

City of Moorhead

Request for Proposal for

Life, AD&D, Child Life and Supplemental Life

Release Date	June 29th, 2017
Proposal Due Date	July 20th, 2017

Plan Effective Date	January 1st, 2018
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Prepared by:

Integrity
Employee Benefits, LLC



June 29th, 2017

To: Vendors quoting on City of Moorhead

City of Moorhead is requesting proposals for Life, AD&D, Child Life, and Supplemental Life.

You are invited to submit your proposal for the above coverages based on the information contained in this Request for Proposal.

Integrity Employee Benefits, LLC is City of Moorhead's consultant/broker in the RFP process. Any requests for clarification or additional information should be directed to the contacts below by July 18th, 2017. Please do not contact City of Moorhead directly:

Integrity Employee Benefits
651-437-7977
integrity@integrityeb.com

Key dates to keep in mind:

- July 20th, 2017 by 3pm Proposals due
- January 1st, 2018 Effective date of coverage

Information Included:

- Group Census and Employee Election Amounts
- Claims and Rates History
- Group Insurance Contract
- Proposal Forms

Group Information:

City of Moorhead
500 Center Avenue
Moorhead, MN 56561

City of Moorhead
Request for Proposal for Life, AD&D, Child Life and Supplemental Life

General Conditions and Stipulations

The following information is provided for your use in preparing your proposal.

- I. **Proposal Deadline:** Proposals must be returned electronically by EMAIL to Integrity Employee Benefits by 3pm, July 20th, 2017: integrity@integrityeb.com

Mailed or faxed proposals will not be accepted.
If the respondent cannot or does not wish to submit a proposal, please forward an email to Integrity Employee Benefits to this effect by July 18th, 2017.
- II. **Proposal Forms:** Please submit proposals on the Proposal Forms included with these specifications. The proposals submitted in response to this request will be considered the only submission; revised proposals will not be allowed after the proposal return date unless requested by City of Moorhead. Only submissions submitted through this RFP process and complying with the specifications will be accepted by City of Moorhead. **The proposal forms and completed questionnaire are the only information necessary to bid.** For ease of handling, please keep non-essential marketing materials to a minimum.
- III. **Plan Year:** The initial term is defined as:
Start date: January 1st, 2018
End date: December 31st, 2018
Renewals: Subsequent January 1 for full one-year periods
- IV. The information furnished by City of Moorhead is correct and accurate to the best of our knowledge. Any changes or additions will be provided as necessary. **Questions can be sent to integrity@integrityeb.com on or before July 18th, 2017.**
- V. There will be no formal bid opening. Final results may be requested from Integrity Employee Benefits, LLC following the final selection of coverage by City of Moorhead.
- VI. **Renewal, Plan Information and Claims Experience:** City of Moorhead's consultant/broker, Integrity Employee Benefits, LLC has been asked by the City of Moorhead to communicate and monitor the plan throughout the plan year. By submitting a proposal you guarantee that renewal rates, experience, plan information, employee enrollment data, answers to questions and enrollment materials will be provided to Integrity Employee Benefits, LLC.
- VII. **Direct Invitees:** City of Moorhead is requesting proposals be submitted directly from insurance companies. Pooled arrangements established specifically for government entities are also welcome to submit. City of Moorhead will accept only one proposal from each insurance company. No duplicate proposals are desired.
- VIII. **Compensation: 7% of total premium**
City of Moorhead requires that compensation be included in the rates and be paid directly to City of Moorhead's consultant/broker, Integrity Employee Benefits, LLC, by the successful bidder.
- IX. **Rates and Plan Design:** Rates must be **guaranteed for a minimum of 2 years.** Additional year rate guarantees are encouraged.

- X. City of Moorhead desires to receive proposals that represent a reduction in both Basic and Supplemental life rates. Cost evaluations will be based on the overall plan cost. (Basic+Supplemental+Child)
- XI. City of Moorhead reserves the right to reject any and all proposals that are deemed not to be in the best interest of the group and its employees or that do not comply with the specifications. Each proposal meeting the requirements of this RFP will be reviewed in detail. Evaluation criteria includes, but is not limited to, compliance with specifications, premium rates, rate guarantees, basis of renewal ratings, policy form, ease of administration, and the financial reliability of the carrier.
- XII. **Deviations:** Please quote plans to match current and specified alternative as closely as possible. Deviations from the specifications should be clearly noted. Any deviation deemed to be significant by City of Moorhead may disqualify the proposal. City of Moorhead and Integrity Employee Benefits reserve the right to accept or reject any or all proposals, or any part thereof, and to waive any informalities or irregularities. We also reserve the right to negotiate plan amendments and/or modifications to financial or administrative agreements and contracts or call for new proposals. Your proposal (including completed proposal forms) and any subsequent modifications will become part of the contractual obligation and incorporated by reference into the ensuing contract.
- XIII. **Compliance:** All proposers agree to comply with Federal, State and local laws, ordinances, rules, regulations or executive orders pertaining to unlawful discrimination on account of race, color, creed, religion, national origin, sex, marital status, disability or age. This group offers Minnesota Continuation for basic and supplemental life to all eligible employees.
- XIV. **Continuity of Coverage:** All new hires and currently-covered employees, including continues under Minnesota Continuation must be able to participate without evidence of insurability.
- XV. **Insurer Rating:** All insurance companies submitting proposals must be authorized to transact business in Minnesota have **no less than an "A-" rating from A.M. Best** for the last five years.
- XVI. **Contributions:** City of Moorhead pays for Basic Life insurance for all eligible employees and requires contributions from employees for Supplemental Life and AD&D and Child Life.
- XVII. **Eligibility:** You are eligible for Employee Insurance while you are an effective Benefits Earning or active Benefits Eligible Employee of the Employer and you are in a covered class.

Current Benefit Summary

City of Moorhead

This is a summary of the plan. See group policy (included) for full details of plan information. The group requests that the aggregate value of the plan design stay the same or improve.

	Current Plan
Company Name	<i>Sun Life</i>
Rating AM Best	<i>A+</i>
Employer Contribution (Basic Life & AD&D)	<i>Department Heads/Directors: \$50,000 Supervisors/Managers: \$30,000 All other employees: \$15,000</i>
Supplemental Maximum Employee	<i>\$300,000</i>
Supplemental Maximum Spouse	<i>\$150,000</i>
Dependent Package	<i>\$5,000 SP/\$2,000 CH</i>
Guarantee Issue Supplemental	<i>\$30,000 EE, \$10,000 SP, Child Life</i>
Accelerated Death Benefit	<i>75% Accel. Benefit</i>
Waiver of Premium	<i>Yes</i>
Age Reductions on Basic	<i>No</i>
Age Reductions on Supplemental	<i>No</i>
Retirees included in plan	<i>No</i>
Conversion	<i>Yes</i>
Value Add-ons	<i>Travel Assistance and ID Theft Protection</i>
Estimated Eligible Lives	<i>269</i>

Current Premium Summary

Premiums Paid	Volume	Monthly Rate Per \$1,000	Total Monthly Premium
Basic Life	\$5,430,000	\$0.100	\$543.00
Basic AD&D	\$5,430,000	\$0.020	\$108.60
Total per Month	\$5,430,000	\$0.120	\$651.60

		Per Unit	
<u>Dependent Package</u>	63	\$1.00	\$63.00

Employee and Spouse Supplemental Life			
Age* (*Calculated as of 1/1/2018)	Volume	Rate per \$1,000	Monthly Premium
Under 25	\$450,000	\$0.040	\$18.00
25-29	\$920,000	\$0.040	\$36.80
30-34	\$2,935,000	\$0.040	\$117.40
35 - 39	\$2,795,000	\$0.080	\$223.60
40 - 44	\$4,185,000	\$0.100	\$418.50
45 - 49	\$4,685,000	\$0.150	\$702.75
50 - 54	\$1,560,000	\$0.230	\$358.80
55 - 59	\$1,485,000	\$0.430	\$638.55
60 - 64	\$415,000	\$0.660	\$273.90
65 - 69	\$160,000	\$1.270	\$203.20
70 - 74	\$0	\$2.060	\$0.00

<u>*Is the AD&D Rate already Included in what is entered above? No</u>		N/A
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Total Supplemental Employee and Spouse Life Per Month	\$19,590,000		\$2,991.50
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Total Premium Per Month Basic + Supplemental + Child		\$3,706.10
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Collected Premiums and Paid Claims

Premium rates for the past 2 years (2016-2017)

2016-2017	Monthly Rate Per \$1,000
Basic Life	<u>\$0.100</u>
Basic AD&D	<u>\$0.020</u>
Total	<u>\$0.120</u>

	Per Unit
Dependent Package	<u>\$1.00</u>

Employee and Spouse Supplemental Life	
Age	Rate per \$1,000
Under 25	<u>\$0.040</u>
25-29	<u>\$0.040</u>
30-34	<u>\$0.040</u>
35 - 39	<u>\$0.080</u>
40 - 44	<u>\$0.100</u>
45 - 49	<u>\$0.150</u>
50 - 54	<u>\$0.230</u>
55 - 59	<u>\$0.430</u>
60 - 64	<u>\$0.660</u>
65 - 69	<u>\$1.270</u>
70 - 74	<u>\$2.060</u>

<u>*Is the AD&D Rate already Included in what is entered above? No</u>	<u>N/A</u>
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Premium and Claims experience not available.