

BOCC APPROVAL OCTOBER 21, 2021
BOARD OF BIDS AND CONTRACTS OCTOBER 14, 2021

3. EMPLOYEE ANCILLARY BENEFITS - LIFE INSURANCE -- HUMAN RESOURCES

FUNDING -- HUMAN RESOURCES

(Request sent to 164 vendors)

RFP #21-0051 Contract

Existing Life Benefit	Advance Insurance Company of Kansas (BCBS KS)	Standard Insurance Company dba The Standard		United HealthCare Insurance Company dba United HealthCare
Primary Benefits				
Class 1: \$17,000 or Less	\$10,000.00	\$10,000.00		\$10,000.00
Class 2: \$17,001 - \$23,000	\$15,000.00	\$15,000.00		\$15,000.00
Class 3: \$23,001 - \$36,000	\$25,000.00	\$25,000.00		\$25,000.00
Class 4: \$36,001 - \$45,000	\$35,000.00	\$35,000.00		\$35,000.00
Class 5: \$45,000 and greater	\$50,000.00	\$50,000.00		\$50,000.00
AD&D	Equals Life Benefit	Equals Life Benefit		Equals Life Benefit
Voluntary Life				
Guaranteed Issue (ee sp ch)	\$50K \$10K \$10K	\$50,000.00		\$150K \$25K \$10K
Employee	Up to \$150K including Basic Life Amount	\$10K increments to 8x salary to \$500K cap		\$10K increments to 5x salary to \$150K cap
Spouse	\$5,000.00 or \$10,000.00	\$5,000.00 or \$10,000.00		\$5,000 increments, not to exceed 50% of EE
Child(ren)	\$5,000.00 or \$10,000.00	\$5,000.00 or \$10,000.00		\$5,000 increments to a maximum of \$10,000, not to exceed 50% of EE
AD&D	Equals Life Benefit	Not Covered		Equals Life Benefit
Volume & Cost per \$1,000.00				
Basic Life \$95,472,500.00	Varies by Face Amount	\$0.28		\$0.15
Basic AD&D \$95,472,500.00	Varies by Face Amount	\$0.04		\$0.02
Spouse	\$0.82, \$0.65, \$1.65 or \$1.00	-		-
Child(ren)		-		-
Vol. Life	Varies by Face Amount	-		Same Rates as VL prop.
Alternate Life Benefit	Advance Insurance Company of Kansas (BCBS KS)	Metropolitan Life Insurance Company dba MetLife	Minnesota Life Insurance Company dba Securian Financial	Standard Insurance Company dba The Standard
Primary Benefits				
Class 1: All Eligible	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
Spouse	\$5,000.00 or \$10,000.00	\$0.00	\$0.00	\$0.00
Child(ren)	\$5,000.00 or \$10,000.00	\$0.00	\$0.00	\$0.00
AD&D	Equals Life Benefit	Equals Life Benefit	Equals Life Benefit	Equals Life Benefit
Additional Provisions				
Guaranteed Issue (ee sp ch)	\$50K \$10K \$10K	\$50,000.00	\$50,000.00	\$50,000.00
Benefits Reduce To:	65% at 70: 45% at 75: 30% at 80: 15% at 85	65% at 70: 45% at 75: 30% at 80	65% at 70, 45% at 75, 30% at 80, 15% at 85	65% at 70: 50% at 75
Volume & Cost per \$1,000.00				
Life \$124,160,000.00	\$0.10	\$0.09	\$0.162	\$0.125
AD&D \$124,160,000.00	\$0.02	\$0.02	\$0.02	\$0.04
Spouse	Per Family \$1.30, 1.65, or \$3.30	-		-
Child		-		-

Alternate Life Benefit	Advance Insurance Company of Kansas (BCBS KS)	Metropolitan Life Insurance Company dba MetLife	Minnesota Life Insurance Company dba Securian Financial	Standard Insurance Company dba The Standard	United HealthCare Insurance Company dba United HealthCare
Primary Benefits					
Employee	\$1K increments to 5x salary from \$500K, minimum \$10K	\$10K increments to 5x salary to \$500K cap	\$10K increments to 8x salary to \$500K cap	\$10K increments to 5x salary to \$500K cap	\$10K increments to 5x salary to \$150K cap
Spouse	-	\$5,000.00 increments to a maximum of \$100,000.00, not to exceed 50% of EE	\$5,000.00 or \$10,000.00	\$5,000.00 increments to a maximum of \$250,000.00, not to exceed 50% of EE	\$5,000 increments to a maximum of \$25,000, not to exceed 50% of EE
Child(ren)	\$5,000.00 or \$10,000.00	\$10,000.00 (child age 15 days to 6 months \$1,000.00)	\$5,000.00 or \$10,000.00	\$2,000.00 increments to a maximum of \$10,000.00, not to exceed 50% of EE	\$5,000 increments to a maximum of \$10,000, not to exceed 50% of EE
AD&D	Equals Life Benefit	Equals Life Benefit	Not Covered	Equals Life Benefit	-
Additional Provisions					
Guaranteed Issue (ee sp ch)	\$250K \$100K \$10K	\$150K \$25K \$10K	\$150K \$10K \$10K	\$150K \$25K \$10K	\$150K \$25K \$10K
Benefits Reduce To:	65% at 70, spouse coverage terminates at 70	No Age Reduction	65% at 70, 45% at 75, 30% at 80, 15% at 85	65% at 70, 50% at 75	50% at 70
Volume & Cost per \$1,000.00					
<24	\$0.07	\$0.06	\$0.03	\$0.05	\$0.059
25-29	\$0.07	\$0.06	\$0.04	\$0.06	\$0.071
30-34 \$20,880,000.00	\$0.07	\$0.08	\$0.05	\$0.08	\$0.095
35-39 \$20,885,000.00	\$0.12	\$0.09	\$0.05	\$0.09	\$1.07
40-44 \$23,095,000.00	\$0.19	\$0.12	\$0.06	\$0.10	\$0.119
45-49 \$26,025,000.00	\$0.30	\$0.179	\$0.09	\$0.15	\$0.178
50-54 \$24,920,000.00	\$0.48	\$0.287	\$0.14	\$0.23	\$0.274
55-59 \$21,145,000.00	\$0.83	\$0.441	\$0.26	\$0.43	\$0.512
60-64 \$18,290,000.00	\$1.20	\$0.66	\$0.40	\$0.66	\$0.785
65-69 \$13,130,000.00	\$2.00	\$1.27	\$0.77	\$1.27	\$1.511
70-74 \$5,955,000.00	\$3.78	\$2.06	\$1.26	\$2.06	\$2.451
75-79 \$924,250.00	\$5.90	\$2.06	\$1.26	\$2.06	\$2.451
80-84	\$9.30	\$2.06	\$1.26	\$2.06	\$2.451
85-89	\$13.96	\$2.06	\$1.26	\$2.06	\$2.451
AD&D	\$0.02	\$0.022	\$0.02	\$0.025	\$2.451
Spouse	Same as EE	Same as EE	Same as EE	Same as EE	Same as EE
Child	\$1.15 or \$2.30	\$0.18	-	\$0.20	\$0.025
No Bids	AxisPlus Benefits	Charlesworth Consulting, LLC	Delta Dental Plan of Kansas, Inc.	EMPAC	Gallagher Benefits
	Hays Companies of Kansas	Hub International Insurance Service	Humana	Zachary Insurance	MGT of America
	Providers Care Network	Sun Life	UMB Bank, N.A.	VSP Vision Care	WIBA Insurance
	Kansas Health Insurance Cooperative				

On the recommendation of Joe Thomas, on behalf of the Division of Human Resources, Margaret Flanders moved to **accept the proposal from Advance Insurance Company of Kansas (BCBS KS) at the rates listed above starting January 1, 2022 for a period of three (3) years ending December 31, 2024 with two (2) one (1) year options to renew.** Randy Bargdill seconded the motion. The motion passed unanimously.

An evaluation committee comprised of Lorien Showalter Arie - Budget; Wendy Hummell - Sheriff's Office; Karen Bailey - County Clerk's Office; Sarah Meek, Connie McAfee, Anna Meyerhoff Cole, and Sheena Schmutz - Division of Human Resources; and Joe Thomas - Purchasing evaluated the proposal responses based on the criteria set forth in the RFP. Based on scoring, Advance Insurance Company of Kansas (BCBS KS) was chosen for award.

Services for this contract will include Life, AD&D, and dependent insurances. Sedgwick County covers the base cost of life insurance and AD&D for each employee based on their annual salary. Employees can choose to opt for higher coverage and pay the difference, reduced amount of coverage, or no coverage and receive credit. In addition, employees can elect to participate in dependent coverage, for which they are responsible for the entire cost. The current vendor is Advance Insurance and the committee recommends continuing services with this vendor.

Notes:
This is a proposal and not a bid. Proposals are scored based on criteria set forth in our RFP. There are six (6) components to this RFP:

Component	Points
A. Meeting all proposal requirements and instructions	20
B. Network access	20
C. Customer Service and member experience	20
D. Administrative Services (Claims Processing, Reporting, Billing, etc.)	15
E. Experience and Qualifications working with government entities	15
F. Overall cost of solution	10
Total Points	100

Questions and Answers

Russell Leeds: There's a lot of information on these tables and I know they spent a lot of time going through these as a committee. I don't have a specific question and I'm just trying to digest a lot of numbers trying to get to what the bottom line is. Could you give a very brief explanation of how this is the best value option based on the complexity of these numbers?

Sheena Schmutz: We are looking at the estimated both monthly and annual rates for those employees. For our current cost it is around \$63,000.00 per year and those rates would remain the same for employees. What we would pay for employees is based on their annual salary.

Russell Leeds: So the cost for the county on behalf of the employees remains flat from what it was previously?

Sheena Schmutz: Yes.

Russell Leeds: The other vendors don't provide any benefit beyond. This is the best value for the employees?

Sheena Schmutz: Yes. I will say the committee this year looked at different options for life insurance and we all agreed to stay with the current setup we have due to the cost of changing over to a different tier.

Russell Leeds: There's an initial cost associated with change?

Sheena Schmutz: Yes.