



MetLife Representative

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Plan Effective Date

July 2019

**REVISED COST PROPOSAL
RFP 5956 Z1
STD AND LTD INSURANCE PLAN OPTIONS**

Bidder Name: MetLife

Bidders shall fill in proposed premium amounts for each column provided below.

Prices submitted on the cost proposal form, once accepted by the State, shall remain fixed for the initial period of the contract. Any request for a price increase subsequent to the initial period of the contract shall not exceed five percent (5%) of the price bid for the period. Increases shall not be cumulative and will only apply to that period of the contract. The request for a price increase must be submitted in writing to the State Purchasing Bureau a minimum of 120 days prior to the end of the current contract period. Documentation may be required by the State to support the price increase.

Each monthly premium amount proposed should be evenly divisible by "2" with no rounding to accommodate two even deductions per month through our payroll system. Any premium amount not divisible by "2" will be reduced to the nearest lower amount that is divisible by "2" for scoring. By submitting this proposal, Bidder accepts this lower amount if a contract is awarded.

This is the rate an employee will pay for 60% of basic gross monthly pay.

SHORT TERM DISABILITY INSURANCE, 1ST DAY ACCIDENT, 8TH DAY ILLNESS	Initial Period Year One	Initial Period Year Two	Initial Period Year Three	Optional Renewal One	Optional Renewal Two	Optional Renewal Three
Rate per \$10 of Weekly Benefit						
Under 25	\$0.71	\$0.71	\$0.71	N/A	N/A	N/A
25-29	\$0.75	\$0.75	\$0.75	N/A	N/A	N/A
30-34	\$0.77	\$0.77	\$0.77	N/A	N/A	N/A
35-39	\$0.70	\$0.70	\$0.70	N/A	N/A	N/A
40-44	\$0.75	\$0.75	\$0.75	N/A	N/A	N/A
45-49	\$0.92	\$0.92	\$0.92	N/A	N/A	N/A
50-54	\$1.14	\$1.14	\$1.14	N/A	N/A	N/A
55-59	\$1.39	\$1.39	\$1.39	N/A	N/A	N/A
60-64	\$1.65	\$1.65	\$1.65	N/A	N/A	N/A
65-69	\$1.98	\$1.98	\$1.98	N/A	N/A	N/A
70 & Over	\$1.98	\$1.98	\$1.98	N/A	N/A	N/A

Please note: Except when required otherwise by law or regulation, the information provided herein should be considered proprietary and confidential.

LONG TERM DISABILITY INSURANCE, 6 MONTH ELIMINATION PERIOD	Initial Period Year One	Initial Period Year Two	Initial Period Year Three	Optional Renewal One	Optional Renewal Two	Optional Renewal Three
Rate per \$100 of Monthly Covered Payroll						
Under 25	\$0.11	\$0.11	\$0.11	\$0.12	\$0.12	\$0.12
25-29	\$0.16	\$0.16	\$0.16	\$0.17	\$0.17	\$0.17
30-34	\$0.21	\$0.21	\$0.21	\$0.22	\$0.22	\$0.22
35-39	\$0.24	\$0.24	\$0.24	\$0.25	\$0.25	\$0.25
40-44	\$0.30	\$0.30	\$0.30	\$0.32	\$0.32	\$0.32
45-49	\$0.40	\$0.40	\$0.40	\$0.42	\$0.42	\$0.42
50-54	\$0.58	\$0.58	\$0.58	\$0.61	\$0.61	\$0.61
55-59	\$0.64	\$0.64	\$0.64	\$0.67	\$0.67	\$0.67
60-64	\$0.66	\$0.66	\$0.66	\$0.69	\$0.69	\$0.69
65-69	\$0.70	\$0.70	\$0.70	\$0.74	\$0.74	\$0.74
70 & Over	\$0.74	\$0.74	\$0.74	\$0.78	\$0.78	\$0.78

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RFP 5956 Z1





Employee Benefits Proposal

STD & LTD

RFP

State of Nebraska

C&B Issue Date: 12/10/2018

Proposed Plan Effective Date: 07/01/2019

Cost and Benefit Summary



Rates

STD
LTD

			<i>Drop down</i>	<i>Drop down</i>	
Participating Lives	Covered Volume	Proposed Rate/Fee	Rate Basis	Annual Premium/Fees	Volume Type
To Be Determined	To Be Determined	See Cost Proposal	/ \$10	TBD	CWB
To Be Determined	To Be Determined	See Cost Proposal	/ \$100	TBD	CMP

Rate Guarantee

Rates above are guaranteed for an initial term of 3 years, from 7/1/2019 through 6/30/2022.
The terms of any additional one-year extensions are detailed in the Cost Proposal.

Plan Design

The LTD quote was developed based on the experience data provided and assumes the plan design will remain the same as described in the RFP. It is MetLife's intention to match the prior carrier's plan provisions to the extent of the capabilities of MetLife's systems and regulatory contract filings with the exception of the deviations noted in the Project Overview document.

Summary of STD Plan Features:

Class Description	All Active Full Time EEs (20 Hours) and Eligible Temporary EEs
Weekly Benefit Amount	60%
Maximum Weekly Benefit	\$1,731
Minimum Weekly Benefit*	\$25
Benefits Begin	Accident – 1 day
	Sickness – 8 days
Benefit Duration	26 weeks
Rehabilitation Incentives Included in quote (details in limitations and definitions)	Work Incentive Rehabilitation Program Incentive Family Care Incentive Moving Expense Incentive

* The minimum weekly benefit is subject to overpayment situations and any applicable rehabilitation incentives.

The following limitations and definitions apply to the STD Plan	
Limitations and Definitions	
Definition of Disability	<p>Due to a Sickness, or as a direct result of accidental injury:</p> <ul style="list-style-type: none"> ▪ the employee is receiving Appropriate Care and Treatment and complying with the requirements of such treatment, and ▪ is unable to earn more than 80% of their predisability earnings at their Own Occupation for any employer.
Pre-Existing Condition	3/12
Pre-Existing Condition Limitation	<p>Pre-existing Condition means a Sickness or accidental injury for which the employee:</p> <ul style="list-style-type: none"> • Received medical treatment, consultation, care, or services; or • Took prescription medication or had medications prescribed <p>in the 3 months before insurance or any increase in the amount of insurance under the certificate takes effect.</p> <p>We will not pay benefits, or any increase in benefit amount due to an elected increase in the amount of insurance for a Disability that results from a Pre-existing Condition, if the employee has been Actively at Work for less than 12 consecutive months after the date their Disability insurance or the elected increase in the amount of such insurance takes effect under the certificate.</p>

<p>Reduction of Benefits:</p>	<p>Benefits will be reduced by income and recoveries from certain other sources including but not limited to: Social Security disability or retirement benefits received or eligible to receive because of Disability; any state, public or federal employee retirement or disability plan benefits received or eligible to receive because of Disability, including State Teachers Retirement System (STRS), Public Employee Retirement System (PERS) or Federal Employee Retirement System (FERS); group insurance policies; certain early retirement plans; no-fault auto laws; governmental compulsory benefit plan or program; other disability programs or plans, sick pay (if in combination with the STD benefit, exceeds 100% of pre-dis earnings), vacation pay, or other salary continuation; Workers' Compensation benefits; occupational disease laws; maritime maintenance and cure; third party recoveries; and unemployment insurance laws or programs.</p> <p>If there is a reasonable basis for You to apply for benefits under the Federal Social Security Act, a government compulsory plan or program, or STRS, PERS or FERS Benefit Plans or Programs, We expect You to apply for them. To apply for Social Security benefits means to pursue such benefits until You receive approval from the Social Security Administration, or a notice of denial of benefits from an administrative law judge. With respect to benefits under a government compulsory plan or program, or STRS, PERS or FERS Benefit Plans or Programs, to apply means to pursue such benefits through all applicable levels of appeal provided for under such benefit plans or programs.</p> <p>We will reduce the amount of Your Disability benefit by the amount of Social Security benefits. We estimate that You, Your Spouse or child(ren) are eligible to receive because of Your Disability or retirement. We will reduce Your Disability benefits by such estimated Social Security benefits starting with the first Disability benefit payment coincident with the date You were eligible to receive Social Security benefits</p> <p>We will reduce Your Disability benefit by the amount of such government compulsory benefit plan or program benefit, or STRS, PERS or FERS benefit that We estimate You are eligible to receive, provided that We have the reasonable means to make such an estimate. We will start to do this with the first Disability benefit payment under this certificate coincident with the date You were eligible to receive such government compulsory benefit plan or program benefit, or STRS, PERS or FERS benefits under any such plans or programs.</p>
<p>Occupational Benefits:</p>	<p>Non-Occupational Coverage</p>
<p>Definition of Predisability Earnings</p>	<p>The amount of the employee's gross salary or wages from his/her employer as of the day before his/her disability began. Predisability earnings includes: Basic earnings only.</p> <p>The term does not include:</p> <ul style="list-style-type: none"> • The grant, award, sale, conversion, and/or exercise of shares of stock or stock options; • The Employer's contributions on Your behalf to any deferred compensation arrangement or pension plan; or • Any other compensation from the Employer.

<p>Work Incentive</p>	<p>While disabled and receiving a Weekly Benefit, employees may receive up to 100% of Predisability Weekly Earnings, including family care expense reimbursement, Rehabilitation incentive, return-to-work earnings, and other income benefits.</p>
<p>Rehabilitation Incentive</p>	<p>10% increase in the Weekly Benefit if participating in an approved Rehabilitation Program.</p>
<p>Family Care Incentive</p>	<p>If the employee works or participates in a Rehabilitation Program while they are Disabled, starting with the 4th Weekly Benefit payment, reimbursement may be provided for up to \$100 per week for eligible Family Care expenses incurred by an employee for each eligible family member during the benefit period.</p>
<p>Moving Expense Incentive</p>	<p>If the employee participates in a Rehabilitation Program while they are Disabled, reimbursement may be provided for expenses incurred in order to move to a new residence if recommended as part of the Rehabilitation Program.</p>
<p>Temporary Recovery</p>	<p>If the employee returns to Active Work before completing the Elimination Period and then becomes Disabled, they will have to complete a new elimination period. If the employee returns to Active Work, after they begin to receive Weekly Benefits, for a period of 60 days or less than becomes Disabled again due to the same or related condition, they will not have to complete a new Elimination Period.</p>

Exclusions

We will not pay for any Disability caused or contributed to by:

- War, whether declared or undeclared, or act of war, insurrection, rebellion, or terrorist act;
- Your active participation in a riot;
- Intentionally self-inflicted injury;
- Any injury for which You are entitled to benefits under Workers' Compensation or a similar law
- Attempted suicide; or

- Commission of or attempt to commit a felony.

We will not pay Short Term Benefits for any Disability caused or contributed to by elective treatment or procedures, such as:

- Cosmetic surgery or treatment primarily to
- Sex-change surgery;
- Reversal of sterilization;
- Liposuction;
- Visual correction
- In vitro fertilization, embryo transfer procedure, or

However, pregnancies and complications from any of these procedures will be treated as a Sickness.

Intermediary and Producer Compensation Notice

MetLife enters into arrangements concerning the sale, servicing and/or renewal of MetLife group insurance and certain other group-related products ("*Products*") with brokers, agents, consultants, third party administrators, general agents, associations, and other parties that may participate in the sale, servicing and/or renewal of such products (*each an "Intermediary"*). MetLife may pay your Intermediary compensation, which may include, among other things, base compensation, supplemental compensation and/or a service fee. MetLife may pay compensation for the sale, servicing and/or renewal of products, or remit compensation to an Intermediary on your behalf. Your Intermediary may also be owned by, controlled by or affiliated with another person or party, which may also be an Intermediary and who may also perform marketing and/or administration services in connection with your products and be paid compensation by MetLife.

Base compensation, which may vary from case to case and may change if you renew your products with MetLife, may be payable to your Intermediary as a percentage of premium or a fixed dollar amount. MetLife may also pay your Intermediary compensation that is based upon your Intermediary placing and/or retaining a certain volume of business (*number of products sold or dollar value of premium*) with MetLife. In addition, supplemental compensation may be payable to your Intermediary. Under MetLife's current supplemental compensation plan, the amount payable as supplemental compensation may range from 0% to 8% of premium. The supplemental compensation percentage may be based on one or more of: (1) the number of products sold through your Intermediary during a one-year period; (2) the amount of premium or fees with respect to products sold through your Intermediary during a one-year period; (3) the persistency percentage of products inforce through your Intermediary during a one-year period; (4) the block growth of the products inforce through your Intermediary during a one-year period; (5) premium growth during a one-year period; or (6) a fixed percentage or sliding scale of the premium for products as set by MetLife. The supplemental compensation percentage will be set by MetLife based on the achievement of the outlined qualification criteria and it may not be changed until the following SCP plan year. As such, the supplemental compensation percentage may vary from year to year, but will not exceed 8% under the current supplemental compensation plan.

The cost of supplemental compensation is not directly charged to the price of our products except as an allocation of overhead expense, which is applied to all eligible group insurance products, whether or not supplemental compensation is paid in relation to a particular sale or renewal. As a result, your rates will not differ by whether or not your Intermediary receives supplemental compensation. If your Intermediary collects the premium from you in relation to your products, your Intermediary may earn a return on such amounts. Additionally, MetLife may have a variety of other relationships with your Intermediary or its affiliates, or with other parties, that involve the payment of compensation and benefits that may or may not be related to your relationship with MetLife (*e.g., insurance and employee benefits exchanges, enrollment firms and platforms, sales contests, consulting agreements, or reinsurance arrangements*).

More information about the eligibility criteria, limitations, payment calculations and other terms and conditions under MetLife's base compensation and supplemental compensation plans can be found on MetLife's Web site at www.metlife.com/business-and-brokers/broker-resources/broker-compensation. Questions regarding Intermediary compensation can be directed to ask4met@metlifeservice.com, or if you would like to speak to someone about Intermediary compensation, please call (800) ASK 4MET. In addition to the compensation paid to an Intermediary, MetLife may also pay compensation to your representative. Compensation paid to your representative is for participating in the sale, servicing, and/or renewal of products, and the compensation paid may vary based on a number of factors including the type of product(s) and volume of business sold. If you are the person or entity to be charged under an insurance policy or annuity contract, you may request additional information about the compensation your representative expects to receive as a result of the sale or concerning compensation for any alternative quotes presented, by contacting your representative or calling (866) 796-1800.