

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

122



FROM: Human Resources Department

SUBMITTAL DATE:
April 6, 2015

SUBJECT: 2015 Amendment to the Standard Group Life and Long-Term Disability Insurance Policies [District - All] [Total Cost - \$0] [SOURCES OF FUNDS - Department and Employee Payroll Deductions]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Group Insurance Amendment to Policy 641685-D Life with Standard Insurance Company to modify the calculation of the Additional Life (7X) Annual Earnings cap in calculating the maximum Additional Life Insurance amount, effective April 1, 2015;
2. Authorize the Chairperson to sign four (4) copies of the amendments; and
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.

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

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

SOURCE OF FUNDS: Department and Employee Payroll Deductions	Budget Adjustment: No
	For Fiscal Year: 2014/15

C.E.O. RECOMMENDATION:

APPROVE

BY:
Lani Sioson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.: 09/10/13, 3.60 | **District:** All | **Agenda Number:**

3-18

FORM APPROVED COUNTY COUNSEL 4/15/15
DATE
BY: JAMES E. BROWN

Departmental Concurrence

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: 2015 Amendment to the Standard Group Life and Long-Term Disability Insurance
Policies [District - All] [Total Cost - \$0] [SOURCES OF FUNDS - Department and Employee Payroll
Deductions]**

DATE: March 30, 2015

PAGE: 2 of 2

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 purchase. Currently, the Group Life Insurance coverage varies:

- Policy A (Excludes SEIU & LIUNA) - Employees may elect additional coverage up to \$600,000, spouse coverage up to \$100,000, and dependent child coverage up to \$10,000.
- Policy 641685-D (SEIU and LIUNA) - Employees may elect additional coverage up to \$600,000, spouse coverage up to \$100,000, and dependent child coverage up to \$10,000.

Both policies have requirements such as: Evidence of Insurability (EOI) and limitations on incremental increases without evidence of insurability.

In an effort to align Policy language and provisions, the following amendment will modify the rounding process when calculating the Additional Life (7X) Annual Earnings cap in calculating the maximum additional life insurance application amount for SEIU and LIUNA members.

Policy 641685-D (Attachment A) further clarifies:

- Employees may apply for Plan 2 Additional Life Insurance in multiples of \$10,000, from \$10,000 to a maximum lesser of:
 - \$600,000; and
 - An amount equal to 7X the employee's Annual Earnings, rounded to the next lower multiple of \$10,000, if not already a multiple of \$10,000.

Impact on Residents and Businesses

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

Contract History and Price Reasonableness

Since January 2001, the Standard has partnered with the County of Riverside 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 June 30, 2015.

ATTACHMENTS

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



Request for Group Insurance Amendment

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

Employee Benefits Consultant: **Jamie Miller**
Employee Benefits Service Representative: **Teresa Lollar**
Employee Benefits Sales and Service Office: **Los Angeles**

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):

Modify the Schedule of Life Insurance to read as follows:

Plan 2 (Additional) Life Insurance Benefit: You may apply for Plan 2 Life Insurance in multiples of \$10,000, from \$10,000 to a maximum of the lesser of:

- a. **\$600,000; and**
- b. **An amount equal to 7 times your Annual Earnings, rounded to the next lower multiple of \$10,000, if not already a multiple of \$10,000.**

I request that the amendment become effective on **04/01/2015**. 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: _____

FORM APPROVED COUNTY COUNSEL
BY: Tawny V. JEU 4/15/15
DATE