



June 26, 2007

Dr. George Copeland
Assistant Superintendent of Business Affairs
The School District of Clay County
900 Walnut Street
Green Cove Springs, FL 32043

RE: Life and Disability Plans
Experience and Marketing Results

Dear Dr. Copeland,

Aon is pleased to present the experience and the results and our analysis of the Life and Disability marketing.

Life and Disability Marketing Results and Analysis
Prior Renewal and Marketing Background

After a three-year rate guarantee and a loss ratio of 128%, The Standard was renewed for the 2006 – 2007 plan year with a 19% overall increase for the life insurance plans with a 12 month rate guarantee. The Insurance Committee was presented with plan changes that would lower the increase, but the Committee approved the renewal with no plan changes, effective October 1, 2006. The basic life and supplemental AD&D life coverages were renewed with no increase for an additional 12 month period.

The Short-Term Disability (STD) plan renewed with no increase for the second year in a row. The Long-Term Disability (LTD) plan had an incurred loss ratio of 133%, but Aon was able to negotiate the increase down to 35% (from the original 55%). The committee was presented with minor plan changes to decrease the renewal, but opted to maintain the same plan design and approved the 35% increase, effective October 1, 2006.



During the renewal process, we reviewed the reserving component utilized by The Standard for the LTD program. Upon review, it was determined that their methodology was higher than industry normatives. Although negotiations proved positive for the District, Aon maintained the renewal was higher than necessary and noted the potential opportunity to market the coverage for more advantageous rating.

During the first two Insurance Committee meetings of the 2006-2007 School Year, the Committee reviewed the final plan year results and voted to market the Life and Disability plans to lower the overall plan costs, while still desiring to maintain a long-term partnership with a carrier.

Marketing Process and Responses

As a governmental agency, the District is required to send the Request for Proposal (RFP) to all carriers that have asked to be included on the bid list. For this marketing, the bid list from the District totaled 30 potential providers. Once the RFP was released, bidders were able to review the Request for Proposal (RFP) and submit questions to Aon for response. A bid review meeting was held to review all questions and address any new questions. Once the review meeting concludes, no additional questions can be entered for response. For this RFP, two addendums were issued to address all of the data and RFP requirements for the proper submission of proposals.

Of those providers that were sent the RFP, only nine completed a proposal. It should be noted that 14 did not respond to the RFP, while 7 declined to bid. These declinations were due to several reasons. Some declinations were from agents or brokers, as they would not be named as Broker of Record and, therefore, unable to collect commissions. Several providers initially notified us of their intent to bid, only to decide they would not be competitive after receiving information from their underwriting team. This was the case for Blue Cross/Blue Shield of Florida and HM (Highmark) Insurance Group.

The following carriers provided proposals by the deadline of February 9, 2007 at 2pm:

- Aetna
- American Fidelity
- CIGNA
- The Hartford
- Humana
- MetLife
- The Standard (current carrier)
- Unimerica (division of UHC)
- UNUM



No other proposals were accepted after the deadline. The original binders for each proposal were sent to the Purchasing Department at the District. Aon reviewed a copy of each proposal to provide analysis to the Committee during the meeting on February 28th. The entire RFP and all of the results have been filed with the Purchasing Department and are available for the Board's review. The following is a summary of the marketing and finalist presentations, as well as the Committee recommendation.

Life Insurance Plan Design, Premium and Rate Guarantees

The District received nine proposals for the Life and AD&D program. However, two carriers, American Fidelity and Humana, were unable to offer rates on a tenthly (as opposed to monthly) basis. Therefore, we would not recommend those carriers as viable options for the District. MetLife's proposal, while competitive, was not submitted in the requested format layout. Therefore, MetLife was removed from consideration.

The remaining carriers offered the basic life plan with a \$20,000 benefit for Plan A participants and a \$50,000 benefit for Plan B participants. There are some plan designs that are different than the current plan, such as the Accelerated Death Benefit and the Age Reduction schedule. However, all proposals are offered with a 3 year rate guarantee.

Financially, all of the proposals matched the current rate or offer a savings of up to \$13,000 per year. The Executive Summary within the RFP reviews the annual premium differentials between the current and proposed carriers.

For the purposes of this marketing effort, a plan design change from the current benefit design was proposed. Vendors were requested to give pricing to offer the benefit as a single multiple of the employee's actual salary. However, a change to the basic life benefit will financially impact any employee that earns more than \$50,000, as any life benefits above this amount will incur an imputed tax cost each pay period. The tax implication is minor, but will be a change for some employees of the District. Additionally, those Plan A or Plan B employees earning less than \$20,000 or \$50,000 (respectively) annually will have a lesser benefit than current. For 60% of the employees, a change to a single multiple of earnings will increase their life insurance benefit. Conversely, approximately 1,770 employees will receive a lesser benefit.

While most proposals offered no savings to the District for this change in benefit design, Aetna's proposal for this option offered a \$60,000 annualized saving to the District.

Disability Insurance Plan Design, Premium and Rate Guarantees

Eight of the carriers provided proposals for disability coverage. Two proposals, American Fidelity and MetLife, did not conform to the bid specifications. American Fidelity did not provide Plan B rates in a per participant format. MetLife's proposal, while competitive, was not submitted in the requested format layout. Therefore, these carrier proposals were removed from consideration.

For the **Short-Term Disability** plan, the remaining carriers offered plan designs that matched the current plan from The Standard. UNUM's contract defines a self-reported disability slightly different than the current contract. CIGNA, Hartford and Unimerica did not have a self-reported component within the STD plan. While this is a concern, it is important to note less than 2% of the District's claims are self-reported. Most all carriers offered the same rate as current (or slightly lower), with Aetna, Hartford and UNUM offering a 3-year rate guarantee.

The **Long-Term Disability** plan designs also closely mirror the current plan. However, UNUM defines "Own Occupation" as loss of duties and 20% loss of earnings. Both must be satisfied for this definition. For all of the carriers, we had discrepancies for the Benefit Reduction Schedule, as well as the self-report limitation. These items were clarified within the finalist presentation component of the selection process. All carriers proposals were found to contain the "own occupation" definition with a loss of earnings. Additionally, Aetna, CIGNA and UNUM offered three year rate guarantees with lower rates than the current plan.

Other Considerations

Each provider had certain nuances with their plan that need to be identified as we compared plan designs and rates. Some of the additional services could have an impact on other benefit plans the District offers. Below is an insight on each carrier's differentiators.

Aetna

Aetna was able to offer an integrated solution with the medical plan. Their Integrated Health and Disability model coordinates with the medical case management team to identify opportunities to implement services to improve health statuses and shorten return-to-work times. Aetna was also offering (at no additional charge) their *Life Essentials Program*. This program provides support with financial planning, legal assistance, bereavement counseling services, and several other services dealing with critical caring and support services during an end-of-life situation.

For an additional fee, Aetna offered Total Absence Management services, which includes tracking FMLA, Paid Time Off, Vacation, Military Leave, Bereavement Leave, Jury Duty and other leave programs.

American Fidelity

American Fidelity offered Life Line Screening as an optional coverage. This plan gives a set cost for certain types of screenings (Carotid Artery, Abdominal Aortic Aneurysm, Peripheral Arterial Disease, and Osteoporosis).

CIGNA

CIGNA offered a program called CIGNAssurance. This program provides additional support for end-of-life situations for bereavement counseling, as well as legal and financial referrals.

The Hartford

The Hartford offered Beneficiary Assist and Travel Assistance at no additional cost. This program offers comprehensive work-life employee assistance.

Humana

No additional services noted within the RFP.

MetLife

MetLife's proposal included *MetLife Advice Solutions*. This program gives guidance to employees with support and personalized assistance for beneficiaries to help deal with a wide scope of issues. They also offer planning services for dependents with special needs under their *MetDESK* program.

The Standard

The Standard offered several program enhancements to the current program. The Employee Assistance Program, provided by Horizon Behavioral Health, offers a wide range of services available by telephone or in-person to help employees and their families address all types of work-life issues.

MEDEX Travel Assist is a new program offering emergency transportation services for employees and their families while they are traveling for business or pleasure.

Unimerica

Unimerica offered beneficiary support services as part of their life insurance program. This gives assistance to families from a financial perspective.

UNUM

UNUM had several additional programs within the scope of their proposal. Their work-life balance program is provided by Ceridian, an industry leader in Employee Assistance Programs. The program includes both telephonic and face-to-face counseling sessions for any life-work issues for employees as well as their dependents. Employees would also have an emergency travel assistance program to access for emergencies worldwide. AssistAmerica will arrange and pay for transportation back home after a medical emergency. UNUM also offered HR compliance services and survivor support financial counseling for employees and their families.

UNUM also offered to reduce the enrollment system (Campus) fees by \$0.75 PEPM if they are selected as the carrier for both the life and disability plans. This represents an annual savings of \$40,500 (based on 4,500 employees) over the next three years.

Combined Offering Financial Results

The District had several proposals that offered an annual savings to both the District and its employees. Aetna's proposal offers an annual savings to the District of approximately 9.48% from the current plan year cost. Closely behind are UNUM, with a 5.3% savings and Hartford, with a 4.01% savings. CIGNA did offer a savings of 6.76%, but only guaranteed the disability rates for two years. Unimerica and Standard proposed an increase to the current cost.

Final Analysis of Proposals

Upon final analysis, we recommended the following carriers as finalists due to their plan design, pricing and value added programs:

- Aetna
 - Offering a substantial savings to the District, with the added benefit of medical and disability integration
- CIGNA
 - Offering financial savings to the District, with minimal plan design deviations
- UNUM
 - Offering savings on the life and disability, additional savings to the on-line enrollment system, and a full EAP program for all employees

- The Standard
 - The incumbent, deserving of an opportunity to lower their proposed rates

During the review with the Insurance Committee, there was debate as to how many finalist presentations should be allowed. Several Committee members did not agree with the inclusion of The Standard in the process, as they were the current carrier and the Committee was familiar with the products and services. However, at the vote, all four carriers recommended by Aon were asked to attend a Finalist Presentation. The Committee gave a list of questions for the vendors to answer prior to and for discussion at the March 8th meeting.

Finalist Presentations

Prior to the Final Presentation, all of the carriers responded to the Insurance Committee's questions and clarifications. This was also the final opportunity for all vendors to improve their rates and/or plan design. During the discussion after the presentations, the Committee had the following observations of the vendors:

- CIGNA
 - Quality organization, very knowledgeable
 - Competitive rates
- Aetna
 - Did not seem as if Life and Disability was an important part of overall business
 - Offered 1% discount on medical renewal if selected as Life and Disability carrier (one year only)
 - May be able to offer EAP, unsure how robust for no charge, but must be enrolled in LTD
- UNUM
 - Seemed to be leaders in Life and Disability
 - Would personalize and mail kits to employee's homes for anyone wishing to increase life insurance above guarantee issue
 - EAP through Ceridian for all District employees, including coverage for students of the District when referred by teacher
 - Savings on the enrollment system over the next three years
- The Standard
 - Knowledgeable on District plans
 - Able to secure EAP coverage for LTD members only in renewal rates



After discussions on merits of each carrier, the Committee voted to approve UNUM for the Life and Disability coverage. In addition, the Committee approved an increase to the Guarantee Issue (total available without Evidence of Insurability) on the Life Insurance from \$50,000 to \$100,000, as well as an increase to the plan combined maximum from \$100,000 to \$200,000.

Summary

The Committee recommendation for UNUM has value for both the Board and the employees of the District. The UNUM proposal will lower the premium for the employees and the District, as well as produce true savings on the fees for the benefits enrollment system. As noted in our financial summary, the annual savings for the Board's portion of the life and disability coverage totals \$24,931. Additionally, the Board will save another \$195,040 over the next three years due to the inclusion of an EAP plan and the discount on the enrollment system.

Please let me know if you have any additional questions on any of the renewals.

Sincerely,

Gina Ciccio
Consultant

CC: Sheila Gann, School District of Clay County
Insurance Committee Members
John M. Cooney, Aon Consulting
Debbie Seatz, Aon Consulting

**The School District of Clay County
2007 Life and Disability Marketing Financial Summary**



	The Standard		UNUM
	Current	Renewal	Tenthsly rates
	06-07 Plan Year	07-08 Plan Year	Per
Basic Life and AD&D	\$220,156	\$255,750	\$0.16
Voluntary Life and AD&D	\$167,312	\$172,726	See Age Banded Chart
STD- Plan B	\$131,817	\$131,817	\$8.93
LTD- Plan B	\$75,875	\$85,731	\$4.75
Voluntary STD- Plan A	\$164,614	\$164,614	\$1.26
Voluntary LTD- Plan A	\$107,095	\$120,959	\$0.79
Total Annual Premium	\$866,869	\$931,596	\$100
			\$835,834

	The Standard		UNUM
	Current	Renewal	3 Year Rate
	06-07 Plan Year	07-08 Plan Year	Guarantee
<i>The District Paid Plans</i>			
Total Annual Premium	\$427,848	\$473,298	\$402,918
\$ Variance to Current	N/A	\$45,450	-\$24,931
% Variance to Current	N/A	10.62%	-5.83%
<i>Employee Paid Plans</i>			
Total Annual Premium	\$439,021	\$458,298	\$432,916
\$ Variance to Current	N/A	\$19,277	-\$6,105
% Variance to Current	N/A	4.39%	-1.39%
<i>All Plans Combined</i>			
Total Annual Premium	\$866,869	\$931,596	\$835,834
\$ Variance to Current	N/A	\$64,727	-\$31,036
% Variance to Current	N/A	7.47%	-3.58%
<i>Additional Annual Savings:</i>			
Employee Assistance Program	\$0	\$0	\$70,840
Enrollment System	\$0	\$0	\$124,200
Medical Plan Adjustment	\$0	\$0	\$0
TOTAL DISTRICT SAVINGS	N/A	\$0	\$219,971

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	Current	Renewal	3 Year Rate
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Medical Plan Adjustment	\$0	\$0	\$0
TOTAL DISTRICT SAVINGS	N/A	\$0	\$219,971

**The School District of Clay County
2007 Life and Disability Marketing
Finalist Presentation**



Carrier	Response
Aetna	Quoted
CIGNA	Quoted
The Standard	Quoted
Unum Provident	Quoted

The School District of Clay County
2007 Financial Ratings Summary



The ratings below are based on 1st Quarter 2007 Ratings. Aon Consulting does not guarantee the financial stability or claims paying ability of the vendors analyzed in RFPs/bids or renewals. It is Aon Consulting's policy to obtain rating bureau information from its vendors and to communicate that information to clients at the point of bid or renewal. We recommend our clients rely on these published financial ratings along with their analysis of benefits, rates, quality and customer service in selecting a quality, well-rated vendor. Aon Consulting recommends carriers with an A.M. Best rating of A- and above.

CARRIER	AM Best	Standard & Poor's	Fitch	Moody
Aetna	Ag	A+	AA-	Aa3
CIGNA	Ag	NR	A	A3
The Standard	Ag	A+	AA-	A1
UNUM Provident	A-g	BBB+	A-	Baa1
RATING EXPLANATION				
Rating	AM Best	Standard & Poor's	Fitch	Moody
Scale	Indicates a company's relative financial strength and its ability to meet its contractual obligations.	Indicates a company's capacity to meet insurance policy obligations.	Indicates a company's ability to pay claims on a timely basis, based on long-term solvency and ability to maintain adequate liquidity and includes evaluation of company's asset and liability management practices.	Indicates a company's relative financial strength and ability to meet policy-owner obligations and claims.
Modifiers	Ratings may be modified by + or - signs to show relative standing of insurer in rating categories A through C. Ratings modifiers are assigned to identify companies whose rating options are Under review (u) and which may be assigned to HMOs whose ratings are based on quantitative analysis, Syndicate (s), Public Data (pd), Affiliation Codes may also be included to identify Group (g), Pooled (p), or Reinsured (r) business. NR - 1 Insufficient Data NR - 2 Insufficient Size and/or Operating experience NR - 3 Rating Procedure Inapplicable NR - 4 Company Request NR - 5 Not Formally Followed	Ratings may be modified by + or - signs to show relative standing of insurer in rating categories AA through CCC. 'pi' Ratings, denoted with a 'pi' subscript, are Insurer Financial Strength Ratings based on an analysis of an insurer's published financial information and additional information in the public domain. They do not reflect in-depth meetings with an insurer's management and are therefore based on less comprehensive information than ratings without a 'pi' subscript. NR implies no opinion about the insurer's financial security.	Ratings may be modified by + or - signs to show relative standing of insurer in rating categories AA through CC. "Point in time" subscripts may be applied (q). Denotes that ratings are valid as of the last balance sheet data used to derive the rating and carry no forward-looking elements.	1. Company ranks in higher end of its generic rating category. 2. Mid-range ranking. 3. Lower-end ranking. Reason for NR: An application was not received or accepted; or the issue or issuer belongs to a group of securities or entities that are not rates as a matter of policy; or there is a lack of essential data pertaining to the issue or issuer; or the issue was privately placed, in which case the rated is not published in Moody's publications.

The School District of Clay County
 Plan Year 2007 - 2010
 Basic Life



Basic Life Plan Provisions		The Standard - Current Plan	UNUM Provident
Eligibility			
Class 1		Active employees selecting medical coverage	Active employees selecting medical coverage
Class 2		Active employees not selecting medical coverage	Active employees not selecting medical coverage
Class 3		Retirees	Retirees
Schedule of Coverage			
Class 1		Flat	Flat
Coverage Amount		\$20,000	\$20,000
Covered Earnings		N/A	N/A
Class 2		Flat	Flat
Coverage Amount		\$50,000	\$50,000
Covered Earnings		N/A	N/A
Class 3		Flat	Flat
Coverage Amount		\$10,000 or \$20,000	\$10,000 or \$20,000
Covered Earnings		N/A	N/A

The School District of Clay County
 Plan Year 2007 - 2010
 Basic Life



Basic Life Plan Provisions	The Standard - Current Plan	UNUM Provident
Max. Basic Life Benefit:		
Class 1	\$20,000	\$20,000
Class 2	\$50,000	\$50,000
Class 3	\$20,000	\$20,000
Guarantee Issue:		
Guarantee Issue Maximum	\$50,000	\$100,000
Coverages Included in GI Max	Basic Life, Supp Life	Basic Life, Supp Life
Age Reduction Schedule	Age	% of Original Benefit
	65	70%
	70	65%
Retirement Coverage:		
Retiree Coverage Continuation	Continues with no age reduction	Continues with no age reduction
Amt of Retiree Coverage	\$10,000 or \$20,000	\$10,000 or \$20,000
Waiver of Premium	Included	Included
Disability occurrence	prior to age 60 with 6 month disability period	prior to age 60 with 6 month disability period
Ending date	the earlier of age 65 or retirement	the earlier of age 65 or retirement
Conversion	Yes	Yes
Accelerated Death Benefits	75% of total benefit available	75% to \$500,000

The School District of Clay County
 Plan Year 2007 - 2010
 Basic Life



Basic Life Plan Provisions	The Standard - Current Plan	UNUM Provident
Basic AD&D		
Eligibility	Same as Basic Life	Same as Basic Life
Benefit Formula	An amount equal to Basic Life	An amount equal to Basic Life
Maximum Benefit	An amount equal to Basic Life	An amount equal to Basic Life
Age Reduction Schedule	% of Original Benefit	% of Original Benefit
	Age	Age
	65	65
	70+	70+
	Terminates	Terminates
	Yes	Yes
Waiver of Premium	Included	Included
Disability occurrence	prior to age 60 with 6 month disability period	prior to age 60 with 6 month disability period
Ending date	the earlier of age 65 or retirement	the earlier of age 65 or retirement
Conversion	Yes	No
Underwriting Issues		
Rate Guarantee Period	3 Years	3 Years
Census Change Tolerance (% or # of lives)	10%	20%
Guarantee Issue Max. (this plan)	\$50,000	\$50,000
Guarantee Issue Max. (total of all coverages)	\$50,000	\$50,000
Rates (Basic Life + AD&D)	Current	Renewal
TENTHLY Rate per \$1,000	\$0.167	\$0.194
TENTHLY Premium	\$22,016	\$25,575
Annualized Premium	\$220,156	\$255,750
\$ Variance to Current	N/A	\$35,594
% Variance to Current	N/A	16.2%

The School District of Clay County
 Plan Year 2007 - 2010
 Voluntary Life



Current Plan Provisions	The Standard Current Plan	UNUM Provident
Voluntary Life Eligibility		
Class 1	Active employees selecting medical coverage	Active employees selecting medical coverage
Class 2	Active employees not selecting medical coverage	Active employees not selecting medical coverage
Schedule of Coverage:		
Class 1	Flat	Flat
Coverage Amount	Increments of \$10,000 up to \$80,000	Increments of \$10,000 up to \$180,000
Covered Earnings	N/A	N/A
Class 2	Flat	Flat
Coverage Amount	Increments of \$10,000 up to \$50,000	Increments of \$10,000 up to \$150,000
Covered Earnings	N/A	N/A
Covered Earnings	Straight-time, excluding OT, bonus, etc.	Straight-time, excluding OT, bonus, etc.
Rounding:		
Rounding Method	N/A	N/A
Rounding Multiples	N/A	N/A
Maximum Vol Life Benefit:		
Class 1	\$80,000	\$180,000
Class 2	\$50,000	\$150,000
Guarantee Issue:		
Guarantee Issue Maximum	\$50,000	\$100,000
Coverages Incl. in GI Max	Basic Life, Vol Life	Basic Life, Vol Life
Age Reduction Schedule	Age % of Original Benefit	Age % of Original Benefit
	65 70%	65 70%
	70 65%	70 65%

The School District of Clay County
 Plan Year 2007 - 2010
 Voluntary Life



Current Plan Provisions	The Standard Current Plan	UNUM Provident
Voluntary Life		
Retirement Coverage:	Terminates	Terminates
Waiver of Premium	Included	Included
Disability occurrence	prior to age 60 with 6 month disability period	prior to age 60 with 6 month disability period
Ending date	the earlier of age 65 or retirement	the earlier of age 65 or retirement
Conversion	Available	Available
Portability	Available	Available
Accelerated Death Benefits	75% of total benefit	75% to a maximum of \$500,000
Voluntary AD&D		
Eligibility	Active employee regularly working 0.6 of a position allocation or a contract employee in active employment	Active employee regularly working 0.6 of a position allocation or a contract employee in active employment
Benefit Formula	An amount equal to Vol Life	An amount equal to Vol Life
Maximum Benefit	An amount equal to Vol Life	An amount equal to Vol Life
Age Reduction Schedule	Age	% of Original Benefit
	65	70%
	70+	65%
Retirement Reduction	Terminates	Terminates
Seat Belt Benefit	Yes	Yes
Waiver of Premium	Included	Included
Disability occurrence	prior to age 60 with 6 month disability period	prior to age 60 with 6 month disability period
Ending date	the earlier of age 65 or retirement	the earlier of age 65 or retirement
Conversion	Yes	No



**The School District of Clay County
Plan Year 2007 - 2010
Voluntary Life**

Current Plan Provisions		The Standard Current Plan		UNUM Provident
Underwriting Issues				
Rate Guarantee Period		3 Years		3 Years
Census Change Tolerance %		10%		20%
Guarantee Issue Limit		\$50,000		\$100,000 (combined Basic with Supp. Life)
Participating / Non-Participating		Voluntary		Non-Participating
EE Participation Required		25%		100%
Voluntary Life and AD&D Rates		Current Volume and Rates		Renewal Rates
Age Related Rates (per \$1,000 of coverage) TENTHLY		Volume	Rate	Rate
29 and Under		\$38,290,000	\$0.081	\$0.096
30-34		\$3,380,000	\$0.103	\$0.120
35-39		\$5,240,000	\$0.167	\$0.167
40-44		\$4,370,000	\$0.181	\$0.181
45-49		\$7,260,000	\$0.195	\$0.204
50-54		\$6,290,000	\$0.481	\$0.456
55-59		\$5,160,000	\$0.809	\$0.809
60-64		\$2,180,000	\$1.124	\$1.124
65-69		\$320,000	\$1.566	\$1.566
70-74		\$20,000	\$2.424	\$2.424
75 +		\$0	\$4.136	\$4.136
TENTHLY Premium		\$16,731		\$17,273
Annualized Premium		\$167,312		\$172,726
\$ Variance to Current				\$0
% Variance to Current				0.00%

**The School District of Clay County
Plan Year 2007 - 2010
Short - Term Disability Plan A**



Schedule Benefits	The Standard Current Renewal	UNUM Provident
Weekly Benefits (% of weekly earnings) Minimum Weekly Benefit Maximum Weekly Benefit Waiting Period Elimination Period Benefit Duration Pre-Existing Clause Pre-disability Earnings	60% \$10 \$500 45 days 30 days 22 Weeks None Based on earnings on last full day of Active work.	60% \$10 \$500 45 days 30 days 22 Weeks N/A Based on earnings on last full day of Active work.
Definitions Definition of Disability Maternity Benefit	During the Own Occupation period, you are unable to perform with reasonable continuity the material duties of your own occupation and you suffer a loss of at least 20% of your indexed Pre-disability earnings. You may work in another occupation while you meet the Own Occupation definition of disability. However, you will no longer be disabled when your work earnings from another occupation exceed 80% of your indexed Pre-disability earnings. 6 weeks	You are disabled when UNUM determines that you are limited from performing the material and substantial duties of your regular occupation due to your sickness or injury and you have a 20% or more loss in your indexed monthly earnings due to the same sickness or injury. 6 weeks

**The School District of Clay County
Plan Year 2007 - 2010
Short -Term Disability Plan A**



Schedule Benefits	The Standard		UNUMI Provident
	Current	Renewal	
Underwriting Issues	Current	Renewal	
Census Change Tolerance %	10%		Can review rates with a 20% change in enrollment/eligible lives
Pooled or Dividend Participating	Pooled		Pooled
Experience Rated	Yes		Yes
Credibility in year 2?	100%		100%
Expected Loss Ratio	n/a		67.5%
Minimum Employee Participation Required	25% for Contributory Classes		25% for Contributory Classes
Projected Costs	Current	Renewal	
STD TENTHLY Rate per \$10 Weekly Benefit Rate Guarantee	\$1.26 3 years	\$1.26 1 year	\$1.26 3 Years
Volume of Weekly Benefit	\$130,646	\$130,646	\$130,646
Projected Tentily Cost	\$16,461	\$16,461	\$16,461
Projected Annual Cost	\$164,614	\$164,614	\$164,614
\$ Variance to Current	N/A	\$0	\$0
% Variance to Current	N/A	0.00%	0.00%

Please be advised that the actual policy provisions will apply and take precedence over this outline. Actual plan benefits vary between insurance carriers and will not exactly duplicate your current contract. This is for illustrative purposes only; actual enrollment will dictate the actual cost.

**The School District of Clay County
Plan Year 2007 - 2010
Short-Term Disability Plan B**

	The Standard <i>Current</i> <i>Renewal</i>	UNUM/Provident
Schedule Benefits		
Weekly Benefit (% of weekly earnings)	60%	60%
Minimum Weekly Benefit	\$10	\$10
Maximum Weekly Benefit	\$500	\$500
Waiting Period	45 days	45 Days
Elimination Period	15 Days	15 Days
Benefit Duration	26 Weeks	Up to 26 weeks including the EP, so a maximum of 24 weeks of payments
Pre-Existing Clause	None	None
Pre-disability earnings	Based on earnings in effect on last full day of Active work.	Based on earnings in effect on last full day of Active work.
Definitions		
Conversion Privilege	Yes	Yes
Eligibility Waiting Period	90 Days	90 Days
Definition of Disability	During the Own Occupation period, you are unable to perform with reasonable continuity the material duties of your own occupation and you suffer a loss of at least 20% of your indexed Pre-disability earnings. You may work in another occupation while you meet the Own Occupation definition of disability. However, you will no longer be disabled when your work earnings from another occupation exceed 80% of your indexed Pre-disability earnings. 6 Weeks	You are disabled when UNUM determines that you are limited from performing the material and substantial duties of your regular occupation due to your sickness or injury and you have a 20% or more loss in your indexed monthly earnings due to the same sickness or injury. 6 Weeks
Maternity Benefits	Sick pay, annual or personal leave pay, severance pay or other salary continuation, including donated amounts but not vacation pay, Work Earnings as described in our return to work provision, Workers' Compensation, Jones Act, Maritime Doctrine, Longshoremen's act or similar law, state disability income benefit or similar law, full SS offset, Canada Pension, Quebec Pension, Railroad Retirement Act or any similar law or act, other group disability coverage, Florida Retirement System, any earnings or compensation received or eligible to receive while LTD benefits are payable, unemployment compensation law or similar act, third party settlement, judgment or other method.	Any amount that you receive or are entitled to receive as disability income payments under any state compulsory benefit act or law, auto insurance policy, other group insurance plan; any amount you receive under a salary continuation or sick leave plan, Jones Act, from third party by judgment, settlement or otherwise, as a disability payment under your Employer's retirement plan or other disability plan., Workers' Comp, Canada Pension Plan, Quebec Pension Plan, or any similar plan or act.
Offsets		

**The School District of Clay County
Plan Year 2007 - 2010
Short-Term Disability Plan B**



Schedule Benefits	The Standard	UNUM Provident
	<i>Current</i>	<i>Renewal</i>
Self Reported Disabilities	Disabilities due to a sickness or injury which are primarily based on self-reported systems have a limited pay period. Self reported systems are those conditions that are not verifiable using tests, procedures, and chemical examinations accepted in the practice of Medicare. Covered at 60%	Self-reported symptoms means the manifestations of a condition which the insured tells his/her doctor, that are not verifiable using tests, procedures, or clinical examinations standard accepted in the practice of medicine. Examples of self-reported symptoms include, but are not limited to, headaches, pain, fatigue, stiffness, soreness, ringing in ears, dizziness, numbness, and loss of energy. Covered at 60%
Partial Disability	Covered at 60%	Covered at 60%
Underwriting Issues	Current	Renewal
Census Change Tolerance %	10%	Can review rates with a 20% change in enrollment/eligible lives
Pooled or Dividend Participating	Pooled	Pooled
Experience Rated	Yes	Yes
Credibility in year 2?	100%	100%
Expected Loss Ratio	n/a	67.5%
Min. EE Participation Required	25% for Contributory Classes	25% for Contributory Classes
Rate Quote	Current	Renewal
STD Tenthsly Rate per participant	\$9.46	\$9.46
Rate Guaratee	3 year	1 year
Estimated Volume	1,394	1,394
Projected Tenthsly Cost	\$13,181.66	\$13,181.66
Projected Annual Cost	\$131,816.64	\$131,816.64
\$ Variance to Current	N/A	\$0.00
% Variance to Current	N/A	0.00%
		\$8.930
		3 Years
		1,394
		\$12,448.42
		\$124,484.20
		-\$7,332.44
		-5.56%

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The School District of Clay County
 Plan Year 2007 - 2010
 Long-Term Disability Plan A

Schedule Benefits	The Standard Current	Renewal	UNUM Provident
Benefit Percentage	60%		60%
Maximum Monthly Benefit	\$3,000		\$3,000
Elimination Period	180 days		180 days
Pre-Existing Condition Benefit Offset	3/12		3/12
Social Security Offset	Full Family		Full Family
Pension Disability Offset	Yes		Yes
Workers Comp Offset	Yes		Yes
Other Offsets	Sick pay, annual or personal leave pay, severance pay or other salary continuation, including donated amounts but not vacation pay, Work Earnings as described in our return to work provision, Jones Act, Maritime Doctrine, Longshoremen's act or similar law, state disability income benefit or similar law, full SS offset, Railroad Retirement Act or any similar law or act, other group disability coverage, Florida Retirement System, any earnings or compensation received or eligible to receive while LTD benefits are payable, unemployment compensation law or similar act, third party settlement, judgment or other method.		Any amount that you receive or are entitled to receive as disability income payments under any state compulsory benefit act or law, auto insurance policy, other group insurance plan; any amount you receive under a salary continuation or sick leave plan, Jones Act, from third party by judgment, settlement or otherwise, as a disability payment under your Employer's retirement plan or other disability plan., Workers' Comp, Canada Pension Plan, Quebec Pension Plan, or any similar plan or act.
Mental Health / Substance Abuse Limit	24 months		24 months
Neuromusculoskeletal/Soft Tissue Limit	24 months		24 months
Self Reported Illness limit	24 months		24 months
Survivor Benefits	3 months		Included
Own Occupation Period	24 months		24 months
Any Occupation Period	To age 65		To age 65
Zero Day Residual	Yes		Yes
Partial Disability Provision	\$1		80% earning test during the first 24 months of payment, 60% thereafter.
Rehabilitation Benefits	50% offset for rehab earnings max 24 months		50% offset with work earnings, no limitation
Premium Waiver	Yes		Yes
Conversion	Yes		Yes

The School District of Clay County
 Plan Year 2007 - 2010
 Long-Term Disability Plan A



Schedule Benefits LTD Provision Definitions	The Standard <i>Current</i> <i>Renewal</i>	UNUM Provident
Definition of Disability	<p>You are disabled when Standard determines that you are limited from performing the material and substantial duties of your regular occupation due to your sickness or injury and you have a 20% or more loss in your indexed monthly earnings due to the same sickness or injury.</p>	<p>You are disabled when UNUM determines that you are limited from performing the material and substantial duties of your regular occupation due to your sickness or injury and you have a 20% or more loss in your indexed monthly earnings due to the same sickness or injury.</p>
Own Occupation	<p>Unable to perform the material and substantial duties of your own occupation.</p>	<p>Limited from performing the material and substantial duties of your regular occupation due to sickness or injury, and you have a 20% or more loss in indexed monthly earnings.</p>
Any Occupation	<p>Unable to perform the material and substantial duties of any job which you are reasonably fitted by education, training, or experience.</p>	<p>Unable to perform the duties of any gainful occupation for which you are reasonably fitted by education, training, or experience.</p>
Benefit Reduction Schedule	<p>Benefit Duration</p> <p>5 years</p> <p>3 years, 6 months</p> <p>3 years</p> <p>2 years, 6 months</p> <p>2 years</p> <p>1 year, 9 months</p>	<p>Less than age 60 to age 65 but not less than 5 years.</p> <p>Age 60: 60 months, Age 61: 48 months</p> <p>42 months</p> <p>36 months</p> <p>30 months</p> <p>24 months</p> <p>21 months</p>
	61 or younger	
	62	
	63	
	64	
	65	
	66	



**The School District of Clay County
Plan Year 2007 - 2010
Long-Term Disability Plan A**

Schedule Benefits	The Standard	UNUM Provident
LTD Provision Definitions	<i>Current</i>	<i>Renewal</i>
Pre-Existing Prudent Person	A mental or physical condition whether or not diagnosed or misdiagnosed for which you have done or for which a reasonable prudent person would have done.	You received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines, or you had symptoms for which an ordinary prudent person would have consulted a health care provider.
Self Reported	Disabilities due to a sickness or injury which are primarily based on self-reported systems have a limited pay period. Self reported systems are those conditions that are not verifiable using tests, procedures, and chemical examinations accepted in the practice of Medicare.	Self-reported symptoms means the manifestations of your condition which you tell your physician, that are not verifiable using tests, procedures, or clinical examinations standardly accepted in the practice of medicine. Payments are limited to 24 months.
Underwriting Issues		
Census Change Tolerance %	10%	20% change in eligible/enrolled
Pooled or Divided Participating	Pooled	Pooled
Experience Rated	Yes	Melded manual and experience
Credibility in year 2?	Variable	43%
Expected Loss Ratio	N/A	64.2% based on benefits offered
Minimum Employee Participation Required	25% for contrib class	25%
Pricing	<i>Current</i>	<i>Renewal</i>
LTD TENTHLY Rate for \$100 Covered Payroll	\$0.842	\$0.951
Rate Guarantee	3 Years	3 Years
Tenthly Covered Payroll	\$1,271,911	\$1,271,911
Projected Tenthly Cost	\$10,709	\$12,096
Projected Annual Cost	\$107,095	\$120,959
\$ Variance to Current	N/A	\$13,864
% Variance to Current	N/A	12.95%

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The School District of Clay County
 Plan Year 2007 - 2010
 Long-Term Disability Plan B



Schedule Benefits	The Standard Current Renewal	UNUM Provident
Benefit Percentage	60%	60%
Maximum Monthly Benefit	\$3,000	\$3,000
Elimination Period	180 days	180 days
Maximum Benefit Duration	To age 65	To age 65
Age at Disability: 59/younger	Full Family	Full Family
Social Security Offset	Yes	Yes
Pension Disability Offset	Yes	Yes
Workers Comp Offset	Yes	Yes
	Sick pay, annual or personal leave pay, severance pay or other salary continuation, including donated amounts but not vacation pay, Work Earnings as described in our return to work provision, Jones Act, Maritime Doctrine, Longshoremen's act or similar law, state disability income benefit or similar law, full SS offset, Railroad Retirement Act or any similar law or act, other group disability coverage, Florida Retirement System, any earnings or compensation received or eligible to receive while LTD benefits are payable, unemployment compensation law or similar act, third party settlement, judgment or other method.	Any amount that you receive or are entitled to receive as disability income payments under any state compulsory benefit act or law, auto insurance policy, other group insurance plan; any amount you receive under a salary continuation or sick leave plan, Jones Act, from third party by judgment, settlement or otherwise, as a disability payment under your Employer's retirement plan or other disability plan., Workers' Comp, Canada Pension Plan, Quebec Pension Plan, or any similar plan or act.
Other Offsets		
Mental Health / Substance Abuse Limit	24 months	24 months
Neuromusculoskeletal/Soft Tissue Limit	24 months	24 months
Self Reported Illness Limit	24 months	24 months
Survivor Benefits	3 months	Included
Own Occupation Period	24 months	24 months
Any Occupation Period	To age 65	To age 65
Zero Day Residual	Yes	Yes
Partial Disability Provision	\$1	80% earning test during the first 24 months of payment, 60% thereafter.
Rehabilitation Benefit	50% offset for rehab earnings, max 24 months	50% offset with work earnings, no limitation
COLA Benefits	None	None
Premium Waiver	Yes	Yes
Conversion	Yes	Yes



The School District of Clay County
Plan Year 2007 - 2010
Long-Term Disability Plan B

Schedule Benefits LTD Provision Definitions	The Standard <i>Current</i> <i>Renewal</i>	UNUM Provident
Definition of Disability	During the Own Occupation period, you are unable to perform with reasonable continuity the material duties of your own occupation and you suffer a loss of at least 20% of your indexed Pre-disability earnings. You may work in another occupation while you meet the Own Occupation definition of disability. However, you will no longer be disabled when your work earnings from another occupation exceed 80% of your indexed Pre-disability earnings.	You are disabled when UNUM determines that you are limited from performing the material and substantial duties of your regular occupation due to your sickness or injury and you have a 20% or more loss in your indexed monthly earnings due to the same sickness or injury.
Own Occupation	Unable to perform the material and substantial duties of your own occupation.	Limited from performing the material and substantial duties of your regular occupation due to sickness or injury, and you have a 20% or more loss in indexed monthly earnings.
Any Occupation	Unable to perform the material and substantial duties of any job which you are reasonably fitted by education, training, or experience.	Unable to perform the duties of any gainful occupation for which you are reasonably fitted by education, training, or experience.
Benefit Reduction Schedule	Benefit Duration 5 years 3 years, 6 months 3 years 2 years, 6 months 2 years 1 year, 9 months	Less than age 60 to age 65 but not less than 5 years. Age 60: 60 months, Age 61: 48 months 42 months 36 months 30 months 24 Months 21 Months
61 or younger 62 63 64 65 66		

The School District of Clay County
 Plan Year 2007 - 2010
 Long-Term Disability Plan B



Schedule Benefits LTD Provision Definitions	The Standard Current Renewal	UNUM Provident
Pre-Existing Prudent Person	A mental or physical condition whether or not diagnosed or misdiagnosed for which you have done or for which a reasonable prudent person would have done.	You received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines, or you had symptoms for which an ordinary prudent person would have consulted a health care provider.
Self Reported	Disabilities due to a sickness or injury which are primarily based on self-reported systems have a limited pay period. Self reported systems are those conditions that are not verifiable using tests, procedures, and chemical examinations accepted in the practice of Medicare.	Self-reported symptoms means the manifestations of your condition which you tell your physician, that are not verifiable using tests, procedures, or clinical examinations standardly accepted in the practice of medicine. Payments are limited to 24 months.
Evidence of Insurability Experience Rated Credibility in year 2?	After initial eligibility Yes Variable	After initial eligibility Melded manual and experience 43%
Expected Loss Ratio	n/a	64.2% based on benefits offered
Pricing	Current	
LTD TENTHLY Rate per Employee	\$5,443	\$4,748
Rate Guarantee	3 Years	3 Years
Projected Tenthly Cost	\$7,588	\$6,619
Projected Annual Cost	\$75,875	\$66,187
\$ Variance to Current	N/A	-\$9,688
% Variance to Current	N/A	-12.77%
	Renewal	
	\$6,150	
	3 Years	
	\$8,573	
	\$85,731	
	\$9,856	
	12.99%	

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