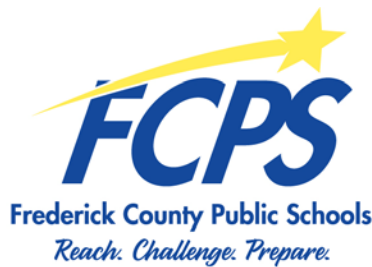


Purchasing Office
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Stephen P. Starmer, C.P.M., CSBA,
Purchasing Manager
**Kim Miskell, CSBO, Assistant Purchasing
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Billie Laughland, Purchasing Agent
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Purchasing Agent
Shane Ryberg, Purchasing Agent

ADDENDUM

January 3, 2019

ADDENDUM # 4

RFP 19MISC1, Life Insurance

REVISED DUE DATE & TIME: FCPS Main Lobby, Friday, January 11, 2019, prior to and time stamped no later than 3:00 P.M.

This addendum is being issued to provide additions, corrections, clarifications and answers to certain questions raised referencing the original packages and any resultant contracts for the above RFP.

1. This Addendum includes the following attachment(s):
 - a. Trion Group, a Marsh & McLennan Agency – Addendum No. 4 (4 pages)
 - b. Life Insurance Experience Exhibit (1 page)
 - c. Retiree Life Enrollment Notice Dated June, 2015 (2 pages)
 - d. Group Claim Experience, Excel File (12 pages)
 - e. Experience by Benefits July, 2014 – November, 2018, Excel File (Multiple Tabs)
 - f. SLB Enrollment Census 1.3.2019, Excel File (92 pages)

Thank you for your interest in bidding with Frederick County Public Schools and we apologize for any inconvenience this may have caused.

Sincerely,

Kim Miskell

Kim Miskell, CSBO,
Assistant Purchasing Manager

km/ab

pc: Penny Opalka, Senior Project Manager, Human Resources
Trion: Lisa Sagnella; Jennifer Geci; Jennifer Ritchie and Daniel Burton

Bid # 19MISC1 Carrier Questions and Answers

Frederick County Public School responses to questions raised in the RFP in red font below.

Addendum #4 Issued 01/03/2019

1. Confirmation Requested: The information provided shows that there is a basic employer life plan inforce and a request for a voluntary life plan. Please confirm that there is not a current voluntary life plan inforce for employees.

Confirmed FCPS does not have a voluntary life plan inforce for active employees.

2. Census:

- There are retirees listed on the census that have both a basic life and supp life amount
 - 2,328 retirees with basic life of 63,925,800 total volume
 - 1,087 of those retirees with a supp life of 22,749,000 total volume
- There is a contributory retiree class (Class 4) but no mention of basic or supp life?
- The Life RFP pricing page reflects 2,337 retirees with 63,743,800 of total volume which lines up more with the basic life retiree lives/volume
 - Confirm we are not being asked to include the Retiree Supp life volumes and if so where are the plan documents describing the benefit? ? See my 3rd bullet under Experience.

There is no true supplemental life coverage for Class 4 retirees. Class 4 retirees are labeled as "supp" in the census for internal tracking purposes. The cost-sharing benefit for Class 4 retirees is as follows:

Effective in July 2015, the school district changed the coverage for Class 4 retirees to only cover a base life benefit in the amount of \$25,000. This base benefit is non-contributory. Any retirees that were in Class 4 or entering into Class 4 on or after July 2015 that were eligible for life benefits that exceeded \$25,000 were given the option to continue coverage to a maximum benefit of \$50,000. The retirees in Class 4 pay the full premium amount for coverage over \$25,000. The school district pays the carrier for the entire and then internally charges back the premium owed over the base \$25,000 benefit to the retiree. The Class 4 retirees that are eligible for a life benefit exceeding \$25,000 also have to option to reduce their coverage to the base \$25,000 provided by the school district and pay nothing. They may elect to do so one time at election or during open enrollment. Once the benefit is reduced the retiree cannot elect to increase the benefit in the future. If a retiree in Class 4 is eligible for a life benefit amount that is less than or equal to \$25,000, they do not have the option to buy up, they will receive only the base \$25,000 paid for by the school district. This policy also applies to all new retirees entering into Class 4 July 2015-present.

See attached document **Retiree Life Enrollment notice June2015.pdf** for more details.

3. Experience:

- Please provide the experience to the inception date with Standard of 7/14.
- Please provide detailed premiums and claims by the active group and retirees.

- **Please provide an invoice with the coverages broken out as there is a discrepancy in the experience statement and the census data.**

Detailed experience from inception with The Standard including breakout by active and retiree groups is provided in attachment **titled FCPS - Exp By Benefit - 07.2014 to 11.2018.xls**

A recent invoice is provided in attachment **titled 2018-11-01 Invoice to Vendor.pdf**

4. Rates:

- **We have inforce rates as follows:**
 - **.076 for Class 1/Class 2 Active EE**
 - **.994 for Class 3/4/5/6 who are retirees**
 - **.176/\$1,000 Eff 7/15 listed in Amend #6. What employees does this rate correspond to? The grandfathered employees?**
- **Please explain the premium increases as the premium jumped 12% from the 1st exp period (10/15) and then 23% from the 10/16 experience period to 10/17 exp period.**
- **Please provide lives/volume history by year since inception date.**

Please reference the most recent renewal letter titled **2017 Renewal Letter Revised.pdf** (provided in an earlier addendum to this RFP). Current rates are as follows:

Basic Life Classes 1 & 2: \$0.099 Per \$1000 of Benefit
Basic Life Grandfathered (Class 3): \$0.229 Per \$1000 of Benefit
Basic Life Classes 4-6: \$1.193 Per \$1000 of Benefit
Basic AD&D: \$0.014 Per \$1000 of Benefit
Dependent Life Spouse & Child: \$0.900 Per Member, Elective

Premium increases may be a result of increased volume and/or renewal rate increases. Please refer to the attachment titled **FCPS - Exp By Benefit - 07.2014 to 11.2018.xls** for detailed information on Plan experience.

Lives/volume history provided in attachment titled **FCPS - Exp By Benefit - 07.2014 to 11.2018.xls**

5. Admin Letters:

- **There are Amend #2 and #3 with member # and corresponding Life amounts being grandfathered amounts. Are these grandfathered employees and their amounts in the census? If not, are they still valid?**
- **The RFP document refers to a Financial Questionnaire to be included in the Technical Proposal, but nothing in the Excel doc is identified this way, nor is there a questionnaire that relates to rates or other financial elements - can you provide ?**
- **The Excel doc includes spreadsheets titled Life-AD&D Proposal, Supp Life-AD&D Proposal and Vol STD Proposal. Are these to constitute the Cost Proposal? And/or can we provide our own presentation of proposed plan designs and rates in the Cost Proposal?**

Grandfathered employees/retirees and their amount of coverage are all included in the current census.

There is only one questionnaire in the RFP. Carriers are not required to complete an additional financial questionnaire.

Carriers may provide their own presentation of their Cost Proposals.

- 6. Average lives, volume for past 4 experience years broken out by actives and retirees.**
Provided in the attachment titled **FCPS - Exp By Benefit - 07.2014 to 11.2018.xls**

- 7. Please confirm no waiver of premium on the life plans. Please confirm no other supplemental life plan in place.**

Confirmed, currently there is no waiver of premium on the life plans. The active population does not have any employee supplemental life coverage in place. For retirees in Class 4, they have the option to buy supplemental coverage over the \$25K base benefit paid by FCPS. Retirees in Class 4 may buy supplemental coverage in the amount of \$25K up to the maximum of \$50K combined base \$25K and supplemental \$25K.

- 8. There are 131 employees on the census listed as “on paid leave” Can you elaborate? Disability?**

The employees on paid leave could be in any of the following categories:

- FMLA
- Sick Leave
- Workers’ Comp paid Leave
- Sick Bank Leave (depends on employee class)
- Additional Leave Grant (up to 10 days)

Typically an employee in a paid leave status is due to an illness for that prevents them from working. However, some employees could be on FMLA leave for care of a family member and could be using their own paid leave. FCPS will place the employee in an unpaid status when they no longer have leave to use or the employee can request a leave of absence.

- 9. List of individual claims, including amounts, active or retirees, paid date.**
Provided in attachment titled **FCPS - De ID Claim List - 07.2014 to 11.2018.xls**

- 10. Does FCPS currently have any type of employer ER sponsored (or funded) STD Benefit Plan? (like an old Aflac or Colonial plan)**

FCPS does not currently have any employer sponsored or funded STD benefit plan.

- 11. Has Standard supplied the renewal?**

The Standard has not provided the renewal for 07/01/2019.

- 12. It sounds like the STD plans requested should be classed out, those that have Sick leave hours and those that do not. For the census file with sick leave hours, can you please send us one with DOB so we can use the other census to cross reference those that do not have sick leave? We see an employee ID in the census with sick leave hours but not on the classed census so an EE ID could also work.**

Provided in attachment titled **SLB Enrolled Census 01_03_2019.xlsx**

- 13. In the latest census file, it lists under the class description- “class 5 as those disabled retirees under age 65 or over 65 but benefit less than 25K.” According to the files, class 5 has a benefit of 2 x sal to 400K. please inquire. Should we assume these employees have the 2x sal to 400K in class 5?**

Yes please assume the current benefit of 2 x BAE to a maximum of \$400K for class 5. For some retirees this benefit is less than \$25K the benefit amounts by employee/retiree by class are listed in the census.

- 14. Is there a way to obtain the life experience showing which claims are retirees employees and which claims are for the actives? (it looks like this has been requested by prior carriers)**

Provided in the attachment titled **FCPS - Exp By Benefit - 07.2014 to 11.2018.xls**

- 15. Does FCPS currently use an EAP that is provided as part of the Life Insurance?**

- a. **If yes, are there provisions of the EAP program that must be matched in our quote?**

EAP is not currently provided as a part of the Life Insurance. The EAP is separate contract issued through the State of Maryland. No provisions need to be match.

- 16. We noted no waiver on the supplemental life, and want to confirm that the intent is that no waiver be offered in our quote.**

Waiver is not required on the supplemental life. The section is open for carriers to indicate and confirm whether they include the waiver or exclude the waiver.

- 17. Would it be acceptable to enrich the current plan design? Specifically, we would like to offer a supplemental life plan with a \$250k maximum benefit that is entirely guaranteed issue.**

Please quote the requested supplemental life offerings as closely as possible and note any deviations from the requested plan designs. FCPS has requested the supplemental life benefit adhere to a maximum benefit amount of \$100,000.

- 18. We noted that the RFP states rates may not exceed two decimal places, but that some of the existing rates have three decimal places. Can you clarify if the RFP rule regarding decimal places should override any existing rates?**

Carriers should quote to three (3) decimal places on all lines. See below by benefit.

Basic Life Rates Classes 1 & 2 – Quote to 3 decimal places

Basic Life Rates Grandfathered – Quote to 3 decimal places

Basic Life Rates Classes 4 through 6 – Quote to 3 decimal places

Basic AD&D Rates – Quote to 3 decimal places

Dependent Life Rates (Spousal & Child) - Quote to 3 decimal places

Voluntary STD Rates – Quote to 3 decimal places

- 19. Is there a formal sick leave policy available for review?**

The Sick Leave Policy is provided on tab titled **Sick Leave Bank Policy** in the Excel portion of the RFP.

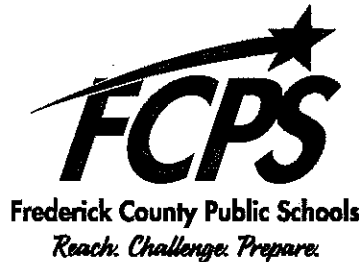
- 20. Could a claims report that runs through 9/30/2018 be provided?**

Provided in attachment titled **FCPS - Life Exp 07.2014 thru 09.2018 (Created 12.14.18).pdf**

**LIFE INSURANCE
EXPERIENCE EXHIBIT
Frederick County Public Schools, 750946
Most recent five periods**

	<u>POLICY YEAR 7/2014-6/30/2015</u>	<u>POLICY YEAR 7/2015-6/30/2016</u>	<u>POLICY YEAR 7/2016-6/30/2017</u>	<u>POLICY YEAR 7/2017-6/30/2018</u>	<u>POLICY YEAR 7/2018-9/30/2018</u>	<u>TOTAL</u>
EARNED PREMIUM	1,430,548	1,427,082	1,504,895	1,948,611	497,517	6,808,653
PAID CLAIMS	1,023,000	1,864,000	1,922,000	2,002,000	1,332,000	8,143,000
ACTIVE CLAIM RESERVES	0	64,000	(14,000)	(24,000)	0	26,000
IBNR RESERVE	107,639	980	5,602	33,871	(573)	147,519
CONVERSION CHARGES	0	0	0	0	0	0
TOTAL INCURRED CLAIMS	<u>1,130,639</u>	<u>1,928,980</u>	<u>1,913,602</u>	<u>2,011,871</u>	<u>1,331,427</u>	<u>8,316,519</u>
LOSS RATIO	111%	103%	98%	103%	268%	122%
LIFE YEARS	7,798	8,849	9,119	9,312	2,318	37,396
PAID CLAIM INCIDENCE	28	36	39	39	20	162
INCIDENCE RATE PER 1,000	3.6	4.1	4.3	4.2	8.6	4.3

HUMAN RESOURCES DIVISION
BENEFITS DEPARTMENT
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Frederick, Maryland 21701-5918
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www.fcps.org



Colette Baker, Senior Manager
Tricia Pieklo, Personnel Officer
Shannon Thompson, Benefits Coordinator
Lisa Brashears, Administrative Secretary
Phoebe Barreto, Secretary
Human Resource Associates:
Kim Schaub
Doris Toms

June 1, 2015

TO: Retirees Enrolled in Retiree Life Insurance Program
FROM: Colette Baker, Senior Benefits Manager
RE: Retiree Life Insurance Updates

This communication provides **an update** regarding recent changes made to retiree life insurance.

Effective July 1, 2015, the Board of Education (BOE) is changing the premium cost share arrangements for retirees enrolled in the Retiree Life Insurance Program.

You were **previously alerted** to the following:

- The BOE will pay the entire premium for coverage up to \$25,000.
- Retirees who have coverage exceeding \$25,000 will pay the required premiums subject to the \$50,000 maximum benefit limit.
- The new premium rate effective July 1, 2015 is \$.994 per \$1,000 of coverage.

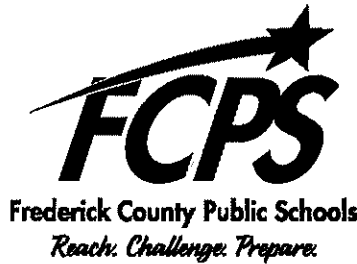
You **may now take** the following actions:

- You may reduce the scope of your coverage to \$25,000. At this level, the Board will pay the full cost of your premium. Once reduced, you cannot increase coverage in the future.
- **If electing to reduce coverage to the \$25,000 level, alert the FCPS Benefits Office by June 15, 2015 by returning the enclosed election form.**
- If you elect to maintain your current coverage but wish to make a reduction in the future you may do so at the Employer's Annual Enrollment Period held each year during the month of May.

The election form is attached for reducing your coverage to the \$25,000 paid by FCPS. Please return the completed form to the FCPS Benefits Office by June 15, 2015. Should you elect to keep your coverage currently in force, you will have the opportunity to reduce the benefit next May for a July 1, 2016 effective date.

Updated Standard Life Insurance policy certificates reflecting these changes will be mailed to eligible retirees this summer. Contact the FCPS Benefits staff at 301-644-5052 or 301-644-5085, if you need additional information or visit the FCPS Benefits website, www.fcps.org/benefits

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June 2015

Effective July 1, 2015, the Board of Education (BOE) is changing the life insurance premium cost share arrangements and will pay the entire premium for coverage up to \$25,000. You now have an opportunity each May to reduce the amount in force to the \$25,000 amount sponsored by the BOE for a July 1 effective date. This year, retirees who are electing to reduce their coverage to the \$25,000 must return this form to the FCPS Benefits Office by **June 15, 2015**.

No action is required if you choose to keep the current coverage amount in effect and the new premium contributions will be reflected in the deduction taken from the MD Retirement and Pension System payment or in the invoices for those billed by the FCPS Accounting Department. Should you elect to keep your coverage currently in force, you will have the opportunity to reduce the benefit next May for a July 1, 2016 effective date.

I elect to reduce my life insurance coverage offered by Frederick County Public Schools to the \$25,000 coverage amount paid by the school system. I understand this election is irrevocable and will not have the opportunity to increase the coverage amount at a later date.

Name _____
(Print)

Name _____
(Signature)

Date _____

Please return completed form to FCPS Benefits Office by June 15, 2015