

Cleveland Public Library

Human Resources Committee

February 21, 2013

RESOLUTION TO ENTER INTO RENEWAL AGREEMENT WITH ING EMPLOYEE BENEFITS (RELIASTAR) FOR LIFE INSURANCE POLICIES

- WHEREAS, The Library wishes to continue to provide life insurance plans to its full-time employees to retain and attract qualified individuals; and
- WHEREAS, The Library is required by its labor contracts to provide group life and Accidental Death and Dismemberment (AD&D) insurance; and
- WHEREAS, The Library's life insurance policies have been in force with ING Employee Benefits (ING) since 2010 and are currently coming off a three-year rate guarantee on March 15, 2013; and
- WHEREAS, The Library's 34 month experience period showed a 330% loss ratio on all policies, and if the Library were to request proposals for new life insurance policies, this information would have to be shared with prospective carriers; and
- WHEREAS, Gallagher Benefit Services, the Library's benefit consultant, reviewed ING's Premium Rate Renewal Proposal and recommends that the Library accept the proposal instead of requesting proposals from carriers for new life insurance policies; and
- WHEREAS, While the basic and supplemental life plans might call for significant premium increase as a result of the claims, ING is proposing a modest increase to the basic life and no increase to the supplemental life, AD&D or dependent life plans. The supplemental life, supplemental AD&D, dependent life and basic AD&D rates will remain at current rates; and

EXHIBIT 10

WHEREAS, The renewal proposal for basic life is \$.13/\$1,000, an increase from \$.10/\$1,000, which is an estimated increase in the annual renewal premium of \$2,916.00; now therefore be it

RESOLVED, That Board of Library Trustees authorizes the Executive Director, CEO, or designee, to execute an agreement with ING, subject to the Chief Legal Officer's approval, to be effective on or about March 15, 2013, with an estimated annual premium of \$14,580, based on current lives; to be charged to the Life Insurance object 51620 in the General fund.