

**MEMORANDUM
PERSONNEL DEPARTMENT
COUNTY OF PLACER**

To: Board of Supervisors
From: Nancy Nittler, Personnel Director *NN*
By: Ann Craig, Personnel Services Manager
Date: January 10, 2012
Subject: Lincoln National Long Term Disability Plan Renewal

ACTION REQUESTED: Approve an extension of the current premium rate and contract renewal for the employer paid Lincoln National Long Term Disability policy for the period January 1, 2012 through December 31, 2013, effective January 1, 2012 and authorize Nancy Nittler, Personnel Director to sign the resulting agreement.

BACKGROUND: Placer County provides a Long Term Disability (LTD) policy as required under our existing negotiated provisions with Placer Public Employees Organization. Employees with 5 or more years of service receive a County paid policy and employees with less than 5 years of service may elect to participate in the LTD plan at their own expense. Management and Confidential employees receive the same benefit plan options.

Lincoln National was selected through a competitive process and has provided coverage since January 1, 2003. In recognition of the current economic climate and the static claims experience, Lincoln National authorized a continuation of the current rate of .34/\$100 of monthly covered payroll through December 31, 2013. There are no policy plan changes associated with the rate renewal. Premium rates for the employee-paid voluntary plan will remain the same and vary based upon the employee's age.

Risk Management concurs with the recommendation.

FISCAL IMPACT: The total annual premium cost for the County paid LTD Program is approximately \$384,750. These employer costs are budgeted in each department budget.

cc: Maryellen Peters, Deputy County Executive Officer
Janet Fogarty, Managing Accountant Auditor
Brett Wood, Procurement Manager

Attachments: Lincoln National Renewal Notice



September 28, 2011

The Lincoln National Life Insurance Company
8801 Indian Hills Drive
Omaha, NE 68114-4066
toll free (800) 423-2765

Ann Craig
County of Placer
145 Fulweiler Avenue, Suite 200
Auburn, CA 95603

Re: Renewal Letter for LTD Policy Numbers: 01-0001647, 01-0001664.

Dear Ann:

It is our sincere pleasure to provide County of Placer with its LTD benefits program. As part of our effort to ensure continuing quality products and service, each year we carefully review and analyze current benefit and rate structures to determine the appropriate premium levels to charge for continued group insurance protection for your valued employees.

We are pleased to inform you that the inforce LTD rates on the Employer-Paid LTD and the Employee-Paid LTD policy will be continuing for another two years. Therefore, the County's premium rates will continue as follows:

	<u>Your Current Group Rates</u>
Long Term Disability 01-0001647	\$.34/\$100 of covered payroll
Lont Term Disability 01-0001664	Age Banded

These rates are guaranteed for 2 years from the renewal date shown above. Your next renewal will take place January 1, 2014. **This renewal letter will serve in place of a policy amendment reflecting this rate change. Please keep this renewal letter with your policy records.**

Thank you for the opportunity to be of service to County of Placer. We appreciate your business and look forward to working with you in the future as we continue to meet your group insurance needs. If you have any questions, or if I can be of further assistance, please feel free to call me on our toll-free number: 1-800-423-2765.

Sincerely,

Andrew Shane
Lead Underwriter

Cc: Peggy Mandel, Lincoln Financial Group
Frances Kennady, Lincoln Financial Group
Sheri Harris, Lincoln Financial Group
Terrie Griggs, Interwest Insurance Services, Inc.
Primo Santino, Cornerstone Associates Insurance Services