

8-12-08

NB (P) 10

**SUMNER COUNTY BOARD OF COMMISSIONERS
EXECUTIVE SUMMARY**

SUBJECT: Supplementary Insurance - Allstate

Work Session (Report Only) **DATE OF MEETING:** 8/12/08
 Regular Meeting
 Special Meeting

BUDGET IMPACT:

Annual
 Capital
 N/A

FUNDING SOURCE: _____
EXPENDITURE ACCOUNT: _____

REQUESTED ACTION: Authorize Allstate to offer supplementary insurance through payroll deduction

HISTORY/FACTS/ISSUES:

Supplementary insurance was formerly offered through AFLAC to employees in the Cafeteria Plan* through payroll deduction. We severed the relationship recently due to poor customer service. Employees who currently have AFLAC products have the option of keeping the products through a direct relationship with AFLAC or switching to a new product offered and paying for those products through payroll deduction. The Board's benefit broker, Brown & Brown Insurance, now recommends the Allstate products for supplementary insurance. A letter from Brown and Brown recommending Allstate is attached.

The insurance would be offered to employees in the Group Health Plan through payroll deduction. There would be no county funds contributed to this insurance. The employee would be able to select coverage based on their needs from a variety of plans (accident, cancer, heart care plus, life insurance). The life insurance will be guarantee issue and participation is entirely voluntary. These policies are individual policies (not group) and can go with the employee should they separate employment.

The insurance would be offered to the employee at open enrollment annually and when new employees start employment.

Brown & Brown will act as the customer service point-of-contact for Risk Management Staff and employees having Allstate products. As the broker, Brown & Brown will receive a commission from all products sold by Allstate.

*** Lake/Sumter EMS has their own Cafeteria Plan and are not included in the Board's.**

DEPARTMENT RECOMMENDATION:

DEPARTMENT HEAD SIGNATURE _____

DIVISION RECOMMENDATION:

DIVISION DIRECTOR SIGNATURE: Authorize Allstate to OFFER insurance

COUNTY ADMINISTRATOR RECOMMENDED ACTION:

AS RECOMMENDED

ACTION TAKEN BY THE
BOARD:

DATE:

8/12/08
AUG 12 2008

APPROVED



Allstate.

Workplace Division

American Heritage Life Insurance Company
1776 American Heritage Life Drive
Jacksonville, Florida 32224
1-800-521-3535

Employer's Acceptance of Voluntary Insurance Program

August 12, 2008

This is to advise American Heritage Life Insurance Company (AHL) that we will process AHL's Voluntary Insurance Program for the benefit of our employees. For each employee who executes a payroll deduction request, we will withhold the amount authorized. We will forward this money to AHL upon receipt of AHL's monthly report indicating the premium due from each employee.

We may, upon written notice to AHL and to our employees, discontinue our participation in AHL's Voluntary Insurance Program. In such event, the continued payment of premiums will be a matter directly between each employee and AHL.

We assume no responsibility for forwarding premiums from anyone other than current employees.

We understand that AHL does not disclose personal information about our employees to companies or organizations not affiliated with AHL that would use the information to market their own products and services. However, AHL may share with us personal information about our employees, and other persons, in order to carry out the purpose of AHL's Voluntary Insurance Program. Personal Information includes all personally identifiable health information and other information about a person that:

- a person provides to AHL to obtain insurance,
- results from an insurance transaction, or
- is otherwise obtained in connection with providing insurance.

We agree not to disclose or use this personal information except as necessary for our participation in AHL's Voluntary Insurance Program.

Name of Company or Firm: Sumter County Board of County Commissioners

Address (Street & Number): 910 North Main St., Suite 217

City Bushnell State Florida Zip 33513

Employer Selected Insurance Plan(s): Cancer, heart/Stroke, accident, Universal Life, Term Life

Future Purchase Option Rider Selected Yes No Signature _____

Signed by: Richard Tojima Title: CHAIRMAN

Agent of Record: _____ Agent # _____

To be signed in duplicate, one copy retained by Employer and one forwarded to American Heritage Life Insurance Company.



INSURANCE MARKETPLACE
STANDARDS ASSOCIATION



Brown & Brown of Florida, Inc.
900 N. 14th Street
P.O. Box 491636
Leesburg, Florida 34749-1636
352/787-2431 • FAX 352/787-9922

July 25, 2008

Allstate Supplemental Insurance Recommendation

The Board of Sumter County Commissioners
910 N. Main St. Suite 217
Bushnell FL 33513

Dear The Board of Sumter County Commissioners,

The County currently is providing supplemental products through AFLAC and it was brought to my attention several months ago that admin was unhappy. The issues that we uncovered were turnover of service agents and billing. In having resolved similar issues in the past we immediately brought Allstate in to interview with the risk management staff to solve the problems and provide better products for the County employees. Along with a more user friendly billing system, Allstate provides guarantee issue on some of their products which could prove to be key to employees with past health issues or high risk positions (firemen, sheriff, etc.).

Brown & Brown has had a good working relationship with Allstate and they have provided the following references: City of Apopka, UCF Athletic Association, Melco Corp, Shands Hospital, and Florida Department of Corrections. Overall, Brown & Brown is recommending to allow Allstate provide supplemental insurance to your employees.

Thank you,
Travis Childers
Account Executive
Brown & Brown

Supplemental Insurance Menu

ACCIDENT/DISABILITY**

3 plans to choose from
Loss of life or limbs (\$40,000 to \$80,000)
Hospital confinement (\$200 to \$400 daily)
Dislocation or fracture up to \$8,000
Disability income up to 12 months
Individual or family coverage

CANCER INSURANCE**

Annual wellness benefit
Initial diagnosis up to \$5,000
Daily hospital benefit up to \$400
Private duty nursing services
Radiation & Chemotherapy up to \$20,000 annually
Experimental treatment \$10,000 annually
Guaranteed renewable for life

UNIVERSAL LIFE and 20 YEAR TERM LIFE INSURANCE

\$5,000 to \$150,000
Family Coverage Available
Contingent Guaranteed Issue*

Heart Stroke**

Hospital Confinement, Heart transplant \$200,000
Covers Heart Attack, Stroke, and More
Contingent Guaranteed Issue*

***Contingent Guaranteed Issue (No medical or job related questions asked)**

**** Pre-Taxed**

AWD Optional Life and Health Insurance

Participate in a supplemental insurance program which can help provide for specific insurance coverage important for yourself and your family.

- Plans are voluntary
- Policies are portable and can continue even if you change jobs as long as premiums are paid to the insurance company
- Premiums paid through convenient payroll deduction
- Individual and Family coverage available
- Affordable premiums make it easy to get started
- Pays *in addition* to other coverage you may have
- Pays direct to you, unless assigned



Allstate

Workplace Division

* INDICATES PRODUCTS OFFERED

think about it

Workplace Insurance

* UNIVERSAL LIFE

Starting now, you can purchase life insurance which will provide a death benefit and over time, may provide you with fund values you can use for retirement, children's education or emergencies. Best of all, you are the one in control. You may vary the premiums paid into your policy; you get tax deferred fund value accumulation; you get competitive current interest rates; and you are guaranteed a minimum interest rate.

Of course, should you die anytime after the effective date of the policy, and while the policy is still in force the death benefit amount (less any outstanding policy loans) is paid to your beneficiary.

Plus... you can add optional rider benefits to enhance your coverage - Other Insured and Children's Term Coverage, Living Benefit, Accidental Death Benefit, Premium Waiver, Long Term Care, Future Purchase Options, and to policy UL20, Primary Insured Term Rider.

* TERM LIFE

Horizon Term is a twenty-year renewable and convertible term policy with level death benefits. It is ideal for providing life coverage for a specified term at affordable premium rates. It gives your beneficiary a source of funds which can be used to help continue mortgage payments, college education or other large expenses that don't stop with an untimely death. Best of all it can be converted to an AWD Universal Life policy without evidence of insurability.

Valuable benefit features include: 20-Year Renewable and Convertible; minimum Face Amount - the greater of \$10,000 (\$25,000 WA, WV) or the face amount purchased by weekly premium of \$5.00 (payroll). The greater of \$25,000 or the face amount purchased by annual premium of \$100.00 (direct); and Income Tax Free Death Benefit.

Plus... you can add optional rider benefits to enhance your coverage - Accidental Death Benefit, Premium Waiver, Spouse Term, Children's Term, and Living Benefit.

SHORT TERM DISABILITY

Protect one of your most valuable assets - your ability to earn an income. Right now, you have a regular income. Pay an affordable amount now for an AWD Disability Income policy, and you'll have benefits to help offset a loss of income if disability due to covered sickness or off-the-job injury strikes. Nearly 9 out of 10 deaths and about two thirds of the disabling injuries suffered by American workers occurred off-the-job.¹

Valuable features include: A monthly benefit you choose, from \$400 - \$5,000 - up to 60% of your income; Affordable Rates; and a fast easy application and underwriting process.

Plus... you can add optional rider benefits to enhance your coverage - Accidental Death and Dismemberment Coverage and On-the Job Disability Income.

1. *Injury Facts*, National Safety Council, 2005-2006.

* ACCIDENT

Nine out of 10 deaths and about two thirds of the disabling injuries suffered by workers in 2004 occurred off the job. The ratios of off-the-job deaths and injuries to on-the-job were 8.9 to 1 and 1.8 to 1, respectively.² If it happens to you, how will you pay for it? Protecting you and your family against the additional expenses associated with accidental injury, however, is no accident. And, though you cannot plan your next accident, you can plan protection against the high costs associated with accidental injury and death.

Valuable features include: Accidental Disability Income (primary insured only); Regular Ambulance or double benefit for Air Ambulance; Medical Fees Benefit; Coverage for Dislocations and Fractures as stated in policy; Hospital Confinement Benefit as stated in policy; and Accidental Death and Dismemberment Benefit.

Plus... you can add optional rider benefits to enhance your coverage - Sickness Disability Income (primary insured only), Sickness Hospital Confinement, Outpatient Physician's Treatment, Benefit Enhancement, and Extended Benefit.

2. *Injury Facts*, National Safety Council, 2005-2006.

* CANCER/SPECIFIED DISEASE

No one likes to think about getting cancer. But in the U.S., men have slightly less than a 1 in 2 lifetime risk of developing cancer; for women, the risk is a little more than 1 in 3.³ Cancer may not be preventable, but you can protect yourself from some of the costs associated with cancer. AWD offers 2 cancer policies to choose from, and one policy offers coverage for additional Cancer/Specified Diseases. With each policy you can select between 3 benefit levels and have the option of adding optional rider coverage to enhance your policy.

Heritage Series Valuable features include: 20 Other Specified Diseases Covered; Hospitalization-Related Benefits; Transportation and Lodging Benefits; Extended Care Benefits; and Other Cancer Treatment Benefits.

Additional Benefits added to the base policy - Wellness Benefit and Cancer Initial Diagnosis Level Benefit. Plus... you can add an optional rider benefit to enhance your coverage - Intensive Care.

Heritage Provider Valuable features include: Hospitalization-Related Benefits; Transportation and Lodging Benefits; Extended Care Benefits; and Other Cancer Treatment Benefits.

Additional Benefits added to the base policy - Wellness Benefit and Cancer Hospitalization Progressive Benefit. Plus... you can add an optional rider benefit to enhance your coverage - Intensive Care.

3. *Cancer Facts & Figures*, American Cancer Society, 2006.

S. H. O. P. (*Supplemental Health Options Plan*)

The average length of stay in a U.S. hospital in 2005 was 4.8 days.⁴ Even just a couple of days in the hospital could be costly to you. Help solve the dilemma of protecting yourself and your family against the rising cost of hospitalization, co-insurance and deductible responsibility, while keeping out-of-pocket costs affordable.

Valuable benefit features include: Daily Hospital Confinement; Hospital Intensive Care Unit; and Waiver of Premium.

Plus... additional rider benefits have been added to the base policy to enhance your coverage - Initial Hospitalization, Inpatient Physician's Benefit, Surgery and Anesthesia, Outpatient Physician's Benefit, Outpatient Emergency Accident, At Home Nursing Benefit, and Transportation.

4. 2005 National Hospital Discharge Survey, CDC, July, 2007.

*** HEART CARE PLUS**

No one likes to think about getting coronary artery disease. But Coronary Heart Disease is the single largest killer of American males and females. About every 26 seconds an American will suffer a coronary event, and about every minute someone will die from one. About 40 percent of the people who experience a coronary attack in a given year will die from it. And, did you know that Coronary Heart Disease costs, both direct and indirect, were estimated at \$142.5 billion for 2006?⁵ Have you considered how Cardiovascular Diseases could impact your financial security?

Valuable benefit features include: Hospitalization-Related Benefits; Surgery - Related Benefits; Transportation and Lodging Benefits; Transplant Benefits; and Other Heart and Stroke Benefits.

Plus... you can add optional rider benefits to enhance your coverage - Cancer Initial Diagnosis, Hospital Intensive Care, and Wellness Benefit.

5. Heart Disease and Stroke Statistics, The American Heart Association, 2006 Update.

NOT OFFERED
Group Insurance ↓

HERITAGE CHOICE DENTAL

One way to maintain a winning smile is through preventative dental maintenance. The Heritage Choice Dental plan pays benefits for covered dental procedures you receive while you are insured under the group policy. The policy offers: an insured percent that increases the 2nd and 3rd coverage years; orthodontic services/braces (after 6 mo. coverage); no network of Dentists; entire family coverage; and a wellness benefit that includes a yearly exam and cleaning.

Valuable features include: Wellness Benefit; Deductible; Insured Percent; Elimination Period; Annual Plan Maximum; and Schedule of Covered Dental Procedures.

TERM LIFE

Twenty-two percent of families with dependent children admit that they will have immediate trouble meeting every day living expenses, and another 26 percent can cover expenses for only a few months of the death of a primary wage earner.⁶ People who die prematurely with inadequate life insurance coverage create a financial burden on the surviving family. What if your family lost income due to a premature death of a wage earner?

Valuable benefit features include: Choose coverage amounts up to \$500,000 in increments of \$10,000 (to 5 times your annual salary). Amounts above the Guaranteed Issue limits will be subject to evidence of insurability.

Spouse coverage up to \$100,000 in increments of \$10,000 (to a maximum of 50% of your coverage amount); Coverage for children up to \$10,000 in increments of \$2,500, as long as you have selected coverage on yourself; Affordable premium rates; If you change employers or retire, convert your coverage to a individual permanent life insurance policy without evidence of insurability. (State variations do apply.)

6. *Facts about Life Insurance Facts*, LIMRA, 2007.

ACCIDENT

On average, there are 13 unintentional injury deaths and about 2,650 disabling injuries every hour during the course of a year.⁷ If it happens to you, how will you pay for it? Protecting you and your family against the additional expenses associated with accidental injury, however, is no accident. And, though you cannot plan your next accident, you can plan protection against the high costs associated with accidental injury and death.

Valuable benefit features include: 24-hour Accident Coverage for yourself or your entire family; Hospitalization, Intensive Care and Medical Expense Benefits; Ground or Air Ambulance Benefits; Dislocations, Fractures, Loss of Limb and Death Benefits; and Coverage for an unlimited number of accidents.

Plus... your employer can choose to add optional rider benefits to enhance your coverage - Off-the-Job Accident Disability, On- and Off-the-Job Accident Disability, Off-the-Job Accident and Sickness Disability, On- and Off-the-Job Accident and Sickness Disability, On- and Off-the-Job Accident Disability for Insured Spouse, and On- and Off-the-Job Accident and Sickness Disability for Insured Spouse.

7. *Injury Facts*, National Safety Council, 2005-2006.

LONG TERM AND SHORT TERM DISABILITY

No one likes to think a disability will ever happen, but consider this: there are about 2,650 disabling injuries every hour during the year in the United States.⁸ You can't always rely on Social Security, in 2005, the average monthly Social Security benefit was \$938.⁹ If you become injured or disabled, you could lose your most important asset - your paycheck. Group Disability Insurance helps you prepare for the unexpected with flexible, affordable income protection.

ITD Valuable benefit features include: Select a benefit amount in \$100 increments from a monthly benefit of \$400 up to \$6,000 or 60% of your earnings, whichever is less; \$100 minimum monthly benefit is payable. If your employment ends, coverage will continue at the same group rates for up to 24 months, as long as you have been insured under the plan for 12 consecutive months*; Family Survivor Income Benefit; Maternity covered as any other sickness; Recurrent Disability Benefits payable; and Waiver of Premium.

STD Valuable benefit features include: Select a benefit amount in \$100 increments from a monthly benefit of \$400 up to \$2,500 or 60% of your earnings, whichever is less; \$100 minimum monthly benefit payable; If your employment ends, coverage will continue at the same group rates for up to 24 months, as long as you have been insured under the plan for 12 consecutive months*; Maternity covered as any other sickness; Partial Disability Benefit payable; Recurrent Disability Benefits payable; and Waiver of Premium.

*State variations do apply.

8. *Injury Facts*, National Safety Council, 2005-2006.

9. *Annual Statistical Report on Social Security Program*, Social Security Administration, 2006.

Howell, Sandee

From: Travis Childers [Travis.Childers@bblesburg.com]

Sent: Tuesday, August 12, 2008 3:26 PM

To: Howell, Sandee; Young, Carolyn

-
-
AFLAC/FCL vs. Allstate Comparisons
-
-

FCL products are as follows:

Guarantee issue, per product, is as follows:

Voluntary life, employee-\$100,000 Max-\$250,000

Voluntary Life, spouse- \$50,000 Max- \$125,000

Voluntary Life, child- \$15,000 Max- \$25,000

Group Term Life and AD&D- Flat benefit amount of \$25,000

Retiree Group Term Life- Flat benefit amount of \$25,000.

Allstate products are as follows:

1. The term life is level premium for 20 years and is guaranteed issue up to \$150,000. this could be in addition to the FI Combined life and it is GI even if the FCL is not
2. The Universal Life is Guaranteed Issue to \$150,000 again in addition to the FCL
3. The Accident provides a disability benefit resulting from an accident that pays in addition to work comp or any other income.
4. The cancer policy has higher policy limits than AFLAC with the same or lower premium
5. The Heart/Stroke policy is not offered by AFLAC and acts as a Critical Illness policy that is guaranteed issue.

8/12/2008