

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



ITEM: 3.18
(ID # 30102)

MEETING DATE:
Tuesday, April 14, 2026

FROM : HUMAN RESOURCES

SUBJECT: HUMAN RESOURCES: Ratify and Approve The Standard's Experience Rating Refund Agreement for Group Policy 641685-C, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Experience Rating Refund Agreement effective July 1, 2022 (Attachment A);
2. Authorize the Chairperson to sign three (3) copies of the agreement on behalf of the County; and
3. Direct the Clerk of the Board to retain one (1) copy of the signed agreement and return two (2) copies of the documents to Human Resources for distribution.

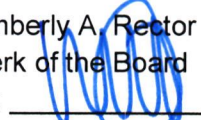
ACTION:Policy


Tami Douglas-Schatz, Director of Human Resources 3/25/2026

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Medina, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: April 14, 2026
xc: HR

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS:			Budget Adjustment:	No
			For Fiscal Year:	22/23

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County's Basic Life, Accidental Life, and Long-Term Disability (LTD) policies each operate under separate Experience Rating Refund (ERR) agreements. These agreements establish a Claims Fluctuation Reserve (CFR) account for each policy.

The CFR account is used to help stabilize costs over time by offsetting unexpected changes in claim activity. Under the ERR agreement, premiums paid to The Standard are compared to claims paid. When claims are lower than expected, a portion of the excess premiums is credited to the CFR account. These reserve funds can then be used to help manage future claim fluctuations and reduce year-to-year volatility in costs and support more stable premium rates for these employer-paid plans.

The ERR agreements apply to the County's noncontributory (employer paid) Life and LTD insurance, including Plan 1 Life Insurance, Plan A Dependent Life Insurance, and noncontributory LTD coverage.

An internal audit determined that the ERR agreement did not include Group Policy 641685-C. Group Policy 641685-C became effective on July 1, 2022, and pertains to SEIU's new LTD policy. As a result of the audit, a new ERR agreement is required to incorporate this new policy.

Recommended changes to:

Experience Rating Refund Agreement (Attachment A)

Group Policy 641685-C:

This Experience Rating Refund Agreement amends and restates all prior Experience Rating Refund Agreements that have been applied to group policy 641685-C, effective July 1, 2022.

Impact on Residents and Businesses

While there is no immediate impact on residents and businesses, offering cost-effective benefits is a key strategy for recruiting and retaining a strong workforce to ensure quality service for our constituents.

Contract History and Price Reasonableness

Since January 2001, the Standard has partnered with County of Riverside to offer Basic and Supplemental Life and LTD insurance coverage for employees and their eligible dependents.

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

Standard continues to provide outstanding service to the County. There is no rate impact to the County for this recommendation.

ATTACHMENTS

- A. Experience Rating Refund Agreement – Group Policy No. 641685-C

Cesar Bernal
Cesar Bernal, PRINCIPAL MGMT ANALYST 4/7/2026

Aaron Gettis
Aaron Gettis, Chief Deputy County Counsel 4/3/2026

EXPERIENCE RATING REFUND AGREEMENT

A part of group policy 641685-C, 641685-E, and 641685-G (Group Policy) issued to County of Riverside as Policyholder.

Standard and the Policyholder hereby adopt this Experience Rating Refund Agreement and Claims Fluctuation Reserve Account (CFR Account) in connection with Subject Insurance under the Group Policy in accordance with the following provisions.

Subject Insurance means Noncontributory Long Term Disability Insurance, and beginning July 1, 2016, Noncontributory Life Insurance (Plan 1 Life Insurance and Plan A Dependents Life Insurance).

This Experience Rating Refund Agreement amends and restates all prior Experience Rating Refund Agreements that have been applied to group policy 641685-C.

CALCULATING THE EXPERIENCE RATING REFUND

The Experience Rating Refund is the lesser of the following amounts:

Amount for all Computation Periods = $(A \times C) - D + E$; and

Amount for the current Computation Period = $B \times C$; where:

A = The Balance for All Computation Periods, which is:

Earned Premium for all Computation Periods, minus the sum of:

Paid Claims for all Computation Periods
Claims Reserves at the end of the current Computation Period
Retention for all Computation Periods

B = The Balance for the Current Computation Period, which is:

Earned Premium for the current Computation Period, minus the sum of:

Paid Claims for the current Computation Period
Net change in Claims Reserves during the current Computation Period
Retention for the current Computation Period

C = Credibility Factor. The Credibility Factor is determined by the credibility formula currently adopted by Standard.

D = The Experience Rating Refunds, if any, which have been paid for any Computation Period.

E = The amount of any withdrawals by Standard from a CFR Account, if any.

DEFINITIONS

Earned Premium equals $a + b - c$, where:

a = Paid premiums
b = Increase or decrease in uncollected premium
c = Increase or decrease in advance premium

Paid Claims equals $a + b + c + d$, where:

- a = Claims paid, including benefits paid and costs incurred under any provision of the Group Policy
- b = Legal fees, expenses, settlements and judgments paid in connection with lawsuits relating to claims
- c = Payments of the Employer's share of Social Security and Medicare tax by Standard
- d = Conversion charges for converting to an individual life insurance policy under the Right To Convert provision (if applicable).

Claims Reserves equals reserves for $a + b + c + d$, where:

- a = IBNR: claims incurred but not reported
- b = Outstanding claims: claims or portions of claims which have been approved but have not been paid
- c = Active claims
- d = Pending claims

Retention equals $a + b + c + d$, where:

- a = Commissions paid
- b = Premium tax incurred
- c = Expenses and charges as determined according to the formulae adopted by Standard and any other variable expenses incurred and applied to this Group Policy
- d = Risk and contingency charges as determined according to the formulae adopted by Standard

Computation Period means the Initial Rate Guarantee Period for Noncontributory Long Term Disability Insurance and each successive renewal period thereafter. For the Computation Period commencing on July 1, 2016, Noncontributory Life Insurance (Plan 1 Life Insurance and Plan A Dependents Life Insurance) is now included. If the renewal date is changed by amendment, the Computation Period will be adjusted accordingly. A Computation Period automatically ends on the date the Group Policy terminates. A final Computation Period is the 12-month period following termination of the Group Policy.

DEPOSITS AND WITHDRAWALS

If the calculation results in a positive amount, Standard may, at its sole discretion, elect to deposit all or a portion of the Experience Rating Refund in the CFR Account. Any amount not so deposited will be paid to the Policyholder.

If the calculation results in a negative amount, Standard may, at its sole discretion, make a withdrawal from the CFR Account and apply it as additional premium for the Computation Period.

Withdrawals from the CFR Account are limited as follows:

- a. The amount withdrawn by Standard to serve as additional premium for a Computation Period shall not exceed the lesser of the following amounts:
 - (1) The negative amount resulting from the Experience Rating Refund calculation:
or
 - (2) The amount in the CFR Account at the end of the Computation Period.

- b. Effective as of the first day of the calendar month next following 30 days written notice to Standard and a subsequent Experience Rating Refund calculation, the Policyholder may withdraw any part of the amount on deposit in excess of one-half the total annual premium for Noncontributory Long Term Disability Insurance and Noncontributory Life Insurance for the contract year ending on the preceding anniversary of the Group Policy Effective Date.

TERMINATION OF GROUP POLICY

An Experience Rating Refund calculation will be performed after the Group Policy terminates, and again 12 months following termination of the Group Policy.

If either Experience Rating Refund calculation results in a negative amount, Standard may, at its sole discretion, make a withdrawal from the CFR Account and apply it as additional premium for the Computation Period.

If the Experience Rating Refund calculation initially performed after the policy terminates results in a positive amount, Standard may, at its sole discretion, elect to deposit all or a portion of the Experience Rating Refund in the CFR Account.

If the Experience Rating Refund performed 12 months following termination of the Group Policy results in a positive amount, no additional deposits will be made to the CFR Account and such amounts will not be paid to the Policyholder.

Any amount remaining on deposit in the CFR Account following the final Experience Rating Refund will be paid to the Policyholder.

If any premium due under the Group Policy remains unpaid at the termination of the Group Policy, a portion of the amount in the CFR Account sufficient to pay such premium will be applied automatically to pay such premium. Any amount thereafter tendered to pay such premium shall be credited to the amount on deposit in the CFR Account.

CONDITIONS

1. An Experience Rating Refund calculation will be performed at the end of each Computation Period.
2. Any change in the claims reserves formula will bear a direct relationship to Standard's actual claims experience or to published insurance industry claim experience.
3. If, for the Initial Rate Guarantee Period or for any succeeding Computation Period, the Experience Rating Refund is zero or a negative figure, no Experience Rating Refund will be paid for that Computation Period.
4. Payment of the Experience Rating Refund (if applicable) will be made by Standard on or before the later of the following dates:
 - a. 60 days after the end of the Computation Period.
 - b. The date upon which all outstanding premium due has been received by Standard.
5. Standard may, at its sole discretion, elect to deposit all or a portion of the Experience Rating Refund into a claims fluctuation reserve or premium deposit account.
6. Funds held on deposit in the CFR Account shall constitute a part of Standard's general corporate funds to be so used and invested by Standard.

7. The amount on deposit in the CFR Account shall earn interest annually at such rate as Standard may declare on such funds. Each deposit will begin to bear interest on the date it is deposited, and interest will be added to and become a part of the amount on deposit at such time as may be determined by Standard but not less than once each year.
8. Except as provided in 9. below:
 - a. Standard shall make deposits to, and withdrawals from, the CFR Account only in accordance with the provisions of this Agreement; and
 - b. The Policyholder may make withdrawals from the CFR Account only in accordance with the provisions of this Agreement.
9. Either the Policyholder or Standard may at any time make a deposit, or withdraw all or any part of the amount on deposit, upon mutual agreement evidenced in writing and signed by the Policyholder and Standard.
10. Except as provided in this Agreement, all terms of the Group Policy apply.
11. Standard will provide the Policyholder detailed information concerning the component formulae of the Experience Rating Refund upon written request.

This Agreement is effective July 1, 2016, and revised July 1, 2022.

By: Karen S. Spiegel Dated: APR 14 2026

Policyholder

KAREN SPIEGEL

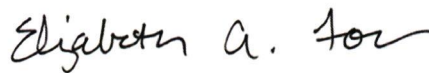
CHAIR, BOARD OF SUPERVISORS

STANDARD INSURANCE COMPANY

By



President and CEO



Corporate Secretary

ATTEST
KIMBERLY A. RECTOR, Clerk

By  DEPUTY

FORM APPROVED COUNTY COUNSEL

BY MCT 3 APR 26
MICHAEL C. THOMAS DATE