

# Voluntary Benefits Changes for 2021

Olathe Public Schools and ONEA sought to understand from the local market if current voluntary benefit offerings could be enhanced while offering cost savings opportunities to employees. The current benefit offerings have been in place for many years and the insurance products available to the market have evolved as voluntary benefits have become an increasingly important component of employer benefit offerings.

## **Current district offerings include:**

- **Voluntary Life** provided by Lincoln
  
- **Voluntary Short-Term Disability** provided by American Fidelity
  - Optional Riders:
    - Hospital
    - Critical Illness
    - Spousal Accident
  
- **Voluntary Accident Insurance** provided by American Fidelity
  
- **Voluntary Cancer Insurance** provided by American Fidelity
  - Optional Riders:
    - Hospital
    - Critical Illness

**After review of the plans and discussion with members of the benefits committee and Professional Council, it is recommended that Olathe Public Schools replace the current voluntary plan offerings with new voluntary benefit offerings. Below is a summary of the recommended new offerings and the key enhancements/comparisons.**

### **Voluntary Life Insurance**

- Transition to a new provider (Hartford) with reduced employee premiums while substantially enhancing the benefit.
  - Increase in the guaranteed issue from \$150,000 to \$300,000.
  - Increase in the maximum policy value from \$300,000 to \$1,000,000.
- Every age band will see a reduction in premiums.
  - Example of savings: annual premiums for a 45-year-old employee only plan with a benefit amount of \$110,000 will be reduced from \$282 to \$172 with a savings of \$110. Age-band savings will vary.

### **Voluntary Short-Term Disability**

- Transition to a new provider (Hartford) with matched premiums and matched 70% income replacement value with more favorable pre-existing condition limitations and longer benefit period.
  - Benefit period increased from 150 days to 182 days.
  - Pre-existing conditions improve from a 12-month look back and 12-month look forward to a 3-month look back and 3-month look forward if treatment free or 12-month look forward if not treatment free.
- There will be two benefit offerings for employees
  - 0/7 day waiting period plan - benefits begin on the day of disability due to an accident and on the 7th day of disability due to an illness.
  - 30/30 day waiting period plan - benefits begin on the 30th day of disability for either an accident or an illness.
  - NOTE: The district will eliminate the 15-day waiting period plan.
- Annual premiums will be matched.

## Accident Insurance

- Transition to a new provider (Hartford) with a 25% premium reduction and increased benefit for the most common reasons for claims.
- The district will move to offering one plan (currently 3 plans offered) with enhanced benefits.
  - Example: annual premiums for employee-only coverage will be reduced from \$239 (basic plan) to \$177 with a savings of \$62.
  - Example: the emergency room and urgent care treatment benefits increase from \$150 (basic plan) to \$300. Initial doctors visit benefit increases from \$75 (basic plan) to \$300.
- Employees who would like to retain their current plan with American Fidelity will have a portability option available. Premiums will be paid directly to American Fidelity by the employee when choosing this option.

## Cancer Insurance

- Transition to a new provider (Hartford) and expand to a Critical Illness Policy that will include cancer coverage as part of the plan design. Employee premiums will be reduced with enhanced benefits.
- Hartford will waive the current 12-month look forward and 12-month look back of pre-existing condition limitation for Olathe Public Schools.
- All employees with a current (American Fidelity) cancer plan will have an opportunity, and will be encouraged, to speak with an enrollment specialist to make the best decision for themselves and their families regarding continuation of their existing policy or potentially changing to a new policy.
  - Example: annual premiums for a critical illness and cancer coverage for a 45-year-old employee-only plan with a benefit amount of \$10,000 will be reduced from \$428 (basic plan+ critical illness rider) to \$182 with a savings of \$246.
- Employees who would like to retain their current plan with American Fidelity will have a portability option available. Premiums will be paid directly to American Fidelity by the employee when choosing this option.

## Hospital Indemnity

- Remove this as a rider option tied to other benefit elections and instead transition to a new provider (Hartford) and expand to a standalone Hospital Indemnity plan with a much stronger benefit for hospital admissions, scheduled surgeries, and expectant mothers.
- Riders in the current policies do not pay an admission benefit while the new standalone offering provides a \$1,000 benefit for hospital admissions.
- The new offering will waive the current 12-month look forward and 12-month look back on pre-existing conditions limitation for Olathe Public Schools.
  - Example: annual premiums for employee-only coverage will change from \$108 (hospital rider under current Short-Term Disability) to \$198, however a greatly benefit is being offered and you do not have to choose Short Term Disability coverage in order to receive the benefit.

## Flexible Spending Accounts & Health Reimbursement Accounts

- Transition to a new provider, Discovery Benefits, for the Flexible Spending Accounts (Health & Dependent Care) and the Health Reimbursement Account (HRA).
- All current and future retirees with HRA balances will move to the new provider.

## Additional New Offerings

### Long Term Care (LTC)

- Offer a new benefit provided by Chubb that provides an option for employees to elect LTC coverage within a permanent life product. Chubb offers a product that pays 4% of the death benefit each month for up to 50 months when one qualifies for long term care.
- The plan includes a life insurance guarantee issue amount of \$150,000 with a maximum benefit of \$250,000.
  - Example: a \$25,000 policy will pay \$1,000 a month for up to 50 months with a maximum benefit of \$50,000. Monthly premium for a 45-year-old nonsmoker is \$29.38.

### Identity Theft

- Benefits provided by InfoArmor include proactive credit, social media, dark web, and bank account monitoring, exposure reports, a dedicated account manager, and comes with a one-million-dollar insurance policy.
  - Monthly premiums are \$9.95 for employee and \$17.95 for family coverage.
- **Employees of the district will be provided the opportunity to enroll in the Identify Theft offering effective July 1, 2020 – December 31, 2020 at no cost. Due to COVID-19, the provider is covering the cost of the policy for the remainder of 2020.**