

RUTHERFORD COUNTY BENEFITS & INSURANCE COMMITTEE
MAY 27, 2010 COURTHOUSE

MINUTES

MEMBERS PRESENT:

MICHAEL JONES
MERRY HICKERSON
PAULA BARNES
ALLEN MCADOO
JEFF SANDVIG
JOYCE EALY
WILL JORDAN
DONNIE HESTER
GREG HALL
MAYOR BURGESS

OTHERS PRESENT:

EVELYN ANDERSON
SONYA STEPHENSON
JEFF JORDAN
PAUL HUFFMAN
LISA NOLEN
JEANNIE HERNDON
MICHELLE ANGLEA

APPROVE MINUTES:

A motion was made by Mike Jones to approve the minutes from April 22, 2010 meeting. The motion was seconded by Greg Hall and passed unanimously.

LIFE INSURANCE FINALIST PRESENTATIONS:

Mayor Burgess stated that the only item on the agenda was the life insurance finalist presentation; he asked that proper protocol be followed and have each step of the life insurance bid approval be endorsed by the Committee members. He wanted all the information reviewed by this recommending body. The renewal is effective January 1, 2011.

Sonya Stephenson, Human Resource Director, explained the RFP (request for proposal) process. There were a total of 13 bids received and opened by the Purchasing Committee April 13, 2010. The Purchasing Committee along with Lois Miller, Insurance Director, Vicki Taylor, and Ted Lindsey opened the sealed bids in Room 205. The companies were US Able Life, Sun Life Financial, Minnesota Life Ins. Co., Unum (3 identical bids), Lincoln National Life, The Standard Insurance Co., Humana, Cigna, ING, Prudential, and the current vendor, Hartford Life. Due to Mrs. Miller's departure, the County hired an outside consultant, Bob Shupe, Employee Security Planning, to tabulate all the bids and create a financial spreadsheet. Mr. Shupe has worked with the County for many years on various RFP's and maintains all County property information.

Mrs. Miller appointed a sub-committee prior to her departure; the members are Sonya Stephenson, Lisa Nolen, Finance Director, and Evelyn Anderson, Insurance Administrator. They met with Mr. Shupe on May 12th to review all 13 RFP's. Each vendor was evaluated regarding cost (both County and employee premium), guaranteed issue, child coverage, actively-at-work statement, beneficiary assist, online billing, etc. The sub-committee made a selection of four vendors to interview. On May 21st, they met individually with US Able Life, The Standard, Prudential, and Hartford Life. As a result of those interviews, Standard and Prudential were selected as the 2 finalists.

Mayor Burgess asked the Insurance Committee to review the spreadsheet containing all 13 RFP's financial information, and confirm on the 4 finalists selected. A motion was made by Gregg Hall to agree with the selection of the 4 finalists. The motion was seconded by Mike Jones and passed unanimously.

After reviewing the spreadsheet of the 4 finalists, a motion was made by Merry Hickerson to approve and accept Standard and Prudential as the final 2 bids. The motion was seconded by Jeff Sandvig and passed unanimously.

Mrs. Stephenson stated that representatives from Standard and Prudential would each have 20 minutes to address the Committee, with questions and answers to follow each interview. She asked everyone to look for the key items addressed earlier. She stated that either of these plans would generate a savings that would allow the County to be able to increase the employee basic life insurance coverage from \$30,000 to \$35,000 without any additional cost to the County or employee.

Donna Morgan-Huffman, Kristine Mayo, and Ronald Witthohn, presented a quick overview of Prudential, followed by a question and answer period. Representing Standard were Scott Mottern, Jay Woodruff, and Ashley Ramsey who also reviewed company information and benefits, followed by questions and answers.

Jay Brown, Cowan Benefits, thanked everyone for selecting Cowan and two of their preferred carriers as a finalist. Cowan has a strong partnership with the County since last fall when they provided the voluntary benefits and communications during the annual open enrollment. They will continue to communicate all changes to employees in person at open enrollment and in the benefits enrollment guide.

After the presentations, Mayor Burgess reminded the Committee to select the vendor who had the most to offer both the County and the employees. The guarantee issue amount was important, Standard had \$300,000, and Prudential had \$200,000, along with the other key issues talked about.

A motion was made by Jeff Sandvig to recommend Standard as the life vendor effective 01/01/2011, and allow the Insurance Department the right to negotiate any fine points. The motion was seconded by Will Jordan and passed unanimously. After discussion, the Mayor authorized the Insurance Department to make adjustments to any items of concern in the contract, if needed.

Mrs. Nolen reminded the committee that the County has the ability to go from \$30,000 basic life coverage to \$35,000 basic life coverage on all employees, and still be under the current cost. After discussion, a motion was made by Jeff Sandvig to approve changing the basic coverage to \$35,000, and leave room for negotiations with Standard. The motion was seconded by Paula Barnes and passed unanimously.

Commissioner Jordan stated he supported the change to add \$5,000 to the \$30,000 benefit; however, he was concerned about funding more than that amount at this time. He preferred moving the increase up slowly.

The motions will be forwarded to the Budget Committee meeting on June 10th.

OTHER BUSINESS:

Mayor Burgess said there was concern for the recent changes made to GASB 45 liability for other post-employment benefits. In particular, the active employee's who currently have 10-20 years of service. He stated this is a complex process and that many have been spending a long time working on this. He asked that the Insurance Department, finance director, human resources, Joyce Ealy, Jeff Sandvig, or Paula Barnes meet before the next Insurance meeting to discuss recommendations to consider and identify the dollars tied to modify GASB.

ADJOURNMENT:

The meeting was adjourned at 2:55 p.m.

Ernest Burgess, Chairman
Rutherford County Benefits & Insurance Committee