

Alliance Alert

The Public Employee Benefits Alliance (PEBA) was created by a group of Texas Government leaders working together for over a year to develop strategies to manage the rising costs of healthcare benefits. PEBA was established in January 2006 and was created pursuant to Chapter 791 of the Texas government Code, the Purchasing Program Chapter 271 of the Texas Local government Code and all other applicable provisions of Texas Law. PEBA membership is open to all Texas local governments who pay an annual membership fee and execute a PEBA Participating Interlocal Agreement. However, local governments who are members of one of the political subdivision Pools will receive automatic annual PEBA membership through the participating Pool. An additional per proposal fee will be established for proposal participation for all non-Pool members.

PEBA's mission is to support the individual members by providing: negotiation services to manage the spiraling cost of healthcare and related benefits, working together through the alliance procurement model to purchase healthcare and related benefits a competitive price, and provide contractual negotiations which will include vendor service accountability requirements. In order to accomplish this mission, PEBA makes a commitment to negotiate on behalf of the membership affordable, high-quality healthcare and related benefits and services.

The Public Employee Benefits Alliance (PEBA) Board met on May 15, 2007 to review the proposals that were received for the Life/LTD/STD/PAI/AD&D proposal. The Board made the decision to execute a PEBA Alliance agreement with The Standard Insurance Company effective 10/1/07. The Standard Insurance Company agreement will be available to all active PEBA member groups who are current with their annual membership and proposal fees or are members of one of the Pools.

Below is an overview of the products PEBA is offering through our Alliance with The Standard. **If you are interested in accessing this contract or want to obtain more details on this opportunity, contact PEBA at (512) 719-6768.**

Fee Structure:

ITEM

Cost Plus Funding Per Thousand

Fully Insured

PROPOSAL COST ~ 3 year rate guarantee

Competitive rates based on each PEBA members, demographics plus a volume discount for PEBA membership.
(See information requirement sheet)

Basic AD&D

Per thousand

\$0.035 or \$0.04 w/Line of Duty

Basic Dep Life and AD&D

Dependent Life #1 Spouse \$2000/Child \$1000	\$0.70
Dependent Life #2 Spouse \$5000/Child \$2000	\$1.60
Dependent Life #3 Spouse \$10000/Child \$2000	\$2.76
Dependent Life #4 Spouse \$1500/Child \$750	\$0.51
Dependent Life #5 Spouse \$5000/Child \$1000	\$1.29

Employee Optional Life

Attained Age - Rate Per Thousand

Optional Life (Life and AD&D)

Under 30	\$0.053
30-34	\$0.060
35-39	\$0.087
40-44	\$0.113
45-49	\$0.160
50-54	\$0.253
55-59	\$0.433
60-64	\$0.652
65-69	\$1.064

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70 or over

\$1.696

Retiree Life

Attained Age - Rate Per Thousand

Retiree Life (Life only)

Under 45	\$0.18
45-49	\$0.26
50-54	\$0.41
55-59	\$0.69
60-64	\$0.98
65-69	\$1.55
70-74	\$2.55
75-79	\$4.25
80-84	\$6.50
85-89	\$9.95
90-94	\$14.50
95 or over	\$29.90

Retiree Dependent Life:

\$4.14 per member

PAI

Employee Only - Rate Per Thousand

\$0.030

Family - Rate Per Thousand

\$0.050

Brief Benefit Overview:

Life

- Salary Submission Requirements:
 - Salary submission will occur annually
 - Mutual agreed date with employer and Standard Insurance
- Basic Life:
 - Active:
 - Various flat amounts up to \$100,000
 - Multiples of annual earnings to maximum of \$200,000 or other plan design requests
 - Retiree:
 - \$2,000
 - Line of Duty Rider Benefit Option:
 - Police/Fire Line of Duty Benefit would provide access to an additional benefit equal to the basic AD&D benefit, to a maximum of \$50,000
- Optional Life:
 - Active
 - Increments of ½ times annual earnings to 3x or \$300,000
 - One Time Open Enrollment
- Qualifying Events for Eligibility:
 - One increment increase for a qualified family status change, which consists of marriage, divorce, birth/adoption of a child, death, loss of coverage due to employment, or change of dependents eligibility status
- Evidence of Insurability Requirements:
 - One time open enrollment and family status change without evidence of insurability requirement.
 - All other changes will require Evidence of Insurability Documentation
- Portability Benefit:
 - If insurance ends due to employment termination, insurance may be portable through this provision

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- Conversion Benefit:
 - If Voluntary Life insurance ends or reduces for any other reason than failure to make premium payment, this provision may be available.
 - Provision allows covered individual to convert voluntary life coverage to certain types of individual life insurance policies without having to provide evidence of insurability.
- Definition of an Employee:
 - Must be working at least 20 hours per week
- Waiting Period:
 - Defined per Employer Benefit Plan
- Rehire Stipulation:
 - Defined by Employer Benefit Plan
 - If your employment ends and you are rehired within 12 months, your previous work while in an eligible group will apply toward the waiting period. All other Summary of Benefits' provisions will apply.

Short Term Disability

- Salary Submission Requirements:
 - Salary submission will occur annually
 - Mutual agreed date with employer and Standard Insurance
- Benefit Waiting Period:
 - 1/7 or 8/8 accident/sickness
 - Other options are available, subject to underwriting approval
- Monthly Benefit:
 - 50%
 - 60%
 - 66 2/3%
- Maximum Benefit:
 - Increments from \$100 to \$500 per week or more
- Minimum Benefit:
 - \$15 per week
- Maximum Period of Payment:
 - 13 weeks
 - 26 weeks
 - Other Options are available, subject to underwriting approval
- Waiting Period:
 - Range from 0 to 90 days after date of hire
- Rehabilitation and Return to Work Assistance Benefit:
 - This program encourages covered individuals to return to work by allowing them to continue to receive total income including their STD benefit up to 100% of their pre-disability earnings
- Other Features
 - Continuity of Coverage
 - No covered individuals will lose coverage as a result of changing insurance carriers
 - Pre-existing
 - None
 - Rehire Stipulation
 - If your employment terminates and you are rehired within twelve (12) months, your previous work while in an eligible group will apply toward the waiting period.
 - Summary of Benefits Provisions will apply

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Long Term Disability

- Salary Submission Requirements:
 - Salary submission will occur annually
 - Mutual agreed date with employer and Standard Insurance
- Own Occupation Benefit:
 - Covered Individual is disabled if they are unable to perform their own occupation for the first twenty-four (24) months of disability
 - Includes Police and Fire whereas some prior plans were 12 months of disability
- Other Occupation Benefit:
 - After the twenty-four (24) month Own Occupation period, covered individual is disabled if they are unable to perform any occupation and earn at least 60% of your indexed pre-disability earnings within twelve (12) months of returning to work
- Benefit Waiting Period:
 - Ranges from 45 to 180 days
- Monthly Benefit:
 - 50%
 - 60%
 - 66 2/3% of pre-disability earnings
- Maximum Period of Payment
 - Age 65 of graded duration
- Waiver of Premium:
 - Premium payment not required while insured and receiving Long Term Disability
- Rehabilitation and Return to Work Assistance Benefit:
 - Rehabilitation Plan is written plan, program or course of vocational training or education intended to prepare the covered individual to return to work.
 - Included in the benefit are training and education expenses, family care expenses, job-related expenses and job search expenses
- Return to Work Assistance Benefit:
 - Allows covered individual to return to work and have their LTD benefit reduced by only the amount of work earnings which, when added to their maximum LTD benefit, would exceed 100% of their pre-disability earnings
- Disabilities with Limited Pay Periods:
 - Benefits are limited to twenty-four (24) months during the covered individual's entire lifetime for disabilities caused or contributed to by any one or more of: Mental Disorders/Substance Abuse/or Other Limited Conditions
- Disabilities Excluded:
 - War
 - Intentionally self inflicted injury
 - Loss of license or certification
 - Violent or Criminal Conduct
 - Pre-existing conditions-applies
 - only to LTD and is a mental or physical conditions diagnosed or misdiagnosed when the covered individual has consulted with a physician or licensed medical professional
 - received medical treatment, services or advice
 - Undergone diagnostic procedures
 - Taken prescribed drugs or medications at any time during the ninety (90) day period prior to the insurance effective date
 - The pre-existing disability is excluded for a period of twelve (12) months
- Recurrent Disability Benefit:
 - Covered Individual may temporarily recover from their disability and become disabled again form same cause without having to serve a new benefit waiting period

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- Survivor Benefit:
 - Covered Individual dies while receiving LTD benefits, and meets certain requirements a survivor benefit
 - Benefit is three (3) times your LTD Benefit
 - Paid to one of the survivors
- Other Services:
 - Worksite modification:
 - If covered individual returns to work as a result of a reasonable accommodation made by the employer
 - Standard will pay a reasonable accommodation expense benefit of up to \$25,000
- Rehire Stipulation:
 - If the covered individual's employment terminates and is rehired within twelve (12) months, previous work while in an eligible group will apply toward the waiting period
 - All other summary of benefits' provisions will apply

Standard Insurance Basic Life Information Requirement:

I. Life Insurance:

- A. Name of the Group.
- B. Schedule of benefits (preferably a copy of the Policy or Certificate).
 - a. Basic Life - flat plan, salary based, or class based.
 - b. Additional Life - increment plan or salary based.
- C. Current rates, (rate history if available).
- D. Census data (preferably via excel).
 - a. Date of Birth.
 - b. Gender.
 - c. Salary, class and amount of insurance in force (if the basic life or optional life are salary or class based plans).
 - d. Occupation if available.
- E. Experience for 3 years on groups with over 1,000 covered employees. Including premium, paid claims and waiver reserves.

II. LTD:

- A. Name of Group
- B. Schedule of benefits (preferably a copy of the Policy or Certificate if Policy is not available).
 - a. Benefit waiting period (typically, 90 days or 180 days).
 - b. Maximum benefit period, (typically age 65).
 - c. Percentage of covered earnings, (typically 60%).
 - d. Maximum monthly benefit, (typically \$5000 to \$10,000).
 - e. Definition of disability (typically 2 year own occupation).
 - f. Mental nervous, Drug Alcohol, Self reported limitations (normally 24 months).
- C. Current rates, (rate history if available).
- D. Census data (preferably via excel).
 - a. Date of Birth
 - b. Gender
 - c. Salary
 - d. Occupation.
- E. Does the group participate in PERS or Social Security?
- F. Experience for 3 years on groups with over 250 covered employees. This should include premium, paid claim, and open claim reserves or if reserves are not available, a list of open claims including gender, date of birth, date of disability and net benefit.

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III. **STD:**

- A. Name of the Group.
- B. Schedule of benefits (preferably a copy of the Certificate or Policy).
 - a. Benefit waiting period, (typically 1/8, 8/8, 15/15).
 - b. Maximum benefit period, (typically 13 weeks or 26 weeks).
 - c. Percentage of covered earnings (typically 60%).
 - d. Maximum weekly benefit, (typically \$500 or \$1,000 per week).
 - e. Non-occupational coverage assumed, (24 hour is available).
- C. Current rates, (rate history if available).
- D. Census data (preferably via excel).
 - a. Date of birth.
 - b. Gender.
 - c. Salary
 - d. Occupation (if available)
- E. Experience for 3 years on groups with over 100 covered employees. Including paid premium and paid claims.