

# Memo

To: Northfield Township Board of Trustees

From: Marlene Chockley, Supervisor

RE: Life & Disability Insurance

Date: June 22, 2017

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Trustees,

It is renewal time for our life and short- and long-term disability insurance. The renewal of Standard Insurance that we currently use is a 23% increase over current rates. Our agent is recommending Option #1 Mutual of Omaha which is a 9% increase. It most closely matches our current coverage and he believes that the customer service is better than Option #2 MetLife which is slightly less expensive.

At issue with both options is the gap between 90 days and 12 weeks. For police contract purposes, in the event that we have someone off for the full 90 days, 6 of those days would not be covered. We can choose to go with Option #1 and self-insure the 6 days should they become necessary from the \$2023 savings. Alternatively, I have requested a quote to have Mutual of Omaha cover those days. That quote will be available by the meeting.

I suggest that we follow our agent's recommendation.

Thank you for your consideration.

Marlene Chockley

Life & AD&D Options

	Current Standard	Renewal Standard	Option #1 Mutual of Omaha	Option #2 MetLife	Option #3 Consumers Life
<b>Life &amp; AD&amp;D</b>					
Benefit Amount					
All Others	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Age Reduction Schedule					
	35% at age 65; and 50% at age 70 65% at age 75 terminates at retirement	35% at age 65; and 50% at age 70 65% at age 75 terminates at retirement	35% at age 65, and 50% at age 70  terminates at retirement	35% at age 65, and 55% at age 70 70% at age 75 80% at age 80 terminates at retirement	35% at age 65, and 50% at age 70 65% at 75 terminates at retirement
Rate Guarantee	24 months	24 months	24 months	24 months	24 months
Eligible Classes	All active Full-time employees working 32 hours or more per week	All active Full-time employees working 32 hours or more per week	All active Full-time employees working 32 hours or more per week	All active Full-time employees working 30 hours or more per week	All active Full-time employees working 20 hours or more per week
Rate per \$1,000					
Life	0.19/\$1,000	0.228/\$1,000	0.19/\$1,000	0.214/\$1,000	0.22/\$1,000
AD&D	0.04/\$1,000	0.04/\$1,000	0.04/\$1,000	0.036/\$1,000	0.02/\$1,000
# of lives	21	21	21	21	21
Total Benefit Volume	\$1,130,000	\$1,130,000	\$1,130,000	\$1,130,000	\$1,130,000
<b>Premium</b>					
Life	\$214.70	\$257.64	\$214.70	\$241.82	\$248.60
AD&D	\$45.20	\$45.20	\$45.20	\$40.68	\$22.60
Est. Monthly Premium	\$259.90	\$302.84	\$259.90	\$282.50	\$271.20
Est. Annual Premium	\$3,118.80	\$3,634.08	\$3,118.80	\$3,390.00	\$3,254.40

**Short-Term Disability Options**

<b>Plan Summary</b>	<b>Current Standard</b>	<b>Renewal Standard</b>	<b>Option #1 Mutual of Omaha</b>	<b>Option #2 MetLife</b>	<b>Option #3 Consumers Life</b>
<b>Short-Term Disability</b>					
<b>Weekly Benefit</b>	66 2/3% to \$1,000	66 2/3% to \$1,000	66 2/3% to \$1,000	66 2/3% to \$1,000	66 2/3% to \$1,000
<b>Elimination Period</b>	Injury: 7 Day Sickness: 7 days	Injury: 7 Day Sickness: 7 days	Injury: 7 Day Sickness: 7 days	Injury: 7 Day Sickness: 7 days	Injury: 7 Day Sickness: 7 days
<b>Benefit Duration</b>	90 days	90 days	12 Weeks	12 Weeks	13 Weeks
<b>Participation Requirements</b>	All active full-time employees working 30 hours per week	All active full-time employees working 30 hours per week	All active full-time employees working 32 hours per week	All active full-time employees working 30 hours per week	All active full-time employees working 30 hours per week
<b>Number of Eligible Employees</b>	21	21	21	21	21
<b>Rate Guarantee Rates</b>		12 Months	24 Months	24 Months	24 Months
<b>Volume</b>	\$13,976.00	\$13,976.00	\$13,976.00	\$13,976.00	\$13,976.00
<b>STD Rate</b>	0.33/\$10	0.359/\$10	0.30/\$10	0.305/\$10	0.359/\$10
<b>Est. Monthly Premium</b>	\$461.21	\$501.74	\$419.28	\$426.27	\$501.74
<b>Est. Annual Premium</b>	<b>\$5,534.52</b>	<b>\$6,020.88</b>	<b>\$5,031.36</b>	<b>\$5,115.24</b>	<b>\$6,020.88</b>

**Long-Term Disability Options**

<b>Plan Summary</b>	<b>Current Standard</b>	<b>Renewal Standard</b>	<b>Option #1 Mutual of Omaha</b>	<b>Option #2 MetLife</b>	<b>Option #3 Consumers Life</b>
<b>Long-Term Disability Benefit</b>					
<b>Monthly Benefit</b>	66 2/3% to \$7,500	66 2/3% to \$7,500	66 2/3% to \$7,500	66 2/3% to \$7,500	66 2/3% to \$7,500
<b>Elimination Period</b>	90 Days	90 Days	90 Days	90 Days	90 Days
<b>Definition of Disability</b>	24 months own occupation	24 months own occupation	24 months own occupation	24 months own occupation	24 months own occupation
<b>Benefit Duration</b>	SSNRA	SSNRA	SSNRA	SSNRA	SSNRA
<b>Pre-Existing Condition</b>	3/12	3/12	3/12	6/24	3/12
<b>Mental Illness/Substance Abuse</b>	24 Months	24 Months	24 Months	12 Months	24 Months
<b>Participation Requirements</b>	100%	100%	100%	100%	100%
<b>Number of Eligible Employees</b>	21	21	21	21	21
<b>Rate Guarantee</b>	24 Months	24 Months	24 Months	24 Months	24 Months
<b>Rates</b>					
<b>Covered Payroll</b>	\$91,466.00	\$91,466.00	\$91,466.00	\$91,466.00	\$91,466.00
<b>LTD Rate</b>	0.580%	0.800%	0.750%	0.640%	0.950%
<b>Est. Monthly Premium</b>	\$530.50	\$731.73	\$686.00	\$585.38	868.93
<b>Est. Annual Premium</b>	<b>\$6,366.00</b>	<b>\$8,780.76</b>	<b>\$8,232.00</b>	<b>\$7,024.56</b>	<b>\$10,427.16</b>

**Life/AD&D/STD/LTD Option Comparisons**

<b>Plan Summary</b>	<b>Current Standard</b>	<b>Renewal Standard</b>	<b>Option #1 Mutual of Omaha</b>	<b>Option #2 MetLife</b>	<b>Option #3 Consumers Life</b>
Life AD&D	\$2,892.00	\$3,376.80	\$2,892.00	\$3,150.00	\$3,024.00
Short-Term Disability	\$5,534.52	\$6,020.88	\$5,031.36	\$5,115.24	\$6,020.88
Long-Term Disability	\$6,366.00	\$8,780.76	\$8,232.00	\$7,024.56	\$10,427.16
<b>Annual Totals</b>	<b>\$14,792.52</b>	<b>\$18,178.44</b>	<b>\$16,155.36</b>	<b>\$15,289.80</b>	<b>\$19,472.04</b>
		\$3,385.92 23%	-\$2,023.08 -11%	-\$2,888.64 -16%	\$1,293.60 7%