



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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May 4, 2001

ADDENDUM NO. 1

RFP No. 22-033V

Group Long Term Disability Coverage for School Board Employees

CALLED FOR: on or before 2:00 p.m., May 15, 2001

TO ALL PROPOSERS:

This Addendum amends the above referenced RFP in the following particulars only:

1. Attached are the responses to the questions received.
2. **Delete:** Table of Contents
Insert: Table of Contents - **Revised**
3. **Delete:** Attachment D
Insert: Attachment D
4. **Insert:** Attachment P
5. **Insert:** Attachment Q
6. **Insert:** Attachment R

This Addendum is for informational purposes only and need not be returned with your RFP. By virtue of signing the "Required Response Form", Page 1 of RFP 22-033V, Proposer certifies acceptance of this Addendum.


Carol E. Barker, Purchasing Agent

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➤ **QUESTION #1:**

Do all 30 copies of the RFP need to be in individual packages?

ANSWER TO QUESTION #1:

No, all the copies and original can be submitted in one package. The original RFP response should be marked as the original.

➤ **QUESTION #2:**

Will the county consider bids with an elimination period longer than 30 days or the possibly of an integrated STD-LTD plan with a 30 day elimination period?

ANSWER TO QUESTION #2:

SBBC is requesting proposal for LTD with a 30 day elimination period.

➤ **QUESTION #3:**

Were there any rate or plan changes during the experience period provided? If so, can we get the date of the changes and the rates for each period?

ANSWER TO QUESTION #3:

Please see Attachment L of the RFP.

➤ **QUESTION #4:**

Are renewal rates available from UNUM?

ANSWER TO QUESTION #4:

No, there are no renewal rates for 2002.

➤ **QUESTION #5:**

Are the LTD buy ups paid on a pre or post tax basis?

ANSWER TO QUESTION #5:

The LTD buy ups premiums are on a pre-tax basis. See Section 2.0 of the RFP.

➤ **QUESTION #11:**

What is the maximum of time an employee can continue coverage during an approved leave of absence?

ANSWER TO QUESTION #11:

24 months

➤ **QUESTION #12:**

Would SBBC be willing to amend the current definition of disability for Class 2 employees ("all others") so that the "Own Occupation" period would not extend through the entire maximum duration of benefits, but instead for the first 2 or 3 years of benefits?

ANSWER TO QUESTION #12:

Yes, the original SBBC contract provided an "own occ" definition for the first 24 months and "any occ" thereafter. Currently, Unum has provided an "any occ" definition to age 65. Your response should provide for an "own occ" definition to age 65 for Class I and a 24 month "own occ" definition for Class II for the Core and Buy-Up Plans.

➤ **QUESTION #13:**

We were not provided with the certificate for the Class 2 employees. Could we receive one?

ANSWER TO QUESTION #13:

Please see Attachment D in the Addendum.

➤ **QUESTION #14:**

Please explain why the certificate for the Class 1 employees shows a "to age 65" maximum benefit duration, while Attachment A shows the core plan as having only a 2 year pay out after the elimination period ("to age 65" is only shown as a buy-up on attach. A)?

ANSWER TO QUESTION #14:

The certificate is correct. The Superintendent coverage should be "own occ" to age 65.

➤ **QUESTION #17:**

Would the proposed billing statements (administered by SBBC) include the volume for the core and buyup coverages as well as lives and premium.

ANSWER TO QUESTION #17:

Please see Question 15 of the Addendum.

➤ **QUESTION #18:**

In the RFP bid requirements, it states that pre-ex would only apply to late entrants; however, in the ltd plan summary, it appears that pre-ex applies to all covered employees in the plan-can SBBC provide clarification?

ANSWER TO QUESTION #18:

The current plan has a 3/12 pre-existing condition. No pre-existing conditions are enforced for the first 180 days. Pre-existing provisions should not apply to currently covered employees. Please see Attachment L of the RFP.

If you can not accommodate these provisions SBBC will consider deviations within this area.

➤ **QUESTION #19:**

In the contract with UnumProvident, it states that no pre-ex would apply during the first 180 days of claim, and during the first 180 days of claim, the benefit would be paid weekly (rather than monthly). Does this refer to an STD plan, or is it applicable to LTD (I didn't see any mention of this in the booklet).

ANSWER TO QUESTION #19:

Unum currently provides weekly payment and no pre-existing for the first 180 days under Unum's current LTD policy. If you can not accommodate these provisions SBBC will consider proposals that have deviations within this area.

➤ **QUESTION #20:**

Experience Information

Have there been any changes to the rates since inception; if so, what are the historical rates? Based on the information in the RFP, it appears that the rates at inception were \$.46 and \$.23; currently they are \$.46 and \$.225 - can SBBC confirm this is correct?

We would need to get the incurral exhibit detailing paid claims and reserves by incurral year, on Unum paper -- We really need the information to be on carrier letterhead. We would like the incurral to split the core and the buyup experience.

What is Unum's renewal rate? Based on how it appears to be running, our guess is that they would be out for an increase.

We need to get Unum's detailed open and closed claim listing - the listing should include: date of birth, date of disability, gross benefit, offsets, net benefit, paid to date, reserve amount, and termination date (for closed claims). We do realize that a list of open and closed claims has been provided - however, the detailed list will give us a much better description as to the claimant demographics. If at all possible, we would like to get this data electronically. We need to be able to determine which claims came from the core vs. buyup.

A history of covered lives (and participation in the buyup) since inception

➤ **QUESTION #25:**

Have there been any changes in plan design since inception? The date on the booklet is 5/1/98, and it is written on Umum's managed language - was this a plan change along the way?

ANSWER TO QUESTION #25:

Please see Attachment L of the RFP.

➤ **QUESTION #26:**

Do all School Board ees eligible for the LTD participate in SS? Are all ees eligible for some type of Florida State disability retirement benefit? If so, can we identify which ees are eligible for this benefit on the census? Can we get a copy of the FL state disability retirement benefit calculation?

ANSWER TO QUESTION #26:

Yes, all SBBC employees for the LTD do participate in social security and participate in the Florida Retirement System. Everyone on the census is eligible. A copy of the Florida Retirement Plan is available through the State.

➤ **QUESTION #27:**

Is there a requirement that SBBC market the LTD plan at the termination of the initial contract duration (3 years)?

ANSWER TO QUESTION #27:

Please see Section 8.4 of the RFP.

➤ **QUESTION #28:**

What is the maximum duration of the plan? The summary says 2 years, but the booklet appears to be ADEA II to age 65?

ANSWER TO QUESTION #28:

Please see Question 12 of the Addendum.

➤ **QUESTION #29:**

Is there any union involvement?

ANSWER TO QUESTION #29:

Disability Insurance Coverage is addressed in Collective Bargaining Unit Contracts.

➤ **QUESTION #30:**

There were two certificates provided for superintendents but nothing for all other employees. Could you please provide a certificate for all other employees?

ANSWER TO QUESTION #30:

Please see Attachment D of this Addendum.

➤ **QUESTION #37:**

The experience section provided some STD claims data. Does Unum cover fully insured or self insured STD for a portion of the group? If so, which portion and can you provide any information on the STD plan design?

ANSWER TO QUESTION #37:

Unum provides a single LTD policy for SBBC with weekly benefits for the first 180 days. Unum utilizes their STD claims system for these payments.

➤ **QUESTION #38:**

Unum currently accumulates its elimination period to correspond with the end of sick leave. Can Broward County provide any data on their current accumulate sick leave program? (Any information provided such as average accumulations, accumulations by employee or such will be helpful)

ANSWER TO QUESTION #38:

Please see Question 21 of the Addendum.

➤ **QUESTION #39:**

Does Broward County allow employees to cash out their sick leave?

ANSWER TO QUESTION #39:

Teachers are allowed to cash out 80% of their annual sick leave accumulation.

➤ **QUESTION #40:**

Does Broward County participate in PERS / STRS? If so, do you have any data on the average length of service?

ANSWER TO QUESTION #40:

Please see Question 26 of the Addendum.

This is tracked by Florida Retirement System and is not readily available.

➤ **QUESTION #41:**

Does Broward County participate in Social Security?

ANSWER TO QUESTION #41:

Yes.

➤ **QUESTION #42:**

Will the elimination period continue to accue during the summer months?

ANSWER TO QUESTION #42:

Please see Attachment D of the Addendum Page 16.

➤ **QUESTION #43:**

On the census submitted, the total annual covered payroll was 638,412,434 for the base and 644,711,588 for the opt up. While these are within the ranges of the numbers indicated on page 2 of the RFP 22-033V they are still high. Does this seem reasonable?

ANSWER TO QUESTION #43:

Please see Attachment R of the Addendum.