

ACTION ITEM

Governing Board Agenda

Meeting Date: October 27, 2009

Item Number	Item Title	Responsible Agents
VI.A.1	Flex Benefit Program RFP 2899-5 - Disability Insurance RFP 2924-5 - Group Life/AD&D Insurance	Mr. Albert Crusoe

Recommendation

It is recommended the Governing Board approve award and implementation of RFP 2899-5 for disability insurance to Metropolitan Life Insurance Company and RFP 2924-5 for group life and AD&D insurance to Aetna Life Insurance Company effective July 1, 2010. Per state regulations, these programs are contracted for five years and are reviewed and renewed annually.

<u>Disability Insurance</u>	<u>7/1/10</u>
Current carrier: MetLife	Same levels of coverage available
7/1/10 Carrier: MetLife	Premium decrease of 28.5%
	3 year rate guarantee

Comments: This is the first time a 3 year rate guarantee on disability has been offered. In the past, 2 year rate guarantees were standard.

<u>Life Insurance</u>	<u>7/1/10</u>
Current carrier: Aetna	Same levels of coverage available
7/1/10 carrier: Aetna	Premium decrease of 19%
	5 year rate guarantee

Comments: This is the first time a 5 year rate guarantee on life insurance has been offered. In the past, 3 year rate guarantees were standard.

<u>AD&D Insurance</u>	<u>7/1/10</u>
Current carrier: Aetna	Same levels of coverage available
7/1/10 carrier: Aetna	Premium increase of 3.8%
	5 year rate guarantee

Comments: Additional benefits of rehabilitation training, adaptive home and vehicle benefits, additional hospitalization benefits, medical coverage funding, funeral planning and travel assistance have been added. This is the first time a 5 year rate guarantee on AD&D has been offered. In the past, 3 year rate guarantees were standard.

(See back side for Justification)

Funding	Approvals/Certifications
<u>Source:</u> <u>Account Identification:</u>	Chancellor _____ Academic & Student Affairs _____ Business Services _____ Human Resources _____ ITS _____ Res Dev & Cmty Relations _____ College President _____

Justification

As the 5 year contractual period is expiring, MCCCCD is required to re-bid their benefit program. The last bidding process occurred in FY 04-05.

Two RFP's were developed for the disability, life and AD&D insurances. Members from the Employee Benefits Advisory Committee, human resources and the employee benefit consultants evaluated, scored the proposals, and recommended the proposed insurance vendors.

Best and final proposals were negotiated with the top scoring vendor for each RFP and based upon those results, an award is being recommended for each RFP.