

# COUNTY OF NEVADA

## DEPARTMENT OF HUMAN RESOURCES

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### NEVADA COUNTY BOARD OF SUPERVISORS

#### Board Agenda Memo

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**MEETING DATE:** November 17, 2020

**TO:** Board of Supervisors

**FROM:** Steven Rose, Director of Human Resources

**SUBJECT:** Resolution approving Amendment No. 1 to the personal services agreement between the County of Nevada and ReliaStar Life Insurance Company, increasing the maximum basic life and AD&D insurance policy coverage for Class 1 employees to \$500,000, and increasing the basic life rate from \$.07 to \$.095 for an annual increase of \$6,723, and authorizing the Chair of the Board of Supervisors to execute the Amendment and grant the Human Resources Director approval to execute the annual renewals.

**RECOMMENDATION:** Approve the attached Amendment and Resolution

**FUNDING:** Funding for the employee life insurance, long term (LTD) and short term (STD) disability insurance is contained within Departments' annual budgets, and supplemental life insurance is funded by employees; therefore, this agreement does not specify a dollar amount, as is consistent with past practice and industry standard.

**BACKGROUND:**

The Board approved the initial agreement with ReliaStar Life Insurance Company on July 28, 2020, by Resolution No. 20-337, to provide Basic and Supplemental Life insurance for employees and their dependents, as well as Accidental Death and Dismemberment (AD&D) insurance and LTD and STD disability insurance to select groups of employees.

The County currently offers Basic Life and AD&D insurance at two times the annual salary to Class 1 active full-time appointed & elected Department Heads or County Executive. The current policy limit for Class 1 employees of \$250,000 is insufficient to meet the twice the salary amount in some cases, thereby necessitating an increase in the policy limit for the Basic Life and AD&D plan to a maximum of \$500,000 for Class 1 employees. This increase is required in order to comply with this benefit as set forth in the Compensation and Benefits Summary for Appointed and Confidential Senior Executives.

Nevada County's Class 1 employment category has approximately 25-27 employees who make up 37% of the total Basic Life volume. Accordingly, we must increase the Basic Life rate, which has increased our premiums due to risk.

This change will require a rate increase from \$0.07 to the new rate of \$0.095 per \$1,000 of coverage on the Basic Life rate for all employees covered under the Basic Life plan effective November 1, 2020. This difference in premium equates to \$6,723 annually.

Your consideration of these changes is appreciated.

**Item Initiated and Approved by:** Steven Rose, Director of Human Resources

Submitted Date: November 2, 2020