



District School Board of Pasco County

20430 Gator Lane • Land O' Lakes, Florida 34638 • 813/794-2221

Heather Fiorentino, Superintendent


www.pasco.k12.fl.us

Department of Purchasing
Michael J. Woodall, CPPO, Purchasing Agent
813/794-2221 Fax: 813/794-2111
727/774-2221 TDD: 813/794-2484
352/524-2221 e-mail mwoodall@pasco.k12.fl.us

October 16, 2012

MEMORANDUM

TO: Honorable School Board Members

FROM: Michael J. Woodall, CPPO, Purchasing Agent 

SUBJECT: Minnesota Life Insurance Company

Minnesota Life Insurance Company (MLIC) has provided the District life insurance (employee basic and supplemental, spouse supplemental, dependent supplemental, accidental death and dismemberment, and retiree life insurance) since 2005. Because the services have been satisfactory and to provide a continuum of services the Insurance Committee contacted MLIC to confirm their willingness to continue with the same terms and conditions of the existing contract with the District. Per Florida Administrative Rule 6A-1.012(15), we are permitted to negotiate for insurance, should it be in the best interest of the Board to do so.

As a result MLIC agreed to decrease the Board's premium by 6.65%. The Committee contacted 4 other local school districts and found this rate to be below or equal to their current premium. Please refer to the attached memo from Ms. Mary Tillman, Director of Employee Benefits, Assistance & Risk Management for additional details. The total cost to the District for 2013 is expected to be \$575,000. The funding source is the insurance funds provided by the Board.

At this time it is my recommendation to enter into a one-year agreement with Minnesota Life. The contract period will be January 1, 2013 - December 31, 2013. Should you have any questions concerning this matter, please feel free to contact Mary Tillman or me at your earliest convenience.

Date/Time: October 10, 2012 09:21:00



District School Board of Pasco County

7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638 • 813/794-2000

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Employee Benefits, Assistance & Risk Management

Mary Tillman, Director

813/794-2759 Fax: 813/794-2173

727/774-2759 TDD: 813/794-2484

352/524-2759 e-mail: mtillman@pasco.k12.fl.us

DATE: September 6, 2012

TO: Mike Woodall, Purchasing Agent

FROM: Mary Tillman, Director of Employee Benefits *Mary H. Tillman*

RE: 2013 Extension for Minnesota Life Insurance Company

On August 16, 2005, RFP 06-049-AZ for Group Life Insurance was awarded to Minnesota Life Insurance Company for employee basic and supplemental, spouse supplemental, dependent supplemental and retiree life insurance. RFP 06-049-AZ is a five year agreement with the provision to extend for an additional year if mutually agreeable by both parties. The current one year extension with Minnesota Life will expire on December 31, 2012. In July 2012, Minnesota Life decreased the Board's premium by 6.65% and guaranteed that rate through December 31, 2015.

The services provided by Minnesota Life have been satisfactory. Minnesota Life has agreed in writing to renew the contract for 2013, 2014 and 2015 with the same premium rate for the Life and Accidental Death & Dismemberment coverage for District employees. In addition, EBARM staff contacted 4 other local school districts to ensure that the rate offered by Minnesota Life was competitive. Rates for three of the school districts were considerably higher and one was almost exactly the same. The total cost to the District for 2013 is expected to be \$575,000. The funding source is the insurance funds provided by the Board.

Because of staff, time and budget issues, I am requesting the Board's approval to enter into a one year agreement with Minnesota Life. On August 31, 2012, the District Insurance Committee agreed with this recommendation.

Please request permission from the Board to approve this agreement. If you have any questions or need any additional information, please call me. As always, I appreciate the assistance that I have received from you and your staff during this process.

**MINNESOTA LIFE INSURANCE COMPANY
RATE CONFIRMATION**

1. Policyholder: District School Board of Pasco County
2. Policy Number(s): 33290
3. Insurance Product(s): Basic Term Life and AD&D, Supplemental Term Life
4. The insurance rates included in this rate confirmation are net of commissions
5. Rate Coverage Period: January 1, 2013 – December 31, 2015

Premium Rates:

Basic Life - Actives: \$.139 / \$1,000 / month
 Basic Life - Retirees: \$1.490 / \$1,000 / month
 Basic AD&D: \$.018 / \$1,000 / month
 Supplemental & Spouse Life:

<u>Age</u>	<u>Rate / \$1,000 / Month</u>	
Under 25	\$	0.049
25-29	\$	0.041
30-34	\$	0.049
35-39	\$	0.074
40-44	\$	0.115
45-49	\$	0.190
50-54	\$	0.288
55-59	\$	0.428
60-64	\$	0.610
65-69	\$	1.014
70-74	\$	1.813
75+	\$	3.700

Child Life: \$.131 / \$1,000 / month

MINNESOTA LIFE INSURANCE COMPANY

By _____
 Brian Anderson

Date _____

Title 2nd Vice President

ACKNOWLEDGEMENT BY AUTHORIZED REPRESENTATIVE OF POLICYHOLDER

This document confirms that the rates stated above are the agreed upon rates for the specified policy numbers. These rates will be charged for coverage amounts effective during the Rate Coverage Period listed above. Minnesota Life reserves the right to adjust rates if the insurance volume within a coverage or across coverages changes by 15% or more or other aspects of group composition change materially. Actives and retirees are considered independent coverages. The baseline for calculating the total change

in volume will be the volume provided in April 2011. Rates may also be adjusted if there is a change in plan design or in the definition of an eligible insured.

By _____

Date _____

Title _____