FIRST READING: 9.11.17
SECOND READING: 9.25.17
THIRD READING: 10.9.17

ORDINANCE NO. 57-17

BY: THOMAS J. HUNT

AN EMERGENCY ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH OCHS, INC. LIFE INSURANCE CO. TO PROVIDE LIFE INSURANCE FOR THE FULL-TIME EMPLOYEES OF THE CITY OF ROCKY RIVER, AS FURTHER DESCRIBED IN EXHIBIT "A"

WHEREAS: the City of Rocky River must provide life insurance to full-time employees of the City of Rocky River based on collective bargaining contracts and/or City policies; and

WHEREAS: the City Administration, through the bidding process received four proposals for life insurance for full-time city employees, and has negotiated for a three-year term agreement with OCHS, Inc. in the best interest of the city with the rate being guaranteed until December 31, 2020; and

WHEREAS: it is deemed to be in the best interest of the City to enter into the contract for life insurance coverage with OCHS, Inc. for the 36-month period beginning January 1, 2018 through December 31, 2020.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ROCKY RIVER, COUNTY OF CUYAHOGA, STATE OF OHIO:

Section 1. That the Mayor be and she is hereby authorized to enter into the contract with OCHS, Inc. for full-time employee life insurance coverage for the 36-month period commencing January 1, 2018, as further described in Exhibit "A".

Section 2. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of public peace, health and safety and for the further reason that it is necessary to provide for the continuation of life insurance for full-time City employees in conformance with labor agreements and City policies, and provided it receives the affirmative vote of two-thirds (2/3) of all members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: October 9th, 2017

James W. Moran
JAMES W. MORAN
President of Council

PRESENTED
TO MAYOR: October 9th, 2017

APPROVED: October 9th, 2017

ATTEST:

Susan G. Pease
SUSAN G. PEASE
Clerk of Council

Pamela E. Bobst
PAMELA E. BOBST
Mayor

It is hereby certified that the amount required for the execution of this Ordinance has been lawfully appropriated or authorized or directed for such purpose and is in the treasury or in the process of collection to the credit of the funds described herein free from any obligation or certification now outstanding.

Michael Thomas
MICHAEL THOMAS
Director of Finance

City of Rocky River
County of Cuyahoga } ss

THE UNDERSIGNED CLERK OF THE COUNCIL OF THE CITY OF ROCKY RIVER, OHIO DOES HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF ORDINANCE NO. 57-17 ADOPTED BY THE COUNCIL OF SAID CITY ON THE 9th DAY OF October, 20 17 THAT THE PUBLICATION OF SUCH ORDINANCE HAS BEEN MADE AND CERTIFIED OF RECORD ACCORDING TO LAW; THAT NO PROCEEDINGS LOOKING TO A REFERENDUM UPON SUCH ORDINANCE HAVE BEEN TAKEN; THAT SUCH ORDINANCE AND THE CERTIFICATE OF PUBLICATION THEREOF, ARE OF RECORD IN ORDINANCE RECORD NO. 57-17

IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY NAME AND AFFIXED MY OFFICIAL SEAL THIS 9th DAY OF October, 20 17.

Susan G. Pease
CLERK OF COUNCIL OF THE CITY OF ROCKY RIVER, OHIO

I, the undersigned clerk of council of the city of Rocky River, State of Ohio, do hereby certify that publication of the foregoing ordinance was duly made by posting a true copy thereof in the lobby of the Rocky River City Hall, in accordance with the charter of Rocky River, commencing on the 9th day of October, 20 17.

Susan G. Pease
Clerk of Council of the City of Rocky River, Ohio

Ochs
est. 1943

City of Rocky River

Group Life and AD&D Insurance

PLAN DESIGN

Date:	July 12, 2017
Presented by:	Ochs, Inc., A Securian Company
Underwritten by:	Minnesota Life Insurance Company

TABLE OF CONTENTS

PLAN DETAILS

Group Term Life and AD&D Insurance

Effective and Rate Coverage Dates	Coverage
January 1, 2018 to December 31, 2020	• Basic Term Life and AD&D • Supplemental Term Life • Spouse Term Life • Child Term Life • Voluntary AD&D

Definitions

Class	Eligibility
Class 1: All Active Full-Time Employees	A minimum number of hours per week as determined by your employer

Employee Eligibility

Class	Coverage
Class 1:	• Basic Term Life and AD&D • Supplemental Term Life • Spouse Term Life • Child Term Life • Voluntary AD&D

Funding

Class	Non-Contributory / Contributory
Class 1:	**Employer Paid** • Basic Term Life and AD&D **Employee Paid** • Supplemental Term Life • Spouse Term Life • Child Term Life • Voluntary AD&D

BASIC TERM LIFE

Plan Design Description

Benefit Summary

Class	Amount
Class 1:	$50,000

Basic Life Age Reduction Schedule

Class	Age	Reduces to
Class 1:	65	65%
	70	50%

Guaranteed Issue (GI) and EOI Requirements

Summary	Amount
Current Insureds	All coverage is grandfathered and guaranteed
New Employees	All coverage is guaranteed for new employees if elected within 31 days of initial eligibility

Accidental Death and Dismemberment (AD&D)

Summary	Amount	
Benefit	Matches life amount for death with benefit schedule for dismemberment; includes the following additional benefits: • Airbag - Lesser of 10% or $10,000 • Seatbelt - Lesser of 20% or $20,000 • Child Education - Lesser of actual cost, 5% or $5,000 for four (4) years • Repatriation - Lesser of actual cost or $5,000	
AD&D Dismemberment Schedule of Benefits (member is defined as hand, foot, or eye)	**Loss**	**Benefit**
	Life	100%
	Two or more members	100%
	Quadriplegia	100%
	Speech and hearing	100%
	Paraplegia	75%
	One member	50%
	Speech	50%
	Hearing	50%
	Hemiplegia	50%

	Thumb & index finger of same hand	25%

Additional Plan Benefits

Benefit	Definition
Waiver of Premium	Premiums waived for active employees disabled prior to age 60 and continues until the earlier of retirement, recovery, or age 65; provision includes a six (6) month elimination period and is not available with ported coverage.
Accelerated Death Benefit	Allows terminally ill insureds with a life expectancy of 12 months or less to accelerate up to 100% of the face amount up to $1,000,000 (Basic and Supplemental combined).
Portability	Allows insureds to continue coverage if they terminate employment or retire.
Conversion	Allows insureds to convert terminated coverage to an individual life insurance policy.

SUPPLEMENTAL TERM LIFE

Supplemental Employee Life

Benefit Summary

Summary	Amount
Benefit	$10,000 increments to a maximum of $300,000
Age Reductions	None

Guaranteed Issue (GI) and EOI Requirements

Summary	Requirement
Current Insureds	All coverage is grandfathered and guaranteed
New Employees	$200,000 is guaranteed for new employees if elected within 31 days of initial eligibility
Future Annual Enrollment	Electing or increasing coverage requires EOI
Qualified Status Change	Electing or increasing coverage requires EOI
Outside of GI opportunities	Electing or increasing coverage requires EOI

Accidental Death and Dismemberment (AD&D)

Summary	Amount	
Benefit	Matches life amount for death with benefit schedule for dismemberment; includes the following additional benefits: • Airbag - Lesser of 10% or $10,000 • Seatbelt - Lesser of 20% or $20,000 • Child Education - Lesser of actual cost, 5% or $5,000 for four (4) years • Repatriation - Lesser of actual cost or $5,000	
Dismemberment Schedule of Benefits (member is defined as hand, foot, or eye)	**Loss**	**Benefit**
	Life	100%
	Two or more members	100%
	Quadriplegia	100%
	Speech and hearing	100%
	Paraplegia	75%
	One member	50%
	Speech	50%
	Hearing	50%
	Hemiplegia	50%

	Thumb & index finger of same hand	25%

Additional Plan Benefits

Benefit	Definition
Waiver of Premium	Available for employees disabled prior to age 60 and continues until retirement, recovery, or age 65; provision includes six (6) month elimination period and is not available with ported coverage.
Accelerated Death Benefit	Allows terminally ill insureds with a life expectancy of 12 months or less to accelerate up to 100% of the face amount up to $1,000,000 (Basic and Supplemental combined).
Portability	Allows insureds to continue coverage if they terminate employment or retire.
Conversion	Allows insureds to convert terminated coverage to an individual life insurance policy.

DEPENDENT TERM LIFE

Dependent Eligibility

Class	Definition
Spouse	• A spouse is not eligible if they are also eligible for employee coverage
Children	• Live birth to 26 years; or physically or mentally disabled and incapable of self-support prior to attaining age 26 • A child may only be covered by one parent • If an employee's first eligible newborn child dies within 31 days of birth but prior to the employee enrolling for child life coverage, a benefit will be paid

Guaranteed Issue (GI) and EOI Requirements

Summary	Requirement
Current Insureds	All coverage is grandfathered and guaranteed
New Employees	All coverage is guaranteed for new employees if elected within 31 days of initial eligibility
Future Annual Enrollment	Electing or increasing coverage requires EOI
Qualified Status Change	All coverage is guaranteed if elected within 31 days of Qualified Status Change
Outside of GI opportunities	Electing or increasing coverage requires EOI

Supplemental Spouse Life

Benefit Summary

Summary	Amount
Benefit	$5,000 increments to a maximum of $150,000
Age Reductions	None
AD&D	Matches life amount for death with employee's benefit schedule for dismemberment; includes the following additional benefits: • Airbag - Lesser of 10% or $10,000 • Seatbelt - Lesser of 20% or $20,000 • Child Education - Lesser of actual cost, 5% or $5,000 for four (4) years • Repatriation - Lesser of actual cost or $5,000

Guaranteed Issue (GI) and EOI Requirements

Summary	Requirement
Current Insureds	• All coverage is grandfathered and guaranteed
New Employees	• $25,000 is guaranteed for new employees if elected within 31 days of initial eligibility
Future Annual Enrollment	• Electing or increasing coverage requires EOI
Qualified Status Change	• $25,000 is guaranteed if elected within 31 days of Qualified Status Change
Outside of GI opportunities	• Electing or increasing coverage requires EOI

Supplemental Child Life

Benefit Summary

Summary	Amount
Benefit	$10,000 or $15,000
AD&D	Matches life amount for death with employee's benefit schedule for dismemberment; includes the following additional benefits: • Airbag - Lesser of 10% or $10,000 • Seatbelt - Lesser of 20% or $20,000 • Child Education - Lesser of actual cost, 5% or $5,000 for four (4) years • Repatriation - Lesser of actual cost or $5,000

Guaranteed Issue (GI) and EOI Requirements

Summary	Requirement
Current Insureds	All coverage is grandfathered and guaranteed
One-time Open Enrollment	All coverage is guaranteed if elected within 31 days of initial eligibility
New Employees	All coverage is guaranteed for new employees if elected within 31 days of initial eligibility
Future Annual Enrollment	All coverage is guaranteed at each annual enrollment
Qualified Status Change	All coverage is guaranteed if elected within 31 days of Qualified Status Change
Outside of GI opportunities	Electing or increasing coverage requires EOI

Additional Plan Benefits

Benefit	Definition

Waiver of Premium	If an employee's premium is being waived under the Waiver of Premium provision, premiums for dependent coverage(s) the employee had as an active insured will be continued and waived as well.
Accelerated Death Benefit	Allows terminally ill insureds with a life expectancy of 12 months or less to accelerate up to 100% of the face amount up to $1,000,000 (Basic and Supplemental combined).
Portability	Allows spouse and children to continue coverage if employee terminates employment or retires.
Conversion	Allows insureds to convert terminated coverage to an individual life insurance policy.

VOLUNTARY AD&D

Plan Design Description

Benefit Summary

Summary	Amount - Employee Plan	Amount - Family Plan
Benefit	$10,000 increments to $500,000	• Spouse: 50% • Each child: 10% • Percentages reflect % of employee's principal sum
Plan Maximum	$500,000	• Spouse: $250,000 • Child: $50,000
Guarantee Issue	All coverage is guaranteed	
Age Reductions	None	

Additional Plan Benefits

AD&D	Loss	Benefit
Dismemberment Schedule of Benefits (member is defined as hand, foot, or eye)	Life	100%
	Two or more members	100%
	Quadriplegia	100%
	Speech and hearing	100%
	Paraplegia	75%
	One member	50%
	Speech	50%
	Hearing	50%
	Hemiplegia	50%
	Thumb & index finger of same hand	25%
Additional Benefits	• Airbag - Lesser of 10% or $10,000 • Seatbelt - Lesser of 20% or $20,000 • Child Education - Lesser of actual cost, 5% or $5,000 for four (4) years • Repatriation - Lesser of actual cost or $5,000	

DEFINITIONS AND GUARANTEED ISSUE (GI) LIMITS

Category	Guaranteed Issue Limits
Current Insureds All employees in a benefit eligible class on the effective date of this policy and their dependents	All current Basic and Supplemental coverage amounts are guaranteed and carried over without providing evidence of insurability (EOI) • Employee: amount in force prior to policy effective date • Spouse: amount in force prior to policy effective date • Child: amount in force prior to policy effective date
Future Annual Enrollment Benefit eligible employees and their dependents	• Employee: Electing or increasing coverage requires EOI • Spouse: Electing or increasing coverage requires EOI • Child: All coverage is guaranteed at each annual enrollment
New Employees All employees who first become benefit eligible after the effective date of this policy and their dependents	Coverage is guaranteed up to the GI limits if elected within the 31-day new employee enrollment period • Employee: $200,000 is guaranteed • Spouse: $25,000 is guaranteed • Child: All coverage is guaranteed
Qualified Status Change (QSC) Dependents who become benefit eligible after the effective date of this policy (i.e. marriage, birth, adoption). **QSC are determined by the employer**	Coverage is guaranteed up to the GI limits if elected within 31 days of a qualifying status change • Employee: Not applicable • Spouse: $25,000 is guaranteed • Child: All coverage is guaranteed
Outside of GI opportunities: Electing or increasing coverage requires Evidence of Insurability	

PROPOSAL TERMS AND CONDITIONS

- Quote is valid for 120 days and is based on census data submitted. If actual enrollment or plan design differs materially, we reserve the right to review and modify the rates as necessary.
- Individuals may be covered only once under the group policy. Employees cannot also be insured as a spouse or child, a child can only be insured by one parent, and an individual cannot be insured as both an ex-employee and a current employee.
- All increases are subject to the actively at work provision in the policy.
- Non-participating (Fully pooled): The policyholder remits premiums at the stated rate. The policyholder will not receive any experience refunds.
- Our proposal assumes that all lives will be transferred according to the chart below and that coverage will be provided on a no loss/no gain basis. Because the current plan has a waiver of premium provision, those eligible under that provision will continue to be insured by the prior carrier. Others will be insured by Minnesota Life.

Status of Employee on Effective Date	Responsible Party
Disabled and on approved waiver of premium	Incumbent Carrier
Disabled and not yet approved waiver of premium	Incumbent Carrier/Minnesota Life*
Disabled and satisfying elimination period	Incumbent Carrier/Minnesota Life*
Absent due to disabling ailment	Incumbent Carrier/Minnesota Life*
Absent due to non-disabling ailment	Minnesota Life
On vacation	Minnesota Life
On non-medical leave of absence	Minnesota Life
On excused absence (funeral, etc.)	Minnesota Life
At work	Minnesota Life

*Our proposal assumes that employees on approved waiver of premium on the effective date will stay with the incumbent carrier under the current waiver of premium provision. If an employee is absent due to disability but not yet eligible or approved for waiver of premium, we recommend that premiums be paid to Minnesota Life. If the employee returns to work or otherwise does not satisfy the requirements for approved waiver of premium, Minnesota Life will be responsible for the ongoing life insurance coverage. If the employee remains disabled and satisfies the requirements for a waiver of premium claim, the claim should be filed with the incumbent carrier. Similarly, if the employee dies while totally disabled but before satisfying the waiting period for a waiver of premium claim, the death claim should be filed with the incumbent carrier. In any event, either Minnesota Life or the incumbent carrier will provide coverage for every insured employee.

- We relied on information provided with the initial RFP and subsequent information after the RFP release to develop our proposal. If any information was incorrect or incomplete we reserve the right to review and adjust rates.

- We reserve the right to review the appropriateness of the rates at any time in the event of plan design changes, modifications to the definition of eligible employees, or significant demographic changes in the group. We define significant changes to mean a change in the volume within a coverage or across coverages of more than 15% Actives and retirees are considered independent coverages. The baseline for calculating the total change in volume will be the volume provided in the RFP
- Issued policies will comply with applicable state insurance laws and coverage restrictions or limits may apply.
- Securian Financial Group is licensed to do business in the United States and our proposal covers employees working in the U.S. and U.S. citizens working abroad as expatriates. We're happy to discuss solutions for your non-U.S. citizens working outside the U.S. to meet the changing benefits needs of a global workforce.
- If selected as a finalist, Securian Financial Group's legal counsel will review the specifics of any sample contract, service agreement, or terms & conditions language and provide a list of items to discuss with client's legal counsel. We have found that this process can be completed efficiently and result in a mutually agreeable contract.
- It is the employer's obligation to determine the applicability of and compliance with any ERISA or DOL rules. Under Department of Labor rules, certain employee-pay-all group plans may not be subject to ERISA rules. However, the employer should consult counsel to determine if this plan falls within the exemption.

Termination

Term Life	Terminates at earlier of retirement (unless eligible for retiree benefits), loss of eligibility, or termination of employment

Life Exclusions

Basic	No exclusions
Supplemental	Suicide exclusion applies. This exclusion limits our liability to an amount equal to the premiums paid for an insured if the insured, whether sane or insane, dies by suicide within two years of the effective date of his or her insurance. For existing amounts transferred to our policy, the time insurance was in force under the prior policy(ies) will count toward this two year limitation.

Ridered AD&D Exclusions *(subject to situs state exclusions)*

In no event will we pay the accidental death or dismemberment benefit where the insured's death or dismemberment is caused directly or indirectly by, results from, or where there is a contribution from, any of the following:

- Self-inflicted injury or self-destruction, whether sane or insane; or
- Suicide or attempted suicide, whether sane or insane; or

- The insured's participation in or attempt to commit a crime, assault, felony, or any illegal activity, regardless of any legal proceedings, or the absence of any legal proceedings, thereto; or
- Bodily or mental infirmity, illness or disease; or
- The use of alcohol, drugs, medications, poisons, gases, fumes or other substances taken, absorbed, inhaled, ingested or injected, unless taken upon the advice of a licensed physician in the verifiable prescribed manner and dosage; or
- Motor vehicle collision or accident where the insured is the operator of the motor vehicle and this insured's blood alcohol level meets or exceeds the level at which intoxication is defined in the state where the collision or accident occurred, regardless of any legal proceedings, or the absence of any legal proceedings, thereto; or
- Infection, other than infection occurring simultaneously with, and as a direct result of, the accidental injury; or
- Medical or surgical treatment or diagnostic procedures or any resulting complications; or
- Travel in or descent from any aircraft, except as a fare-paying passenger on a regularly scheduled commercial flight on a licensed passenger aircraft carrier; or
- War or any act of war, whether declared or undeclared; or
- Service in the military of any nation.

Voluntary AD&D Exclusions *(subject to situs state exclusions)*

In no event will we pay the accidental death or dismemberment benefit where the insured's death or dismemberment is caused directly or indirectly by, results from, or where there is a contribution from, any of the following:

- Suicide or attempted suicide, whether sane or insane; or
- Intentionally self-inflicted injury or any attempt at self-inflicted injury, whether sane or insane; or
- The insured's participation in or attempt to commit a crime, assault or felony; or
- Bodily or mental infirmity, illness or disease; or
- Medical or surgical treatment including diagnostic procedures; or
- Alcohol, drugs, poisons, gases or fumes, voluntarily taken, administered, absorbed, inhaled, ingested or injected; or
- Bacterial infection, other than infection occurring simultaneously with, and as a result of, the accidental injury; or
- Travel or flight in or on any vehicle used for aerial navigation including getting in, out, on, or off such vehicle, if the insured is:

– Riding as a passenger in any aircraft not intended or licensed for the transportation of passengers; or

- Acting as a pilot or a crew member of any aircraft, unless riding as a passenger; or
- Riding as a passenger in a non-chartered aircraft which is owned, leased, operated, or controlled by the eligible employee's employer; or
- A student taking a flying lesson, unless riding as a passenger; or
- Hang gliding; or
- Parachuting, except when the insured has to make a parachute jump for self-preservation; or

• War or any act of war, whether declared or undeclared; or

• Riot or civil insurrection; or

• Service in the military of any nation.

City of Rocky River
LIFE INSURANCE RATES

Coverage	Number of Lives	Volume	Rate per $1,000 per month		Proposed Annual Premium
Basic Active Life	0	$ -	$	0.150	$ -
Basic Active AD&D	0	$ -	$	0.020	$ -
Employee and Spouse Supplemental Life	30	$ 2,230,000	**Age**	**Rate**	$ 9,580.80
			Under 25	0.060	
			25 – 29	0.060	
			30 – 34	0.080	
			35 – 39	0.110	
			40 – 44	0.180	
			45 – 49	0.280	
			50 – 54	0.480	
			55 – 59	0.860	
			60 – 64	1.220	
			65 – 69	1.950	
			70 – 74	3.350	
			75*	6.190	
Employee Voluntary AD&D	TBD	TBD	$	0.050	TBD
Family Voluntary AD&D	TBD	TBD	$	0.080	TBD
Child Life	7	$ 65,000	$	0.200	$ 156.00

Rate Guarantee: 36 months

Total Annual Premium $ 9,736.80**

***Rates increase beyond age 75 and will be provided upon request.**

****Please note totals do not include Employee or Family Voluntary elections. Total Annual Premium will be calculated at the provided rates.**

Please note, we have quoted our standard policy exclusions, rider definitions and portability provisions.