

No. _____



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC Approval of District Paid Life Insurance Program

SUBMITTED BY: Robert Chapa **OF:** Risk Management

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: April 22, 2015

RECOMMENDATION:

The Employee Benefits Committee (EBC) has concluded negotiations for District Paid Life Insurance proposals and recommends the Board accept the proposal submitted by **Dearborn National Life** Company represented by the Robert Laurel Insurance Company.

RATIONALE:

The **Dearborn National Life Company** proposed a rate of \$0.076 per \$1,000 of life insurance. Not only was this the lowest rate proposed but it included a 3 year fixed rate guarantee. The EBC felt this proposal provided the district with the greatest value for the price.

BUDGETARY INFORMATION

Premiums included in the 2015-016 budget.

BOARD POLICY REFERENCE AND COMPLIANCE:

UNITED INDEPENDENT SCHOOL DISTRICT

District Paid Life Insurance RFP # 004-2015

Tabulation of Proposals - Cost

Review Date: March 25, 2015

Proposal Number	Insurance Company	Agent Name	Monthly Rate	Annual Premium	Rate Guarantee
1	American United Life Insurance	Carruth & Associates	\$.080	\$ 145,000	2 years
2	Liberty Mutual	Carruth & Associates	\$.079	\$ 143,000	3 years
3	Dearborn National Life	Laurel Insurance Agency	\$.076	\$ 138,000	3 years
4	American United Life Insurance	Laurel Insurance Agency	\$.080	\$ 145,000	2 years
5	Life Insurance Company of North America (CIGNA)	Laurel Insurance Agency	\$.135	\$ 245,000	3 years
6	Lincoln Financial Group	Alamo Insurance Group	\$.110	\$ 199,000	1 Year
7	Sun Life Assurance Company	Carruth & Associates	\$.131	\$ 237,000	3 years
8	Met Life Insurance	Laurel Insurance Agency	\$.089	\$ 161,000	3 years
9	Hartford Life and Accident Insurance	Carruth & Associates	\$.130	\$ 236,000	3 years
10	Minnesota Mutual Life Insurance	Robert Ramirez Jr.	\$.096	\$ 174,000	3 years

Comments:

- Annual premium is based on quoted monthly rate applied to total group life insurance benefit amount of \$151,046,250 for 6,117 employees.
- Group life insurance benefit is \$25,000 for full-time TRS eligible employees and is subject to the following age reduction schedule:

<u>Age</u>	<u>Percent</u>	<u>Age</u>	<u>Percent</u>
65	35%	80	80%
70	55%	85	85%
75	70%		

- Current rate is .062 per \$1,000 and annual premium is \$112,387.

UNITED INDEPENDENT SCHOOL DISTRICT
Voluntary Group Disability Insurance RFP # 005-2015
Tabulation of Proposals - Cost
Effective Date: September 1, 2015
Review Date: March 25, 2015

Proposal Number: 1A (Current Benefits)
Insurance Company: Sun Life Assurance Company
AM Best Rating: A+/XV
Company Representative: Mathew Hershberger
Agent Name: Laurel Insurance Agency, Carruth & Associates, Mike Gilpin
Agent Location: McAllen, TX, Laredo, TX, New Braunfels, TX
Rate Guarantee: 3 years

COST:							
Age	Monthly Rates by Type of Plan (Per \$100 Benefit)						Monthly Premium
	A	B	C	D	E	F	
< 29	\$ 1.50	\$ 1.07	\$.76	\$ 1.24	\$.82	\$.50	\$ 4,455
30-34	\$ 1.75	\$ 1.22	\$.88	\$ 1.43	\$.89	\$.55	\$ 14,002
35-39	\$ 1.95	\$ 1.45	\$ 1.06	\$ 1.52	\$ 1.02	\$.62	\$ 16,318
40-44	\$ 2.18	\$ 1.74	\$ 1.33	\$ 1.58	\$ 1.14	\$.73	\$ 17,826
45-49	\$ 2.86	\$ 2.34	\$ 1.85	\$ 1.98	\$ 1.45	\$.97	\$ 19,913
50-54	\$ 3.76	\$ 3.07	\$ 2.47	\$ 2.58	\$ 1.89	\$ 1.30	\$ 18,131
55-59	\$ 5.02	\$ 3.98	\$ 3.36	\$ 3.66	\$ 2.62	\$ 2.00	\$ 15,186
60-64	\$ 5.06	\$ 3.56	\$ 2.93	\$ 4.99	\$ 3.79	\$ 2.86	\$ 7,519
65+	\$ 6.69	\$ 4.66	\$ 3.78	\$ 6.61	\$ 4.58	\$ 3.70	\$ 2,552
Monthly Premium	\$ 55,123	\$ 11,165	\$ 3,863	\$ 36,534	\$ 7,472	\$ 1,745	\$ 115,902

Comments:

1) Plan Description is the following:

<u>Plan Code</u>	<u>Benefit Period</u>	<u>Elimination Period</u>	<u>Plan Code</u>	<u>Benefit Period</u>	<u>Elimination Period</u>
A	Age 65	14 Days	D	3 Years	14 Days
B	Age 65	30 Days	E	3 Years	30 Days
C	Age 65	60 Days	F	3 Years	60 Days

2) Continuation of current benefits.