

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 Local 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 obtain automatic annual PEBA membership through the participating Pool. An additional per proposal fee is established for proposal participants 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, work through the alliance procurement model to purchase healthcare and related benefits at a competitive price, and 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 PEBA Board of Directors met on May 3, 2013 and made the decision to approve the PEBA Administrative Services staff recommendation to execute a three year contract extensions with The Standard for Life, Long Term Disability (LTD), Short Term Disability (STD), Voluntary ADD&D and AD&D benefits.

The term of the contract will commence on September 1, 2013 through September 30, 2016. To be eligible for the new PEBA contract, the membership will be required to sign a Letter of Intent.

Insurance Coverage	Effective 09/01/13		Through 09/30/16	
<u>Basic Term Life</u>				
Minimum Rate	\$0.030 Per \$1000 of Benefit		\$0.030 Per \$1000 of Benefit	
Maximum Rate	\$0.169 Per \$1000 of Benefit		\$0.169 Per \$1000 of Benefit	
<u>Basic AD&D</u>				
Line of Duty Members	\$0.040 Per \$1000 of Benefit		\$0.040 Per \$1000 of Benefit	
All other Members	\$0.035 Per \$1000 of Benefit		\$0.035 Per \$1000 of Benefit	
<u>Additional Term Life</u>				
	Per \$1000 of Benefit		Per \$1000 of Benefit	
Active Members	Age	Rate	Age	Rate
	Under 30	0.036	Under 30	0.036
	30-34	0.045	30-34	0.045
	35-39	0.079	35-39	0.079
	40-44	0.112	40-44	0.112
	45-49	0.172	45-49	0.172
	50-54	0.289	50-54	0.289
	55-59	0.517	55-59	0.517
	60-64	0.794	60-64	0.794
Retired Members	65-69	1.316	65-69	1.316
	70+	2.114	70+	2.114
	Age	Rate	Age	Rate
	Under 45	0.198	Under 45	0.198
	45-49	0.286	45-49	0.286
	50-54	0.451	50-54	0.451
	55-59	0.759	55-59	0.759
	60-64	1.078	60-64	1.078
	65-69	1.705	65-69	1.705
70-74	2.805	70-74	2.805	
75-79	4.675	75-79	4.675	
80-84	7.150	80-84	7.150	

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Insurance Coverage	Effective 09/01/13		Through 09/30/16	
	85-89	10.945	85-89	10.945
	90-94	15.950	90-94	15.950
	95+	32.890	95+	32.890

<u>Additional AD&D</u>	Effective 09/01/13	Through 09/30/16
Retired Members	\$0.030 Per \$1000 of Benefit No Coverage	\$0.028 Per \$1000 of Benefit No Coverage

<u>Voluntary AD&D</u>	Effective 09/01/13	Through 09/30/16
Member Only	\$0.03 Per \$1000 of Benefit	\$0.03 Per \$1000 of Benefit
Member & Dependents	\$0.05 Per \$1000 of Benefit	\$0.05 Per \$1000 of Benefit

Brief Benefit Overview

Life

1. Salary Submission Requirements
 - a. Salary submission will occur on an ongoing basis.
 - b. Mutual agreed date with employer and Standard Insurance
2. Basic Life
 - a. Active
 - i. Various flat amounts up to \$100,000
 - ii. Multiples of annual earnings to maximum of up to \$300,000 or other plan design requests
3. Retiree
 - a. \$2,000
4. Line of Duty Rider Benefit Option
 - a. 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
5. Additional Life
 - a. Active
 - i. Increments of ½ times annual earnings to 3x or \$300,000
 - ii. Additional ½ times annual earnings to \$300,000
 - b. One Time Open Enrollment, for new groups only
6. Qualifying Events for Eligibility
 - a. 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
7. Evidence of Insurability Requirements
 - a. One time open enrollment for new groups only and family status change without evidence of insurability requirement.
 - b. All other changes will require Evidence of Insurability Documentation
8. Portability Benefit
 - a. If Life and AD&D insurance ends due to employment termination, insurance may be portable through this provision
9. Conversion Benefit
 - a. If Life insurance ends or reduces for any other reason than failure to make premium payment, this provision may be available.
 - b. Provision allows covered individual to convert life only coverage to certain types of individual life insurance policies without having to provide evidence of insurability.
10. Definition of an Employee
 - a. Must be working at least 20 hours per week

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11. Waiting Period
 - a. Defined per Employer Benefit Plan
12. Rehire Stipulation
 - a. Defined by Employer Benefit Plan
 - b. 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.
13. Age Reduction Benefit
14. Voluntary Basic Life Option
 - a. The Standard does not offer a basic life on a voluntary basis because we have a minimum premium requirement on this line of coverage, therefore we can only quote the basic life on a non-contributory basis which required 100% of employee participation.

Short Term Disability

1. Salary Submission Requirements
 - a. Salary submission will occur on an ongoing basis.
 - b. Mutual agreed date with employer and Standard Insurance
2. Elimination Period
 - a. 1/7 or 8/8 accident/sickness
 - b. Other options upon request
3. Monthly Benefit
 - a. 50%
 - b. 60%
 - c. 66 2/3%
4. Maximum Benefit
 - a. Increments from \$250 to \$1,000 per week
5. Minimum Benefit
 - a. \$15 per week
6. Maximum Period of Payment
 - a. 13 weeks
 - b. 26 weeks
 - c. Other Options upon Request
7. Waiting Period
 - a. Range from 0 to 90 days after date of hire
8. Rehabilitation and Return to Work Assistance Benefit
 - a. This program encourages covered individuals to return to work by allowing them to continue to receive their STD benefit up to 100% of their pre-disability earnings
9. Other Features
 - a. Continuity of Coverage
 - i. No covered individuals will lose coverage as a result of changing insurance carriers
 - b. Pre-existing
 - i. None
 - c. Rehire Stipulation
 - i. 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.
 - ii. Summary of Benefits Provisions will apply

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Long Term Disability

1. Salary Submission Requirements
 - a. Salary submission will occur annually
 - b. Mutual agreed date with employer and Standard Insurance
2. Own Occupation Benefit
 - a. Covered Individual is disable if they are unable to perform their own occupation for the first twenty-four (24) months of disability
 - b. Includes Police and Fire whereas some prior plans were 12 months of disability
3. Other Occupation Benefit
 - a. 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
4. Elimination Period
 - a. Ranges from 45 to 180 days
5. Monthly Benefit
 - a. 50%
 - b. 60%
 - c. 66 2/3% of pre-disability earnings
6. Maximum Period of Payment
 - a. Age 65 of graded duration
7. Waiver of Premium
 - a. Premium payment not required while receiving Long Term Disability
8. Rehabilitation and Return to Work Assistance Benefit
 - a. Rehabilitation Plan is written plan, program or course of vocational training or education intended to prepare the covered individual to return to work.
 - b. Included in the benefit are training and education expenses, family care expenses, job-related expenses and job search expenses
9. Return to Work Assistance Benefit
 - a. 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
10. Disabilities with Limited Pay Periods
 - a. 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
11. Disabilities Excluded
 - a. War
 - b. Intentionally self inflicted injury
 - c. Loss of license or certification
 - d. Violent or Criminal Conduct
 - e. Pre-existing conditions-applies
 - i. 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
 - ii. received medical treatment, services or advice
 - iii. Undergone diagnostic procedures
 - iv. Taken prescribed drugs or medications at any time during the ninety (90) day period prior to the insurance effective date
 - v. The pre-existing disability is excluded for a period of twelve (12) months

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12. Recurrent Disability Benefit
 - a. Covered Individual may temporarily recover from their disability and become disabled again from same cause without having to serve a new benefit waiting period
13. Survivor Benefit
 - a. Covered Individual dies while receiving LTD benefits, and meets certain requirements a survivor benefit
 - b. Benefit is three (3) times your LTD Benefit
 - c. Paid to one of the survivors
14. Other Services
 - a. Worksite Modification
 - i. If covered individual returns to work as a result of a reasonable accommodation made by the employer
 - ii. Standard will pay a reasonable accommodation expense benefit of up to \$25,000
 - b. Social Security Advocacy
 - i. Standard provides professional expertise to covered individuals in securing social security benefits expeditiously and most favorable for the covered individual
15. Rehire Stipulation
 - a. 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
 - b. All other summary of benefits' provisions will apply

Your Choice Disability Plan

Creating a flexible disability plan to meet each employees needs.

1. Custom plans may be quoted ranging from employer paid fully to employee paid.
2. Combines STD and LTD into one very flexible product.
3. Employees can select different waiting periods and benefit amounts.
4. The Your Choice Disability Plan offers lower cost options.
5. Includes provisions to provide for Family and Post Retirement coverage.
6. Plan options include:
 - a. Multiple Benefit Waiting Periods
 - i. 0/7*
 - ii. 14/14*
 - iii. 30/30*
 - iv. 60/60
 - v. 90/90
 - vi. 180/180
 - vii. Each employee chooses the benefit waiting period that best meets their specific needs.

*30 day or less can have First Day Hospital option to begin immediate payment.
 - b. Employee Selects Benefit Level
 - i. Benefit amounts in \$100 increments
 - ii. Minimum of \$200
 - iii. Up to \$8,000 or 60%
 - iv. Employer Select Plan Duration
 - » SSNRA for both Accident/Illness
 - » SSNRA for Accident/5 year Illness
 - » SSNRA for Accident/2 year Illness
 - c. Plan Provisions
 - i. 90 Day Pre-existing Condition Waiver
 - ii. Lifetime Security Benefit
 - iii. Family Care Expense Adjustment
 - iv. Reasonable Accommodation Expense Benefit

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- v. Rehabilitation Plan Provision
- vi. Return to Work Incentive
- d. Additional Provisions
 - i. First Day Hospital
 - ii. Dependent Education Benefit
 - iii. Occupational Exclusion
- 7. Rates are composite so enrollment is very easy
- 8. Can be enrolled in a variety of ways:
 - a. Paper;
 - b. Electronic;
 - c. Web-based; or
 - d. Utilize current groups system.
- 9. Voluntary LTD and STD will have to be rated on an individual basis

Dental Plans

Creating a flexible dental plan to meet the needs of every group.

- 1. Custom plans may be quoted ranging from employer paid fully to employee paid.
- 2. Very flexible plan design structure including custom options for:
 - a. Calendar year maximum amounts
 - b. Coinsurance percentages
 - c. Deductible amounts
 - d. In and Out of Network allowances
 - e. Orthodontia coverage
 - f. Max Builder rollover feature
 - g. Max Keeper preventive feature
 - h. Procedure placement, frequency, and age limitations
- 3. Minimum requirement of the greater of 20% or 10 enrolled lives.
- 4. Online access for administrative changes.
- 5. Dental plans will be rated on an individual basis and rates are guaranteed for 12 months from the group effective date.

Vision Plans

Three vision plan options available to meet the needs of every group.

- 1. Plans may be sold as either employer paid (non-contributory) or employee paid (voluntary).
- 2. Minimum requirement of 10 enrolled lives.
- 3. Online access for administrative changes.
- 4. Vision plan rates are guaranteed for 24 months from the group effective date.
- 5. Shelf rates for all three plan designs:

<u>VSP Choice</u>	<u>EE/EE+Spouse/EE+child(ren)/EE+Family</u>
Employer Paid (Non-contributory)	\$6.96/\$14.96/\$12.12/\$20.12
Employee Paid (Voluntary)	\$8.48/\$18.28/\$14.76/\$24.56
<u>EyeMed Access</u>	
Employer Paid (Non-contributory)	\$5.96/\$12.84/\$10.36/\$17.24
Employee Paid (Voluntary)	\$7.48/\$16.12/\$13.00/\$21.64
<u>Balanced Care III</u>	
Employer Paid (Non-contributory)	\$3.96/\$8.52/\$6.88/\$11.44
Employee Paid (Voluntary)	\$5.48/\$11.80/\$9.52/\$15.84

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Standard Insurance Basic Life Information Requirements

1. Life Insurance

- a. Name of the Group
- b. Schedule of Benefits (preferably a copy of the Policy or Certificate)
 - i. Basic Life - flat plan, salary based or class based
 - ii. Additional Life - increment plan or salary based
- c. Current rates (rate history if available)
- d. Census data (preferably via Excel)
 - i. Date of Birth
 - ii. Gender
 - iii. Salary, class and amount of insurance in force (if the basic life or additional life are salary or class based plans)
 - iv. Occupation (if available)
- e. Experience for 3 years on groups with over 1,000 covered employees, including premium, paid claims and waiver reserves.

* The Standard includes MEDEX Travel Assistance with all of our Basic Life policies for groups with 10 or more employees, at no additional cost to the group. This provides an additional sense of security for your insured employees and their eligible family members any time they travel more than 100 miles from home or internationally for trips of up to 180 days.

Standard Insurance Basic Short Term Disability Information Requirements

1. STD

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

Standard Insurance Long Term Disability Information Requirements

1. LTD

- a. Name of Group
- b. Schedule of Benefits (preferably a copy of the Policy or Certificate if Policy is not available)
 - i. Benefit waiting period (typically, 90 days or 180 days)
 - ii. Maximum benefit period (typically age 65)
 - iii. Percentage of covered earnings (typically 60%)

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- iv. Maximum monthly benefit (typically \$5,000 to \$10,000)
- v. Definition of disability (typically 2 year own occupation)
- vi. Mental nervous, Drug Alcohol, Self reported limitations (normally 24 months)
- c. Current rates (rate history if available)
- d. Census data (preferably via Excel)
 - i. Date of Birth
 - ii. Gender
 - iii. Salary
 - iv. 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.

*EAP with 3 face-to-face counseling sessions is included for members enrolled in the Voluntary LTD plan. To add EAP with 6 face-to-face counseling sessions for members enrolled in the Voluntary LTD plan the fee is \$0.25 per member per month. The fee to cover the non- LTD employees with the 3 session EAP services is \$0.25 per employee per month. The fee to cover the non-LTD employees with the 6 session EAP services is \$0.35 per employee per month.

Standard Insurance Dental Information Requirements

1. Dental Insurance

- a. Name of the Group
- b. Schedule of Benefits (preferably a copy of the Policy or Certificate)
- c. Current rates (rate history if available)
- d. Census data with current dental elections and zip codes for all employees (preferably via Excel)
- e. Experience for 3 years on groups with over 200 covered employees, including premium, paid claims and enrollment by month.

To learn more about PEBA Membership or how to access Life/LTD/STD/Dental/Vision services, contact PEBA:

Nickie Bischoff (512) 719-6768 or (800) 348-7879, ext 6768

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Public Employee Benefits Alliance

LETTER OF INTENT

Enter your group's name here intends to access the PEBA Alliance Agreement with The Standard. Enter your group's name here realizes the Alliance Agreement is a three year term and to access The Standard and PEBA Alliance Agreement the employer must continue to be an active member of PEBA with appropriate annual membership and proposal fees paid in full. Each group will be required to enter into a separate agreement with The Standard.

Contact information for the person that The Standard should contact to begin implementation:

Name: _____

E-mail: _____

Phone #: _____

Letter of Intent Approved by:

Signature: _____

Printed Name: _____

Title: _____

Employer: _____