



Board Agenda Item 59

DATE: December 9, 2025

TO: Board of Supervisors

SUBMITTED BY: Hollis Magill, Director of Human Resources

SUBJECT: Amendment to Agreement No. 24-669 with ReliaStar Life Insurance Company

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute Amendment No. 1 to Agreement No. 24-669 with ReliaStar Life Insurance Company; and**
2. **Approve and authorize the Chairman to sign the ReliaStar Life Insurance Company Group Insurance Application (CA) for Hospital Confinement Indemnity insurance.**

Approval of the recommended actions will amend Agreement No 24-669 (the "Agreement") with ReliaStar Life Insurance Company (ReliaStar) to provide enhanced benefits, at no additional cost, for optional Accident, Critical Illness, and Hospital Confinement Indemnity insurance policies offered to County employees and their dependents. There is no net County cost associated with this item, as all premiums are paid by the employees who elect coverage. This item is Countywide.

ALTERNATIVE ACTION(S):

Your Board may choose to maintain current benefits under the Agreement. However, this would cause County employee policy holders to lose the enhanced benefits provided by the recommend actions, which are being offered at no additional cost to policy holders.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended actions. The benefits provided under the Agreement are fully paid by employees who elect to become policy holders.

DISCUSSION:

1. Description of Supplemental Health Benefits

On December 17, 2024, the Board of Supervisors approved the Agreement, which allows ReliaStar to provide employee-paid Accident Insurance, Critical Illness Insurance, and Hospital Confinement Indemnity Insurance to County employees and their dependents. These benefits are considered supplemental health insurance and are fixed indemnity policies which may pay a limited dollar amount if a covered employee becomes sick, injured, or hospitalized.

- **Accident Insurance** pays benefits for specific, covered accidents and injuries that happen on or after the coverage effective date. The benefit amounts depend on the type of injury the covered employee experiences and the treatment they receive.
- **Critical Illness Insurance** pays a lump-sum benefit if they are diagnosed with a covered illness or

condition that happens on or after the coverage effective date.

- **Hospital Confinement Indemnity Insurance** pays a daily benefit for a covered hospital stay. In addition, there is an initial confinement benefit of five (5) times the daily benefit.

The benefits described above can be used for any purpose the covered employee chooses, including, but not limited to health insurance deductibles, co-payments, child-care, or home health care. In addition, policies include a Wellness Benefit, which pays out a fixed amount to covered employees who receive a health screening test.

2. Benefit Enhancements

ReliaStar filed enhanced benefits with the State of California, which were approved effective January 1, 2026. The enhancements necessitated an amendment to the Agreement to replace the current benefit rates in Exhibit A.

Staff has attached a comparison document to this staff report highlighting each benefit enhancement, entitled Attachment A. Below is a summary of the enhancements by policy:

Accident

- The Wellness Benefit increased to \$50 per covered person with no limit on the number of children who may claim the benefit.
- Virtually all benefit payouts increased, with the exception of the Accidental Death and Accidental Dismemberment benefits.

Critical Illness

- The Wellness Benefit increased to \$100 per covered person with no limit on the number of children who may claim the benefit.
- Coverage Additions
 - Sudden Cardiac Arrest
 - Type I Diabetes
 - Benign Brain Tumor
 - Parkinson's Disease
 - Advanced Dementia including Alzheimer's Disease
 - Huntington's Disease
 - Muscular Dystrophy

Hospital Confinement Indemnity

- The Wellness Benefit eliminated the limit on the number of children who may claim the benefit.
- Annual admission limits increased from two (2) to eight (8)
- Coverage Additions
 - Critical Care Unit Admission
 - Observation Unit Visit
 - Newborn Benefits
 - Alcohol Addiction Facilities
 - Mental Health Disorder Facilities

3. ReliaStar Group Insurance Application (CA)

ReliaStar requires the County to sign the Group Insurance Application (CA) for Hospital Confinement Indemnity due to a new contract series approved by the State of California, which mandates a matching application. Accident and Critical Illness coverage are not included in the Group Insurance Application (CA), because the current contract series is not changing and approval from the State of California was not

required.

Staff would like to note and explain the following language under the “Acknowledgments and Signature” section of the Group Insurance Application (CA):

“I acknowledge that each person to be insured under this/these Policy(ies) is required to be covered under a policy or plan that arranges or provides medical, hospital and surgical coverage, and I understand that any person not so covered is not eligible for insurance under this/these Policy(ies).”

This language refers to California Insurance Code Section 10198.61’s requirement that disclosure language must be included in marketing and enrollment materials for supplemental health insurance policies to clarify that: 1) these policies do not constitute comprehensive health insurance; and 2) they are not intended to replace major medical coverage.

This requirement is designed to prevent confusion among consumers who might mistakenly believe that supplemental policies provide the same protections as full health insurance plans.

The County is compliant with Section 10198.61, as we provide such disclosure in our Open Enrollment materials. In addition, the County’s practice of requiring employees to either enroll in County-sponsored health insurance coverage or opt out of such coverage with proof of other group coverage provides further protection against employees having insufficient coverage.

4. Staff Next Steps

Should your Board approve the recommended actions, staff will send impacted employees an electronic notification of the changes.

REFERENCE MATERIAL:

BAI #44, December 17, 2024

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Attachment A

On file with Clerk - Amendment No. 1

On file with Clerk - Group Insurance Application (CA)

CAO ANALYST:

Sevag Tateosian