



## Travis County Commissioners Court Agenda Request

**Meeting Date:** Tuesday, September 10, 2013  
**Prepared By/Phone Number:** C.W. Bruner, 854-9760  
**Elected/Appointed Official/Dept. Head:** Cyd Grimes  
**Commissioners Court Sponsor:** Judge Biscoe

**Approve twelve-month extension (Modification No. 7) to Contract No. 4400001100 (HTE Contract No. 06T00061OJ), Life Insurance Co. of North America, for Supplemental Employee Life and AD&D Coverage; Dependent Life Coverage; Employee Spouse Life Coverage; Retiree and Retiree Spouse Life Coverage; Stand-alone Accidental Death and Dismemberment Coverage; Short Term Disability and Long Term Disability coverage for Travis County Employees, Retirees, and Dependents.**

- **Purchasing Recommendation and Comments:** Purchasing concurs with department and recommends approval of requested action. This procurement action meets the compliance requirements as outlined by the statutes.

This contract provides for the provision of optional Supplemental Employee Life and AD&D Coverage; Dependent Life Coverage; Employee Spouse Life Coverage; Retiree and Retiree Spouse Life Coverage; Stand-alone Accidental Death and Dismemberment Coverage; Short Term Disability and Long Term Disability coverage for county employees, retirees and dependents; all beginning October 1, 2011. The product is completely optional and fully paid by the employees. The Commissioners Court approved the initial contract award on November 1, 2005.

This Modification No. 7 will extend the contract for an additional twelve (12) months, from October 1, 2013 through September 30, 2014. There is no increase to the rates for Fiscal Year 2014.

Pursuant to the Request for Proposals Number P110149-OJ, this Modification No. 6 is issued as the extension and expansion of that Collateral Agreement which is collateral to and amends Policy

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, [Cheryl.Aker@co.travis.tx.us](mailto:Cheryl.Aker@co.travis.tx.us) by Tuesdays at 5:00 p.m. for the next week's meeting.

Numbered OK 960892 for Voluntary Accidental Death or Dismemberment Coverage, which was issued to Travis County, Texas by Life Insurance Company of America and extends the Collateral Agreement to Policies Numbered FLX 964188, FLX 964189, OK 965800, VDT 960952, and VDT 960953 all to be issued to Travis County, Texas by Life Insurance Company of America and to be effective October 1, 2011. It amends the paragraph entitled TERM OF AGREEMENT of Agreement Collateral to Policy by giving the County a new two year term and the option to extend the policy for two additional one year periods. The policies to which the Agreement Collateral is extended provide the following coverage: Employee and Dependent Life Coverage; Retiree and Dependent Life Coverage; Accidental Death or Dismemberment Coverage associated with Employee and Dependent Life Coverage; and Short Term Disability and Long Term Disability for county employees that begins October 1, 2011.

Modification No. 5 was previously issued to extend the contract period for an additional twelve (12) months, through September 30, 2011. The rates, which have been the same for the past five (5) years, will remain unchanged for this period also.

Modification No. 4 was previously issued to extend the contract period for an additional twelve (12) months, through September 30, 2010. It was approved by the Commissioners Court on July 28, 2009.

Modification No. 3 was previously issued to extend the contract period for an additional twelve (12) months, through September 30, 2009. It was approved by the Commissioners Court on September 30, 2008.

Modification No. 2 was previously issued to extend the contract period for an additional twelve (12) months, through September 30, 2008. It was approved by the Commissioners Court on July 31, 2007.

Modification No. 1 was previously issued to extend the contract period for an additional twelve (12) months, through September 30, 2007. It was approved by the Commissioners Court on September 5, 2006.

There are no County funds expended on this contract. Funds are 100% paid by the County employees.

- **Contract Expenditures:** Within the last 12 months \$0.00 has been spent against this requirement.

➤ **Contract Modification Information:**

Modification Amount: Not Applicable

Modification Type: Bilateral

Modification Period: October 1, 2013 – September 30, 2014

➤ **Funding Information:**

Shopping Cart/Funds Reservation in SAP:

Comments: No County funds. This is 100% paid by County employees.

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, [Cheryl.Aker@co.travis.tx.us](mailto:Cheryl.Aker@co.travis.tx.us) by Tuesdays at 5:00 p.m. for the next week's meeting.



## Human Resources Management

700 Lavaca Street, Suite 420

P.O. Box 1748

Austin, Texas 78767

(512) 854-9165 / FAX(512) 854-6677

August 13, 2013

TO: C.W. Bruner, Purchasing Agent

FROM: Shannon Steele, Benefit Administrator *sms*  
John Rabb, Benefit Manager *JR*

SUBJECT: Contract # 06T000610 (SAP 4400001100)  
Cigna Supplemental Life/AD&D  
(Includes retiree life, dependent and spouse life)  
Long and Short Term Disability  
Cigna Voluntary Benefit Coverage (Stand Alone Ad&D)

Vendor services related to the above contract have been performed to the County's satisfaction. Please renew the current contract for Fiscal Year 2014 that will include all of the coverage's shown above.

This Employee funded contract is funded from liability account: 8001-220110

If you have any questions, please contact John Rabb at 854-2742 or Shannon Steele at 854-6046.

Fund account number

Supplemental Life AD&D 8001-220110 coverage Paid by Employees

Short and Long Term Disability 8001-220110 coverage Paid by Employees

Cigna Voluntary Benefit Coverage (stand alone AD&D) 8001-220110 Paid by Employees

Saret Nget  
Account Manager  
Cigna Group Insurance



August 13, 2013

John Rabb  
HR Supervisor  
County of Travis  
314 W. 11<sup>th</sup> Street  
Austin, TX 78701

2700 Post Oak Blvd Suite 600  
Houston, TX 77056  
Ph 713-576-4301  
Fax 860-771-4269  
Saret.Nget@Cigna.com

**County of Travis – Rate Confirmation Effective 10/1/2010**

FLX964188 Voluntary Life  
FLX964189 Retiree Life  
OK965800 EE Voluntary Accidental Death & Dismemberment – Equal to FLX964188  
OK960892 Basic & Voluntary Accidental Death & Dismemberment – Standalone  
VDT960952 Voluntary Short-Term Disability (STD) Effective 10/1/2005  
VDT960953 Voluntary Long-Term Disability (LTD)

Dear John,

Thank you for allowing CIGNA Group Insurance (Cigna) to provide Life, AD&D, and Disability benefits for County of Travis. The below rate summary outlines the current rates and rate guarantee periods.

| Product   | Policy Number | Inforce Rate        | Coverage Basis          | Rate Guarantee |
|---|---------------|---------------------|-------------------------|----------------|
| Voluntary Employee Life                           | FLX964188     | <i>See Attached</i> | Per \$1,000 of coverage | 10/1/2015      |
| Voluntary Spouse Life                             |               | <i>See Attached</i> | Per \$1,000 of coverage |                |
| Voluntary Family Life<br>(SP:\$10,000 CH:\$5,000) |               | \$1.54              | Per EE                  |                |
| Retiree Life                                      | FLX964189     | <i>See Attached</i> | Per \$1,000 of coverage | 10/1/2015      |
| Voluntary EE AD&D<br>(FLX964188 Match)            | OK965800      | \$0.02              | Per \$1,000 of coverage | 10/1/2015      |
| Voluntary EE AD&D                                 | OK960892      | \$0.02              | Per \$1,000 of coverage | 10/1/2014      |
| Voluntary Family AD&D                             |               | \$0.035             | Per \$1,000 of coverage |                |
| Voluntary STD                                     | VDT960952     | \$0.30              | Per \$10 of WB          | 10/1/2014      |
| Voluntary LTD                                     | VDT960953     | \$0.50              | Per \$100 of CMP        | 10/1/2015      |

We look forward to continuing our partnership with County of Travis and Oma Claunch.

Sincerely,  
**Saret Nget, Account Manager**

"Cigna" and the "Tree of Life" logo are registered service marks of Cigna Intellectual Property, Inc., licensed for use by Cigna Corporation and its operating subsidiaries. All products and services are provided by such operating subsidiaries and not by Cigna Corporation. Such operating subsidiaries include Connecticut General Life Insurance Company, Cigna Health and Life Insurance Company, Cigna Behavioral Health, Inc., and HMO or service company subsidiaries of Cigna Health Corporation and Cigna Dental Health, Inc.

## SCHEDULE OF RATES

### **FLX964188 Voluntary Life**

The following monthly rates apply to all Classes of Eligible Persons unless otherwise indicated.

#### **FOR EMPLOYEE BENEFITS**

##### **Voluntary Life Insurance**

Monthly Rates are based on units of \$1,000

|              |       |                 |        |
|--------------|-------|-----------------|--------|
| Under Age 20 | \$.04 | Age 60 - 64     | \$.67  |
| Age 20 - 24  | \$.04 | Age 65 - 69     | \$1.00 |
| Age 25 - 29  | \$.04 | Age 70 - 74     | \$1.76 |
| Age 30 - 34  | \$.07 | Age 75 - 79     | \$1.76 |
| Age 35 - 39  | \$.07 | Age 80 - 84     | \$1.76 |
| Age 40 - 44  | \$.11 | Age 85 - 89     | \$1.76 |
| Age 45 - 49  | \$.17 | Age 90 - 94     | \$1.76 |
| Age 50 - 54  | \$.29 | Age 95 and over | \$1.76 |
| Age 55 - 59  | \$.41 |                 |        |

A change in rates due to a change in the Employee's age will become effective on the Policy Anniversary Date coinciding with or following the Employee's birthday.

#### **FOR SPOUSE OR DOMESTIC PARTNER AND DEPENDENT CHILD BENEFITS: \$1.54**

Any increase in benefit amounts of \$10,000 for Spouse or Domestic Partner will be subject to age banded rates.

#### **FOR ADDITIONAL SPOUSE OR DOMESTIC PARTNER BENEFITS**

##### **Voluntary Life Insurance**

Monthly Rates are based on units of \$1,000.

|              |       |                 |        |
|--------------|-------|-----------------|--------|
| Under Age 20 | \$.04 | Age 60 - 64     | \$.67  |
| Age 20 - 24  | \$.04 | Age 65 - 69     | \$1.00 |
| Age 25 - 29  | \$.04 | Age 70 - 74     | \$1.76 |
| Age 30 - 34  | \$.07 | Age 75 - 79     | \$1.76 |
| Age 35 - 39  | \$.07 | Age 80 - 84     | \$1.76 |
| Age 40 - 44  | \$.11 | Age 85 - 89     | \$1.76 |
| Age 45 - 49  | \$.17 | Age 90 - 94     | \$1.76 |
| Age 50 - 54  | \$.29 | Age 95 and over | \$1.76 |
| Age 55 - 59  | \$.41 |                 |        |

Spouse rates are based on the Spouse's date of birth. A change in rates due to a change in the Spouse's age will become effective on the Policy Anniversary Date coinciding with or following the Spouse's birthday.

**FLX964189 Retiree Life**

The following monthly rates apply to all Classes of Eligible Persons unless otherwise indicated.

**FOR RETIREE BENEFITS**

**Voluntary Life Insurance For Class 1 Only**

|                   |        |
|-------------------|--------|
| Option 1 \$15,000 | \$2.08 |
| Option 2 \$25,000 | \$6.92 |

**Voluntary Life Insurance For Class 2 Only**

|  |                 |
|--|-----------------|
| Basic Benefit Amount \$5,000           | \$5.90          |
| Increases in coverage Units of \$5,000 | \$8.80 per unit |

**FOR SPOUSE, SURVIVING SPOUSE OR DOMESTIC PARTNER BENEFITS**

**Voluntary Life Insurance For Class 1 and Class 3 Only**

|                                  |        |
|----------------------------------|--------|
| Basic Benefit Amount of \$7,500  | \$2.08 |
| Basic Benefit Amount of \$12,500 | \$6.92 |

**Voluntary Life Insurance For Class 2 and Class 4 Only**

|  |                 |
|--|-----------------|
| Basic Benefit Amount of \$2,500        | \$2.95          |
| Increases in coverage Units of \$2,500 | \$4.40 per unit |

Spouse rates are based on the Retiree's date of birth. A change in rates due to a change in the Retiree's age will become effective on the Policy Anniversary Date coinciding with or following the Retiree's birthday.

Surviving Spouse rates are based on the Former Retiree's date of birth. A change in rates due to a change in the Former Retiree's age will become effective on the Policy Anniversary Date coinciding with or following the Retiree's birthday.

**MODIFICATION OF CONTRACT NUMBER: 06T00061OJ, Voluntary Benefit Coverage (CIGNA) PAGE 1 OF 2 PAGES  
(SAP # 4400001100)**

|   |  |  |
|---|--|--|
| ISSUED BY:<br>PURCHASING OFFICE<br>700 LAVACA STREET, 8 <sup>TH</sup> FLOOR<br>AUSTIN, TX 78701   | PURCHASING AGENT ASST:<br>CW Bruner<br>TEL. NO: (512) 854-9760<br>FAX NO: (512) 854-4211 | DATE PREPARED:<br><b>August 23, 2013</b>                       |
| ISSUED TO: 1000016333<br>Life Insurance Co. of North America<br>Attn: David T. Evans<br>1601 Chestnut Street<br>Philadelphia, PA 19192-2235 | MODIFICATION NO.:<br><b>7</b>  | EXECUTED DATE OF ORIGINAL CONTRACT:<br><b>November 1, 2005</b> |

ORIGINAL CONTRACT TERM DATES: **October 1, 2005 – September 30, 2007** CURRENT CONTRACT TERM DATES: **October 1, 2013 – October 1, 2014**

**FOR TRAVIS COUNTY INTERNAL USE ONLY:** Original Contract Amount: \$ N/A Current Modified Amount \$ N/A

**DESCRIPTION OF CHANGES:** Except as provided herein, all terms, conditions, and provisions of the document referenced above as heretofore modified, remain unchanged and in full force and effect.

This modification number seven to Collateral Agreement With Life Insurance Company of North America for Voluntary Accidental Death or Dismemberment Coverage is made by the following parties:  
Life Insurance Company of North America, a Pennsylvania corporation (“Company”) and Travis County, Texas (“County”).

**RECITALS**

County and Company entered into a contract for Voluntary Accidental Death or Dismemberment Coverage for county employees that began October 1, 2005 and was extended annually until October 1, 2011. As a result of Request for Proposals, County extended this contract for two years with two options to extend it for one additional year each and expanded the coverage to include short term disability, long term disability, and life and accidental death and dismemberment for active employees and retirees and their dependents, insurance.

This modification 7 is to exercise the first of two options to extend the first novation of the Agreement Collateral. The Agreement Collateral is collateral to and amends Policies Numbered OK 960892, FLX 964188, FLX 964189, OK 965800, VDT 960952, and VDT 960953 all issued to Travis County, Texas by Life Insurance Company of America.

**AGREEMENT**

1.0 Pursuant to 2.2 of the Initial Agreement as amended to be the First Novation of Agreement Collateral in Modification 6, Travis County exercises its option to extend the Agreement Collateral and all policies attached to it for the first novation option period from October 1, 2013 through September 30, 2014.

**Note to Vendor:**  
 Complete and execute (sign) your portion of the signature block section below for all copies and return all signed copies to Travis County.  
 DO NOT execute and return to Travis County. Retain for your records.

|   |                                      |
|---|--------------------------------------|
| LIFE INSURANCE CO. OF NORTH AMERICA       | <input type="checkbox"/> DBA         |
| BY: _____<br>SIGNATURE<br>Jeffrey Pugh    | <input type="checkbox"/> CORPORATION |
| TITLE: _____<br>ITS DULY AUTHORIZED AGENT | <input type="checkbox"/> OTHER       |
|   | DATE: _____                          |

|  |             |
|--|-------------|
| TRAVIS COUNTY, TEXAS   | DATE: _____ |
| BY: _____<br>CYD V. GRIMES, C.P.M., TRAVIS COUNTY PURCHASING AGENT |             |

|  |             |
|--|-------------|
| TRAVIS COUNTY, TEXAS                               | DATE: _____ |
| BY: _____<br>SAMUEL T. BISCOE, TRAVIS COUNTY JUDGE |             |



2.0 Pursuant to the terms of the policies attached to Modification 6, the monthly rates applicable to all coverages remain the same as the rates for the initial term of First Novation of the Agreement Collateral and are stated in the policies attached to Modification 6.

3.0 Pursuant to 13.0 of the Agreement Collateral, section 23.0 FOB Point is deleted and the following is inserted in its place:

23.0 FOB POINT

23.01 Delivery of all products, reports or services under this contract shall be Free on Board (FOB) to final destination at the address shown below.

Human Resources Management Department  
Attn: Mr. John Rabb, Benefits Manager  
700 Lavaca Street, 4<sup>th</sup> Floor  
Austin, Texas 78701

4.0 Company and County hereby incorporate this amendment into the Initial Contract as amended in Modification 6 and the First Novation of Collateral Agreement as stated in Modification 6. Company and County hereby ratify all of the terms and conditions of the Initial Contract and First Novation of Collateral Agreement amended.

5.0 The changes to the First Novation of Collateral Agreement are effective when this Modification 7 is signed by both Company and County.