

**TOWN OF GOLDEN BEACH, FLORIDA**

**RESOLUTION NO. 2562.18**

**A RESOLUTION OF THE TOWN OF GOLDEN BEACH, FLORIDA, ACCEPTING THE BENEFIT PROPOSAL FOR SHORT TERM/LONG TERM DISABILITY INSURANCE, LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE SUBMITTED BY MUTUAL OF OMAHA INSURANCE; PROVIDING FOR CONDITIONS; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town wishes to provide disability and life insurance to its employees; and

**WHEREAS**, Mutual of Omaha Insurance ("Mutual") has provided the Town with a competitive unchanged rate for the last nine fiscal years; and

**WHEREAS**, the Town Council has determined that Mutual is a responsible provider, offering a decrease in rate with the same services for two more fiscal years for short term/long term disability, and life and accidental death and dismemberment insurance; and

**WHEREAS**, the Town Council finds that the proposals offered by Mutual are in the best interest of the Town.

**NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA, AS FOLLOWS:**

**Section 1. Recitals Adopted.** Each of the above recitals are hereby adopted, confirmed and incorporated herein.

**Section 2. Proposal Accepted.** The proposals presented by Mutual for short term/long term disability, and life and accidental death and dismemberment insurance,

as described and set forth in the Agenda Item Report attached hereto and incorporated herein, are hereby accepted.

**Section 3. Conditions.** The acceptance of this proposal is conditioned upon the guarantee of the current proposed fixed rates for two fiscal years as stated in the attached proposal letter between the Town and Mutual and the approval of the Town Attorney of the proposal letter and any related agreements as to form and legal sufficiency. Once so approved, the Town Mayor is hereby authorized to execute said proposal or other agreement on behalf of the Town.

**Section 4. Implementation.** The Mayor and Town Manager are hereby authorized to take any and all action necessary to implement this Resolution in accordance with its terms and conditions including, but not limited to, the designation of a new agent of record.

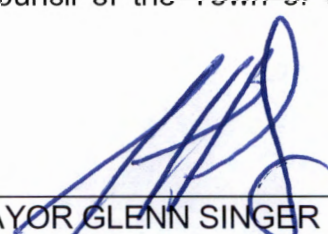
**Section 5. Effective Date.** That this Resolution shall become effective immediately upon approval of the Town Council.

Sponsored by the **Town Administration**

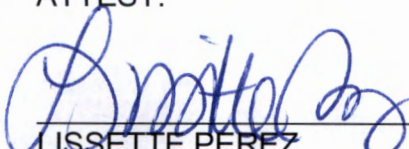
The Motion to adopt the foregoing resolution was offered by Councilmember Lusskin, seconded by Councilmember Rojas and on roll call the following vote ensued:

Mayor Glenn Singer	<u>Aye</u>
Vice Mayor Jaime Mendal	<u>Absent</u>
Councilmember Amy Isackson-Rojas	<u>Aye</u>
Councilmember Kenneth Bernstein	<u>Aye</u>
Councilmember Judy Lusskin	<u>Aye</u>

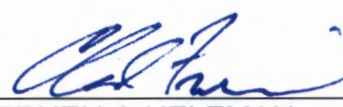
**PASSED AND ADOPTED** by the Town Council of the Town of Golden Beach,  
Florida, this 21<sup>st</sup> day of August, 2018.

  
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MAYOR GLENN SINGER

ATTEST:

  
\_\_\_\_\_  
LISSETTE PEREZ  
TOWN CLERK

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

  
\_\_\_\_\_  
STEPHEN J. HELFMAN  
TOWN ATTORNEY



# TOWN OF GOLDEN BEACH

One Golden Beach Drive  
Golden Beach, FL 33160

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## MEMORANDUM

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**Date:** August 21, 2018

**To:** Honorable Mayor Glenn Singer &  
Town Council Members

**From:** Alexander Diaz,   
Town Manager

**Subject:** **Resolution No. 2562.18 – Accepting the benefit proposal for short term/long term disability insurance, life, and accidental death and dismemberment insurance submitted by Mutual of Omaha for the 2018/2019 and 2019/2020 Fiscal Years**

Item Number:

11

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### **Recommendation:**

It is recommended that the Town Council adopt the attached Resolution No. 2562.18 as presented.

### **Background:**

I recommend that the Town Council renew the short term disability, long term disability, life insurance and accidental death and dismemberment insurance with Mutual of Omaha Insurance for the next two fiscal years.

Mutual of Omaha has provided the Town with competitive short term disability, long term disability, life insurance, and accidental death and dismemberment insurance for the last four fiscal years in accordance with the applicable codes and ordinances of the Town.

This year we will receive a decrease in our renewal premiums in comparison to the Town's current premiums (attachment "A").

The new short term disability, long term disability, life insurance and accidental death and dismemberment plans will go into effect October 1<sup>st</sup>, 2018, pending Town Council approval.

The benefits and features of the short term disability are:

- Mutual of Omaha only requires a 1% loss of earnings to be eligible for benefits.
- If an employee is working part-time and making 50% of their earnings, Mutual of Omaha will give them the other 50% to make them whole.
- Mutual of Omaha will consider a part-time disabled employee disabled until they can earn 99% of their income. The employee will be entitled to a partial benefit until he/she fully recovers his/her earnings.
- The short term disability premium will stay at a yearly amount of \$7,727.16

The benefits and features of the long term disability are:

- Mutual of Omaha only requires a 1% loss of income in your own occupation to be eligible for benefits.
- If an employee is working part-time in the “any occupation period,” Mutual of Omaha will consider that person partially disabled until he/she is able to earn more than 85% of his/her pre-disability earnings.
- Mutual of Omaha has a separate 24 month limitation for alcohol/substance abuse, and mental disorder, as opposed to a combined lifetime limitation.
- Mutual of Omaha has an unlimited return to work incentive. If the employee is working part-time, Mutual of Omaha will not offset any work earnings unless the work earnings and Mutual of Omaha’s benefit exceed 100% of his/her pre-disability income.
- The long term disability premium will stay at a yearly amount of \$12,925.32

The benefits and features of the life insurance and accidental death and dismemberment insurance are:

- Seat Belt Benefit – If the employee is injured in a car accident while wearing a seat belt, and that injury results in death, a benefit is payable equal to 10% of the Principal Sum, up to \$50,000.
- Common Carrier Benefit – If the employee is injured while riding as a fare-paying passenger, and not as an operator or member of the crew, in any public air, land or water conveyance provided by a common carrier primarily for passenger service, and that injury results in death, a benefit is payable equal to 100% of the Principal Sum, up to the lesser of the plan maximum or \$1,000,000.
- Airbag Benefit – If the employee is injured in an automobile accident, an airbag is in use and that injury results in death, the benefit is equal to 10% of the Principal Sum, up to \$50,000.
- Child Education Benefit – If the employee is injured and that injury results in death, benefits are payable equal to 5% of the Principal Sum, up to \$5,000. This benefit will be payable at the end of each school year for a maximum of four consecutive years, and will be

paid to the eligible dependent, student, or, if a minor child, to the student's legal guardian.

- Paralysis Benefit – Benefits for additional losses:
  - Loss – Quadriplegia / Benefit – Principal Sum
  - Loss – Triplegia / Benefit –  $\frac{3}{4}$  of the Principal Sum
  - Loss – Paraplegia or Hemiplegia / Benefit –  $\frac{1}{2}$  of the Principal Sum
  - Loss – Uniplegia / Benefit –  $\frac{1}{4}$  of the Principal Sum
- The life and accidental death and dismemberment insurance will stay at \$6,654.24.

Short and Long Term Disability for the Town Manager require an individual policy as the Group Policy is not sufficient to cover his salary. His Individual Policies are administered through AFLAC for the short term and The Standard Insurance Company for the long term.

**Fiscal Impact:**

There is a decrease of \$186.98 per month to the Town's current rate with Mutual of Omaha.

The Town Manager's AFLAC rate of \$949.44 and Standard Insurance rate of \$1,478.56 are fixed and therefore will not increase in F/Y 2018-2019.



## **Renewal Information and Exhibits**

Prepared For:

**Town of Golden Beach**

Group ID: G000757J

Renewal Effective Date: October 1, 2018



Thank you for choosing Mutual of Omaha as Town of Golden Beach's benefits provider. It has been our pleasure to provide Town of Golden Beach with group benefits and services that are unique to its needs. Mutual of Omaha is committed to providing unparalleled service that will meet the needs of our customers.

Each renewal period, we analyze current benefit and rate structures to determine the appropriate rates for continued group insurance protection for your valued employees. This process includes recalculation of the premium rates to reflect factors like:

- Plan features
- Demographics
- Experience
- Any adjustments to our underlying rate structure

Based on our review, please find below the renewal rates for Town of Golden Beach's benefit plans. We appreciate your business and look forward to the continued opportunity to meet your group insurance needs.

**Renewal Contact Information**

Gregory Hunter  
Renewal Executive  
South Florida Group Office  
407/691-3357  
Gregory.Hunter@mutualofomaha.com





## TOWN OF GOLDEN BEACH

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### LIFE AND AD&D

Rate Guarantee Period - October 1, 2018 to October 1, 2020

Additional Value Added Services Included - Travel Assistance/Identity Theft Assistance

#### Life

Current Monthly Premium	Renewal Monthly Premium	Renewal Monthly Premium Change
\$644.69	\$644.69	\$0.00

#### Class Description

All eligible employees

Employee Rate Basis - per \$1,000

Lives	Volume	Current Rate	Renewal Rate
49	\$2,578,750	\$0.250	\$0.250

#### AD&D

Current Monthly Premium	Renewal Monthly Premium	Renewal Monthly Premium Change
\$77.36	\$77.36	\$0.00

#### Class Description

All eligible employees

Employee Rate Basis - per \$1,000

Lives	Volume	Current Rate	Renewal Rate
49	\$2,578,750	\$0.030	\$0.030



## TOWN OF GOLDEN BEACH

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### SHORT-TERM DISABILITY

Rate Guarantee Period - October 1, 2018 to October 1, 2020

Current Monthly Premium	Renewal Monthly Premium	Renewal Monthly Premium Change
\$841.42	\$654.44	-\$186.98

### Class Description

All eligible employees

Employee Rate Basis - per \$10 of Total Weekly Benefit

Lives	Volume	Current Rate	Renewal Rate
49	\$31,164	\$0.270	\$0.210



## TOWN OF GOLDEN BEACH

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### LONG-TERM DISABILITY

Rate Guarantee Period - October 1, 2018 to October 1, 2020

Additional Value Added Services Included - Employee Assistance Program (EAP)

Current Monthly Premium	Renewal Monthly Premium	Renewal Monthly Premium Change
\$1,412.01	\$1,412.01	\$0.00

### Class Description

All eligible employees

Employee Rate Basis - per \$100 of Monthly Covered Payroll

Lives	Volume	Current Rate	Renewal Rate
49	\$220,626	\$0.640	\$0.640



Mutual of Omaha

# Mutual of Omaha Life Contract Update

## Why did Mutual of Omaha update the life contracts?

To ensure that you and your employees are insured with modern, best-in-class provisions that lead the industry, we continually look for ways to improve the products and services we offer. With your renewal, you will receive updated life contracts that offer our latest language and benefit provisions:

- **Easy to Read and Administer**

We know insurance isn't always easy to understand. Our new contracts include clear language that is easy to read, understand and administer, even for someone new to insurance. We clearly state what is going to happen, when and how it should happen, and what's next, making the insurance process simpler for you and your employees

- **Seamless Continuation Options**

From the day an employee ceases active work, our new continuation options work together to keep an employee insured for as long as possible, on both basic and voluntary plans.

- For injured or ill employees, a minimum of 12 months continuation is available.
- For those who become totally disabled, a seamless transition to waiver of premium occurs.
- Employees who return to work part-time due to injury or illness may shift to continuation for partial disability after 12 months.
- Continuation for layoff, leave of absence and other types of policyholder-supported leave are available.

Continuation options are important. There are 50 to 100 continuation situations per 1,000 lives insured, yet there are only 2.88 deaths per 1,000 lives insured.\* We can work with you to keep your employees insured when they need it most, in a way that aligns with your HR policies and with the administration of any disability insurance plan.

- **Annual Increase Amounts for Voluntary Plans**

Flexible annual increase options are available with the new contract to allow your employees to secure additional insurance every year as their financial protection needs change. Options of one to five times the minimum election on the plan with no medical underwriting, up to the guarantee issue amount, are available. If you do not already have an annual increase option available on your plan, contact your sales representative for more information.

- **Flexible AD&D Benefits**

AD&D can be automatically included with life insurance on basic or voluntary plans, or offered to the employee/member as an elective benefit on voluntary plans. In addition to basic benefits, additional benefit options are available, including dependent education, child care and travel benefits, among others. If you would like to enhance your AD&D benefit, or if you do not already have AD&D on your plan, contact your sales representative for more information.

## Which contracts will be impacted by the update?

Basic and voluntary term life contracts for all policyholders will be upgraded at time of renewal (unless the update is requested prior to the renewal date), beginning with renewals in the second half of 2012. Your sales and service team will work with you to ensure a positive upgrade experience.

## Will this affect rates?

There is no rate change as a result of the new contract language. The contract update is a part of our ongoing service to you.

## Will benefits or claims be affected by the update?

There will be no change in how benefits are paid for claims submitted prior to the effective date of the upgrade, for either living benefits or death benefits. The new contract provisions are effective as soon as the new contract becomes effective for your group.

\*Mutual of Omaha Internal Data, 2010

# Mutual of Omaha Long Term Disability Contract Update

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## Why did Mutual of Omaha update our LTD contracts?

To ensure that you and your employees are insured with modern, best-in-class provisions that lead the industry, we continually look for ways to improve the products and services we offer. With your renewal, you will receive an updated LTD contract that offers our latest language and benefit provisions:

- **New Earnings Definitions**

Our long-term disability contract now has a new standard earnings definition. Long-term disability contracts that utilized a month prior earnings average will now include our standard earnings definition that uses earnings just prior to disability. Any averaging of commissions or bonuses will remain as previously elected.

- **No Earnings Loss During the Elimination Period Under Our Definitions of Disability**

Our long-term disability contract now only considers a loss of at least one material duty during the elimination period. It does not require a loss of earnings. This definition of disability makes it easier for your employees to qualify for disability.

- **New LTD Provision – Individual Continuity of Coverage for Pre-existing Condition Provision**

Our new long-term disability contract now includes a provision that counts time served towards the preexisting condition provision for your new hires that had prior group long-term disability coverage that was not with you, as the policyholder. This is a new standard feature in every new long-term disability contract, is unique to the industry and provides a benefit to new employees you hire into your organization. Contact your sales representative or service team for more information.

## Will benefits or claims be affected by the update?

There will be no change in how benefits are paid for claims submitted prior to the effective date of the upgrade. The new contract provisions are effective as soon as the new contract becomes effective for your group.

# Mutual of Omaha Short Term Disability Contract Update

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## Why did Mutual of Omaha update the STD contracts?

To ensure that you and your employees are insured with modern, best-in-class provisions that lead the industry, we continually look for ways to improve the products and services we offer. With your renewal, you will receive an updated STD contract that offers our latest language and benefit provisions:

- **New Earnings Definitions**

Our short-term disability contract now has a new standard earnings definition. Short-term disability contracts that utilized a week prior earnings average will now include our standard earnings definition that uses earnings just prior to disability. Any averaging of commissions or bonuses will remain as previously elected.

- **No Earnings Loss During the Elimination Period Under Our Definitions of Disability**

Our short-term disability contract now only considers a loss of at least one material duty during the elimination period and not a loss of earnings. This definition of disability makes it easier for your employees to qualify for disability.

## Will benefits or claims be affected by the update?

There will be no change in how benefits are paid for claims submitted prior to the effective date of the upgrade. The new contract provisions are effective as soon as the new contract becomes effective for your group.