

EXECUTIVE SUMMARY

RFP 13-010V

RFP 13-010V Voluntary Supplemental Insurance For School Board Employees

The Superintendent's Insurance Advisory Committee evaluated proposals on July 18, and July 19, 2012. The Committee evaluated the proposals, based on experience and qualifications, scope of services provided, Minority Women Business participation (M/WBE), and cost of services provided. As a result of the evaluation, the Committee recommended to the Superintendent the following awards:

Accident Plan

1. AIG Benefit Solutions
2. Allstate Benefits
3. Washington National Insurance Co.

Cancer/Critical Illness

4. AIG Benefit Solutions
5. Allstate Benefits
6. Washington National Insurance Co.

Hospital Indemnity/Intensive Care

7. Allstate Benefits

Long Term Care

8. MassMutual D/B/S Financial

Group Universal Life

9. AIG Benefit Solutions
10. Allstate Benefits

Voluntary Permanent Life

11. Texas Life Insurance Co.

Based on the Committee's recommendation, SBBC staff and Gallagher Benefit Services drafted Agreements for each vendor that was recommended for award. Over several weeks, there were numerous conference calls, emails and discussions with three (3) of the vendors (AIG Benefit Solutions, Allstate Benefits, and MassMutual D/B/S Financial), and District attorney Robert Paul Vignola in an attempt to finalize the Agreements. The vendors attempted to change terms and conditions previously agreed upon, in their response to the RFP and subsequent negotiations during the July 19, 2012, Superintendent's Insurance Advisory Committee Meeting.

The Superintendent's Insurance Advisory Committee met on September 18, 2012, and an impasse was declared in contract negotiations with the following companies:

1. AIG Benefit Solutions
2. Allstate Benefits
3. MassMutual D/B/A Financial

The following is a summary of the repudiated terms and conditions proposed and accepted during the RFP process and previous negotiations by the vendors:

AIG Benefit Solutions

- AIG offered a non-binding proposal
- Business Associate Agreement without modifications
- Cannot administer some of the negotiated benefit changes (i.e., initial doctor office visit, income rider, wellness benefit)
- Will not agree to the Performance Guarantees without deviations
- Will not agree to the Termination provision
- Will not agree to the Assignment provision
- Wants SBBC to sign a master application and employer agreement that has terms and conditions that conflict with the RFP and SBBC Agreement.

Allstate Benefits

- Cannot agree to 36-month rate guarantee due to state filing
- Will not agree to M/WBE commitments
- Will not agree to the Inspection of Records by SBBC provision
- Will not agree to the Termination provision
- Will not agree to the Excess Funds provision
- Will not agree to the Student Records provision
- Wants SBBC to sign a group account information form

MassMutual D/B/S Financial

Per email received September 12, 2012, "I regret to inform you that we will not be able to move forward and sign the contract as it stands due to various legal issues we have come across."

As a result of the impasse, The Superintendent's Insurance Advisory Committee recommendation to award was amended to award to the following companies:

Accident Plan

1. Washington National Insurance Co.

Cancer/Critical Illness

2. Washington National Insurance Co.

Voluntary Permanent Life

3. Texas Life Insurance Co.