

# Request for Legislative Action

Res. #21064

Sponsor: Crystal Williams

Date: October 10, 2022

## Completed by County Counselor's Office

Action Requested:	Resolution	Res.Ord No.:	21064
Sponsor(s):	Crystal J. Williams	Legislature Meeting Date:	10/10/2022

## Introduction

**Action Items:** ['Award']

### Project/Title:

Requesting to award a twelve-month Term and Supply contract with one twelve-month option to extend for furnishing basic life, AD&D, voluntary life, dependent life, and long term disability insurance to Standard Life Insurance Company of Portland, Oregon, pursuant to the recommendation of the County's Employee Benefits Consultant, CBIZ Benefits of Kansas City, Missouri.

## Request Summary

On July 21, 2022, pursuant to their contract, CBIZ distributed Requests for Proposal for basic life, AD&D, voluntary life, dependent life, and long-term disability (LTD) insurance to the major carriers on the market – Standard, Guardian, The Hartford, Lincoln Financial, MetLife, Mutual of Omaha, New York Life, Prudential, and VOYA. Bids were received from Standard, MetLife, and Hartford for both life and LTD; all others either quoted life only or declined to quote.

The Standard contract will continue to provide basic life, AD&D, voluntary life, and dependent life, extending the current rates through 2024 with a two-year rate guarantee. Standard also extended our current LTD plan, which is a mix of self-funded and fully insured programs. They offered rate reductions on the LTD buy-up options, which are also guaranteed for two years. The total premium costs for 2023 Standard Life and LTD plan types and rate options are as follows:

- Basic Life – Associate: \$0.05
- Dependent Life – Spouse & Child per Member: \$2.50
- Basic AD&D: \$0.02
- Voluntary Life – Choice of \$10,000, \$20,000, \$35,000, \$50,000, \$75,000, \$100,000, \$150,000, \$200,000, \$250,000, or \$300,000 (See rates on attachment)
- Basic LTD: Included in Buy-Up Rates
- LTD Buy-up 5-year: (See rates on attachment)
- LTD Buy-up to Age 65: (See rates on attachment)

Pursuant to Section 1054.6 of the Jackson County Code, Human Resources recommends awarding a twelve-month Term and Supply contract with one twelve-month option to extend for furnishing basic life, AD&D, voluntary life, dependent life, and long-term disability insurance to Standard Life Insurance Company of Portland, Oregon, pursuant to the recommendation of CBIZ.

## Contact Information

<b>Department:</b>	Human Resources	<b>Submitted Date:</b>	9/20/2022
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## Request for Legislative Action

<b>Name:</b>	Michelle K. Chrisman	<b>Email:</b>	MChrisman@jacksongov.org
<b>Title:</b>	Director of Human Resources	<b>Phone:</b>	816-881-1204

Budget Information			
Amount authorized by this legislation this fiscal year:			\$ 0
Amount previously authorized this fiscal year:			\$ 0
Total amount authorized after this legislative action:			\$
Is it transferring fund?			No
Single Source Funding:			
Fund:	Department:	Line Item Account:	Amount:
			<b>!Unexpected End of Formula</b>

Prior Legislation	
Prior Ordinances	
Ordinance:	Ordinance date:
Prior Resolution	
Resolution:	Resolution date:
20575	December 7, 2020
19649	November 13, 2017
18645	October 27, 2014
20998	June 21, 2022

Purchasing	
Does this RLA include the purchase or lease of supplies, materials, equipment or services?	Yes
Chapter 10 Justification:	Formal Bid
Core 4 Tax Clearance Completed:	Not Applicable
Certificate of Foreign Corporation Received:	Not Applicable
Have all required attachments been included in this RLA?	Yes

Compliance
Certificate of Compliance
In Compliance
Minority, Women and Veteran Owned Business Program
Goals are waived - insufficient MBE or WBE firms available
MBE: .00%

## Request for Legislative Action

WBE: .00%
VBE: .00%
<b>Prevailing Wage</b>
Not Applicable

<b>Fiscal Information</b>
<ul style="list-style-type: none"><li>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.</li></ul>

## Request for Legislative Action

### History

Submitted by Human Resources requestor: Michelle K. Chrisman on 9/20/2022. Comments:

Approved by Department Approver Gina M. Campbell on 9/20/2022 3:29:11 PM. Comments:

Returned for more information by Purchasing Office Approver Barbara J. Casamento on 9/20/2022 4:44:47 PM. Comments: Need to include Chapter 10 reference

Submitted by Requestor Michelle K. Chrisman on 9/21/2022 7:28:49 AM. Comments: Added reference to Ch. 10

Approved by Department Approver Gina M. Campbell on 9/21/2022 8:08:23 AM. Comments:

Approved by Purchasing Office Approver Barbara J. Casamento on 9/21/2022 12:38:49 PM. Comments:

Returned for more information by Compliance Office Approver Katie M. Bartle on 9/21/2022 2:36:27 PM. Comments: Standard Insurance Company is not in compliance.

Submitted by Requestor Michelle K. Chrisman on 9/22/2022 10:55:53 AM. Comments: Have been notified by Compliance office they are in compliance.

Approved by Department Approver Gina M. Campbell on 9/22/2022 1:45:59 PM. Comments:

Approved by Purchasing Office Approver Barbara J. Casamento on 9/22/2022 4:08:42 PM. Comments:

Approved by Compliance Office Approver Katie M. Bartle on 9/23/2022 10:05:43 AM. Comments:

Approved by Budget Office Approver Mark Lang on 9/23/2022 4:34:57 PM. Comments: No fiscal note required for a T&S contract.

Approved by Executive Office Approver Sylvania Stevenson on 9/24/2022 2:21:52 PM. Comments:

Approved by Counselor's Office Approver Elizabeth Freeland on 10/4/2022 1:53:19 PM. Comments:



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# 2023 EMPLOYEE BENEFITS RENEWAL

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## LIFE / DISABILITY

### The Standard

For the 2023 plan year, CBIZ distributed a Request for Proposal for the Life and Disability programs to the market. We surveyed Guardian, The Hartford, Lincoln Financial, Metlife, Mutual of Omaha, New York Life, Prudential, and Voya. Given the plan's mix of self-funded Long Term Disability, fully-insured Long Term Disability, and fully-insured Life programs, the market was not able to replicate current plan design and funding structure, and on an apples-to-apples basis, we did not receive a competitive option from the market. However, this RFP process did garner an improved rate offering from Standard, with an extension of current rates through 2024. Accordingly, it is our recommendation to accept the Standard renewal offering, and evaluate current funding strategy in the future to potentially open up market acceptance by competing carriers.

### SUMMARY

CBIZ is proud to have established a strong emerging relationship with Jackson County over the past 2 months, and feel the partnership will be very successful for years to come. We are glad to be able to deliver these RFP results and market offerings for 2023 for associates and the County. Further, we are looking forward to strategic discussion in the coming year about program enhancements and best-in-class practices to optimize the program Jackson County offers to associates and their families.



# 2023 Life & Disability Rates

Standard	
Current	Renewal
<b>Basic Life</b>	
Basic Life - EE	\$0.050
Basic Life - Spouse & Child per Member	\$2.500
<b>Basic AD&amp;D</b>	
Basic AD&D - EE	\$0.020
<b>Voluntary Life</b>	Age-Banded
	Included in Fully Insured LTD Rates
<b>LTD Administrative Services Only (ASO) Fees</b>	Included in fully Insured LTD Rates

Voluntary Long Term Disability	Current - Standard		Renewal - Standard	
	Buy Up 5 year	Buy Up to Age 65	Buy Up 5 year	Buy Up to Age 65
Age-Banded 0-30	\$0.120	\$0.140	\$0.096	\$0.112
31-34	\$0.140	\$0.190	\$0.112	\$0.152
35-39	\$0.180	\$0.250	\$0.144	\$0.200
40-44	\$0.250	\$0.370	\$0.200	\$0.296
45-49	\$0.380	\$0.560	\$0.304	\$0.448
50-54	\$0.610	\$0.770	\$0.488	\$0.616
55-59	\$1.060	\$0.950	\$0.848	\$0.760
60-64	\$0.930	\$0.780	\$0.744	\$0.624
65-69	\$0.430	\$0.350	\$0.344	\$0.280
70+	\$0.610	\$0.790	\$0.488	\$0.632
<b>Rate Guarantee</b>	till 1-1-2024		till 1-1-2025	

Voluntary Life Insurance	Standard	
	Current	Renewal
0-29	\$0.080	\$0.080
30-34	\$0.090	\$0.090
35-39	\$0.110	\$0.110
40-44	\$0.180	\$0.180
45-49	\$0.320	\$0.320
50-54	\$0.500	\$0.500
55-59	\$0.800	\$0.800
60-64	\$1.040	\$1.040
65-69	\$1.580	\$1.580
70+	\$2.700	\$2.700
Spouse & Child	\$2.50/Member	\$2.50/Member
Rate Guarantee	Until 1/1/2024	Until 1/1/2025

All 2023 rates are shown Net of Commission

# Basic & Voluntary Life Benefits

GROUP BASIC and VOLUNTARY LIFE and AD&D	Standard
<p><b>Eligibility</b></p> <p>Basic Life</p>	<p><b>Current/Renewal</b></p> <p>All FT Employees of the County working 40 or more hours/week, Employees of 16th Circuit Court, elected officials of the Jackson Co. Legislature, active FT employees of Jackson Co. Election Board and active PT Employees working at least 20 hours/week</p>
<p><b>BASIC LIFE/AD&amp;D Benefit Amounts:</b></p> <p>Employee Life Benefit</p> <p>Employee AD&amp;D Benefit</p> <p>Voluntary Life Benefit</p> <p>Contributions</p> <p>Spouse Life Benefit</p> <p>Dependent Child Life Benefit</p>	<p>Basic Plan: Flat \$15,000</p> <p>Same as Life Benefit</p> <p>Election amounts; \$10k, \$20k, \$35k, \$50k, \$75k, \$100k, \$150k, \$200k, \$250k, \$300k</p> <p>Basic: Non-contributory / Supp: Voluntary</p> <p>\$10,000</p> <p>\$5,000</p>
<p><b>Guarantee Issue Limit:</b></p> <p>Employee</p> <p><b>Additional Provisions:</b></p> <p>Reduction Schedule</p> <p>Seat Belt Coverage</p> <p>Air Bag Coverage</p> <p>Accelerated Benefit</p> <p>Waiver of Premium</p> <p>Portability/Conversion Benefit</p> <p>Child Care Benefit</p> <p>Higher Education Benefit</p>	<p>Base: N/A / Supp: \$200,000</p> <p>Base: Reduced to 50% at age 70 / Supp: 65% at age 70-74; 50% at age 75</p> <p>Yes - lessor of \$10k or amount of AD&amp;D loss of life benefit</p> <p>Yes - lessor of \$5,000 or amount of AD&amp;D loss of life benefit</p> <p>Included; 75% of benefit to \$500k max.</p> <p>Yes - to age 65</p> <p>Included based on schedule</p> <p>Payable for 36 months after death, not to exceed \$5k/year</p> <p>\$5k max. per year up to \$20k</p>

# Long Term Disability Benefits

LONG TERM DISABILITY - BASE AND BUY-UP	Standard
<b>Eligibility</b>	Current/Renewal
<b>Benefit Provisions:</b>	All FT Employees of the County working 40 or more hours/week, Employees of 16th Circuit Court, elected officials of the Jackson Co. Legislature, active FT employees of Jackson Co. Election Board and active PT Employees working at least 20 hours/week
Benefit Percentage	60% of monthly predisability earnings
Maximum Monthly Benefit	Base Plan: \$5,000/Buy-up Plan: \$10,000
Minimum Benefit	The greater of \$100 or 15% of an employee's monthly benefit prior to any reductions for Other Income Benefits.
Elimination Period	90 Days
Benefit Duration	Base: 2 years Buy-up Option 1: 5 years Buy-up Option 2: to age 65
Definition of Disability/Disabled	Base: Own Occ to Max. Benefit period; Buy-up: 2 year Own Occ.
Social Security Integration	Full Family
<b>Additional Provisions:</b>	
Residual Benefit	Included
Partial Disability	Covered
Conversion	Not Included
Actively at Work Waived?	No
Survivor Benefit	3 Months
Basic EAP Services	Included
Reasonable Accommodation	\$25,000 for workplace modifications
Definition of Earnings	Regular annual rate of pay, but does not include commissions, overtime, or bonuses
<b>Limitations:</b>	
Drug & Alcohol Limitation	24 Months
Mental Illness Limitation	24 Months
Subjective/Self-Reported Limitation	24 months
Pre-existing Condition Limitation	3 months prior/ 12 months insured



Group Additional Life Insurance

Employee Life Monthly Premiums

Coverage Amount	Employee's Age as of last January 1										
	< 30	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74*	75+*
\$10,000	0.80	0.90	1.10	1.80	3.20	5.00	8.00	10.40	15.80	17.55	13.50
\$20,000	1.60	1.80	2.20	3.60	6.40	10.00	16.00	20.80	31.60	35.10	27.00
\$35,000	2.80	3.15	3.85	6.30	11.20	17.50	28.00	36.40	55.30	61.43	47.25
\$50,000	4.00	4.50	5.50	9.00	16.00	25.00	40.00	52.00	79.00	87.75	67.50
\$75,000	6.00	6.75	8.25	13.50	24.00	37.50	60.00	78.00	118.50	131.63	101.25
\$100,000	8.00	9.00	11.00	18.00	32.00	50.00	80.00	104.00	158.00	175.50	135.00
\$150,000	12.00	13.50	16.50	27.00	48.00	75.00	120.00	156.00	237.00	263.25	202.50
\$200,000	16.00	18.00	22.00	36.00	64.00	100.00	160.00	208.00	316.00	351.00	270.00
\$250,000	20.00	22.50	27.50	45.00	80.00	125.00	200.00	260.00	395.00	438.75	337.50
\$300,000	24.00	27.00	33.00	54.00	96.00	150.00	240.00	312.00	474.00	526.50	405.00

\* Coverage amounts for ages 70 and over reduce due to age reduction (see Life Insurance Age Reductions section).