

A photograph of a rowing team on a lake. Several rowers in blue and orange uniforms are visible, some in the foreground and others further back. The background shows a line of trees under a cloudy sky. The image is partially covered by a large, semi-transparent blue graphic element on the right side.

# **Vision and Life and AD&D, and Disability Request for Proposal Results**

**Prepared for: Shepherd Public Schools**  
**Prepared by: Melissa Ramos**

**September 1, 2017 – August 31, 2018**

## I. Vision Renewal

The four year rate guarantee on Shepherd Public School's SVS vision coverage expires on August 31, 2017. In an effort to ensure that the District has the best coverage at the most affordable cost BBCM completed a Request for Proposal for vision coverage. The RFP was sent to eight (8) carriers. We received responses from six (6) carriers, including the current carrier, SVS. Attachment #1 details the cost and plan designs quoted by each carrier. Although Eyemed does provide a cost savings, there will be a disruption in network coverage if vision benefits are transferred from SVS to Eyemed. Because the cost savings is minimal if coverage is transferred to Eyemed, it is our recommendation to continue offering vision benefits through SVS.

## II. Life, AD&D, and Disability Renewal

BBCM also solicited proposals for the District's current Life, AD&D, and Disability coverage. We received quotes from six different, including National Insurance Services, the in force carrier. Attachments #2-#4 detail the rates and overall cost for each carrier. According to the quotes we received, Shepherd Public Schools could save approximately \$6,884, or 22% annually if Life, AD&D, and Disability coverage is transferred to MetLife. However, MetLife included limitations on several illnesses under the disability benefits, including substance abuse, certain mental health conditions, and fibromyalgia. The Hartford quote presents cost savings, and does not include limitations on substance abuse or mental health illnesses. If the District would like to benefit from the cost savings of an alternative Life, AD&D, and Disability carrier, we recommend transferring the benefits to the Hartford. Placing coverage with the Hartford would provide an annual savings of \$3,481, or 11.13%.

Please note that we have provided additional information including the Compensation Disclosure (Page 7), Benefit Proposal Disclaimers (Page 8), and AM Best Rating and financial size for the carrier (Page 9).

We remain committed to giving you the highest level of service and look forward to working with you during the coming year. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Melissa S. Ramos".

Melissa S. Ramos, Account Executive  
Brown & Brown of Central Michigan

C: Angela Garner, Executive Vice President

**Attachment #1  
Shepherd Public Schools Vision Rate Options  
2017-2018 Rate Development**

Vision Rates	Census	SVS Vision	SVS Vision	Ameritas	Ameritas	EyeMed	MetLife	The Standard	The Standard	Sun Life
		Current	Renewal							
Single	26	\$8.50	\$8.84	\$10.16	\$10.56	\$8.34	\$8.33	\$7.84	\$8.45	\$8.70
Two Person	34	\$21.32	\$22.17	\$20.16	\$21.12	\$21.28	\$20.89	\$16.38	\$17.64	\$24.34
Family	75	\$21.32	\$22.17	\$28.24	\$29.44	\$21.28	\$20.89	\$21.32	\$23.20	\$24.34
Totals	135	\$2,544.88	\$2,646.37	\$3,067.60	\$3,200.64	\$2,536.36	\$2,493.59	\$2,359.76	\$2,559.46	\$2,879.26
Annual		\$30,538.56	\$31,756.44	\$36,811.20	\$38,407.68	\$30,436.32	\$29,923.08	\$28,317.12	\$30,713.52	\$34,551.12
Savings/(Loss) Over			\$1,217.88	\$6,272.64	\$7,869.12	(\$102.24)	(\$615.48)	(\$2,221.44)	\$174.96	\$4,012.56
Current			3.99%	20.54%	25.77%	-0.33%	-2.02%	-7.27%	0.57%	13.14%
Network		Superior National	Superior National	EyeMed Network	VSP Network	EyeMed Network	VSP Network	VSP Network	VSP Network	VSP Network
Frequency		12 / 12 / 12	12 / 12 / 12	12 / 12 / 12	12 / 12 / 12	12 / 12 / 12	12 / 12 / 12	12 / 12 / 12	12 / 12 / 12	12 / 12 / 12
Copay		\$10 Exam \$10 Materials	\$10 Exam \$10 Materials	\$10 Exam \$10 Materials	\$10 Exam \$10 Materials	\$10 Exam \$10 Materials	\$10 Exam \$10 Materials	\$10 Exam \$10 Materials	\$10 Exam \$10 Materials	\$10 Exam \$10 Materials
Examination		\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay
Lenses		\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay
Contact Lenses		\$200 Allowance	\$200 Allowance	\$200 Allowance	\$130 Allowance	\$200 Allowance	\$130 Allowance	\$130 Allowance	\$150 Allowance	\$130 Allowance
Frames		\$130 Allowance	\$130 Allowance	\$130 Allowance	\$130 Allowance	\$130 Allowance	\$130 Allowance	\$130 Allowance	\$150 Allowance	\$130 Allowance
Rate Guarantee			48 Months	24 Months	24 Months	48 Months	24 Months	12 Months	12 Months	24 Months

**Attachment #2**  
**Life and AD&D Insurance**  
**Shepherd Public Schools**

		Kansas City Life (Current)	Kansas City Life (Renewal)	MetLife	Hartford	The Standard	Reliance Standard	Guardian
<b>Life</b>	<b>Rate</b>	0.118	0.118	0.119	0.120	0.170	0.160	0.150
	<b>Volume</b>	\$4,401,000	\$4,401,000	\$4,401,000	\$4,401,000	\$4,401,000	\$4,401,000	\$4,401,000
	<b>Monthly</b>	\$519.32	\$519.32	\$523.72	\$528.12	\$748.17	\$704.16	\$660.15
	<b>Annual</b>	<b>\$6,231.82</b>	<b>\$6,231.82</b>	<b>\$6,284.63</b>	<b>\$6,337.44</b>	<b>\$8,978.04</b>	<b>\$8,449.92</b>	<b>\$7,921.80</b>

<b>AD&amp;D</b>	<b>Rate</b>	0.02	0.02	0.012	0.017	0.020	0.010	0.020
	<b>Volume</b>	\$4,401,000	\$4,401,000	\$4,401,000	\$4,401,000	\$4,401,000	\$4,401,000	\$4,401,000
	<b>Monthly</b>	\$88.02	\$88.02	\$52.81	\$74.82	\$88.02	\$44.01	\$88.02
	<b>Annual</b>	<b>\$1,056.24</b>	<b>\$1,056.24</b>	<b>\$633.74</b>	<b>\$897.80</b>	<b>\$1,056.24</b>	<b>\$528.12</b>	<b>\$1,056.24</b>

<b>Monthly Total</b>	\$607.34	\$607.34	\$576.53	\$602.94	\$836.19	\$748.17	\$748.17
<b>Annual Total</b>	<b>\$7,288.06</b>	<b>\$7,288.06</b>	<b>\$6,918.37</b>	<b>\$7,235.24</b>	<b>\$10,034.28</b>	<b>\$8,978.04</b>	<b>\$8,978.04</b>

<b>Annual Savings (Loss) over Current Plan</b>		<b>\$0.00</b>	<b>\$369.68</b>	<b>\$52.81</b>	<b>(\$2,746.22)</b>	<b>(\$1,689.98)</b>	<b>(\$1,689.98)</b>
--	--	---------------	-----------------	----------------	---------------------	---------------------	---------------------

<b>Rate Guarantee</b>		12 Months	24 Months	24 Months	24 Months	24 Months	24 Months
<b>Age Reduction</b>	No Age Reduction	No Age Reduction	No Age Reduction	No Age Reduction	To 65% at 65, 50% at 70, 35% at 75	No Age Reduction	No Age Reduction

<b>Dependent Life Rate (Class 7)</b>	\$0.80	\$0.80	\$0.600	\$0.994	Not Listed	\$0.720	\$0.800
--------------------------------------	--------	--------	---------	---------	------------	---------	---------

**Attachment #3**  
**Long Term Disability Coverage**  
**Shepherd Public Schools**

<b>Class 1</b>		<b>Kansas City Life (Current)</b>	<b>Kansas City Life (Renewal)</b>	<b>MetLife</b>	<b>Hartford</b>	<b>The Standard</b>	<b>Reliance Standard</b>	<b>Guardian</b>
<b>LTD</b>	<b>Rate</b>	0.350	0.350	0.255	0.300	0.390	0.470	0.330
	<b>Volume</b>	\$113,977	\$113,977	\$113,977	\$113,977	\$113,977	\$113,977	\$113,977
	<b>Monthly</b>	\$398.92	\$398.92	\$290.64	\$341.93	\$444.51	\$535.69	\$376.13
	<b>Annual</b>	<b>\$4,787.05</b>	<b>\$4,787.05</b>	<b>\$3,487.71</b>	<b>\$4,103.18</b>	<b>\$5,334.14</b>	<b>\$6,428.32</b>	<b>\$4,513.50</b>

<b>Class 2</b>		<b>Kansas City Life (Current)</b>	<b>Kansas City Life (Renewal)</b>	<b>MetLife</b>	<b>Hartford</b>	<b>The Standard</b>	<b>Reliance Standard</b>	<b>Guardian</b>
<b>LTD</b>	<b>Rate</b>	0.350	0.350	0.255	0.300	0.390	0.470	0.330
	<b>Volume</b>	\$37,625	\$37,625	\$37,625	\$37,625	\$37,625	\$37,625	\$37,625
	<b>Monthly</b>	\$131.69	\$131.69	\$95.94	\$112.88	\$146.74	\$176.84	\$124.16
	<b>Annual</b>	<b>\$1,580.27</b>	<b>\$1,580.27</b>	<b>\$1,151.34</b>	<b>\$1,354.52</b>	<b>\$1,760.87</b>	<b>\$2,122.08</b>	<b>\$1,489.97</b>

<b>Class 3</b>		<b>Kansas City Life (Current)</b>	<b>Kansas City Life (Renewal)</b>	<b>MetLife</b>	<b>Hartford</b>	<b>The Standard</b>	<b>Reliance Standard</b>	<b>Guardian</b>
<b>LTD</b>	<b>Rate</b>	0.350	0.350	0.255	0.300	0.390	0.470	0.330
	<b>Volume</b>	\$419,794	\$419,794	\$419,794	\$419,794	\$419,794	\$419,794	\$419,794
	<b>Monthly</b>	\$1,469.28	\$1,469.28	\$1,070.47	\$1,259.38	\$1,637.20	\$1,973.03	\$1,385.32
	<b>Annual</b>	<b>\$17,631.35</b>	<b>\$17,631.35</b>	<b>\$12,845.70</b>	<b>\$15,112.58</b>	<b>\$19,646.36</b>	<b>\$23,676.38</b>	<b>\$16,623.84</b>

<b>Monthly Total</b>	\$1,999.89	\$1,999.89	\$1,457.06	\$1,714.19	\$2,228.45	\$2,685.57	\$1,885.61
<b>Annual Total</b>	\$23,998.67	\$23,998.67	\$17,484.74	\$20,570.29	\$26,741.37	\$32,226.78	\$22,627.31

<b>Annual LTD Savings (Loss) over Current Plan</b>		\$0.00	\$6,513.92	\$3,428.38	<b>(\$2,742.70)</b>	<b>(\$8,228.11)</b>	\$1,371.35
<b>Rate Guarantee</b>		24 Months	24 Months	24 Months	24 Months	24 Months	24 Months

\*Rate \$0.255 if Life is added.

**Attachment #4**  
**Life, AD&D, and Long Term Disability Summary**  
**Shepherd Public Schools**

		Kansas City Life (Current)	Kansas City Life (Renewal)	MetLife	Hartford	Guardian	The Standard	Reliance Standard
<b>LTD</b>		\$1,999.89	\$1,999.89	\$1,457.06	\$1,714.19	\$1,885.61	\$2,228.45	\$2,685.57
<b>Life</b>		\$519.32	\$519.32	\$523.72	\$528.12	\$660.15	\$748.17	\$704.16
<b>ADD</b>		\$88.02	\$88.02	\$52.81	\$74.82	\$88.02	\$88.02	\$44.01
<b>Monthly Total</b>		\$2,607.23	\$2,607.23	\$2,033.59	\$2,317.13	\$2,633.78	\$3,064.64	\$3,433.74
<b>Annual Total</b>		\$31,286.72	\$31,286.72	\$24,403.11	\$27,805.53	\$31,605.35	\$36,775.65	\$41,204.82
<b>Ranking</b>			3	1	2	4	5	6
<b>Annual Savings (Loss) over Current Plan</b>			\$0.00	\$6,883.61	\$3,481.19	(\$318.63)	(\$5,488.93)	(\$9,918.10)
<b>Percent Savings (Loss) over Current Plan</b>			0%	22.00%	11.13%	-1.02%	-17.54%	-31.70%

\*Neither MetLife nor Hartford quoted 100% Accelerated Living Benefit.

\*\*MetLife quoted benefits that are significantly different from the current benefit plan. The most significant difference being the limitation on disability coverage for certain illnesses, specifically substance abuse, certain mental health issues, and fibromyalgia.

## Compensation Disclosure

**Compensation.** In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or "pooled") with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date of premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

**Questions and Information Requests.** Should you have any questions, or require additional information, please contact this office at (989) 249-5960 or, if you prefer, submit your question or request online at: <http://www.bbinsurance.com/customerinquiry.shtml>.



## Benefit Proposal Disclaimers

AM Best Rating for Stability: A++ to D = Highest to lowest rating  
 AM Best Financial Size: I to XV = Smallest to Largest in Millions of \$

- \* The analysis of the plans shown is a summary. Please refer to the contract for a full list of coverage and exclusions.
- \* The rates and benefits in this proposal are based upon underwriting factors which include, but are not limited to, the census provided, the effective date shown, the status of employees/dependents (i.e. actively at work, COBRA, FMLA), final enrollment, etc. If any of the aforementioned changes prior to the proposed effective date, the final provisions, including rates, for these plans may vary or result in the proposed plan to be withdrawn.
- \* This proposal may not be a complete listing of all available benefit options. Different benefit levels may be available.
- \* This presentation is the proprietary work product of Brown & Brown of Central Michigan and is not authorized for further use or distribution.
- \* It is imperative that we be informed of any employee or dependent that is hospitalized or otherwise disabled and not actively at work on the effective date of any new contract. Coverage may not be available for these individuals.
- \* All insurance carriers have their own operating procedures. A change in carrier could affect certain benefits and coverage.
- \* If a decision to switch carriers is made, your existing plans SHOULD NOT be cancelled until advised by Brown & Brown of Central Michigan.
- \* B&B representatives are available to explain any items presented. It is assumed that the recipients of this proposal will seek an explanation of any items that may be in question.
- \* B & B representatives may from time to time provide guidance regarding certain legal requirements affecting health plans, including the requirements of federal and state health care reform legislation. Such guidance is based on good-faith interpretation of laws and regulations currently in effect, and is not intended to be a substitute for legal advice. Employers should contact their own legal counsel for advice regarding legal requirements.
- \* The network provider/facility lists obtained via paper directories or carrier websites may contain providers and facilities that are no longer participating in the insurance carriers' networks. We cannot be responsible for any changes to the provider/facility listings that are not reflected. To ensure that a specific provider or facility is still participating in the provider's preferred network, we recommend contacting the provider/facility directly.
- \* Failure to adhere to provisions of the Affordable Care Act (such as pay-or-play, employer reporting requirements, benefit mandates, etc.) may result in significant fees and penalties to the employer. For a more comprehensive explanation of what fees and penalties may apply to you, you may contact your Brown & Brown of Central Michigan representative at any time.
- \* You are required to comply with Health Care Reform's Summary of Benefits & Coverage (SBC) distribution guidelines, which include requirements for SBC distribution at the plan renewal date. If an employee must enroll to continue coverage, the SBC must be provided when open enrollment materials are distributed. If enrollment materials are not distributed, employees must receive an SBC by the first day they are eligible to enroll. For insured plans, if coverage continues automatically for the next year, the SBC must be provided at least 30 days before the beginning of the new plan year. If the policy is not issued by that date, the SBC must be provided within seven business days once the information is available. Please refer to the Department of Health & Human Services' (HHS) official guidance for complete details regarding renewal and other SBC distribution guidelines.



## Shepherd Public Schools - Vision & Life and Disability RFP

### AM Best Rating

Carrier	AM Best Rating*	Financial Size**	Line of Business	Status
Ameritas	A	XIII	V	Received Quote
BCBSM	A-	XV	Med/Rx/D/V	Received Renewal
Eyemed	A-	VIII	V	Received Quote
Guardian	A++	XV	L/Dis/V	Received Quote
Hartford	A-	XV	L/Dis/V	Received Quote
Heritage Vision Plans	Not Rated		V	No Response
Liberty Mutual	A	XV	L/Dis/V	No Response
Lincoln Financial	A+	XV	L/Dis/V	Declined to Quote
MetLife	A+	XV	L/Dis/V	Received Quote
Mutual of Omaha	A+	XV	L/Dis/V	Declined to Quote
National Insurance Services	A	IX	L/Dis/V	Received Renewal
Northwest Mutual / Ryan Hohlbein	N/A	N/A	L/Dis/V	Declined to Quote
Reliance Standard	A	X	L/Dis/V	Received Quote
The Standard	A	XIII	L/Dis/V	Received Quote
Sunlife	A+	XV	L/Dis/V	No Response
Unum	A	XV	L/Dis/V	Declined to Quote
Voya	A	XV	L/Dis/V	Declined to Quote

Rating	Description
A++, A+	Superior
A, A-	Excellent
B++, B+	Good
B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory
F	In Liquidation
S	Suspended
NR	Not Rated by A.M.

\* A.M. Best Rating Guide:

\*\* AM Best Financial Size: I to XV = Smallest to Largest in Millions of \$

Financial	Description
I	Less than \$1 Million
II	\$1 Million to \$2 Million
III	\$2 Million to \$5 Million
IV	\$5 Million to \$10 Million
V	\$10 Million to \$25 Million
VI	\$25 Million to \$50 Million
VII	\$50 Million to \$100 Million
VIII	\$100 Million to \$250 Million
IX	\$250 Million to \$500 Million
X	\$500 Million to \$750 Million
XI	\$750 Million to \$1 Billion
XII	\$1 Billion to \$1.25 Billion
XIII	\$1.25 Billion to \$1.5 Billion
XIV	\$1.5 Billion to \$2 Billion
XV	\$2 Billion or Greater