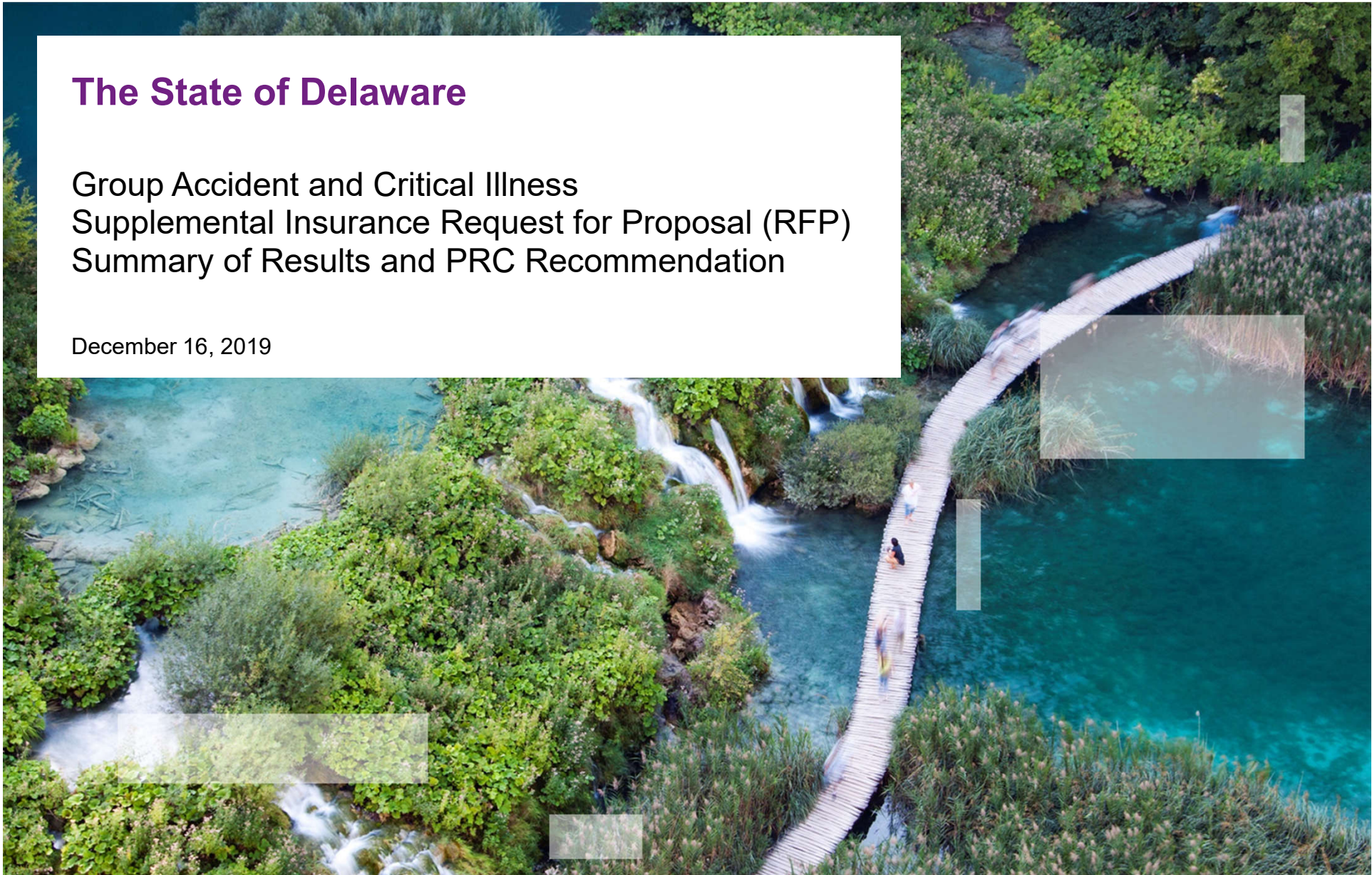


# The State of Delaware

## Group Accident and Critical Illness Supplemental Insurance Request for Proposal (RFP) Summary of Results and PRC Recommendation

December 16, 2019



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## Today's discussion

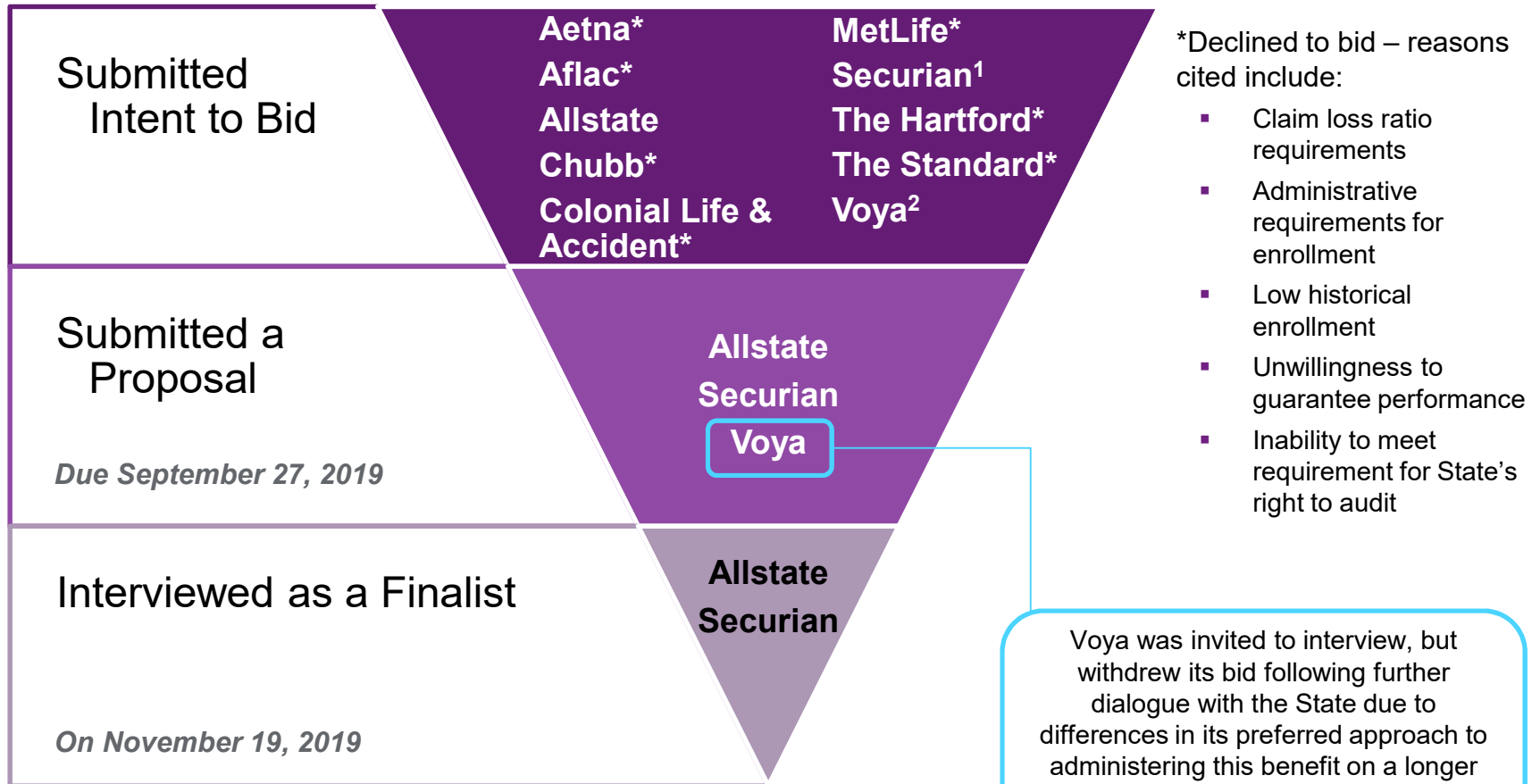
- Background
- Bidder response
- Outcome of PRC scoring meeting
- PRC recommendation

## Background

- The State of Delaware (the State) engaged Willis Towers Watson (WTW) to support a procurement for a Group Accident and Critical Illness (with cancer coverage) supplemental insurance carrier to serve approximately eligible 33,000 employees and 44,000 dependents
  - This benefit program was offered as required by legislation (House Bill 336)
  - Group Accident and Critical Illness supplemental insurance benefits are available to active employees of the State of Delaware, the University of Delaware, school district, charter school, and other higher education institutions and their dependents
  - This is an employee-pay-all program allowing those who enroll to pay for their benefit elections through a post-tax general deduction taken from their paycheck
  - Aflac is the incumbent insurer for the group accident and critical illness benefits
- **June – August 2019:** WTW worked with the State to develop the RFP scope of work, evaluation criteria and minimum requirements
- **August 30, 2019:** RFP posted publicly online at the State's Bid Solicitation Directory

# Bidder response

- The following vendors expressed interest in this RFP:



1. Securian is the State’s current life insurance carrier.  
2. Voya currently administers the State’s deferred compensation program.

## Outcome of PRC scoring meeting

- Scoring meeting with the PRC was held on Monday, December 9, 2019
- PRC voted to recommend contract award to Securian based on:
  - PRC scoring Securian higher than Allstate: Securian – 62.26; Allstate – 51.58
  - Securian’s existing relationship with the State as Group Universal Life (GUL) administrator
  - Superiority of online decision support tools (opportunity to drive greater engagement in health care purchasing decisions across a broader spectrum of benefits)
  - Administrative synergies through Securian’s use of same online enrollment portal for life insurance and supplemental benefits
  - Superior communications and support services during Open Enrollment (OE)
  - Offered comparable coverage to the incumbent but with significantly lower premium rates held flat for 5 years
  - Able to address all of the State’s administrative and legislative requirements
  - Embraced the challenge of increasing enrollment even without guarantee of roll-over of members currently enrolled in Aflac benefit
    - 72.5% of Aflac enrollees also participate in Securian GUL plan
  - Implementation would require minimal support from SBO due to Securian’s existing IT set-up for eligibility and payroll files and its familiarity with OE process

## PRC recommendation

RESOLVED that with respect to the award of a contract pursuant to the Request for Proposal (RFP) for Group Accident and Critical Illness Supplemental Insurance, the Proposal Review Committee recommends to the State Employee Benefits Committee as follows:

- Contract award to Securian for an initial three years' term effective July 1, 2020 through June 30, 2023, with two optional one-year period extensions.