

CLEVELAND PUBLIC LIBRARY

Finance Committee

November 14, 2023

**RESOLUTION TO AMEND AGREEMENT WITH VOYA EMPLOYEE BENEFITS
COMPANY FOR LIFE INSURANCE, AD&D INSURANCE, AND DISABILITY
INCOME INSURANCE POLICIES**

WHEREAS, On November 17, 2022, the Board of Library Trustees approved a renewal agreement with VOYA Employee Benefits, a division of ReliaStar Life Insurance Company, to provide life insurance and accidental death and dismemberment (AD&D) insurance to full-time employees with at least one year of employment with the Cleveland Public Library; and

WHEREAS, VOYA has proposed that the current rate of \$0.122/\$1,000 for basic life insurance will decrease to a new rate of \$0.110/\$1,000; and

WHEREAS, VOYA has proposed that the current rate of \$0.016/\$1,000 for AD&D insurance will decrease to a new rate of \$0.014/\$1,000; and

WHEREAS, VOYA has also proposed a change to the supplemental employee and spouse life and AD&D insurance reduction schedule such that the benefits will change to 65% at age 70, 45% at age 75, and that there will be no reductions to employee benefits prior to age 70; and

WHEREAS, The amount of coverage for Basic Life and AD&D insurance will remain the same as the current contract term at an amount of \$50,000; and

WHEREAS, The Library Administration would like to amend the current agreement with VOYA to reflect the new rates and reduction schedule for life and AD&D insurance coverage for its employees for the new contract term effective January 1, 2024; now therefore be it

RESOLVED, That the Board of Library Trustees authorizes the Executive Director, CEO, or his designee, to amend the life insurance agreement including AD&D with VOYA Employee Benefits, a division of ReliaStar Life Insurance Company, subject to the Director of Legal Affairs' approval, to be effective on January 1, 2024 through December 31, 2024, with an estimated annual premium based on the current number of employees of \$25,278 for basic employee life and \$3,217 for basic AD&D insurance to be charged to the Life Insurance Object 51620.



Continuing our
relationship

Cleveland Public Library

Group Benefit Policy #: 669601

1/1/2024

Group Term Life and AD&D Insurance

For Broker or Employer Use Only.

2020173

209988 – 02152022

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VOYA
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How has your Life Insurance risk changed?

	Last Review	Current Review	Percent Change
Covered Lives	420	383	-9%
Average Age	48	48	0%
Basic Life Volume	\$8,400,000	\$19,150,000	128%
Supp Life Volume	\$12,509,100	\$17,063,950	36%
Supp Participation	30%	39%	9%

Covered lives have decreased since our last review. Average age has held steady since our last review. Supplemental Life participation has increased since our last review.

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Supplemental Life participation analysis by age group

Overall Participation
39%

Participation by Age Group
2023



< 35	35 - 49	50 - 59	60 +
49%	35%	35%	48%

Overall participation is 39%. The highest participation is in the <35 age group.

Communication Tools

 Employee Benefits Resource Center

 Social media support

 Email campaign support

 Flyers and posters

Life Insurance renewal rates

				Lives	Volume	Current Rate	New Rate	Percent Change	Current Annual Premium	New Annual Premium					
Class 1	Life	Basic Employee	per \$1,000	383	\$19,150,000	\$0.122	\$0.110	-9.84%	\$28,036	\$25,278					
		Supplemental Employee	20 (or less)			\$0.060	\$0.060	0.00%							
			20-24			\$0.060	\$0.060	0.00%							
			25-29			\$0.060	\$0.060	0.00%							
			30-34			\$0.080	\$0.080	0.00%							
			35-39			\$0.100	\$0.100	0.00%							
			40-44			\$0.120	\$0.120	0.00%							
			45-49			\$0.170	\$0.170	0.00%							
			50-54			\$0.310	\$0.310	0.00%							
			55-59			\$0.500	\$0.500	0.00%							
			60-64			\$0.770	\$0.770	0.00%							
			65-69			\$1.470	\$1.470	0.00%							
			70-74			\$2.390	\$2.390	0.00%							
			75-79			\$2.390	\$2.390	0.00%							
			Totals Composite											\$70,968	\$70,968
			Supplemental Spouse,			20 (or less)					\$0.060	\$0.060	0.00%		
						20-24					\$0.060	\$0.060	0.00%		
						25-29					\$0.060	\$0.060	0.00%		
						30-34					\$0.080	\$0.080	0.00%		
						35-39					\$0.100	\$0.100	0.00%		
						40-44					\$0.120	\$0.120	0.00%		
						45-49					\$0.170	\$0.170	0.00%		
						50-54					\$0.310	\$0.310	0.00%		
		55-59			\$0.500	\$0.500	0.00%								
		60-64			\$0.770	\$0.770	0.00%								
		65-69			\$1.470	\$1.470	0.00%								
		70-74			\$2.390	\$2.390	0.00%								
		75-79			\$2.390	\$2.390	0.00%								
		Totals Composite							\$4,769	\$4,769					
		Supplemental Child	Option 1			\$2.000	\$2.000	0.00%							
		Supplemental Child	Totals Composite						\$1,536	\$1,536					
		Basic Retiree	per \$1,000	0	\$0	\$0.122	\$0.110	-9.84%	\$0	\$0					
AD&D	Life	Basic Employee	per \$1,000	383	\$19,150,000	\$0.016	\$0.014	-12.50%	\$3,677	\$3,217					
		Supplemental Employee,	per \$1,000			\$0.020	\$0.020	0.00%	\$4,095	\$4,095					

No commission
3 year rate guarantee

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Renewal acceptance

Please check boxes and sign to acknowledge acceptance of the **renewal rates** to the current contract which are documented within this renewal document.

Renewal acceptance

Group Term Life and AD&D Insurance

X _____

Authorized e-signature

Please use Adobe Fill & Sign to sign this digitally and email back to your Voya Account Manager. [Click here](#) for instructions.

- The policyholder has the right to cancel this policy on the policy anniversary.
- The cost for Basic Life Insurance may include Voya Travel Assistance, Funeral Planning and Concierge Services or an Employee Assistance Program.
- Funeral Planning and Concierge Services are provided by Everest Funeral Package, LLC, Houston, TX.
- Employee Assistance Program (EAP) services are provided by ComPsych® Corporation, Chicago, IL.
- Voya Travel Assistance services are provided by Europ Assistance USA, Bethesda, MD.
- If Portability is elected, individuals who choose to port their coverage may have different rate schedules than those listed above.

Group Term Life Insurance is underwritten by ReliaStar Life Insurance Company (Minneapolis, MN), a member of the Voya® family of companies. Policy form ICC LP14GP (may vary by state).

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Glossary

Case Rate	calculated by blending the experience rate and manual rate for groups whose experience is not fully credible. The more credible the group is, the more the rate is weighted to the experience rate (and vice-versa for the manual rate).
Constant Premium	the premium that would have been paid if the current rate and plan design had been in force throughout the experience period.
Conversion Charges	the amount required to cover the risk associated with converting group life coverage to an individual policy when an employee terminates or retires.
Credibility	formula driven calculation that determines the weighting put on the past claims experience in the experience period to determine the case rate. Credibility is impacted by the number of lives covered, the frequency of claims, plan design and demographics. Larger cases with more claims are more credible.
Current Rate	the in force rates being charged for the cost of coverage.
Expenses	includes commissions, premium tax, general & administrative costs.
Experience Period	the time period used in the experience evaluation.
Experience Rate	the rate that would have produced premiums adequate to cover incurred claims and expenses within the experience period.
Incurred But Not Reported (IBNR)	an adjustment to the experience calculation that projects the amount of claims during the time period lag between when a claim has been incurred and submitted.
Incurred claims	claims that are based upon when the event occurred but may have been paid at a later date. Consists of paid claims, pending claims, changes in waiver reserve, portability and conversion charges, and changes in incurred but not reported reserves (IBNR).
Incurred Loss Ratio	the loss ratio based on total incurred claims divided by constant premium, expressed as a percentage.
Manual Rate	the rate for your plan based on your employee demographics, industry, location and plan design. The manual rate does not take into account actual claims experience.
Paid Claims	claims paid during the experience review period.
Paid Loss Ratio	paid claims divided by the paid premium, expressed as a percentage.
Paid Premium	the total dollar amount received for coverage during the experience period.
Pending Claims	claims submitted where a decision is not yet determined.
Rate Basis	unless noted otherwise, Life Insurance is per \$1,000; Long Term Disability Insurance is per \$100 monthly covered payroll; Short Term Disability Insurance is per \$10 weekly indemnity.
Reserves	funds to cover claims approved but not yet paid, incurred but not reported (IBNR), and run-out claims.
Time Value Adjustment (TVA)	an interest adjustment for the assumption of interest being earned on past paid claims and reserves for long term disability.
Waiver Reserves	funds for estimated future liability for disabled employees who have been approved for life insurance waiver of premium.

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Request for Amendment

ReliaStar Life Insurance Company

A member of the Voya® family of companies

Home and Administrative Office: P.O. Box 20, Minneapolis, MN 55440

Please confirm the following information:

Group Name: Cleveland Public Library

Group Number: 66960-1

Effective Date of Amendment: **01/01/2024**

Amendment:

Change Supplemental Employee and Spouse Life and AD&D reduction schedule as follows:

- Reduction schedule change to 65% at 70; and 45% at 75. No reductions prior to age 70.

Applies to the following product(s)/coverage(s):

GAT1 Employee and Spouse Supplemental Life and AD&D

Account Number: 01

Class: All eligible employees

Signature: _____ Date: _____

Printed Name: _____

Title: _____

Should you have any questions or concerns regarding this request, please feel free to contact me at the telephone number below.

Angela Gillen
216-447-3756

Voya Employee Benefits Internal Servicing/Sales Information

Primary Selling Office: Cleveland

Primary Servicing Office: Cleveland

Primary Sales Representative: Marc d'Acunzo

Primary Client Representative: Angela Gillen

Implementation Manager: Tina Gatewood