

Cleveland Public Library

Board Meeting

February 19, 2015

RESOLUTION TO ENTER INTO RENEWAL AGREEMENT WITH VOYA EMPLOYEE BENEFITS (A DIVISION OF RELIASTAR) FOR LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT POLICIES

- WHEREAS, The Library wishes to continue to provide life insurance and accidental death and dismemberment (AD&D) 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 AD&D insurance; and
- WHEREAS, The Library's life insurance policies have been in force with ING Employee Benefits, now VOYA Employee Benefits, a division of ReliaStar Life Insurance Company, since 2010 and the current term is expiring on March 14, 2015; and
- WHEREAS, The current rate for basic life is \$.13/\$1,000 and \$.02/\$1,000 for basic AD&D insurance. The renewal rates will remain the same without any increase to either basic life, supplemental life, basic AD&D, or supplemental AD&D; now therefore be it
- RESOLVED, That the Board of Library Trustees authorizes the Executive Director, CEO, or his designee, to execute an agreement with VOYA Employee Benefits, a division of ReliaStar Life Insurance Company, subject to the Chief Legal Officer's approval, to be effective on or about March 15, 2015, with an estimated annual premium of \$13,176.00 based on current lives, to be charged to the Life Insurance Object 51620 in the General Fund; be it further
- RESOLVED, That the Executive Director, CEO, or his designee, is further authorized to enter into renewal agreements with VOYA Employee Benefits, a division of ReliaStar Life Insurance Company, after the expiration of the 2015-2016 renewal, provided that the renewal rates do not exceed the current rate.



Life Insurance Renewal Offer

Voya™ Employee Benefits

Prepared for:
Cleveland Public Library

Effective Date
03/01/2015

Policy Number
66960-1

01/20/2015

Renewal offer presented to:
Cleveland Public Library
Arthur J. Gallagher & Co.
1100 Superior Avenue, Suite 1700
Cleveland, OH 44114

Presented by Voya Financial
Ryan Yeary
Assistant Regional Manager
Cleveland Sales office

Renewal effective date
03/01/2015

Policy number
66960-1

Dear Cleveland Public Library,

Thank you for your continued business with Voya Employee Benefits. We are pleased to offer the enclosed renewal for the above client and effective date.

Voya Employee Benefits, a division of ReliaStar Life Insurance Company, is dedicated to providing innovative products, competitive pricing and exceptional customer service. Our broad product portfolio is designed to meet a wide range of employer and employee needs. Our client services model puts local sales and account managers at the forefront of the customer service experience. If we can assist with any additional products, please contact me at your earliest convenience.

We welcome the opportunity to renew this business with you. Thank you again for your continued business with Voya Employee Benefits.

Sincerely,

Ryan Yeary
Assistant Regional Manager

CC: Angela Gillen
Account Manager

**Experience Summary for
Cleveland Public Library
66960-1**

Basic Life

Policy Period	Incurring Claims	Paid Premium	Incurring Claims as a % of Paid Premium
<Year 6>			
03/01/2010 - 02/28/2011	\$ 44,149	\$ 10,917	404%
03/01/2011 - 02/29/2012	\$22,108	\$10,201	217%
03/01/2012 - 02/28/2013	\$20,076	\$9,590	209%
03/01/2013 - 02/28/2014	\$1,500	\$12,319	12%
03/01/2014 - 10/31/2014	\$0	\$8,135	0%
Total	\$87,833	\$51,162	172%

Supplemental Life

Policy Period	Incurring Claims	Paid Premium	Incurring Claims as a % of Paid Premium
<Year 6>			
03/01/2010 - 02/28/2011	\$ 82,158	\$ 12,262	670%
03/01/2011 - 02/29/2012	\$79,426	\$26,217	303%
03/01/2012 - 02/28/2013	\$0	\$27,826	0%
03/01/2013 - 02/28/2014	\$0	\$27,273	0%
03/01/2014 - 10/31/2014	\$0	\$18,262	0%
Total	\$161,584	\$111,840	144%

Dependent Life

Policy Period	Incurring Claims	Paid Premium	Incurring Claims as a % of Paid Premium
<Year 6>			
03/01/2010 - 02/28/2011	\$0	\$1,494	0%
03/01/2011 - 02/29/2012	\$0	\$3,147	0%
03/01/2012 - 02/28/2013	\$20,076	\$3,212	625%
03/01/2013 - 02/28/2014	\$0	\$3,248	0%
03/01/2014 - 10/31/2014	\$0	\$2,189	0%
Total	\$20,076	\$13,290	151%

**Life Insurance Renewal Offer
Cleveland Public Library
669601**

Estimated Annual Cost
Life Insurance Coverages

Coverage	Current Rate/\$1,000	Renewal Rate/\$1,000	Volume	Renewal Annual Cost
Basic Life Insurance	\$0.130	\$0.130	7,820,000	\$ 12,199
Basic AD&D Insurance	\$0.020	\$0.020	7,820,000	\$ 1,877

Supplemental Life Insurance - Employee Rates

Age	Current Rate/\$1,000	Renewal Rate/\$1,000
<25	\$0.060	\$0.060
25-29	\$0.060	\$0.060
30-34	\$0.080	\$0.080
35-39	\$0.100	\$0.100
40-44	\$0.120	\$0.120
45-49	\$0.170	\$0.170
50-54	\$0.310	\$0.310
55-59	\$0.500	\$0.500
60-64	\$0.770	\$0.770
65-69	\$1.470	\$1.470
70-74	\$2.390	\$2.390
75-79	\$2.390	\$2.390

Supplemental Life Insurance - Spouse Rates

Age	Current Rate/\$1,000	Renewal Rate/\$1,000
<25	\$0.060	\$0.060
25-29	\$0.060	\$0.060
30-34	\$0.080	\$0.080
35-39	\$0.100	\$0.100
40-44	\$0.120	\$0.120
45-49	\$0.170	\$0.170
50-54	\$0.310	\$0.310
55-59	\$0.500	\$0.500

60-64	\$0.770	\$0.770
65-69	\$1.470	\$1.470
70-74	\$2.390	\$2.390
75-79	\$2.390	\$2.390

Supplemental AD&D Insurance

Coverage	Current Rate/\$1,000	Renewal Rate/\$1,000
Employee	\$0.020	\$0.020

Supplemental Dependent Life Insurance

Coverage	Current Rate/\$1,000	Renewal Rate/\$1,000
Option 1	\$2.000	\$2.000

Personal Accident Insurance

Coverage	Current Rate/\$1,000	Renewal Rate/\$1,000
Employee EE & Family		

Renewal Expiration Date: 03/15/2015
 Commissions: 0.0%
 Rate Guarantee: 1 year

Benefit Plan Changes:
 (may result in rate adjustments)

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In order for us to process this renewal in a timely manner, please sign below and return the completed form via fax, email or mail to your Account Manager.

This form only acknowledges acceptance of the renewal rates. Amendments may need to be signed by the policyholder for any changes to the current contract and will be sent after acceptance of the renewal.

Authorized Signature _____ Date _____

Print Name _____ Title _____

Cleveland Public Library
66960-1
03/01/2015

Notes:

- * <Cost for Basic Life includes may include Voya Travel Assistance and Funeral Planning and Concierge Services.>
- * <If Port Choice is elected, individuals who choose to port their coverage may have a different rate schedule by Supplemental and/or Dependent product.>

Life Insurance is underwritten by ReliaStar Life Insurance Company. Policy form LP00GP (may vary by state).

Voya Employee Benefits

Offering Choice and Depth for the Benefit of our Customers

At Voya Employee Benefits, we offer a broad array of products and services to meet the varied financial needs of mid-sized to large employers and their employees. Whether you want to offer traditional group benefits, voluntary products, or retirement planning services, we strive to give employees choices and assure you ease and administrative efficiency. Our approach is to package our products with one another to create an integrated benefit program.

Insurance products and services are provided by ReliaStar Life Insurance Company unless otherwise noted. Product availability varies by state.

Life and AD&D Insurance Products & Services

Group Annual Term Life Insurance

Portable Term Life Insurance

Dependent Life Insurance

Whole Life Insurance

Universal Life Insurance

Personal Accident Insurance

Beneficiary Support Services

Funeral Planning & Concierge Services (1)

Stop Loss Insurance

Individual Stop Loss Insurance

Aggregate Stop Loss Insurance

Retirement Planning

Retirement programs (3) for the corporate, health, education, and government markets

Other Products & Services

Voya Travel Assistance (4)

Disability Income Insurance Products & Services

Core/Basic Disability Income Insurance

Supplemental Disability Income Insurance

Voluntary Long-Term Disability Income Insurance

Voluntary Disability Income Insurance

Voluntary Short-Term Disability Income Insurance

Case Management

FMLA services (2)

Insurance products for association members

Employee Assistance Program (5)

International Benefits Capabilities (6)

Online services, including billing, reports and documents

Other Group and Voluntary Insurance Products

Accident Insurance

Critical Illness Insurance

Hospital Confinement Indemnity Insurance

(1) Funeral Planning & Concierge Services are provided by Everest Funeral Package, LLC, Houston, TX. Services are not available in all states.

(2) FMLA services are provided by ComPsych, Chicago, IL. Services are not available in all states.

(3) For retirement programs, insurance products and annuities are issued by Voya Retirement Insurance and Annuity Company or other affiliated companies; securities are distributed by Voya Financial Partners, LLC (member SIPC) and other authorized broker/dealers with which it has a selling agreement.

(4) Voya Travel Assistance services are provided by Europ Assistance USA, Bethesda, MD. Services are not available in all states.

(5) Employee Assistance Program (EAP) services are provided by ComPsych, Chicago, IL. Services are not available in all states.

(6) Benefits for U.S. employers who have employees abroad are provided by affiliated and non-affiliated insurance companies participating in the ING Employee Benefits Global Network, a collection of insurance companies that write and service employee benefits programs throughout the world. We are not the agents of nor do we distribute the products of those other companies.

Voya Glossary

Case Rate - the target rate, calculated by comparing the rate that would have produced premiums to cover expenses and incurred claims within the review period (experience rate), and average rate for a case with the same characteristics as your employee population and insurance plan (manual rate).

Constant Premium - the premium that would have been paid if the current rate and plan design had been in force throughout the review 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 - the weight put on the past experience of the group in determining a case rate. Credibility is impacted by the number of lives covered, the frequency of claims, plan design and demographics.

Experience Adjustment - applied to the in force rate to arrive at the experience rate. Calculated by dividing the incurred loss ratio (incurred claims divided by constant premiums) by the tolerable loss ratio (the incurred loss ratio required to cover incurred claims and the cost of doing business).

Experience (or review) Period - the time period used in the experience evaluation, usually five years for life insurance, one or two years for short term disability, and three years for long term disability.

Experience rate - the rate that would have produced premiums adequate to cover incurred claims and pay expenses within the review period.

Incurred claims - consists of paid claims, changes in waiver reserve, portability and conversion charges, changes in incurred but not reported reserves.

Inforce rate - the current rate being charged for the cost of coverage.

Manual rate - a target rate for your plan based on your employee demographics, industry group and insurance plan design, supported by Voya data. The manual rate does not take into account your actual claims experience.

Paid claims - the total amount paid on claims submitted during the review period.

Paid Loss Ratio - paid claims divided by the paid premium, expressed as a percentage.

Paid premium - the total amount paid as insurance premium for the review period.

Pending claims - claims received, but not yet paid.

Reserves - funds to cover claims both approved but not yet paid, incurred but not reported (IBNR), and run-out claims.

Tolerable loss ratio - the target loss ratio required to cover incurred claims and the cost of doing business. For example, a tolerable loss ratio of 70% means that 70 cents of every premium dollar can be allocated to cover incurred claims, and the remaining 30 cents covers the cost of doing business.

Waiver reserves - funds for estimated future liability for disabled employees who have been approved for life insurance waiver of premium.