Bakers Union and FELRA Health and Welfare Fund

Group Life, AD&D and Short Term Disability Insurance Options Report

April 10, 2023

Prepared by
Lakeshore Benefit Group Insurance Brokerage, LLC

Bakers Union and FELRA Health and Welfare Fund

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Section One

Bakers Union and FELRA Health and Welfare Fund

Executive Summary

Group Life and AD&D

- Bakers Union and FELRA Health and Welfare Fund currently provides active members with an insured group life and AD&D insurance benefit. A flat $20,000 benefit is provided through Amalgamated Life.

- Lakeshore Benefit Group Insurance Brokerage, LLC was asked to review the current group life and AD&D benefit and verify if competitive alternative options were available.

- Eighteen carriers were awarded the opportunity to provide group life and AD&D proposals on behalf of the Fund. Competitively priced options were provided by Boston Mutual, Guardian, Dearborn Life, and The Hartford.

Carrier	Life Rate / $1,000	AD&D Rate / $1,000	Annual Premium	Increase
Amalgamated – Current	.225/$1,000	.025/$1,000	$19,536	
Guardian	.180/$1,000	.020/$1,000	$15,629	-20.0%
Boston Mutual	.180/$1,000	.025/$1,000	$16,020	-18.0%
The Hartford	.200/$1,000	.020/$1,000	$17,192	-12.0%
Dearborn Life	.207/$1,000	.025/$1,000	$18,129	-7.2%

Short Term Disability

- Bakers Union and FELRA Health and Welfare Fund currently provides active members with a self-funded short term disability (STD) benefit. A flat $200 weekly benefit is provided. The Fund is interested in enhancing this benefit (increasing maximum to 50% to $400 weeks 1-18 and 40% at weeks 18-26) through an insured product.

- Eighteen carriers were awarded the opportunity to provide STD proposals on behalf of the Fund. The most competitively priced option was provided by Boston Mutual.

Carrier	STD Rate	Annual Premium	Increase
Amalgamated – Proposed	$15.00 PMPM	$61,020	
Boston Mutual	.391/$10	$56,117	-8.0%

Conclusions

- A change to Boston Mutual would save the Fund $8,420 annually on the group life, AD&D and short term disability premium when compared to Amalgamated Life.

- The Boston Mutual benefits are more comprehensive than those offered through Amalgamated Life. Unlike the benefits proposed by Amalgamated Life, the STD benefit does not reduce to 40% in weeks 19-26 of the policy. The STD benefit is 50% to $400 for the entire 26 week benefit period.

Bakers Union and FELRA Health and Welfare Fund

Section Two

Bakers Union and FELRA H&W Fund

Life and AD&D Carrier Cost Comparison

	Life Carrier	A.M. Best Rating	Life Volume	AD&D Volume	Life Rate/$1000 of Total Volume	AD&D Rate/$1000 of Total Volume	Total Annual Premium	Increase (%)
Current	Amalgamated Life	A	$6,512,000	$6,512,000	0.225	0.025	$19,536	
1	Guardian	A++	$6,512,000	$6,512,000	0.180	0.020	$15,629	-20.0%
2	Boston Mutual	A	$6,512,000	$6,512,000	0.180	0.025	$16,020	-18.0%
3	The Hartford	A+	$6,512,000	$6,512,000	0.200	0.020	$17,192	-12.0%
4	Dearborn Life	A	$6,512,000	$6,512,000	0.207	0.025	$18,129	-7.2%
5	United Healthcare	A+	$6,512,000	$6,512,000	0.293	0.025	$24,850	27.2%

Short Term Disability Carrier Cost Comparison

	STD Carrier	A.M. Best Rating	STD Volume	STD Eligible Members	STD Rate/$10 of Total Volume	STD Rate/PMPM	Total Annual Premium	Increase (%)
Proposed	Amalgamated Life	A	N/A	339	N/A	$15.00	$61,020	
1	Boston Mutual	A	$119,601		$0.391		$56,117	-8.0%
2	Guardian	A++	$119,601		0.470		$67,455	10.5%
3	Dearborn Life	A	$119,601		0.485		$69,608	14.1%
4	The Hartford	A+	$119,601		$1.110		$159,309	161.1%

Comments and Conditions

1 Rates assume an effective date of May 1, 2023.

2 Rates subject to final underwriting.

3 Coverage provided for active members only.

4 Coverage assumes existing disabled members are filed under previous carrier's waiver of premium provision.

Bakers Union and FELRA H&W Fund

Life Coverage Comparison (summary)					
	Amalgamated Life	Guardian	Boston Mutual	The Hartford	Dearborn Life
Benefit Terms and Restrictions:	Current				
Amount of Life and AD&D Coverage	$20,000	$20,000	$20,000	$20,000	$50,000
Guarantee Issue	$20,000	$20,000	$20,000	$20,000	$20,000
Accelerated Death Benefit	50%	50%	50%	80%	50%
Conversion	Included - 31 Days	Included - 31 Days	Included - 31 Days	Included - 31 Days	Included - 31 Days
Portability	Not Included	Not Included	Not Included	Not Included	Not Included
Premium Waiver	Prior to age 60 to age 65	Prior to age 60 to age 65	Prior to age 60 to age 65	Prior to age 60 to age 65	Prior to age 60 to age 65
Spousal Education Benefit	Unknown	Included	Included	Included	Included
Child Care Benefit	Unknown	Included	Included	Included	Included
Child Education	Unknown	Included	Included	Included	Included
Repatriation	Unknown	Included	Included	Included	Included
Rate Guarantee	3 Year	2 Year	2 Year	2 Year	3 Year
AD&D Coverage Comparison (summary)					
AD&D Loss	365 Days	365 Days	365 Days	365 Days	365 Days
Life	100%	100%	100%	100%	100%
Loss of both hands or both feet	100%	100%	100%	100%	100%
Loss of sight in both eyes	100%	100%	100%	100%	100%
Loss of one hand and one foot	100%	100%	100%	100%	100%
Loss of Speech and Hearing	100%	100%	100%	100%	100%
Loss of one hand or one foot and sight of one eye	100%	100%	100%	100%	100%
Loss of one foot	50%	50%	50%	50%	50%
Loss of one hand	50%	50%	50%	50%	50%
Loss of sight of one eye	50%	50%	50%	50%	50%
Loss of Speech	50%	50%	50%	50%	50%
Loss of Hearing	50%	50%	50%	50%	50%
Loss of sight of one eye	50%	50%	50%	50%	50%
Quadriplegia	100%	100%	100%	100%	100%
Paraplegia	75%	75%	75%	75%	75%
Hemiplegia	50%	50%	50%	50%	50%
Uniplegia	25%	25%	25%	25%	25%
Seatbelt and Air Bag Rider	Unknown	Included	Included	Included	Included

Bakers Union and FELRA H&W Fund

STD Coverage Comparison (summary)					
	Amalgamated	Boston Mutual	Dearborn Life	Guardian	The Hartford
Benefit Terms and Restrictions:	Proposed				
Amount of STD Coverage (per week)	50% to $400 weeks 1-18; 40% weeks 19-26	50% to $400	50% to $400	50% to $400	50% to $400
Minimum Benefit	$200	$200	$200	$25	$200
Benefits Begin (accident)	1st Day	1st Day	1st Day	1st Day	1st Day
Benefits Begin (Illness)	8th Day	8th Day	8th Day	8th Day	8th Day
1st Day Hospital	None	None	None	None	None
Benefit Duration	26 Weeks	26 Weeks	26 Weeks	26 Weeks	26 Weeks
State Federal Disability Offset	Yes	Yes	Yes	Yes	Yes
Maternity	Included	Included	Included	Included	Included
Pre-existing Limitation	None	None	None	None	None
Rate Guarantee	1 Year	1 Year	2 Year	2 Year	2 Year