Group	Hartford Life and Accident Insurance Company*	Dearborn National Life Insurance Company
Life Coverage (Per Paycheck)								
\$10,000.00	Years 1 - 3 \$0.392 Years 4 - 5 \$0.415	Years 1 - 3 \$0.392 Years 4 - 5 \$0.415	Years 1 - 3 \$0.392 Years 4 - 5 \$0.415	\$1.260	\$1.450	\$0.545	\$1.200	\$1.140
\$15,000.00	Years 1 - 3 \$0.588 Years 4 - 5 \$0.623	Years 1 - 3 \$0.588 Years 4 - 5 \$0.623	Years 1 - 3 \$0.588 Years 4 - 5 \$0.623	\$1.890	\$2.175	\$0.817	\$1.800	\$1.710
\$25,000.00	Years 1 - 3 \$0.981 Years 4 - 5 \$1.038	Years 1 - 3 \$0.981 Years 4 - 5 \$1.038	Years 1 - 3 \$0.981 Years 4 - 5 \$1.038	\$3.150	\$3.625	\$1.362	\$3.000	\$2.850
\$35,000.00	Years 1 - 3 \$1.373 Years 4 - 5 \$1.454	Years 1 - 3 \$1.373 Years 4 - 5 \$1.454	Years 1 - 3 \$1.373 Years 4 - 5 \$1.454	\$4.410	\$5.075	\$1.906	\$4.200	\$3.990
\$50,000.00	Years 1 - 3 \$1.961 Years 4 - 5 \$2.077	Years 1 - 3 \$1.961 Years 4 - 5 \$2.077	Years 1 - 3 \$1.961 Years 4 - 5 \$2.077	\$6.300	\$7.250	\$2.723	\$6.000	\$5.700
\$75,000.00	Years 1 - 3 \$2.942 Years 4 - 5 \$3.115	Years 1 - 3 \$2.942 Years 4 - 5 \$3.115	Years 1 - 3 \$2.942 Years 4 - 5 \$3.115	\$9.450	\$10.875	\$4.085	\$9.000	\$8.550
\$100,000.00		Years 1 - 3 \$3.923 Years 4 - 5 \$4.154	Years 1 - 3 \$3.923 Years 4 - 5 \$4.154					

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\$125,000.00		Years 1 - 3 \$4.904 Years 4 - 5 \$5.192	Years 1 - 3 \$4.904 Years 4 - 5 \$5.192					
\$150,000.00		Years 1 - 3 \$5.885 Years 4 - 5 \$6.231	Years 1 - 3 \$5.885 Years 4 - 5 \$6.231					
Accidental Death and Dismemberment Coverage (AD&D) (Per Paycheck)								
\$10,000.00	\$0.923	\$0.923	\$0.923	\$0.290	\$0.200	\$0.090	\$0.200	\$0.250
\$15,000.00	\$0.138	\$0.138	\$0.138	\$0.435	\$0.300	\$0.140	\$0.300	\$0.375
\$25,000.00	\$0.231	\$0.231	\$0.231	\$0.725	\$0.500	\$0.230	\$0.500	\$0.625
\$35,000.00	\$0.323	\$0.323	\$0.323	\$1.015	\$0.700	\$0.320	\$0.700	\$0.875
\$50,000.00	\$0.462	\$0.462	\$0.462	\$1.450	\$1.000	\$0.460	\$1.000	\$1.250
\$75,000.00	\$0.692	\$0.692	\$0.692	\$2.175	\$1.500	\$0.690	\$1.500	\$1.875
\$100,000.00		\$0.923	\$0.923					
\$125,000.00		\$1.154	\$1.154					
\$150,000.00		\$1.385	\$1.385					
Dependent Coverage (Per Paycheck)								
\$5,000.00 Spouse/Child(ren)	\$0.762	\$0.762	\$0.762	\$1.117	\$1.120	\$1.120	\$2.234	\$3.070
\$10,000.00 Spouse only	\$0.600	\$0.600	\$0.600	\$1.288	\$1.290	\$1.290	\$2.188	\$3.540
\$10,000.00 Spouse/Child(ren)	\$1.523	\$1.523	\$1.523	\$2.234	\$2.190	\$2.190	\$4.376	\$6.010
\$10,000.00 Children only	\$0.923	\$0.923	\$0.923	\$0.946	\$0.900	\$0.900	\$2.188	\$2.470
\$15,000.00 Spouse only				\$1.934		\$1.940		
\$15,000.00 Spouse/Child(ren)				\$3.351		\$3.360		
\$15,000.00 Children only				\$1.422		\$1.350		
\$20,000.00 Spouse only				\$2.963		\$2.580		
\$20,000.00 Spouse/Child(ren)				\$5.142		\$4.480		
\$20,000.00 Children only				\$2.179		\$1.800		
\$25,000.00 Spouse only		\$1.500	\$1.500	\$3.706		\$3.230		
\$25,000.00 Spouse/Child(ren)		\$3.808	\$3.808	\$6.412		\$5.600		
\$25,000.00 Spouse/\$15,000.00 Child(ren)		\$2.285	\$2.285					
\$25,000.00 Children only		\$2.308	\$2.308	\$2.723		\$2.250		
\$30,000.00 Spouse only			\$1.800			\$3.870		
\$30,000.00 Spouse/Child(ren)			\$4.569			\$6.720		
\$30,000.00 Children only			\$2.769			\$2.700		
No Bid	Allstate							

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On the recommendation of Kara Kinglsey, on behalf of the Division of Human Resources, Jennifer Dombaugh moved to **accept the proposal from Advance Life Insurance Company of Kansas dba Blue Cross and Blue Shield of Kansas (Advance Life) Option 2 for Life and AD&D coverage, and Option 1 for Dependent Coverage and establish contract pricing at the rates listed above for five (5) years.** Linda Kizzire seconded the motion. The motion passed unanimously.

A committee comprised of Heather Poorman and Rebecca Page - Human Resources, Tim Kaufman - Assistant County Manager and Kara Kingsley - Purchasing reviewed and scored the responses based on criteria set forth in the RFP. The committee unanimously decided to recommend Advance Life for award.

Services under this contract will include Life, AD&D, and Dependent insurance coverage. Sedgwick County covers the base cost of Life and AD&D for each employee based on their annual salary. Employees can chose to opt for a higher coverage and pay the difference, reduced amount of coverage, or no coverage and receive a credit. In addition, employees can elect to participate in Dependent Coverage, to which they are responsible for the entire cost.

Advance Life is our current vendor.

Note- The following questions were asked during the review period:

Question: How does the cost and coverage of the current contract compare to the recommended contract up for consideration?

Answer: The proposed contract from Advance is less expensive than the current contract with Advance. They are reducing the basic life cost from .09 / per 1,000 of coverage to .085 / per 1,000 of coverage. Accidental death and dismemberment and dependent life insurance are staying the same as the current contract.

Question: Is there a reason that there was no recommendation for the higher limit (\$25,000 +) Dependent Coverage? Is that level of coverage offered now?

Answer: Currently, Advance offers a \$5,000 and \$10,000 benefit for spouse/children. In most cases, the proposed options to increase the Dependent limits are higher than what an employee can obtain through KPERS optional life for their spouse and children. We opted not to take the additional options with Advance. When we communicate to employees about the additional employee options, we will remind employees about the KPERS optional life and the coverage levels and costs.

Questions and Answers:

Linda Kizzire: "What was the total spend last year?"

Becky Page (Human Resources): "Spend for 2016 was approximately \$236,033.60."

Linda Kizzire: "That's fine."

Richard Powell: "In our follow-up notes there was a question regarding the reason there was no recommendation for the higher limit dependent coverage. I would inquire...the explanation given was that the individual employee has the opportunity of obtaining the higher level of dependent coverage through KPERS."

Becky Page: "Correct."

Richard Powell: "As being under that retirement system. Are the qualifiers to obtain that coverage through KPERS as an employer or dependent the same qualifiers that we would have under this plan in here?"

Becky Page: "There's no qualifiers for Advance Life Insurance Company of Kansas. For KPERS – they will guarantee for the employee \$250,000 without extra evidence of insurability, and for spouse it is \$25,000, but there's no qualifiers for Advance Life Insurance Company of Kansas."

Richard Powell: "What about the dependent..."

Becky Page: "On either one – there's no qualifiers."

Richard Powell: "So other than the lesser amount of coverage available that would be the only difference?"

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Becky Page: "Correct."

Richard Powell: "Is there additional cost or deduction or contribution required under KPERS to fund that?"

Becky Page: "The employee pays their portion for what they choose on a monthly basis but is cheaper to go through KPERS for those higher amounts."

Tom Stolz: "This is our current vendor. Is option two the current option of our contract that we are in?"

Becky Page: "I believe so but I don't know that off the top of my head but I can find out for sure."

Tom Stolz: "But the committee that looked at this decided that this is the superior option?"

Becky Page: "Yes sir."

Tom Stolz: "Not necessary to look that up."

Talaya Schwartz: "Do we know how long we have had this current vendor?"

Becky Page: "We have been with Advance Life Insurance Company of Kansas since 2005."

Kara Kingsley: "At least five years because they have the last contract."

Talaya Schwartz: "I'm surprised that they are reducing the cost for the basic life and the death and dismemberment and dependent life insurance is also staying the same. I was wondering if that has to do with us having them for a while."

Becky Page: "It could be. For the five years I have been here that's who we've had so I'm not sure."

Kara Kingsley: "All vendors were given the same information about our current rates."