

REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

Res/~~Ord~~ No.: 19649

Sponsor(s): Dennis Waits

Date: November 13, 2017

SUBJECT	<p>Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance</p> <p>Project/Title: <u>Awarding a Three Year Term and Supply Contract for the furnishing of Group Life, Supplemental Life, and Dependent Life Insurance for use by the Human Resources Department to Standard Insurance Company of Portland, OR under the terms and conditions of Request for Proposal 72-17.</u></p>																		
<p>BUDGET INFORMATION</p> <p><i>To be completed By Requesting Department and Finance</i></p>	<table border="1"> <tr> <td>Amount authorized by this legislation this fiscal year:</td><td></td></tr> <tr> <td>Amount previously authorized this fiscal year:</td><td></td></tr> <tr> <td>Total amount authorized after this legislative action:</td><td></td></tr> <tr> <td>Amount budgeted for this item * (including transfers):</td><td></td></tr> <tr> <td>Source of funding (name of fund) and account code number:</td><td></td></tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input checked="" type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Human Resources Estimated Use: \$30,000.00</p> <p>Prior Year Budget (if applicable): Prior Year Actual Amount Spent (if applicable):</p>	Amount authorized by this legislation this fiscal year:		Amount previously authorized this fiscal year:		Total amount authorized after this legislative action:		Amount budgeted for this item * (including transfers):		Source of funding (name of fund) and account code number:									
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PRIOR LEGISLATION	<p>Prior ordinances and (date): Prior resolutions and (date): 18645 (October 27, 2014)</p>																		
CONTACT INFORMATION	<p>RLA drafted by (name, title, & phone): Katie Bartle, Senior Buyer, 816-881-3465</p>																		
REQUEST SUMMARY	<p>The Human Resources Department requires a contract for Group Life, Supplemental Life, and Dependent Life Insurance due to the current contract expiring. The Purchasing Department issued Request for Proposal 72-17 in response to those requirements.</p> <p>Thirty-eight notifications were distributed, and six responses were received. One response, from Allstate of Jacksonville, FL, was rejected due to unresponsiveness to the requirements of the Request for Proposal. The incumbent respondent, The Standard Insurance Company of Portland, OR, lowered their pricing during negotiations to match the lowest respondent's pricing of \$0.05 per \$1000 in coverage.</p> <p>The responses were evaluated as follows:</p> <table border="1"> <thead> <tr> <th>RANK</th><th>Respondent</th><th>Price per \$1000 in Coverage</th></tr> </thead> <tbody> <tr> <td>1.</td><td>The Standard Insurance Company Portland, OR</td><td>\$0.05</td></tr> <tr> <td>2.</td><td>Ochs, Inc., A Securian Company St. Paul, MN</td><td>\$0.05</td></tr> <tr> <td>3.</td><td>The Hartford Overland Park, KS</td><td>\$0.06</td></tr> <tr> <td>4.</td><td>Sun Life Financial Wellesley Hills, MA</td><td>\$.056</td></tr> <tr> <td>5.</td><td>MetLife New York, NY</td><td>\$.134</td></tr> </tbody> </table>	RANK	Respondent	Price per \$1000 in Coverage	1.	The Standard Insurance Company Portland, OR	\$0.05	2.	Ochs, Inc., A Securian Company St. Paul, MN	\$0.05	3.	The Hartford Overland Park, KS	\$0.06	4.	Sun Life Financial Wellesley Hills, MA	\$.056	5.	MetLife New York, NY	\$.134
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	<p>Pursuant to Sections 1054.6 of the Jackson County Code, the Director of Human Resources recommends the award of Group Life, Supplemental Life, and Dependent Life Insurance to The Standard Insurance Company of Portland, OR as the best proposal received.</p> <p>The award is made on an as needed basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases is subject to annual appropriations.</p>	
CLEARANCE	<input checked="" type="checkbox"/> Tax Clearance Completed (Purchasing & Department) N/A <input checked="" type="checkbox"/> Business License Verified (Purchasing & Department) N/A <input checked="" type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)	
COMPLIANCE	<div style="display: flex; align-items: center;"> <div style="margin-right: 20px;"> <input type="checkbox"/> MBE Goals <input type="checkbox"/> WBE Goals <input type="checkbox"/> VBE Goals </div> <div>No Goals Assigned</div> </div>	
ATTACHMENTS	Attached are the pertinent pages of the proposal from The Standard Insurance Company, a copy of the e-mail from The Standard Insurance Company revising their pricing, a copy of the Evaluation Matrices submitted by the Evaluation Committee, and the Award Recommendation.	
REVIEW	Department Director:	Date: 11/8/17
	Finance (Budget Approval): <i>If applicable</i>	Date: 11/8/17
	Division Manager:	Date: 11/8/17
	County Counselor's Office:	Date:

Fiscal Information (to be verified by Budget Office in Finance Department)

- ☐ This expenditure was included in the annual budget.
- ☐ Funds for this were encumbered from the _____ Fund in _____.
- ☐ There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- ☐ Funds sufficient for this expenditure will be/were appropriated by Ordinance # _____
- ☐ Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:

- ☒ This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- ☐ This legislative action does not impact the County financially and does not require Finance/Budget approval.



Jackson County, Missouri

2018 Renewal Summary

Policy 626878/627458

Thank you for choosing Standard Insurance Company (The Standard) as your employee benefits partner since January 1, 1997. We appreciate your business and the opportunity to renew our commitment. We strive to provide Jackson County, Missouri and your employees outstanding value, expertise and personal service.

As always, our goal is to help you take care of your business and your employees. Our team remains committed to helping you achieve strategic goals for your benefits program, streamline administration and increase employee satisfaction. In short — better results with less noise. Thank you again for your continued business.

Our Approach to Renewals — Continued Partnership

The renewal rates for your Group Life and Disability insurance will be effective January 1, 2018.

Renewal Date	Current Rate *	Renewal Rate *	Monthly Premium Change **
January 1, 2018	\$0.070	\$0.070	\$0

* Rate mode is Per \$1000 of Benefit

** Final premium change will be determined based on your group's composition at billing time

Rate will be guaranteed for 3 years until January 1, 2021.

Your Additional Life Renewal

Your Additional Life insurance from The Standard allows you to expand the benefit options you offer your employees. Your Additional Life plan can offer choice, flexibility, convenience and greater peace of mind for employees.

Age Graded Rates for Additional Life:

Age Band	Current Rate *	Renewal Rate *	Monthly Premium Change **
0 – 29	\$0.090	\$0.090	\$0
30 – 34	\$0.100	\$0.100	\$0
35 – 39	\$0.120	\$0.120	\$0
40 – 44	\$0.200	\$0.200	\$0
45 – 49	\$0.350	\$0.350	\$0
50 – 54	\$0.560	\$0.560	\$0
55 – 59	\$0.890	\$0.890	\$0
60 – 64	\$1.150	\$1.150	\$0
65 – 69	\$1.750	\$1.750	\$0
70 and over	\$3.000	\$3.000	\$0

* Rate mode is Per \$1000 of Benefit

** Final premium change will be determined based on your group's composition at billing time

Rate will be guaranteed for 3 years until January 1, 2021.

Your Long Term Disability Renewal

The Standard's Long Term Disability insurance helps your employees protect a portion of their incomes. Our holistic approach can also support productivity by helping employees stay at or return to work.

The LTD rates include the management of an Administrative Services Only plan for the first 2 years of a claim. The rates below apply only to the fully insured plan.

Census Demographics for Long Term Disability

Age Graded Rates for Long Term Disability, Base Plan:

Age Band	Current Rate *	Renewal Rate *	Monthly Premium Change **
0 – 30	\$0.120	\$0.120	\$0
31 – 34	\$0.140	\$0.140	\$0
35 – 39	\$0.180	\$0.180	\$0
40 – 44	\$0.250	\$0.250	\$0
45 – 49	\$0.380	\$0.380	\$0
50 – 54	\$0.610	\$0.610	\$0
55 – 59	\$1.060	\$1.060	\$0
60 – 64	\$0.930	\$0.930	\$0
65 – 69	\$0.430	\$0.430	\$0
70 and over	\$0.610	\$0.610	\$0

Age Graded Rates for Long Term Disability, Buy Up:

Age Band	Current Rate *	Renewal Rate *	Monthly Premium Change **
0 – 30	\$0.140	\$0.140	\$0
31 – 34	\$0.190	\$0.190	\$0
35 – 39	\$0.250	\$0.250	\$0
40 – 44	\$0.370	\$0.370	\$0
45 – 49	\$0.560	\$0.560	\$0
50 – 54	\$0.770	\$0.770	\$0
55 – 59	\$0.950	\$0.950	\$0
60 – 64	\$0.780	\$0.780	\$0

65 – 69	\$0.350	\$0.350	\$0
70 and over	\$0.790	\$0.790	\$0

Rate will be guaranteed for 3 years until January 1, 2021.

Thank You and Next Steps

We appreciate the opportunity to continue our partnership with Jackson County, Missouri.

A summary of our Renewal Offer is in the chart below. Thank you for allowing Standard Insurance Company the opportunity to support your insurance needs.

Product & Services *	Through 12/31/17	Effective 01/01/18
Basic Life	\$0.070 Per \$1000 of Benefit	\$0.070 Per \$1000 of Benefit
Basic AD&D	\$0.020 Per \$1000 of Benefit	\$0.020 Per \$1000 of Benefit
Additional Life	Rate Varies	Rate Varies
LTD	Rate Varies	Rate Varies
Employee Assistance Program	Included in Rates for LTD	Included in Rates for LTD
Spouse & Child Dependent Life	\$2.500 Per Member, Elective	\$2.500 Per Member, Elective

* The above shown rates are monthly

You can count on us to help you retain and attract employees by providing the benefits and services they value – now and for years to come. We're always available to address any questions you have about this renewal or for any service needs. Please reach out to the Kansas City group office at (913) 266-0216 and we'll be happy to help.



Response to Section 4 – Minimum Qualifications

The following is The Standard's response to the Minimum Qualifications of Jackson County, Missouri RFP No. 72-17 for Group Life and Supplemental Life Insurance.

4.0 MINIMUM QUALIFICATIONS -To be considered as a qualified Respondent, the following criteria must be met.

4.1. Company has been incorporated for at least 10 years.

The Standard was founded in 1906 in Portland, Oregon, making it the oldest insurance company in the Pacific Northwest.

4.2. Company has direct experience in writing life insurance policies for at least 10 years.

The Standard has provided Group Life insurance coverage since 1951.

4.3. Company has multiple current commercial clients of similar size as Jackson County (at least 3 other clients of comparable size).

The Standard has been a leading provider of employee benefit products serving the public sector for more than 60 years. Our first policyholder was a public entity, and we are proud to say that we still have this client insured today. Since then, we have set the industry standard for leadership in public group insurance protection.

Most of our public employers' relationships average more than 10 years per policyholder. Currently, we provide life or disability coverage to over 4,800 public entities, including 1,791 schools, 96 colleges, 20 states and 253 counties.

4.4. Company is rated an "A" or better by A.M. Best as of the latest report.

As of September 2017 The Standard is rated as A, "Excellent" by A.M. Best.

4.5. Company has good standing with the Missouri Department of Insurance and is properly licensed.

We have included a copy of our Certificate of Authority in Section 3 of this proposal. Our Certificate of Authority is issued by the State of Missouri Department of Insurance authorizing Standard Insurance Company to do business within the State of Missouri. Per the Department of Insurance's website we are registered as a Foreign Corporation and our status is active.

4.6. Terms and Conditions of proposed policy are consistent with the County's existing policy. In addition, the Basic, AD&D, Optional, or Dependent Life are not subject to participation requirements.

The Standard's current policy with the County has a 20% minimum participation requirement.

- 4.7. Personnel will be available to participate directly in the Open Enrollment process to answer questions by employees annually and a toll free number is provided for claim questions.

Confirmed. If The Standard retains the business and have been provided adequate lead time to secure resources your Sales and Account Management Team will continue to be available to assist with Open Enrollments. The Standard can also support your enrollment by providing onsite enrollers familiar with your plan for enrollment meetings. Generally, onsite meetings are available for locations with at least 50 eligible employees. These individuals are professional and noncommissioned and will provide information to employees; answering questions regarding eligibility and costs; supporting onsite, online enrollment and medical history submission; and providing promotional items and door prizes, as needed.

The Standard will continue to provide the County with a toll free number for claim questions.

- 4.8. A dedicated Service Representative will be available to assist with account inquiries.

Confirmed. Your Account Manager, Sherri Borgmeyer, will continue to be available to assist the County with any account inquiries.





Response to Section 5.11 – General Questions

The following is The Standard's response to the General Questions of the Jackson County, Missouri RFP No. 72-17 for Group Life and Supplemental Life Insurance.

5.11. General Questions - Please provide your responses to this section in the same sequence and numbering format as used below. Do not refer to your proposal. Restate each question and then respond directly to the questions.

5.11.1. Describe which office will be assigned to handle the following functions:
Premium billing/administration, Claims, Customer Service, EOI Administration, and WOP Administration.

Your team is led by Sherri Borgmeyer, Account Manager. Sherri, partners with designated service professionals in our centralized service locations. The Standard's corporate office in Portland, Oregon is home to the departments responsible for underwriting services, contract administration and premium administration. The Standard has regional benefits operations in Portland, Oregon. Overall responsibility for your satisfaction is shared by Sherri and Alex Craig, Employee Benefits Consultant.

5.11.2. Describe the unit that will be responsible for Customer Service for Jackson County, including the size of the unit and special employer resolution contracts.

Our Life department's mission statement is to act with compassion, integrity and expertise to fulfill our Company's promise to provide exceptional service to our customers during their greatest time of need. We do this through effective communication and personalized service, claim management of the highest standard and initiative to do what is right for your employees.

We provide a team approach to each customer. Life Claims for the County will continued be processed by our Central Region Life Team. The team consists of five Life Benefits Staff Assistants, five Life Benefits Examiner, three Life Benefits Analyst, one Senior Life Benefits Analyst and a Supervisor, empowered to assist in all claims matters and questions that you and your employees may have.

Life/AD&D Contact Center

- This center's primary function is to triage incoming calls and direct them to the appropriate party.
- Contact Center Representatives will address inquiries and transfer to the claim analyst when appropriate.

5.11.3. Describe your online interfacing (web capabilities) available for Jackson County, including eligibility and claim status.

The County provides eligibility and beneficiary information to The Standard at the time of claim. The County will continue to have access to claim status information via our secure, online AdminEASESM plan administration tool.

5.11.3.1. Are there additional fees for on line service? If so, what is the cost?

No, there are no additional fees.

- 5.11.3.2. Describe your website capabilities (such as eligibility and claim status, reporting features, etc.) and future enhancements for both the employer and employees.

Plan Administration

To help you manage your employee benefits program, we offer our secure, online AdminEASE plan administration tools available at www.standard.com/login. We customize the services to the group insurance products purchased with The Standard and include:

- *Billing Administration*
View 24 months of billing and payment history and access current premium details and information by billing division. Easily update member data online.
- *Reports Online*
Benefit managers have ready access to disability claims status, payment and experience data. Quickly confirm when The Standard has issued benefits.
- *Contract Documents*
Fast, easy, and secure access to group policies, certificates, amendments and notices. Simply print, email or post group certificates to the intranet.
- *Forms*
Web access to the group insurance forms you need — anytime. Fill out and print online forms.
- *Evidence Reporting*
Keep up to date on the status of employee insurance applications online. It's a convenient and secure way to monitor applications that require medical underwriting.
- *E-Services Administration*
Allows benefit managers to control who can access AdminEASE services.
- *Industry References*
A centrally located reference library for timely information about insurance issues that matter to employers and benefit managers.

Enrollment

We offer custom websites to help your employees both understand their voluntary insurance options and to make enrollment selections.

- *Decision Support Tool:* We offer customizable decision-support sites to help employees understand the voluntary benefits you offer through The Standard. The tool provides short videos, calculators and easy-to-understand content to help describe how employees would use the benefits you offer or how much coverage they might need. The website can be co-branded with your logo and link to any enrollment form or website, such as our Ready Enroll enrollment system.
- *Online Enrollment:* The Ready Enroll™ online enrollment system is The Standard's solution for flexible, easy-to-use and secure online





enrollment. Ready Enroll, which is designed to support The Standard's product offerings, streamlines the enrollment process and helps reduce time spent on administration.

These enrollment solutions are available to groups with a minimum of 250 eligible lives and at least one contributory line of coverage — at no additional cost to you.

Enhancements

We are actively working on enhancements that impact many of our products and services. Upgrades in Short Term Disability and Long Term Disability will include introduction of a robust and customizable correspondence system, which is administered by the business. We are also exploring STD auto-adjudication capability.

We also have plans to expand our ADA capability to include leave as an accommodation. Our plans include integrating non-leave tracking with current onsite accommodations capability.

Over the next 24 months, we will move to fully imaged claim files in our LTD operations. We have imaged claim files for a number of years in several product lines and this enhancement will have us completely imaged for all products within 24 months.

5.11.4. Will you accept an electronic beneficiary designation file?

We will accept beneficiary designation information at the time of claim.

5.11.5. Describe your Living Benefits (Accelerated death/terminal illness) you are including with the quote.

To assist terminally ill employees and their families, The Standard offers an accelerated benefit. It allows insured employees to receive up to 75% of their Life insurance benefits during their lifetimes (except where state statutes mandate otherwise), if they meet certain criteria. The employee must be enrolled in a plan which includes Waiver of Premium. They must qualify for Waiver of Premium and be diagnosed as terminally ill with a life expectancy of fewer than 12 months.

The maximum accelerated benefit is 75% of the Life insurance in force, up to \$500,000; the minimum is 10% of the insurance in force but not less than \$5,000. Additionally, the individual must have at least \$10,000 of insurance in force to accelerate the benefit.

After we pay the accelerated benefit, we charge interest against the early payout, which will reduce the remaining amount due the beneficiary. If the insured lives longer than expected from the day they take their accelerated benefit to the date they die, the interest due may completely exhaust the remaining benefit for their beneficiary. To protect beneficiaries, The Standard will pay the greater of 10% of the original life insurance benefit prior to taking the Accelerated Benefit, or the remaining amount of insurance minus the interest charge. This 10% minimum benefit is not available in all states.

5.11.5.1. What settlement options do you offer?

The Standard issues accelerated benefit payments in a lump-sum check sent overnight directly to the insured individual.

5.11.5.2. Is lump sum automatic if no option selected?

The Standard issues accelerated benefit payments in a lump-sum check sent overnight directly to the insured individual.

5.11.6. Do you provide life insurance for any non-waiver eligible disabled participants who are not actively-at-work on the effective date of coverage? Also, for employees who are not actively-at-work on the effective date due to a non-disabling condition (i.e. Vacation, LOA, etc.) do you treat them as actively at work?

The Standard's policies have an Active Work Requirement ("AWR") that requires employees to be capable of active work on the day before the effective date of our takeover coverage. This protects employees insured under the prior plan who were not disabled when the prior plan terminated, but subsequently became disabled on or after the effective date of our policy but before their next scheduled work day. They would meet our AWR and, provided they met the Member definition, would become insured on the effective date of our policy. For example, an employee on vacation but capable of work would be covered under The Standard's policy on the effective date.

Regarding employees on sick leave, family medical leave or an approved leave of absence, they would be covered under our policy provided the following condition is met: the employee is on a leave of absence or family medical leave and remains continuously insured under the prior plan and capable of active work up through the day before the effective date of our policy. If the absence was due to the employee's own illness or injury, coverage is delayed if the employee was disabled prior to the effective date of our policy and will be the responsibility of the prior carrier.

5.11.7. Specify guaranteed issue limits and any pre-existing condition limitations (initial enrollment and ongoing enrollments) under the Basic and Optional Life. Confirm you will cover all current employees on a "no loss/no gain" basis for all current amounts of coverage in place for all lines of coverage.

The guarantee issue limit for Additional Life is \$200,000. As the incumbent carrier, current benefit amounts will not change.

Katie M. Bartle

From: Dennis Dumovich
Sent: Friday, November 03, 2017 10:23 AM
To: Katie M. Bartle
Cc: Michelle K. Chrisman
Subject: FW: Jackson County life insurance

Katie,
Here you go.
Dennis

From: Alex Craig [mailto:Alex.Craig@standard.com]
Sent: Friday, November 3, 2017 10:15 AM
To: Dennis Dumovich <DDumovich@jacksongov.org>
Subject: RE: Jackson County life insurance

Hi Dennis,

Great talking with you! I appreciate the opportunity to continue our partnership. As we discussed we will lower our basic life rate to .05 per \$1,000.

If there is anything else you need from me please give me a call.

Thanks,

Alex Craig
The Standard
816.718.2164

From: Dennis Dumovich [mailto:DDumovich@jacksongov.org]
Sent: Friday, November 03, 2017 9:02 AM
To: Alex Craig <Alex.Craig@standard.com>
Subject: FW: Jackson County life insurance

Alex,
As we discussed, can you send me an email stating The Standard's new Basic Life rate quote of \$.05 cents per 1,000? Thanks
Dennis

Dennis Dumovich
Human Resources Director
Jackson County, MO
P: 816-881-3140
F: 816-881-3474
ddumovich@jacksongov.org



JACKSON COUNTY
Human Resources Department

Res. 19649

415 East 12th Street, First Floor
Kansas City, Missouri 64106
www.jacksongov.org

(816) 881-3135
Fax: (816) 881-3474

Date: November 2, 2017

To: Katie Bartle
Purchasing Department

From: Dennis Dumovich, Director of Human Resources
Michelle Chrisman, Deputy Director of Human Resources
Katherine Swing, Human Resources Administrator

Subject: Life Insurance RFP 72-17

It is the recommendation of the life insurance review committee to award the bid for RFP 72-17 to the incumbent provider, The Standard. Six proposals were received, and The Standard was selected by the committee as the best proposal. During the negotiation process, The Standard lowered their basic life quote to \$.05 cents per \$1,000 from the current rate of \$.07 cents, which will save Jackson County over \$5,000 in 2018.

Please let me know if you have any questions.



JACKSON COUNTY
Human Resources Department

Res. 19649

415 East 12th Street, First Floor
Kansas City, Missouri 64106
www.jacksongov.org

(816) 881-3135
Fax: (816) 881-3474

Date: November 7, 2017

To: Katie Bartle
Purchasing Department

From: Dennis Dumovich, Director of Human Resources DD
Michelle Chrisman, Deputy Director of Human Resources MC
Katherine Swing, Human Resources Administrator KS

Subject: Life Insurance RFP 72-17

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Additionally, we recommend designating Garry & Associates as the Agent of Record on the Life Insurance program, as they were instrumental in the negotiation process. There would be no additional cost to the county.

Please let me know if you have any questions.