

# Executive Summary

## Prepared for Board of Trustees Meeting

### May 9, 2017

## Employee Voluntary Insurance Benefits Report

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### Purpose of Report

This report is to present to the Board of Trustees, for their review and discussion, the recommendations for our 2017 Employee Voluntary Insurance Benefits. Due to a change in third party administrators, Financial Benefits Solutions (FBS) solicited proposals for the 2017-2018 plan year.

### Objectives

- Review of plan benefits on an annual basis to determine if changes should be made.
- Stay competitive with benefits being offered by other school districts and the marketplace.

### Operational Impact

We are hoping to have the recommended changes approved at the May 9, 2017 Board of Trustees meeting.

Current plan options:

- Dental - Standard
- Vision - Superior Vision
- Basic Term Life with AD&D Life - Lincoln Financial - District provided (\$15,000)
- Voluntary Term Life with AD&D Life - Lincoln Financial
- Long Term/Short Term Disability - Standard
- Cancer - Colonial
- Section 125 Flexible Spending Plan Administrator - TASC (Total Administrative Services Corporation)
- Employee Assistance Program (EAP) - BDA (Bensinger, DuPont & Associates)

Proposed plan changes under consideration:

- Dental - Cigna
- Vision - Superior - No change
- Basic Term Life with AD&D - One America - EAP included – District provides \$15,000 per employee
- Voluntary Term Life with AD&D - One America – EAP included
- Long/Short Term Disability - The Hartford – EAP included
- Cancer - American Public Life (APL)
- Section 125 Flexible Spending Plan Administrator - NBS (National Benefits Services)
- Employee Assistance Program (EAP) – One America and The Hartford

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As a result of the recommended changes:

- Cigna Dental - We will be able to provide the employees with 65 additional dentists but will lose 5 that are currently on the plan. We will also only see a 10.75 increase in premiums plus a 2-year rate guarantee along with offering a DHMO plan.
- Superior Vision - There will be no change or rate increase.
- One America – Basic Term Life with AD&D - we will see a .02 cent decrease in the employer premium but will gain a 36-month rate guarantee plus gain an EAP
- One America – Voluntary Term Life with AD&D - We will see an increase of .20 cents in the employee voluntary premium except for age band 35-39 which is no increase but will gain a 36-month rate guarantee plus gain an EAP.
- The Hartford Long/Short Term Disability -We will not see a rate increase and will gain a 36-month rate guarantee plus gain an EAP.
- American Public Life (APL) Cancer – We will be able to provide the employees with a High/Low option which will include a guaranteed issue every year, meaning there are no health questions.
  - Current employees now covered under the Colonial policy - American Public Life (APL) has agreed to waive pre-existing conditions.
  - All other employees - There is a pre-existing conditions clause for any employee not currently covered. “It states that any condition present in the 12 months prior to the policy effective date will not be covered for the first 12 months of the policy. Any new diagnosis would however be covered”.
- NBS (National Benefits Services) Flexible Spending Administrator will provide better service to the employees.

#### **Other Options**

The recommendations being made represent an effort to keep our benefits current and comparable to products offered by other school districts and provide the best, most cost-effective program to our employees with the resources available.