

**From:** [Liz Bettencourt](#)  
**Subject:** Life and Disability Policy Update  
**Date:** Wednesday, January 29, 2014 1:59:59 PM  
**Attachments:** [RSL\\_IDTheft.pdf](#)  
[Extended\\_Disability.pdf](#)  
[EF-2758 RSL\\_ServicePal\\_3.5x5.5\\_0114\\_r9.pdf](#)  
[RS-2169\\_CompanyataGlance\\_0813\\_r1.pdf](#)  
[image001.png](#)

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Members:

District management has informed us of an impending change in our life and disability policies which will go into effect on **February 1, 2014**.

**Background from the Benefits Unit:**

The current disability/life insurance carrier, Prudential, quoted a 50% increase which would impact both the District and employees purchasing the supplemental disability coverage. The significant increase was driven by an increase in the number of disability claims. The district's benefits broker, BB&T – Liberty, conducted a full market review analyzing all available options that would provide for the same level of benefits and service. The district was able to secure a competitive proposal from Reliance Standard for our Life and Disability coverage. Below are some of the key points:

- Any current disability claim with Prudential will remain with them until the claim is closed so there is no impact to employees. All new disability claims starting on or after February 1 will be processed under Reliance.
- The Reliance Standard proposal will keep employee costs unchanged for the next two years. Prudential only had a one year rate guarantee for employees purchasing supplemental disability coverage.
- The District's costs will be going up \$41,000 a year for the core coverages. By switching from Prudential to Reliance Standard, the District and its employees avoided an extra \$125,000 in annual cost.
- Reliance was able to offer additional rate guarantees which will keep our costs constant for 2 years on the disability and 3 years on the life insurance.
- The broker was able to negotiate a few plan enhancements. Attached are flyers outlining the a new **Identity Theft benefit** and **Extended disability benefits**. Under the Extended Disability benefit, if an employee has reached their maximum LTD duration and are unable to perform 2 Activities of Daily Living, employees will be eligible for an extended disability period. During the 5 year benefit extension, employees will receive 85% of the net monthly benefit up to \$5,000. This added benefit will help provide additional income support for the most critically disabled employees.

Management also reported to us that Reliance Standard has an A+ rating from AM Best and is a top 10 group carrier. They have been in business since 1907 and consistently receives high marks in customer service (92% of their clients rated their overall service experience with Reliance Standard good or better).

A *News You Can Use* article will be coming out tomorrow with additional details. Please contact the Benefits Unit if you have questions about the new policy.

*Liz Bettencourt*

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