









**BOARD OF COUNTY COMMISSIONERS**

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August 22, 2007

Teresa Aguiar  
Division Director Employee Services

Re: Life Insurance Proposals

Teresa:

As a result of our recent life insurance RFP for Basic Life, Voluntary Employee Supplemental Life & Voluntary Dependent Life 11 proposals were received. Below is a brief analysis of each of the proposals received.

Several of the proposals did not comply with the specifications of the RFP.

**NY Life Ins. Co.** – Only bid on Voluntary benefits. No minimum participation or payroll deductions required. Offers seminars to county at no cost to us. County only required to provide meeting place & communication to employee. Actively at work not required. Bid offers a number of services to employees.

**Aetna Life Ins.** – Will only release list of government agencies or customer references if selected as finalist. Referred to website when answering litigation questions. Did not include any of the required county forms or insurance. No further review as done on this proposal due to non-compliance with RFP.

**Minnesota Life** - Proposal was vague in answering litigation questions; requested waiver of insurance. Actively at work – Employee absent from work due to disability, injury, or accident and are eligible for extension of benefits under current coverage are the liability of the current carrier. Census will be needed to indicate anyone out of work for any reason. **Basic Life Rate** per \$1000 \$0.510; AD&D \$0.025. **Basic Life Option 1 (1X annual salary) Rate** per \$1000 \$0.510; AD&D

\$0.200. Rate guaranteed for 3 years. **Voluntary Benefits** require employees to be Actively at work to enroll and premiums must be payroll deducted.

**Reliance Standard** – No history of firm submitted only broker history. Actively at work not referenced in RFP and requires employer to have a Smoke Free Workplace. **Basic Life & Basic Life Option 1 (1X annual salary) Rate** per \$1000 - \$0.490; AD&D \$0.040. Rate guaranteed for 2 years. **Voluntary Benefits** require employees to be Actively at work to enroll and premiums must be payroll deducted, participation requirement 10% of eligible employees.

**Prudential** – No list of governmental agencies per privacy policy and customer references only released if selected as finalist. Actively at work – Employee absent from work due to disability, injury, or accident and are eligible for extension of benefits under current coverage are the liability of the current carrier. Census will be needed to indicate anyone out of work for any reason. **Basic Life Rate** per \$1000 \$0.595; AD&D \$0.025. **Basic Life Option 1 (1X annual salary) Rate** per \$1000 \$0.445; AD&D \$0.025. Rate guaranteed for 3 years. **Voluntary Benefits** require employees to be Actively at work to enroll and premiums must be payroll deducted, participation requirement 20% of eligible employees.

**The Standard** - Customer references not released unless selected as finalist. Actively at work – Employee absent from work due to disability, injury, or accident and are eligible for extension of benefits under current coverage are the liability of the current carrier. Census will be needed to indicate anyone out of work for any reason. **Basic Life Rate** per \$1000 \$0.680; AD&D \$0.020. **Basic Life Option 1 (1X annual salary) Rate** per \$1000 \$0.380; AD&D \$0.020. Rate guaranteed for 3 years. **Voluntary Benefits** require employees to be Actively at work to enroll and premiums must be payroll deducted, participation requirement 25% of eligible employees.

**ING Employee Benefits** – Proposal assumes County packages either Whole Life or Supplemental Life with ING's Basic Life. Actively at work – Employee absent from work due to disability, injury, or accident and are eligible for extension of benefits under current coverage are the liability of the current carrier. Census will be needed to indicate anyone out of work for any reason. **Basic Life Rate** per \$1000 \$0.59; AD&D \$0.023. Rate guaranteed for 3 years. **Voluntary Benefits** require employees to be Actively at work to enroll and premiums must be payroll deducted, participation requirement 20% of eligible employees and county responsible for enrollments as well.

**Met Life Ins.** – Referred to website when answering litigation questions. \*ONLY U.S. RESIDENTS ELIGIBLE. Actively at work – Employee absent from work due to disability, injury, or accident and are eligible for extension of benefits under current coverage are the liability of the current carrier. Census will be needed to indicate anyone out of work for any reason. **Basic Life Rate** per \$1000 \$0.31;

Retiree rate per \$1000 \$1.09; AD&D \$0.023. Rate guaranteed for 3 years. **Voluntary Benefits** require employees to be Actively at work to enroll and premiums must be payroll deducted, participation requirement 25% of eligible employees.

**Florida Combined Life** – Actively at work – Employee absent from work due to disability, injury, or accident and are eligible for extension of benefits under current coverage are the liability of the current carrier. Census will be needed to indicate anyone out of work for any reason. Rates do not include agent commission. **Basic Life Rate** per \$1000 \$0.59; AD&D \$0.03. Rate guaranteed for 3 years. **Voluntary Benefits** require employees to be Actively at work to enroll and premiums must be payroll deducted, participation requirement 25% of eligible employees.

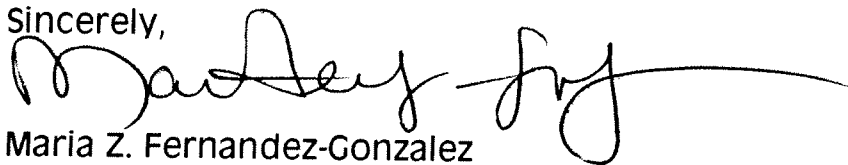
**Ft. Dearborn** – Licenses with proposal were outdated. Actively at work – Employee absent from work due to disability, injury, or accident and are eligible for extension of benefits under current coverage are the liability of the current carrier. Census will be needed to indicate anyone out of work for any reason. **Basic Life Rate** per \$1000 \$0.525; Retiree prior to 87 \$0.350; AD&D \$0.03. Rates guaranteed for 2 years. **Voluntary Benefits** require employees to be Actively at work to enroll and premiums must be payroll deducted, participation requirement 25% of eligible employees.

I've left The Hartford for last as the incumbent carrier. As the current carrier we would not have to supply them with a census of employee statuses. **Basic Life Rate** per \$1000 \$0.520; AD&D \$0.02. **Basic Life Option 1 (1X annual salary) Rate** per \$1000 \$0.400; AD&D \$0.020. Guarantee issue up to \$100,000 **Voluntary Benefits** require employees to be Actively at work to enroll and premiums must be payroll deducted, participation requirement 25% of eligible employees.

At this time I would recommend we remain with The Hartford and entertain the Basic Life Option 1 (1X annual salary up to \$100,000). I would also like to recommend the selection of NY Life to provide Voluntary Benefits.

Should you wish to discuss any of the proposals further or have any questions, please let me know.

Sincerely,



Maria Z. Fernandez-Gonzalez  
Sr. Administrator, Benefits

## Basic Employee Life and AD&D

<b>Employee Plan Summary</b>	
<b>Feature</b>	<b>Description</b>
<b>Class Description</b>	Class 1 - All Active Full Time Employees Class 2 - Retired employee insured on October 1, 1987 or later Class 3 - Retired employee insured prior to October 1, 1987
<b>Employee Benefit (Current)</b>	Class 1&2 - Flat \$20,000 Class 3 - lesser of 50% of the amount of insurance in force prior to October 1, 1987 or \$5,000
<b>Employee Benefit (Option 1)</b>	Class 1 - 1 times Earnings rounded to Next higher \$1,000 Class 2 - Flat \$20,000 Class 3 - lesser of 50% of the amount of insurance in force prior to October 1, 1987 or \$5,000
<b>Maximum Benefit (Current)</b>	\$20,000
<b>Maximum Benefit (Option 1)</b>	\$100,000
<b>Guaranteed Issue Amount (Current)</b>	\$20,000
<b>Guaranteed Issue Amount (Option 1)</b>	Class 1 - \$100,000 Class 2&3 - \$20,000
<b>Benefit Reduction Schedule</b>	Class 1 - 33% @ 70, 50% @ 75** Class 2 - 50% @ 70** Class 3 - None
<b>Employee No Loss/No Gain</b>	Standard
<b>Life Disability Provision*</b>	Class 1 - Premium Waiver if Disabled Prior to 60 - <b>Lifetime Waiver</b> - 6 month elimination period. Class 2&3 - None
<b>Living Benefit Option (Accelerated Benefit)*</b>	Class 1 - 12 months Life Expectancy, 80% of benefit to Max. \$20,000 <b>Option 1</b> - Class 1 - 12 months Life Expectancy, 80% of benefit to Max. \$100,000
<b>Conversion*</b>	Included
<b>Accidental Death &amp; Dismemberment (AD&amp;D)</b>	Current: Class 1 - Flat \$20,000 <b>Option 1:</b> 1 times Earnings rounded to Next higher \$1,000
<b>Employee Contribution</b>	Non-contributory
<b>Enrollment Type</b>	No Enrollment
<b>Participation Requirement</b>	100% of Eligible Employees
<b>Number of Eligible Employees</b>	Class 1 - 1358 Class 2 - 294 Total - 1652

\* Applies to Life only

\*\* Reminder - Compliance with ADEA is the responsibility of the Employer. Please consult your legal counsel to determine if this cutback schedule complies with ADEA guidelines.



## Employee Rate Summary

			Monthly Premium
<b>Basic Life</b>			
Class 1, 2, 3 - Current	\$0.52 per \$1,000	\$31,612,800 Volume	\$16,438.66
<b>Basic AD&amp;D</b>	\$0.02 per \$1,000	\$26,927,800 Volume	\$538.56
<b>Option 1</b>	\$0.40 per \$1,000	\$67,796,000 Volume	\$27,118.40
<b>Basic AD&amp;D</b>	\$0.02 per \$1,000	\$63,106,000 Volume	\$1,262.12
<b>Rate Guarantee: 3 Years</b>			

