

REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

Res/Ord No.: 18645

Sponsor(s): Theresa Garza Ruiz

Date: October 27, 2014

<p>SUBJECT</p>	<p>Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance</p> <p>Project/Title: A RESOLUTION awarding a one year term and supply contract with annual renewal options for two additional years for the furnishing of employee life insurance as an employee benefit countywide to Standard Insurance under the terms and conditions of the Request for Proposal No. 66-14.</p>										
<p>BUDGET INFORMATION <i>To be completed By Requesting Department and Finance</i></p>	<table border="1" data-bbox="324 588 1201 898"> <tr> <td>Amount authorized by this legislation this fiscal year:</td> <td>\$</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td>\$</td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td>\$</td> </tr> <tr> <td>Amount budgeted for this item * (including transfers):</td> <td>\$</td> </tr> <tr> <td>Source of funding (name of fund) and account code number: FROM / TO</td> <td>FROM ACCT TO ACCT</td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Estimated Use: \$</p> <p>Prior Year Budget (if applicable): Prior Year Actual Amount Spent (if applicable):</p>	Amount authorized by this legislation this fiscal year:	\$	Amount previously authorized this fiscal year:	\$	Total amount authorized after this legislative action:	\$	Amount budgeted for this item * (including transfers):	\$	Source of funding (name of fund) and account code number: FROM / TO	FROM ACCT TO ACCT
Amount authorized by this legislation this fiscal year:	\$										
Amount previously authorized this fiscal year:	\$										
Total amount authorized after this legislative action:	\$										
Amount budgeted for this item * (including transfers):	\$										
Source of funding (name of fund) and account code number: FROM / TO	FROM ACCT TO ACCT										
<p>PRIOR LEGISLATION</p>	<p>Prior ordinances and (date):</p> <p>Prior resolutions and (date): Resolution #17717, 10/31/11</p>										
<p>CONTACT INFORMATION</p>	<p>RLA drafted by (name, title, & phone): Shelley Kneuvean, Chief Operating Officer</p>										
<p>REQUEST SUMMARY</p>	<p>Request for Proposal 66-14 was sent out with a total of thirteen (13) solicitations sent out. Nine (9) responses were returned for health insurance from the following:</p> <p>USABLE, Aetna, Assurant, Hartford, MetLife, Prudential, Securian, Standard, Sunlife</p> <p>Based on the proposals submitted including terms and conditions as well as pricing. Standard Insurance is recommended for the award of a one year contract with two annual renewal terms for the furnishing of life insurance as an employee benefit for use countywide. Under the terms and conditions of RFP 66-14 as the lowest and best bid. This award is made on an as needed basis and does not obligate Jackson County to pay any specific amount, with the availability of funds subject to annual appropriation.</p> <p>The total premium cost for 2015 is as follows:</p>										

	<p>The rate is locked for three years and is a reduction in cost from the current provider.</p> <p>Life \$.07 Accidental Death & Disability \$.02 Dependent Life \$2.50</p> <p>For employees that have purchased additional life insurance through the existing provider, the policy coverages will be transferred to Standard and does not require any further action on the part of the employee. If an employee wants to increase life insurance coverages, that is provided for in open enrollment in November. This life insurance is also portable.</p>	
CLEARANCE	<input type="checkbox"/> Tax Clearance Completed (Purchasing & Department) <input type="checkbox"/> Business License Verified (Purchasing & Department) <input type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)	
ATTACHMENTS		
REVIEW	Department Director:	Date:
	Finance (Budget Approval): <i>If applicable</i> <i>Alvayan S Ball N/A</i>	Date: <i>10-21-14</i>
	Division Manager: <i>[Signature]</i>	Date: <i>10/20/14</i>
	County Counselor's Office:	Date:

Fiscal Information (to be verified by Budget Office in Finance Department)

- This expenditure was included in the annual budget.
- Funds for this were encumbered from the _____ Fund in _____.
- There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- Funds sufficient for this expenditure will be/were appropriated by Ordinance # _____
- Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:

- This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- This legislative action does not impact the County financially and does not require Finance/Budget approval.

Employee Benefits Proposal and Cost Summary

Prepared for Jackson County on September 18, 2014
Proposed Effective Date of January 1, 2015

Presented By:

Res. 18645

Basic Life and AD&D Plan 1

Covered Members

An active employee of the Employer working 40 hours per week

Plan

Benefit Formula	Flat \$15,000
Age Based Benefit Reduction	Basic Life: To 50% at age 70 AD%D: 65% at 70; 50% at 75
Guarantee Issue	Full Benefit
Employer Contribution	100%

Cost

		Members	Volume	X Rate: Per \$1,000	=	Monthly Premium
All Eligible	Life	1582	\$23,512,500	0.070		\$1,646
	AD&D	1582	\$23,512,500	0.020		\$470
Total						\$2,116

- We provide policyholders with a 120-day notice of rate change.
- The proposed rates are guaranteed for 36 months.
- **Life, AD&D, Additional Life, and Dependent Life are packaged together and must be purchased together.**

Features

- A Family Benefits Package is included. It provides extra AD&D benefits to help families transition due to the loss of an insured member. The package includes a Child Care Benefit (child care expense reimbursement for children under age 13); a Career Adjustment Benefit (education expense reimbursement for spouses); and a Higher Education Benefit (college expense reimbursement for children).
- Coma Benefit is included.
- An Accelerated Benefit is included. Terminally ill members may withdraw up to 75% of their Life benefit to a maximum of \$500,000 (when Basic Life and any Additional Life are combined).
- Travel Assistance is included. This service provides plan participants with access to appropriate medical care and other emergency services whenever traveling at least 100 miles from home or in a foreign country for trips lasting up to 180 days. Travel Assistance offers a range of professional, 24-hour medical and legal assistance and coordination services.
- AdminEASE service is included. These time-saving online tools are the fastest, easiest and most secure way to administer your plan.

Employee Benefits Proposal and Cost Summary

Prepared for Jackson County on September 18, 2014
Proposed Effective Date of January 1, 2015

Presented By:

- Waiver of Premium is included for those disabled prior to age 60. The schedule of age reductions will not apply while a member is on Waiver. Waiver ends at age 65. The Standard consolidates the filing and management of the Life Waiver of Premium and LTD claims if The Standard has both coverages.
- The plan includes E-Contract Document service for efficient, convenient online contract document delivery. Printed documents are available on request. Certificates must be distributed to insured members. Note: Under ERISA, plan administrators may deliver Summary Plan Descriptions/certificates electronically, but must implement measures to ensure participants actually receive them. Please consult legal counsel to clarify your delivery or recordkeeping requirements.

Plan Design

- A Seat Belt Benefit and an Air Bag Benefit are included. These provide additional benefits (100% of AD&D benefit to \$10,000 and 100% of AD&D benefit to \$5,000, respectively) if a member dies as a result of an automobile accident while using a seat belt system and where the automobile's air bag deployed at the time of the accident.
- An expanded AD&D package is included. Benefits include: occupational assault, public transportation, exposure, disappearance, quadriplegia, paraplegia and hemiplegia. In addition, the package includes coverage for the following losses: loss of thumb and index finger on the same hand, loss of speech or loss of hearing in both ears.
- Portability of insurance is included. This lets terminating members continue their basic life amount without providing evidence of insurability. If AD&D is included in the plan it may also be ported.
- A Repatriation Benefit is included. It provides an additional benefit to help pay for the expenses of transporting a member's body when the member dies more than 200 miles from home.
- A Performance Guarantee is included.

Assumptions

- The proposed rates do not include commissions.
- The rates assume billing is centralized in one location.
- The proposed rates assume coverage currently in force.
- Proposed rate includes electronic documents.

Conditions

- Proposal includes individuals age 75 or older. Unless identified as a retiree it is assumed all are active employees meeting the hourly requirement.
- This is not our customary age reduction schedule. As an employer, you are responsible for determining that the schedule you have requested complies with the ADEA. We assume that you have made that determination.

Additional Information

For additional information on the available features and benefits of Life and Accidental Death & Dismemberment Insurance from The Standard, click here: <http://www.standard.com/eforms/6958.pdf>

Employee Benefits Proposal and Cost Summary

Prepared for Jackson County on September 18, 2014
Proposed Effective Date of January 1, 2015

Presented By:

Additional Life Plan 1

Covered Members

An active employee of the Employer working 40 hours per week

Plan

Benefit Formula	Choice of \$10,000, \$20,000, \$35,000, \$50,000, \$75,000, \$100,000, \$150,000, \$200,000, \$250,000, \$300,000
Minimum Benefit	\$10,000
Age Based Benefit Reduction	To 65% at age 70; To 50% at age 75
Guarantee Issue	\$200,000
Employer Contribution	0%

Cost

	Members	Age	Rate: Per \$1,000	X	Volume	=	Monthly Premium
All Enrolled	50	<= 29	0.090		\$2,815,000		\$253
	55	30-34	0.100		\$3,570,000		\$357
	65	35-39	0.120		\$5,015,000		\$602
	70	40-44	0.200		\$6,225,000		\$1,245
	76	45-49	0.350		\$4,870,000		\$1,705
	95	50-54	0.560		\$4,990,000		\$2,794
	84	55-59	0.890		\$3,655,000		\$3,253
	65	60-64	1.150		\$2,600,000		\$2,990
	24	65-69	1.750		\$995,000		\$1,741
	5	70-99	3.000		\$243,000		\$729
Total							\$15,669

- We provide policyholders with a 120-day notice of rate change.
- **Life, AD&D, Additional Life, and Dependent Life are packaged together and must be purchased together.**

Features

- Travel Assistance is included. This service provides plan participants with access to appropriate medical care and other emergency services whenever traveling at least 100 miles from home or in a foreign country for trips lasting up to 180 days. Travel Assistance offers a range of professional, 24-hour medical and legal assistance and coordination services.

Employee Benefits Proposal and Cost Summary

Prepared for Jackson County on September 18, 2014
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Presented By:

- An Accelerated Benefit is included. Terminally ill members may withdraw up to 75% of their Life benefit to a maximum of \$500,000 (when Basic Life and any Additional Life are combined).
- Portability of insurance is included. This lets terminating members continue their additional life amount without providing evidence of insurability. If AD&D is included in the plan it may also be ported.
- Waiver of Premium is included for those disabled prior to age 60. The schedule of age reductions will not apply while a member is on Waiver. Waiver ends at age 65. The Standard consolidates the filing and management of the Life Waiver of Premium and LTD claims if The Standard has both coverages.

Plan Notes

- Until coverage has been in force for 2 years, death which results from suicide or other intentional self-inflicted injury is not covered (in force for 1 year in CO, MO and ND; not available in WA.)

Assumptions

- The proposed rates do not include commissions.
- The proposed rates assume that only participants are included in the census provided.
- The rates assume billing is centralized in one location.
- The proposed rates assume coverage currently in force.

Conditions

- Rates assume 37% enrollment.
- For coverage to become effective on 01/01/2015, the greater of 20% of eligible members or 10 members must enroll.
- Additional Life can only be purchased in conjunction with Basic Life.
- This is not our customary age reduction schedule. As an employer, you are responsible for determining that the schedule you have requested complies with the ADEA. We assume that you have made that determination.
- We require evidence of insurability for members who are eligible under the current plan but are not enrolled.
- We require evidence of insurability for members who enroll more than 31 days after they are first eligible for coverage.
- Elective increases require evidence of insurability.

Employee Benefits Proposal and Cost Summary

Prepared for Jackson County on September 18, 2014
Proposed Effective Date of January 1, 2015

Presented By:

Spouse and Child Dependents Life Plan 1

Covered Members

An active employee of the Employer working 40 hours per week

Plan

Spouse Benefit Formula	\$10,000
Child Benefit Formula	\$5,000

Cost

Members:	Rates: Per Member
	Elective: Paid by each member electing coverage
All Eligible	\$2.50

- **Life, AD&D, Additional Life, and Dependent Life are packaged together and must be purchased together.**

Features

- Portability of insurance is included. This lets terminating members continue their dependents life amount without providing evidence of insurability with the continuation of their life amount. If AD&D is included in the plan it may also be ported.

Plan Notes

- The plan includes a conversion option.
- Dependents coverage includes unmarried child(ren) from live birth through age 26.
- Dependents Life insurance continues automatically, without premium payment, for five months after the death of the insured member.

Conditions

- We require evidence of insurability for spouses who are eligible under the current plan but are not enrolled.

Employee Benefits Proposal and Cost Summary

Prepared for Jackson County on September 18, 2014
Proposed Effective Date of January 1, 2015

Presented By:

- We require evidence of insurability for children who are eligible under the current plan but are not enrolled.
- We will require evidence of insurability in order to increase the benefit amount for any member whose evidence of insurability was not approved by us under any policy issued by us to the policyholder or to an employer covered under the policy.
- Evidence of insurability is required in order to increase elected benefit amounts from the current plan to this plan.

Employee Benefits Proposal and Cost Summary

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Presented By:

Producer Compensation Disclosure

We recognize the valuable role of Insurance advisors, consultants and brokers ("producers") in helping their clients design an employee benefits program, and we support reasonable and fair compensation for these services. Producers may be eligible to receive compensation from The Standard. Any questions regarding the compensation connected with this proposal should be directed to the producer. Please visit our website at www.standard.com/compensation/eb/ to view our normal commission scales. If this proposal is quoted with a non-standard scale or override it is noted below. An override if noted is compensation paid in addition to or in lieu of commissions. Please consult with your producer for details.

Non-standard commission scale: **Yes**
Override: **N/A**

Unless participation is declined by the producer or client, contingent compensation is additional compensation that may also be paid and is contingent on the satisfaction of one or more minimum requirements, such as a specified amount of new premium volume or persistency in connection with the producer's block of business. For information about our customary producer rewards program visit www.standard.com/compensation/eb/. Some producers may have a contingent compensation arrangement that differs from our customary program. Please consult with your producer for additional details.

Additionally, fees for administrative, marketing or consulting services may apply. If applicable, fees are noted below.

Fees: **N/A**

Employee Benefits Proposal and Cost Summary

Prepared for Jackson County on September 18, 2014
Proposed Effective Date of January 1, 2015

Presented By:

We appreciate the opportunity to provide you with this benefit and cost summary proposal from The Standard. This document outlines certain important features of the group insurance coverages available. This is not a contract or an offer to contract for such coverages. Detailed information about other important features of the coverage proposed is available on request. Just ask your broker/consultant or Standard representative.

A completed application must be submitted before a group can be considered for coverage. Insurance will be effective after the application is accepted by The Standard. If approved, we will issue a contract containing our customary language. It will not duplicate existing policy language, if any. The group contract will contain provisions and defined terms not described in this Benefit and cost summary proposal. The group contract will control if there are discrepancies between it and this proposal.

The proposed premium rate and plan design for each coverage are based on the underwriting data received by The Standard. Final premium rates and plan provisions will be determined by The Standard on the basis of: applicable state laws, policyholder contributions, confirmation of occupations, the actual composition of the group of persons who will become insured, and our current underwriting rules and practices.

This benefit and cost summary proposal expires on December 17, 2014, unless replaced or withdrawn by The Standard.

Res. 18645



1100 SW Sixth Avenue
Portland, OR 97204

www.standard.com

The Standard is a marketing name for StanCorp Financial Group, Inc. and its subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Ore. in all states except New York, where insurance products are offered by The Standard Life Insurance Company of New York of White Plains, N.Y. Investment services are offered through StanCorp Investment Advisers of Portland, Ore. Product features and availability vary by state and company and are solely the responsibility of each subsidiary.