

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

650



**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
August 27, 2013

**SUBJECT:** 2013 Amendment to the Standard Life Insurance and Long-Term Disability Plan Policies

**RECOMMENDED MOTION:** That the Board of Supervisors 1) approve the Standard Group Insurance Amendment to Policies: 641685-"A", "C", "D", to clarify policy definitions, enrollment requirements, and to decrease the monthly premium rate for the Basic Life Dependent Insurance from \$0.54 per member to \$0.34 per member under policy 641685-A; 2) authorize the Chairperson to sign four (4) copies of the attached documents; 3) retain one (1) copy of the signed document and return three (3) copies of the document to Human Resources for distribution.

**BACKGROUND:** On December 18, 2012, the Board of Supervisors approved the Standard Group Insurance Policies and Amendments. Human Resources and the Standard have further reviewed the plan policies and recommend further clarification.

  
 \_\_\_\_\_  
 Barbara A. Olivier  
 Asst. County Executive Officer/Human Resources Director


|                       |                               |      |                         |                    |
|-----------------------|-------------------------------|------|-------------------------|--------------------|
| <b>FINANCIAL DATA</b> | Current F.Y. Total Cost:      | \$ 0 | In Current Year Budget: | Yes                |
|                       | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment:      | No                 |
|                       | Annual Net County Cost:       | \$ 0 | For Fiscal Year:        | 2012/13<br>2013/14 |

|  |   |                          |
|--|---|--------------------------|
| <b>SOURCE OF FUNDS:</b> Department and employee payroll deductions | <b>Positions To Be Deleted Per A-30</b> | <input type="checkbox"/> |
|  | <b>Requires 4/5 Vote</b>                | <input type="checkbox"/> |

**C.E.O. RECOMMENDATION:**

**APPROVE**  
 BY:  8/26/2013  
 \_\_\_\_\_  
 Ivan M. Chand

**County Executive Office Signature**

FORM APPROVED COUNTY COUNSEL  
 BY:   
 TAWNY V. LIU  
 DATE: 8/21/13  
 Departmental Concurrence

- Consent
- Policy
- Consent
- Policy

Dept's Recomm.:  
 Per Exec. Ofc.:

**Prev. Agn. Ref.:** 12/18/2012, 3.26 **District:** All **Agenda Number:**

**3-60**

ATTACHMENTS FILED

WITH THE CLERK OF THE BOARD

The following amendments are the official documents confirming premium rate guarantees, maximum coverage amounts, clarification of policy definitions and enrollment requirements.

Policy 641685-A (Attachment A) further clarifies:

- Definitions of eligible participants
- Options for employees to elect dual voluntary life coverage for their spouse and dependent
- Requirements of submitting evidence of insurability, when electing voluntary life insurance
- Limitations of dependent coverage levels
- Employees ability to continue coverage after employment ceases or is unable to work due to a leave of absence
- Premium rate guarantee through July 1, 2015
- \$0.20 per member, per month reduction in Dependent Life Insurance coverage, to ensure all employees enrolled in the employer paid basic life plan have minimum dependent life coverage in the amount of \$1,500

Policy 641685-C (Attachment B) further clarifies:

- Definitions of eligible participants
- Premium rate guarantee through July 1, 2015

Policy 641685–D (Attachment C) further clarifies:

- Definitions of eligible participants
- Options for employees to elect dual voluntary life coverage for their spouse and dependent
- Requirements of submitting evidence of insurability, when electing voluntary life insurance
- Employees ability to continue coverage after employment ceases or is unable to work due to a leave of absence
- Premium rate guarantee through July 1, 2015

The above changes will not impact employee or County cost. Standard Insurance approved the changes without imposing additional fees.

As necessary, Human Resources will continue to work with the Standard and County Counsel to amend the group policies to ensure compliance and accuracy of Plan language.

**Attachment A**  
**Standard Group Insurance**  
**Amendment to Policy 641685-A**

## Request for Group Insurance Amendment

Standard Insurance Company  
900 SW Fifth Avenue  
Portland, OR 97204-1282

Employee Benefits Consultant: **Brian Hedford**  
Employee Benefits Service Representative: **Teresa Lollar**  
Employee Benefits Sales and Service Office: **Los Angeles EBSSO**

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Employer Name: **County of Riverside**  
Group Number: **641685-A (Life)**

As an authorized representative of the Employer, I request that Standard Insurance Company ("The Standard") amend the above Employer's coverage under the Group Policy to make the following change(s):

### Effective September 1, 2001:

**Include Elected Officials in the definition of a Member and the definition of Class 1 in the Life policy (they have been covered all along).**

### Effective January 1, 2013:

**Change the definition of a Member to also exclude per diem employees and resident physicians.**

**Evidence of Insurability is no longer waived if enrolling in Plan B Dependents Life for spouse/domestic partner following a family status change (though evidence of insurability will *not* be required if enrolling within 60 days after a spouse/domestic partner first becomes eligible for coverage).**

**Evidence of insurability is never required to insure children or increase their coverage. However, applications and increases may be made only during annual enrollments and within 60 days following a family status change.**

**Evidence of insurability is not required to become insured on January 1, 2013 for the same or lesser amounts for which the Member and/or Dependent was insured on December 31, 2012 under The Lincoln National plan.**

**A Member may be insured as both a Member and a Dependent. A Child may be insured by more than one Member.**

**Change the Dependents Life Insurance cap to provide that coverage for a Spouse or Child may not exceed 100% of the Member's total Life Insurance amount. However, this limit will not apply to amounts of Dependents Life equal to amounts in effect on**

**December 31, 2012 under the group policy and The Lincoln National plan, combined, that remain in effect under the group policy on and after January 1, 2013.**

**Change the Portability Of Insurance provision to allow employees to port coverage within 60 days following the date insurance ends.**

**Change the Accelerated Benefit provision to allow Dependents to apply for the accelerated benefit.**

**Maximum coverage amounts that may be ported under the Portability of Insurance provision are as follows:**

**Life Insurance:**

|                                 |                  |
|---------------------------------|------------------|
| <b>Minimum combined amount:</b> | <b>\$10,000</b>  |
| <b>Maximum combined amount:</b> | <b>\$650,000</b> |

**AD&D Insurance:**

|                                 |                  |
|---------------------------------|------------------|
| <b>Minimum combined amount:</b> | <b>\$10,000</b>  |
| <b>Maximum combined amount:</b> | <b>\$650,000</b> |

**Dependents Life Insurance for spouse/domestic partner:**

|                                 |                  |
|---------------------------------|------------------|
| <b>Minimum combined amount:</b> | <b>\$5,000</b>   |
| <b>Maximum combined amount:</b> | <b>\$101,500</b> |

**Dependents Life Insurance for children:**

|                                 |                 |
|---------------------------------|-----------------|
| <b>Minimum combined amount:</b> | <b>\$1,000</b>  |
| <b>Maximum combined amount:</b> | <b>\$11,500</b> |

**Change the beneficiary designation wording to allow for electronic designations (but not telephonic designations).**

**Add the following paragraph to the definition of "Spouse":**

**With respect to a legal marriage: You will be required to provide the Policyholder with evidence of your legal marriage. With respect to a domestic partnership: You will be required to provide the Policyholder with a copy of your registration with the Secretary of State of California or other applicable jurisdiction.**

**Change the definition of "Child" to cover children from live birth through age 25, whether or not married. Also, allow coverage for natural and adopted children of the Member or Spouse/Domestic Partner and children for whom the Member is the court-appointed legal guardian, whether or not living in the Member's home.**

**Change the monthly premium rate for Plan A Dependents Life Insurance to be \$0.34 per Member insured under the Group Policy, whether or not the Member has Dependents.**

Premium rates are guaranteed through July 1, 2015, unless changed as provided under the group policy. In addition to this rate guarantee, **INCLUDE** the following Contingent Rate Guarantees:

**Basic Life and Additional Life, Dependent Life (Combined):**

- If as of November 1, 2014 the loss ratio for the most recent 12 month period (Current Loss Ratio) and for the period beginning January 1, 2013 (Incurred Loss Ratio) is 80% or less, rates will be guaranteed an additional year.
- If as of November 1, 2015 the incurred loss ratio for the most recent 12 month period (Current Loss Ratio) and for the period beginning January 1, 2013 (Incurred Loss Ratio) is 80% or less, rates will be guaranteed an additional year.

**Effective March 1, 2013:**

**Additional Life and Dependents Life:**

Include an Open Enrollment for the period of March 4, 2013 through March 28, 2013. Enrollments received during this period (for which evidence of insurability is waived, as shown below) will become effective June 1, 2013. Amounts requiring evidence of insurability for which the Member applies during the Open Enrollment period will become effective on the later of June 1, 2013 and the date The Standard approves the evidence of insurability.

Evidence of insurability will not be required to become insured on June 1, 2013 for the following amounts for which the Member applies during the March, 2013 Open Enrollment period:

**Member:**

- If eligible but not insured for Additional Life -- may elect up to \$300,000 (when combined with their Plan 1 Life Insurance amount).
- If insured for Additional Life -- can increase their benefit, up to a total Additional Life amount of \$300,000 (when combined with their Plan 1 Life Insurance amount).

**Spouse**

- If eligible but not insured for Plan B Dependents Life -- may elect up to \$20,000.
- If insured for Plan B Dependents Life -- can increase Dependents Life amount by \$5,000.

**Child**

- No evidence of insurability is required to become insured or increase coverage for Children (evidence of insurability is never required for Children).

**Note:** Evidence of insurability will *not* be waived during the Open Enrollment if evidence of insurability was submitted previously to The Standard and was not approved, or if evidence of insurability is required for reinstatement of coverage. However applicants whose evidence of insurability was not approved may submit a new Medical History Statement for reconsideration.

I request that the amendment become effective on **the dates shown above**. I understand that the amendment will not become effective unless approved and issued by The Standard.

I request that the amendment be approved by The Standard subject to The Standard's usual underwriting requirements, including, if applicable, Evidence of Insurability or a Pre-existing Condition provision.

I understand that the amendment, if approved by The Standard, will be issued in the policy language customarily used by The Standard.

I understand that any increase in Insurance for a Member who is not Actively At Work all day on the Member's last regular work day before the scheduled effective date of the amendment will be deferred until the first day after the Member completes one full day of Active Work.

I request that the amendment, if approved and issued by The Standard, become effective by its terms without any further acceptance by the Employer, and that a copy of this Request for Group Insurance Amendment form be attached to and made a part of the amendment.

Sign Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Authorized Representative

Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Attachment B**  
**Standard Group Long-Term Disability Insurance**  
**Amendment to Policy 641685-C**



## Request for Group Insurance Amendment

Standard Insurance Company  
900 SW Fifth Avenue  
Portland, OR 97204-1282

Employee Benefits Consultant: **Brian Hedford**  
Employee Benefits Service Representative: **Teresa Lollar**  
Employee Benefits Sales and Service Office: **Los Angeles EBSSO**

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Employer Name: **County of Riverside**  
Group Number: **641685-C (LTD)**

As an authorized representative of the Employer, I request that Standard Insurance Company ("The Standard") amend the above Employer's coverage under the Group Policy to make the following change(s):

### Effective January 1, 2013:

**Change the definition of a Member to also exclude per diem employees and resident physicians.**

**Remove Senior Deputy Coroner reference from Class 1, and remove words "(PR7 and PD7)" from Class 4, as they are not necessary.**

**Premium rates are guaranteed through July 1, 2015, unless changed as provided under the group policy. In addition to this rate guarantee, INCLUDE the following Contingent Rate Guarantees:**

- **If as of November 1, 2014 the incurred loss ratio for the most recent 12 month period (Current Loss Ratio) and for the period beginning January 1, 2013 (Incurred Loss Ratio) is 76% or less, rates will be guaranteed an additional year.**
- **If as of November 1, 2015 the incurred loss ratio for the most recent 12 month period (Current Loss Ratio) and for the period beginning January 1, 2013 (Incurred Loss Ratio) is 76% or less rates will be guaranteed an additional year.**

I request that the amendment become effective on **January 1, 2013**. I understand that the amendment will not become effective unless approved and issued by The Standard.

I request that the amendment be approved by The Standard subject to The Standard's usual underwriting requirements, including, if applicable, Evidence of Insurability or a Pre-existing Condition provision.

I understand that the amendment, if approved by The Standard, will be issued in the policy language customarily used by The Standard.

I understand that any increase in Insurance for a Member who is not Actively At Work all day on the Member's last regular work day before the scheduled effective date of the amendment will be deferred until the first day after the Member completes one full day of Active Work.

I request that the amendment, if approved and issued by The Standard, become effective by its terms without any further acceptance by the Employer, and that a copy of this Request for Group Insurance Amendment form be attached to and made a part of the amendment.

Sign Name: \_\_\_\_\_ Title: \_\_\_\_\_  
                  Authorized Representative

Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

## Request for Group Insurance Amendment

Standard Insurance Company  
900 SW Fifth Avenue  
Portland, OR 97204-1282

Employee Benefits Consultant: **Brian Hedford**  
Employee Benefits Service Representative: **Teresa Lollar**  
Employee Benefits Sales and Service Office: **Los Angeles EBSSO**

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Employer Name: **County of Riverside**  
Group Number: **641685-C (LTD)**

As an authorized representative of the Employer, I request that Standard Insurance Company ("The Standard") amend the above Employer's coverage under the Group Policy to make the following change(s):

### Effective January 1, 2013:

**Change the definition of a Member to also exclude per diem employees and resident physicians.**

**Remove Senior Deputy Coroner reference from Class 1, and remove words "(PR7 and PD7)" from Class 4, as they are not necessary.**

**Premium rates are guaranteed through July 1, 2015, unless changed as provided under the group policy. In addition to this rate guarantee, INCLUDE the following Contingent Rate Guarantees:**

- **If as of November 1, 2014 the incurred loss ratio for the most recent 12 month period (Current Loss Ratio) and for the period beginning January 1, 2013 (Incurred Loss Ratio) is 76% or less, rates will be guaranteed an additional year.**
- **If as of November 1, 2015 the incurred loss ratio for the most recent 12 month period (Current Loss Ratio) and for the period beginning January 1, 2013 (Incurred Loss Ratio) is 76% or less rates will be guaranteed an additional year.**

I request that the amendment become effective on January 1, 2013. I understand that the amendment will not become effective unless approved and issued by The Standard.

I request that the amendment be approved by The Standard subject to The Standard's usual underwriting requirements, including, if applicable, Evidence of Insurability or a Pre-existing Condition provision.

I understand that the amendment, if approved by The Standard, will be issued in the policy language customarily used by The Standard.

**Attachment C**  
**Standard Group Insurance**  
**Amendment to Policy 641685-D**

## Request for Group Insurance Amendment

Standard Insurance Company  
900 SW Fifth Avenue  
Portland, OR 97204-1282

Employee Benefits Consultant: **Brian Hedford**  
Employee Benefits Service Representative: **Teresa Lollar**  
Employee Benefits Sales and Service Office: **Los Angeles EBSSO**

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Employer Name: **County of Riverside**  
Group Number: **641685-D (Life)**

As an authorized representative of the Employer, I request that Standard Insurance Company ("The Standard") amend the above Employer's coverage under the Group Policy to make the following change(s):

### Effective January 1, 2013:

**Change the schedule of Plan 2 (additional) Life Insurance to provide that the 7 times annual earnings limit will not apply to amounts of Contributory life insurance in effect under the prior plan on December 31, 2012 that exceed 7 times the employee's annual earnings, provided such amounts remain in effect on and after January 1, 2013. However, no further increases in Plan 2 Life Insurance will be allowed for these employees while their coverage amount exceeds 7 times their annual earnings.**

**Change When Life Insurance Ends to continue coverage through the last day of the calendar month in which employment ends or the employee ceases to be a Member.**

**Change When Dependents Life Insurance Ends to continue coverage through the last day of the calendar month in which a dependent ceases to be a dependent or in which the employee is divorced or terminates the domestic partnership.**

**Change the Portability Of Insurance provision to allow employees to port coverage within 60 days following the date insurance ends.**

**A Member may be insured as both a Member and a Dependent. A Child may be insured by more than one Member.**

**Change the beneficiary designation wording to remove references to telephonic designations.**

**Change the definition of "Child" to allow coverage for natural and adopted children of the Member or Spouse/Domestic Partner and children for whom the Member is the court-appointed legal guardian, whether or not living in the Member's home.**

Premium rates are guaranteed through July 1, 2015, unless changed as provided under the group policy. In addition to this rate guarantee, INCLUDE the following Contingent Rate Guarantees:

**Basic Life and Additional Life, Dependent Life (Combined):**

- If as of November 1, 2014 the loss ratio for the most recent 12 month period (Current Loss Ratio) and for the period beginning January 1, 2013 (Incurred Loss Ratio) is 80% or less, rates will be guaranteed an additional year.
- If as of November 1, 2015 the incurred loss ratio for the most recent 12 month period (Current Loss Ratio) and for the period beginning January 1, 2013 (Incurred Loss Ratio) is 80% or less, rates will be guaranteed an additional year.

**Effective March 1, 2013:**

Include an Open Enrollment for the period of March 4, 2013 through March 28, 2013. New Enrollments received during this period (for which evidence of insurability is waived, as shown below) will become effective June 1, 2013. Amounts requiring evidence of insurability for which the Member applies during the Open Enrollment period will become effective on the later of June 1, 2013 and the date The Standard approves the evidence of insurability.

Evidence of insurability will not be required to become insured on June 1, 2013 for the following amounts for which the Member applies during the March, 2013 Open Enrollment period:

**Member:**

- If eligible but not insured for Additional Life -- may elect up to \$250,000.
- If insured for Additional Life -- can increase their benefit, up to a total Additional Life amount of \$250,000.

**Spouse**

- If eligible but not insured for Dependents Life for Spouse -- may enroll for \$10,000.
- If insured for Dependents Life for Spouse -- may increase by one increment.

**Child**

- No evidence of insurability is required to become insured or increase coverage for Children (evidence of insurability is never required for Children).

**Note:** Evidence of insurability will *not* be waived during the Open Enrollment if evidence of insurability was submitted to The Standard previously and was not approved, or if evidence of insurability is required for reinstatement of coverage. However applicants whose evidence of insurability was not approved may submit a new Medical History Statement for reconsideration.

I request that the amendment become effective on **the dates shown above**. I understand that the amendment will not become effective unless approved and issued by The Standard.

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I request that the amendment, if approved and issued by The Standard, become effective by its terms without any further acceptance by the Employer, and that a copy of this Request for Group Insurance Amendment form be attached to and made a part of the amendment.

Sign Name: \_\_\_\_\_ Title: \_\_\_\_\_  
                  Authorized Representative

Print Name: \_\_\_\_\_ Date: \_\_\_\_\_