

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

FINANCIAL SERVICES DEPARTMENT

M_E_M_O_R_A_N_D_U_M

TO: Al Weidner, Deputy Chief Financial Officer

FROM: Bert Palmer, Risk Manager

DATE: October 2, 2008

SUBJECT: 2008 Group Long Term Disability (LTD) Insurance – RFP #8033

Background

The district, in cooperation with Aon Consulting, Inc., prepared and released a Request for Proposals (RFP) for the district provided Long Term Disability insurance program. The program provides a disability benefit equal to 60% of the employee base salary after an elimination period of 60 days, or the expiration of accrued sick leave, whichever is greater. The LTD is provided as a core benefit for all full-time appointed employees. The RFP was released on August 8 and responses were returned to the district Materials Management Department on August 30, 2007.

2008 Group Long Term Disability (LTD) Marketing Results

The district received responses from ten (10) carriers. The incumbent carrier [Mutual of Omaha] chose not to submit a proposal through the formal RFP process. Therefore, they were deemed non-responsive. The responses are summarized in the enclosed report from Aon Consulting, dated October 2, 2007. We selected three (3) finalists [CIGNA, MetLife and Unum] and requested their “best and final” offer. The finalist were notified on September 21 and their “best and final” responses were received by the Materials Management Department on September 26, 2007.

Recommendation

Aon Benefit Consulting and the Risk Management Office have reviewed all proposals and the “best and final” offers. We recommend that the district accept the proposal from MetLife. Their proposed rate per \$100 of payroll is \$0.18. This is 35.7% lower than the incumbent expiring rate of \$0.28. This is an annual [calendar year] savings of \$226,045 guaranteed for thirty-six (36) months. The terms and conditions of the proposed program are equal to, or better than, the expiring program.

We recommend that the district accept the final proposal from the MetLife Insurance Company (MetLife), with an effective date of January 1, 2008.

If you have any questions, please let me know.

Attachment (1)