



Legislation Details (With Text)

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Title: Human Resources Department, Risk Management Division, recommending the Board:
 1) Approve the purchase of Group Life, Accidental Death and Dismemberment (AD and D), Long Term Disability (LTD), and Supplemental Voluntary Life insurance coverage for Fiscal Year 2010-2011 from Sun Life for a total premium of \$365,424;
 2) Authorize the Human Resources Director or Principal Risk Management Analyst to sign all documents, including but not limited to, a formal application, policy approval, or contract subject to approval by County Counsel, necessary to bind the coverage; and
 3) Authorize extension of the supplemental life insurance purchase option to all employees. (Est. Time: 10 Min.)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Life & LTD Rates 10-11, 2. Insurance Terms

Date	Ver.	Action By	Action	Result
4/27/2010	1	Board Of Supervisors	Approved	Pass

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Fiscal Impact/Change to Net County Cost:

Sun Life quoted \$ 365,424 for the County's Group Life, AD& D, and LTD insurance coverage which is a 29.2% savings or \$ 150,585 from the current year. The Group Life/AD& D is a combined rate of \$0.125 per \$ 1,000 of coverage and the LTD rate is \$ 0.297 per \$100 in covered payroll.

The Group Life, AD&D, and LTD insurance coverage are budgeted in the Risk Management internal service fund and funded by the Departments. The Supplemental Voluntary Life is paid for by County employees, and, therefore, has no fiscal impact on the County budget.

Background:

Currently, the County has separate carriers for LTD and Group Life & AD & D. As part of the their overall review and analysis of all the County's employee benefits, Alliant Insurance Services, the

County's employee benefits consultant, obtained quotes from several carriers for these coverages. Based on this marketing, the consultant recommends the County combine carriers for its lines of coverage in order to reduce cost.

Reason for Recommendation:

Combining coverage for Group Life, AD&D, and LTD and changing the carrier to Sun Life reduced the rates by 29.2% or \$150,585 for FY 2010-2011. Sun Life is offering the County a 3-year rate guarantee and is rated A+ by A.M. Best Rating. Sun Life was recommended to have excellent customer service, timeliness, and experience with public entities.

Furthermore, the Supplemental Voluntary Life insurance coverage is also a 3-year rate guarantee and County employees who choose to participate will save approximately 18.84%. Currently, only Supplemental Voluntary Life coverage will be available for all eligible full time employees.

Action to be taken following Board approval:

Following Board approval, Human Resources, Risk Management Division will sign all appropriate life insurance coverage documents. Risk Management will communicate the Supplemental Voluntary Life rates to employees.

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