

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

216



**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
July 21, 2014

**SUBJECT:** 2014 Amendment to the Standard Group Life and Long-Term Disability Insurance Policies [District- All] [Total Cost - \$0] [SOURCE OF FUNDS - Department and Employee Payroll Dedctions]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the Standard Group Insurance Amendment to Policies: 641685-"A", "C", "D", to clarify policy definitions and enrollment requirements
2. Authorize the Chairperson to sign four (4) copies of the attached documents
3. Retain one (1) copy of the signed documents and return three (3) copies of the documents to Human Resources for distribution.

**BACKGROUND:**

**Summary**

On September 10, 2013, 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 and alignment of the policies.

Departmental Concurrence

Michael T. Stock  
Asst. County Executive Officer/  
Human Resources Director

FORM APPROVED COUNTY COUNSEL  
BY:  TAWNY V. LEE  
DATE: 7/22/14

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** Department and Employee Payroll Deductions

<b>Budget Adjustment:</b> No
<b>For Fiscal Year:</b> 2014/15

**C.E.O. RECOMMENDATION:** APPROVE  
BY:  7/28/14  
Samuel Wong

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 09/10/13, 3-60

District: All

Agenda Number:

**3-19**

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: 2014 Amendment to the Standard Group Life and Long-Term Disability Insurance  
Policies [District- All] [Total Cost - \$0] [SOURCE OF FUNDS - Department and Employee Payroll  
Dedctions]**

**DATE: July 21, 2014**

**PAGE: 2 of 3**

**BACKGROUND:**

**Summary (continued)**

The Standard Basic Life insurance policies are an employer paid benefit. The coverage levels range from \$10,000 up to \$50,000. In addition to the Basic Life plans, employees may elect additional voluntary life insurance coverage.

The Standard Voluntary Additional Employee, Spouse and Dependent Child Life insurance coverages are available for employees to purchase. Currently the Group Life Insurance coverage varies:

- Policy A (excludes SEIU & LIUNA) - Employees may elect coverage up to \$600,000, Spouse coverage up to \$100,000, and Child coverage up to \$10,000.
- Policy D (SEIU & LIUNA) - Employees may elect coverage up to \$600,000, Spouse coverage up to \$50,000, and Child coverage up to \$10,000. This policy has restrictions such as: Evidence of Insurability (EOI) requirements, a maximum of \$50,000 for spouse life and limitations of incremental increases without evidence of insurability.

In an effort to improve communications and business processes, SEIU and LIUNA coverage will be similar to the non-SEIU and non-LIUNA policies currently covered under Policy A.

The County's Long-Term Disability (LTD) Policy C with Standard is an employer paid benefit and provides temporary replacement income for eligible members. The LTD benefit is provided on a fully insured basis and provides income replacement up to 66 2/3% of qualified predisability earnings. Recent California legislation requires the Standard to revise their policies to comply with the California law.

The following amendments are the official documents clarifying the policy definitions and enrollment requirements.

Policy 641685-A (Attachment A) further clarifies:

- The enrollment period for newly eligible employees and employees with family status changes to ensure it is consistent with the policy and past practices.
- Limits open enrollment elections to become effective the first day of the following calendar year or the first day of the month following approval of evidence of insurability, if coverage above the guaranteed issue is approved after the first day of the following calendar year.
- Established parameters for effective dates as it pertains to enrollments and approval of evidence of insurability.
- The age reduction schedule to ensure eligible employees and spouses receive the appropriate age reduction schedules.

Policy 641685-C (Attachment B) further clarifies:

- The California Grace Period legislation (A.B. 1747) for life insurance policies. A.B. 1747, established a minimum 60-day grace period, that requires policies to remain in force for 60 days after a premium payment is missed.

Policy 641685-D (Attachment C) further clarifies:

- The enrollment period for newly eligible employees and employees with family status changes to ensure it is consistent with the policy and past practices.
- Limit open enrollment elections to become effective the first day of the following calendar year or first day of the month following approval of evidence of insurability, if coverage above the guaranteed issue is approved after the first day of the following calendar year.
- Established parameters for effective dates as it pertains to enrollments and approval of evidence of insurability.

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: 2014 Amendment to the Standard Group Life and Long-Term Disability Insurance  
Policies [District- All] [Total Cost - \$0] [SOURCE OF FUNDS - Department and Employee Payroll  
Dedctions]**

**DATE: July 21, 2014**

**PAGE: 3 of 3**

- The age reduction schedule to ensure eligible employees and spouses receive the appropriate age reduction schedules.
- Supplemental Employee and Spouse Life insurance coverage levels offered in Policy D, align with similar provisions of the Supplemental Employee and Spouse Life insurance coverage levels offered in Policy A.

**Impact on Residents and Businesses**

There is no direct impact to private residents or private businesses in the County of Riverside.

**Contract History and Price Reasonableness**

Since January 2001, the Standard has partnered with the County to offer Basic, Supplemental Life and LTD insurance coverage for employees and their dependents. Standard continues to provide outstanding service to the County. There is no additional cost to the County for this recommendation. The current rates were approved by the Board and are guaranteed through July 1, 2015.

**ATTACHMENTS:**

- A. Request for Group Insurance Amendment – Group Number 641685-A
- B. Request for Group Insurance Amendment – Group Number 641685-C
- C. Request for Group Insurance Amendment – Group Number 641685-D

**ATTACHMENT A**

Request for Group Insurance Amendment

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

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Employer Name: County of Riverside  
Group Number: 641685-A

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 1/1/13**

For the period 1/1/13 to 12/31/13: Amend the Life Insurance and Dependents Life Insurance provisions to allow newly eligible employees to elect coverage for up to 90 days from the date they become eligible for coverage or within 90 days of a qualifying Family Status Change.

**This amendment is necessary due to the system coding error that occurred in Benefitsolver, that did not limit employees to a 60 day enrollment period.**

**Note: Effective 1/1/14 these provisions revert back to within 60 days of becoming eligible or within 60 days of a Family Status change**

### **Effective 1/1/13**

Amend Life Insurance provision:

Part C. Changes in Life Insurance, Item 1.a.:

- An increase in your Life Insurance that is subject to Evidence Of Insurability, for which you apply during an Annual Enrollment Period will become effective on the later of (1) January 1 of the following calendar year, and (2) the first day of the calendar month coinciding with or next following the date we approve your Evidence of Insurability.
- Any other increase in your Life Insurance subject to Evidence of Insurability becomes effective on the first day of the calendar month coinciding with or next following the date we approve your Evidence of Insurability.

Part F. When Life Insurance Becomes Effective, Item 1.:

- Life Insurance subject to Evidence of Insurability for which you apply during an Annual Enrollment Period will become effective on the later of (1) January 1 of the following calendar year, and (2) the first day of the calendar month coinciding with or next following the date we approve your Evidence of Insurability.

- Any other Life Insurance subject to Evidence of Insurability becomes effective on the first day of the calendar month coinciding with or next following the date we approve your Evidence of Insurability.

Amend the Dependents Life Insurance provision:

Part C. Changes in Dependents Life, Item 1.a.:

- An increase in Dependents Life Insurance for your Spouse subject to Evidence of Insurability for which you apply during an Annual Enrollment Period will become effective on the later of (1) January 1 of the following calendar year, and (2) the first day of the calendar month coinciding with or next following the date we approve your Spouse's Evidence of Insurability.
- Any other increase in Dependents Life Insurance for your Spouse subject to Evidence of Insurability becomes effective on the first day of the calendar month coinciding with or next following the date we approve your Spouse's Evidence of Insurability.

Part F. Becoming Insured for Dependents Life Insurance Item 2 a. 2.:

- Dependents Life Insurance for your Spouse subject to Evidence of Insurability for which you apply during an Annual Enrollment Period will become effective on the later of (1) January 1 of the following calendar year, and (2) the first day of the calendar month coinciding with or next following the date we approve your Spouse's Evidence of Insurability.
- Any other Dependents Life Insurance for your Spouse subject to Evidence of Insurability becomes effective on the first day of the calendar month coinciding with or next following the date we approve your Spouse's Evidence of Insurability.

**These changes are necessary to ensure that the contract corresponds with the administration of the plan.**

**Effective 3/1/13**

Update the Evidence of Insurability Requirements to Extend the one-time special Open Enrollment Period (where Evidence of Insurability will not be required to become insured on June 1, 2013) to be between March 4, 2013 and April 4, 2013 (previously March 4, 2013 and March 28, 2013).

**This change is necessary as it was decided to extend the special open enrollment period beyond the initial timeframe.**

**Effective 1/1/14**

Modify the Age Reduction Schedule so that it does not apply to the Plan A (basic) Dependent Life. The Age Reduction Schedule is limited to the Plan 1 (basic) Life and AD&D, Plan 2 (additional) Life, and Plan B (additional) Dependents Life. Dependents Life Insurance for children is not subject to reductions due to age.

**This change is necessary to ensure that the contract corresponds with the administration of the plan.**

**Effective 7/1/14**

The Becoming Insured portion of the Coverage Features is amended to provide the following Eligibility Waiting Period for persons who are not yet eligible for Life Insurance on July 1, 2014:

Eligibility Waiting Period: You are eligible on the following applicable dates, but not before July 1, 2014:

Plan 1 (basic) Life and Plan A Dependents Life Insurance: You are eligible on the date you become a Member.

For Plan 2 (additional) Life Insurance: You are eligible on the first day of the calendar month coinciding with or next following the date you become a Member.

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**

Request for Group Insurance Amendment

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

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Employer Name: County of Riverside  
Group Number: 641685-C

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 01/01/2014**

**Amend the Grace Period to 60 days for LTD coverage.**

This change is being made to the LTD plan in order to make it consistent with the grace period in the life insurance plans. We were required to change the grace period in the life insurance plans due to California Grace Period legislation (A.B. 1747) for Life Insurance policies. A.B. 1747, which became effective on January 1, 2013, establishes a new minimum grace period during which individual and group life insurance policies must remain in force after a premium payment is missed; gives certain policy owners the right to designate additional persons to receive notices of lapse; and provides that notices of lapse and termination that are not mailed to the designees and known assignees are ineffective.

Because the County of Riverside also has Long Term Disability (LTD) coverage through The Standard, amending the LTD policy to include a 60-day grace period will provide consistency and a single bill. Amendments for the Life policies have previously been issued.

**Effective 08/01/2014**

**Change the Eligibility Waiting Period to state an employee is eligible on the date they become a Member, but not before August 1, 2014.**

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 C**

**Request for Group Insurance Amendment**

**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

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Employer Name: County of Riverside  
Group Number: 641685-D

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 11/1/13**

Amend the Eligibility Waiting Period for Plan 2 Additional Life to the first day of the calendar month coinciding with or next following the date you become a Member.

**This change is necessary to ensure that Plan 2 Additional Life and Plan B Dependents Life payroll deduction start dates coincide with the first day of the month.**

### **Effective 1/1/13**

For the period 1/1/13 through 12/31/13: Amend the Life Insurance and Dependents Life Insurance provisions to allow newly eligible employees to elect coverage for up to 90 days from the date they become eligible for coverage or within 90 days of a qualifying Family Status Change.

**This amendment is necessary due to the system coding error that occurred in Benefitsolver that did not limit employees to a 60 day enrollment period.**

**Note: Effective 1/1/14 these provisions revert back to within 60 days of becoming eligible or within 60 days of a Family Status change**

### **Effective 1/1/13**

Amend Life Insurance provision:

Part C. Changes in Life Insurance, Item 1.a.:

- An increase in your Life Insurance that is subject to Evidence of Insurability for which you apply during an Annual Enrollment Period will become effective on the later of (1) January 1 of the following calendar year, and (2) the first day of the calendar month coinciding with or next following the date we approve your Evidence of Insurability.

- Any other increase in your Life Insurance subject to Evidence of Insurability becomes effective on the first day of the calendar month coinciding with or next following the date we approve your Evidence of Insurability.

Part F. When Life Insurance Becomes Effective, Item 1.:

- Life Insurance subject to Evidence of Insurability for which you apply during an Annual Enrollment Period will become effective on the later of (1) January 1 of the following calendar year, and (2) the first day of the calendar month coinciding with or next following the date we approve your Evidence of Insurability.
- Any other Life Insurance subject to Evidence of Insurability becomes effective on the first day of the calendar month coinciding with or next following the date we approve your Evidence of Insurability.

Amend the Dependents Life Insurance provision:

Part C. Increases in Dependents Life, Item 1.a.:

- An increase in Dependents Life Insurance for your Spouse subject to Evidence of Insurability for which you apply during an Annual Enrollment Period will become effective on the later of (1) January 1 of the following calendar year, and (2) the first day of the calendar month coinciding with or next following the date we approve your Spouse's Evidence of Insurability.
- Any other increase in Dependents Life Insurance for your Spouse subject to Evidence of Insurability becomes effective on the first day of the calendar month coinciding with or next following the date we approve your Spouse's Evidence of Insurability.

Part F. Becoming Insured for Dependents Life Insurance Item, 2 a. 2.:

- Dependents Life Insurance subject to Evidence of Insurability for which you apply during an Annual Enrollment Period will become effective on the later of (1) January 1 of the following calendar year, and (2) the first day of the calendar month coinciding with or next following the date we approve your Spouse's Evidence of Insurability.
- Any other Dependents Life Insurance subject to Evidence of Insurability becomes effective on the first day of the calendar month coinciding with or next following the date we approve your Spouse's Evidence of Insurability.

**These changes are necessary to ensure that the contract corresponds with the administration of the plan.**

**Effective 3/1/13**

Update the Evidence of Insurability Requirements to Extend the one-time special Open Enrollment Period (where Evidence of Insurability will not be required to become insured on June 1, 2013) to be between March 4, 2013 and April 4, 2013 (previously March 4, 2013 and March 28, 2013).

**This change is necessary as it was decided to extend the special open enrollment period beyond the initial timeframe.**

**Effective 6/1/13**

For Members age 70 but under 75 on 12/31/12:

- change the percentage on Age Reductions for Dependent Spouse Life from 0% to 40%

For Members age 75 or older on 12/31/12:

- change the percentage on Age Reductions for Dependent Spouse Life from 0% to 25%

**This change is necessary to address errors created by system coding, which failed to cap previous grandfathered amounts.**

**Effective 2/1/14**

Amend Age Reductions for Life Insurance and Dependents Life Insurance for Spouse as follows:

Life Insurance for you and Dependents Life Insurance for your Spouse:

Age of Member	Percentage
65 through 69	65%
70 or over	50%

**This change is necessary to make age reduction provisions consistent for all County of Riverside employees.**

**Effective 8/1/14**

Additional Life schedule for members:

- Increments of \$10,000 with coverage capped at the lesser of \$600,000 or 7 times annual earnings.
- GI = \$250,000
- **Annual Enrollment:**
  - **Remove current provision for enrollment up to \$100,000 without Evidence of Insurability**
  - **Allow those already enrolled to increase coverage one increment of \$10,000 without Evidence of Insurability, even if this would cause their Plan 2 Life Insurance Benefit to exceed the Guarantee Issue Amount.**

Additional Spouse life

- Increments of \$5,000 to a maximum of \$100,000
- GI = \$20,000
- During Annual Enrollment members already enrolled can increase coverage by one increment of \$5,000 without Evidence of Insurability, even if this would cause Spouse Dependents Life Insurance to exceed the Guarantee Issue Amount.
- Late enrollments would still require Evidence of Insurability.
- Increase the portability maximum amount from \$50,000 to \$100,000

Amend the Life Insurance provision:

Part F, When Life Insurance Becomes Effective, Item 3.b.:

- Change Item 3.b. from this:
 

b. You must submit satisfactory Evidence Of Insurability to become insured for Life Insurance if you were eligible under the Prior Plan for more than 60 days but were not insured, except as provided during an Annual Enrollment Period.

To This:

- b. You must submit satisfactory Evidence Of Insurability to become insured for Life Insurance if you were eligible under the Prior Plan for more than 60 days but were not insured.

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: \_\_\_\_\_