

Meeting Date
8/4/2015



AGENDA	
Section	Consent
Item No.	II.C.4

**AGENDA REPORT**  
**BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS**

SUBJECT:	Authorization to renew the Basic Life, Supplemental Life, Long Term Disability and Short Term Disability Insurance coverage with Standard Life under Policy No. 641728 effective January 1, 2016
DEPT/OFFICE:	Office of Human Resources / Employee Benefits

**Requested Action:**  
That the Board authorizes the Office of Human Resources/Employee Benefits to execute any and all contracts, documents, and/or applications necessary to secure employer funded basic life insurance available to all full time permanent employees; as well as retiree funded retiree life insurance, employee funded supplemental life insurance, employee funded short term and long term disability coverage currently available on a voluntary basis to all full time permanent employees.

**Summary Explanation & Background:**  
Employer funded Group Term Life Insurance (Basic Life Insurance with benefits equal to one time annual salary, rounded to the next \$1000, to a maximum benefit of \$100,000 for full-time permanent employees and a flat \$5000 or \$10,000 for retirees), Employee funded supplemental life insurance (where employees can purchase up to 5 times their salary in additional life insurance), as well as short and long term disability insurance have all been underwritten by Standard Life Insurance under a 5 year contract awarded through an RFP in 2012.

The initial 3 year rate guarantee on this contract will expire at the end of the 2015 plan year. Standard Life Insurance Company had initially proposed increases of 13% however, Staff together with the Board's Benefits Consultant Robinson Bush, negotiated with Standard and succeeded in producing the proposed premium increase of 9% across the package of Life and Disability insurance provided under the current agreement. The increase is a result of a very adverse claim trend on this package of coverages that has seen the Plans claims experience produce an average loss ratio of 129% over the contract period. Loss ratios over 100% indicate that premiums were set too low to cover the costs of claims on the account and create an unfavorable climate for approaching the marketplace for replacement coverage.

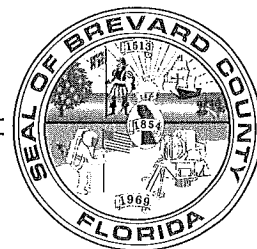
The attached document from the Standard outlines the current and projected rate increase for each type of insurance. We recommend accepting the rate increase and renewal based on:

1. The rate increases in the attachment are spread across all lines, versus being concentrated against one line of insurance, thus limiting the impact of the adverse trend on the life insurance product alone.
2. The rate increases proposed are lower than those first proposed by the Standard and better than what would be expected on replacement coverage given the current loss ratio.
3. The two year renewal will provide the opportunity for our claims experience to stabilize before we initiate an RFP.
4. The fiscal impact to the Board will be minimal because the supplemental life, long term and short term disability insurance are all voluntary benefits with premiums paid 100% by employees.
5. The fiscal impact to Group Health Plan Employers for the increase on just the Basic Life Insurance program is projected to be \$31,787/yr. based on current enrollment.

It is recommended that the Board authorize a 2 year contract renewal and 9% rate increase for the Basic Life, Supplemental Life, Long Term Disability and Short Term Disability Insurance Policy No. 641728 effective January 1,

**Clerk to the Board Instructions:**  
Exhibits Attached:  
The Standard Insurance Company Rate Renewal proposal for Group Number 641728

<b>Contract /Agreement (If attached):</b> Reviewed by County Attorney		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	PR	<input type="checkbox"/>
County Manager	Assistant County Manager	Department Director / Extension					
Stockton Whitten	Frank Abbate	Jerry Visco, Office of Human Resources					



Tammy Etheridge, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001  
Fax: (321) 264-6972

August 5, 2015

MEMORANDUM

TO: Gerard Visco, Human Resources Office Director

RE: Item II.C.4., Authorization to Renew Basic Life, Supplemental Life, Long-Term Disability and Short-Term Disability Insurance Coverage with Standard Life Under Policy No. 641728

The Board of County Commissioners, in regular session on August 4, 2015, authorized you to execute any and all contracts, documents, and/or applications necessary to secure employer funded basic life insurance available to all full-time permanent employees, as well as retiree funded retiree life insurance, employee funded supplemental life insurance, employee funded short-term and long-term disability coverage currently available on a voluntary basis to all full-time permanent employees.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

Tammy Etheridge, Deputy Clerk

/ds

cc: Finance  
Budget



July 9, 2015

Brevard County Board of County Commissioners  
 Attn: Benefits Manager  
 2725 Judge Fran Jamieson Way  
 Building B, Second Floor  
 Viera FL 32940

**Group Number 641728**

Thank you for allowing Standard Insurance Company to provide quality products to support your employees' insurance needs. We are pleased to renew your policy with continued coverage and services.

We have carefully reviewed the current composition of your organization, evaluating age, occupation, gender and salary of your insured employees. Based upon this review and application of rate factors appropriate for your industry classification, effective January 1, 2016, we are adjusting your premium rates as indicated in the chart below. These rates are guaranteed until January 1, 2018.

<b>Product &amp; Services</b>	<b>Through 12/31/15</b>		<b>Effective 01/01/16</b>	
Basic Life				
All Active Members	\$0.190 Per \$1000 of Benefit		\$0.207 Per \$1000 of Benefit	
All Retired Members	\$6.60 Per \$1000 of Benefit		\$7.19 Per \$1000 of Benefit	
Basic AD&D	\$0.015 Per \$1000 of Benefit		\$0.016 Per \$1000 of Benefit	
Additional Life	Per \$1000 of Benefit, Elective		Per \$1000 of Benefit, Elective	
Age	Non-Tobacco	Tobacco Rate	Non-Tobacco	Tobacco Rate
	Rate		Rate	
24 and Under	0.07	0.08	0.08	0.09
25 - 29	0.05	0.05	0.05	0.05
30 - 34	0.06	0.07	0.07	0.08
35 - 39	0.08	0.09	0.09	0.10
40 - 44	0.12	0.13	0.13	0.14
45 - 49	0.15	0.17	0.16	0.19
50 - 54	0.26	0.30	0.28	0.33
55 - 59	0.52	0.63	0.57	0.69
60 - 64	1.10	1.39	1.20	1.52
65 - 69	1.82	2.40	1.98	2.62
70 and older	2.86	3.76	3.12	4.10
Additional AD&D	\$0.020 Per \$1000 of Benefit, Elective		\$0.022 Per \$1000 of Benefit, Elective	

Dependent Life - Child	\$0.070 Per \$1000, Elective		\$0.076 Per \$1000, Elective	
Dependent Life - Spouse	Per \$1000 of Benefit, Elective		Per \$1000 of Benefit, Elective	
	Non-Tobacco	Tobacco Rate	Non-Tobacco	Tobacco Rate
	Rate		Rate	
24 and Under	0.07	0.08	0.08	0.09
25 - 29	0.05	0.05	0.05	0.05
30 - 34	0.06	0.07	0.07	0.08
35 - 39	0.08	0.09	0.09	0.10
40 - 44	0.12	0.13	0.13	0.14
45 - 49	0.15	0.17	0.16	0.19
50 - 54	0.26	0.30	0.28	0.33
55 - 59	0.52	0.63	0.57	0.69
60 - 64	1.10	1.39	1.20	1.52
65 - 69	1.82	2.40	1.98	2.62
70 and older	2.86	3.76	3.12	4.10
Spouse AD&D	\$0.020 Per \$1000 of Benefit, Elective		\$0.022 Per \$1000 of Benefit, Elective	
LTD – Excluding Clerk of the Circuit Court	Percent of Insured Earnings, Elective		Percent of Insured Earnings, Elective	
Age	Plan 1: 90 Day	Plan 2: 180 Day	Plan 1: 90 Day	Plan 2: 180 Day
	BWP Rate	BWP Rate	BWP Rate	BWP Rate
29 and Under	0.19	0.13	0.21	0.14
30 - 34	0.31	0.21	0.34	0.23
35 - 39	0.44	0.30	0.48	0.33
40 - 44	0.77	0.52	0.84	0.57
45 - 49	1.21	0.82	1.32	0.89
50 - 54	1.66	1.12	1.81	1.22
55 - 59	1.95	1.30	2.13	1.42
60 - 64	1.85	1.22	2.02	1.33
65 and Older	1.14	0.74	1.24	0.81
LTD – Clerk of The Circuit Court	.418 Percent of Insured Earnings, Elective		.456 Percent of Insured Earnings, Elective	

STD	Age	Per \$10.00 of Benefit, Elective		Per \$10.00 of Benefit, Elective	
		Plan 1 Rate	Plan 2 Rate	Plan 1 Rate	Plan 2 Rate
	Under Age 25	0.47	0.12	0.51	0.13
	25-29	0.47	0.12	0.51	0.13
	30 - 34	0.47	0.13	0.51	0.14
	35 - 39	0.42	0.13	0.46	0.14
	40 - 44	0.36	0.13	0.39	0.14
	45 - 49	0.42	0.15	0.46	0.16
	50 - 54	0.48	0.15	0.52	0.16
	55 - 59	0.64	0.20	0.70	0.22
	60 and Older	0.79	0.25	0.86	0.27

If you have any questions about your rates or our review process, the Tampa Employee Benefits Sales and Service Office at (813) 878-0279 is available to serve your needs. We value your business and welcome the opportunity to provide continued assistance to you.

Sincerely yours,



Jim Wiechelman  
National Accounts Eastern  
Employee Benefits Division  
Standard Insurance Company

cc: RobinsonBush, Inc.  
Merritt Mosley, Employee Benefits Consultant  
Christine D'Angelo, Account Manager