



Board Agenda Item 35

DATE: September 21, 2021
TO: Board of Supervisors
SUBMITTED BY: Hollis Magill, Director of Human Resources
SUBJECT: Second Amendment to Agreement with ReliaStar Life Insurance Company

RECOMMENDED ACTION(S):

Approve and Authorize the Chairman to execute a Second Amendment to Agreement No. 18-708 with ReliaStar Life Insurance Company extending the term by two years from December 31, 2021 to December 31, 2023, which includes one optional one-year extension, and increasing the maximum by \$440,000 to a total of \$1,100,000.

There is no net County Cost associated with this action. Approval of the recommended action would extend the Agreement No. 18-708 (hereinafter the "Agreement") term from three years to years which includes an optional one-year extension of the Agreement upon written consent by both parties. The original term of the Agreement was for three years with no extensions, as rates were not guaranteed beyond three years at that time. However, ReliaStar Life Insurance Company (hereinafter "ReliaStar") agreed to an additional year with no increase in life and accidental death & dismemberment ("AD&D") insurance rates. The optional one-year extension will also be at current rates, assuming that ReliaStar's Incurred Loss Ratio is at or below 70%.

The maximum amount of the Agreement will increase from \$660,000 to \$1,100,000 due the increase in the term; there is no increase in the cost of life insurance or employee assistance program ("EAP") services as a result of the recommended action. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct staff to initiate the RFP process for this benefit instead of extending the current Agreement. However, such a process may not result in reduced costs or increased services, as the current rates are less than three years old.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. The life and AD&D insurance premium and EAP rates under the Agreement will remain unchanged.

Costs associated with the County-paid life and AD&D insurance rates are paid by the departments which employee the insured employees. Costs associated with the supplemental life insurance are paid by the County employees who elect coverage.

Sufficient appropriations and estimated revenues for the costs associated with EAP services under the Agreement are included in the FY 2021-22 Approved Budget for the HR - Risk Management ISF Org 8925.

DISCUSSION:

On December 11, 2018, your Board approved the Agreement, which provides County employees with life and AD&D insurance benefits through ReliaStar. On December 15, 2020, your Board approved the First Amendment to the Agreement, which added EAP services through ComPsych, a business partner of ReliaStar's parent company, Voya Financial. In addition, on February 25, 2020, your Board approved Agreement No. 20-072 with ReliaStar to provide additional optional, employee-paid benefits (Accident, Critical Illness, and Hospitalization Insurance).

The purpose of the recommended action is to extend the Agreement term from three (3) years to five (5) years at current rates, which includes an optional one-year extension, and increase the maximum amount of the Agreement from \$660,000 to \$1,100,000. The recommended action does not extend the Agreement beyond five years, nor does it provide for an increase in the current life insurance or EAP rates without written consent from your Board.

REFERENCE MATERIAL:

BAI #59, December 15, 2020

BAI #40, February 25, 2020

BAI #49, December 11, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with the Clerk - Second Amendment to Agreement No. 18-708

CAO ANALYST:

Yussel Zalapa