

MEMORANDUM

March 9, 2022

TO: Mayor John P. Kahl and Members of City Council

FROM: Scott A. Brunton, City Attorney

SUBJECT: Renewal of City's Group Term Life Insurance Policy for City Employees

DISCUSSION:

The City maintains a group term life insurance policy for the benefit of its employees, which is overseen by the City's Insurance & Benefits Committee. This group term life insurance policy has traditionally provided a \$25,000 death benefit for all City employees, a \$5,000 death benefit for the employee's spouse and eligible dependents, and reduced death benefit for City retirees. The policy also provides an additional benefit at the same applicable benefit level for accidental death and dismemberment (AD&D). For the past several years, the City has maintained a policy with Standard Insurance Company for the City's group term life insurance plan. At the time of renewal, the Insurance & Benefits Committee reviews the renewal quotes, then provides a recommendation regarding the renewal of the City's group term life insurance plan. The Committee has again completed this review process.

Standard Insurance Company has offered a one-year renewal with no change in benefits. However, the renewal quote has a 12.6% increase in rates for the new one-year term during the 2022-2023 fiscal year for the basic life insurance benefit, with the other benefit rates remaining unchanged. After seeking quotes from other insurance companies, the quote from Standard Insurance Company remains the best and lowest cost option. The Committee is recommending the one-year renewal of the City's group term life insurance plan as provided in this renewal quote from Standard Insurance Company.

RECOMMENDATION:

The Insurance & Benefits Committee recommends that the Council pass this Resolution.

RESOLUTION NO. 2122-121

East Peoria, Illinois

_____, 2022

RESOLUTION BY COMMISSIONER _____

**RESOLUTION REGARDING RENEWAL OF GROUP TERM
LIFE INSURANCE POLICY FOR CITY EMPLOYEES**

WHEREAS, the City of East Peoria maintains a group term life insurance policy with additional AD&D (accidental death and dismemberment) coverage for the benefit of its employees, and the City's Insurance & Benefits Committee oversees this employee benefit; and

WHEREAS, for many years, the City has maintained its group term life insurance policy with Standard Insurance Company; and

WHEREAS, the City's group term life insurance policy with Standard Insurance Company provides a \$25,000 death benefit for all current active City employees, a \$5,000 death benefit for the employee's spouse and eligible dependents, and reduced death benefit for City retirees; and

WHEREAS, the Insurance & Benefits Committee has recently received a quote from Standard Insurance Company for the renewal of the City's group term life insurance policy for the new fiscal plan year beginning May 1, 2022; and

WHEREAS, the quote from Standard Insurance Company for a one-year renewal of the City's policy maintains the same benefit structure from the previous year for the new fiscal year beginning on May 1, 2022, as set forth in the rate proposal in Exhibit A, attached hereto and incorporated herein by reference (the "Proposal"); and

WHEREAS, the Insurance & Benefits Committee, by a proper vote, has approved the renewal of the City's group term life insurance policy with Standard Insurance Company as set forth in the Proposal (Exhibit A) for a one-year period beginning May 1, 2022;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF EAST PEORIA, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. The City adopts the recommendation made by the Insurance & Benefits Committee to renew the City's group term life insurance policy with Standard Insurance Company at the rate set forth in the Proposal (Exhibit A) for a one-year period beginning May 1, 2022.

Section 2. The Mayor, or his designee, is hereby authorized to take the necessary action to execute and implement the one-year renewal contract for the City's group term life insurance policy with Standard Insurance Company as set forth in the Proposal (Exhibit A), under such terms and conditions as the Mayor in his discretion deems appropriate; provided, however, that the City shall have no obligation under the terms of this Resolution until executed renewal documents have been delivered to Standard Insurance Company.

APPROVED:

Mayor

ATTEST:

City Clerk

EXHIBIT A

**Group Term Life Insurance Rate Proposal from Standard Ins. Co.
2022-2023 Fiscal Year (commencing May 1, 2022)**



City of East Peoria

2022 Renewal Summary

Policy [REDACTED]

Thank you for choosing Standard Insurance Company (The Standard) as your employee benefits partner since May 1, 1998. We appreciate your business and the opportunity to renew our commitment. We strive to provide City of East Peoria and your employees outstanding value, expertise and personal service.

As always, our goal is to help you take care of your business and your employees. Our team remains committed to helping you achieve strategic goals for your benefits program, streamline administration and increase employee satisfaction. In short — better results with less noise. Thank you again for your continued business.

Our Approach to Renewals — Continued Partnership

The renewal rates for your Group Life insurance will be effective May 1, 2022.

For your renewal, we utilized manual rates to determine the appropriate rate for renewal. Our manual rates use the demographics of your employees to determine the appropriate rates. Factors such as gender, age, salary, occupation and plan design contribute to determining the manual rate.

Please consider this renewal package the next step in our ongoing conversation about how we can best meet your needs. We may be able to work together to help you get more value out of your benefits program or reduce overall costs. We'd be happy to re-evaluate your plan design and benefits usage and discuss your options.

Your Basic Life Renewal

We understand that handling a Life insurance claim takes a special touch. Our Life benefits analysts complete annual grief training. This program helps them empathize with beneficiaries and recognize when they need special attention. We strive to help you make a tough time easier. Our goal is to provide support with easy claim filing, timely decisions, and prompt payment of approved claims.

Census Demographics for Basic Life

Categories	Prior Calculation	Current Calculation	Change
Female Lives	36	36	0
Male Lives	247	247	0
Benefit Volume	\$6,151,250	\$6,046,250	-\$105,000
% Benefit Volume Age 50 +	52%	53%	1%

Based on our thorough analysis, we're offering the renewal rate[s] listed below.

Renewal Date	Current Rate *	Renewal Rate *	Monthly Premium Change **
May 1, 2022	\$0.657	\$0.740	\$502

* Rate mode is Per \$1000 of Benefit

** Final premium change will be determined based on your group's composition at billing time

Rate will be guaranteed for 1 year until May 1, 2023.

The Standard is committed to helping you provide employees and their beneficiaries with the support they need. Below is a reminder of the additional services and tools offered with your Life plan.

The Life Services Toolkit

For employees, online services include estate planning and state-specific will preparation, identity theft prevention, financial calculators, wellness resources and more. For beneficiaries, the Life Services Toolkit offers grief and loss support by phone, online and face-to-face. They can also take advantage of access to financial counselors, legal consultation and other support services. This service is offered through a vendor that is not affiliated with The Standard.

Travel Assistance

Travel Assistance can provide a sense of security for your employees and their eligible family members anytime they travel with minimal restrictions. Available 24 hours a day — with access online or through a single phone call — Travel Assistance offers a full range of trip planning and travel support, including emergency evacuation services and medical, legal, and translation service referrals. This service is offered through a vendor that is not affiliated with The Standard.

Thank You and Next Steps

We appreciate the opportunity to continue our partnership with City of East Peoria.

A summary of our Renewal Offer is in the chart below. Thank you for allowing Standard Insurance Company the opportunity to support your insurance needs.

Product & Services *	Through 04/30/22	Effective 05/01/22
Basic Life	\$0.657 Per \$1000 of Benefit	\$0.740 Per \$1000 of Benefit
Travel Assistance	Included in Rates for Life	Included in Rates for Life
Basic AD&D	\$0.040 Per \$1000 of Benefit	\$0.040 Per \$1000 of Benefit
Spouse & Child Dependent Life	\$2.000 Per Member, Composite	\$2.000 Per Member, Composite

*The above shown rates are monthly.

You can count on us to help you retain and attract employees by providing the benefits and services they value – now and for years to come. We're always available to address any questions you have about this

renewal or for any service needs. Please reach out to the Chicago group office at (800) 535-8465 and we'll be happy to help.