



## City of Delray Beach

2020 Renewal Summary

Policy 163645

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Thank you for choosing Standard Insurance Company (The Standard) as your employee benefits partner since October 1, 2017. We appreciate your business and the opportunity to renew our commitment. We strive to provide City of Delray Beach and your employees outstanding value, expertise and personal service.

As always, our goal is to help you take care of your business and your employees. Our team remains committed to helping you achieve strategic goals for your benefits program, streamline administration and increase employee satisfaction. In short — better results with less noise. Thank you again for your continued business.

### Our Approach to Renewals — Continued Partnership

The renewal rates for your Group Life insurance will be effective October 1, 2020.

In designing fair renewal pricing, we may review three components of rating:

1. **The Manual Rate:** We use your current census file demographics, plan design, industry and location to determine a rate for your coverage based on The Standard's book of business of other similar customers. We do this for groups of all sizes.
2. **The Experience Rate:** In addition, we may use your past claims history to help us determine your renewal rates. Whether we use your claims history — or don't include it — depends on the size of your group and the lines of coverage in force. Especially for large groups, past claims experience can be a fair and useful predictor of future liability.
3. **The Blended Rate:** If applicable, we use a formula to determine how credible your Experience Rate is in predicting your future claims cost and blend it with your Manual Rate. This produces a Blended Rate that we use to determine your final renewal pricing.

In this package, you'll see an experience table if we've used your claims history in our renewal pricing for a particular line of coverage. Otherwise, your renewal pricing is based solely on your manual rate.

Please consider this renewal package the next step in our ongoing conversation about how we can best meet your needs. We may be able to work together to help you get more value out of your benefits program or reduce overall costs. We'd be happy to re-evaluate your plan design and benefits usage and discuss your options.

### Your Basic Life Renewal

We understand that handling a Life insurance claim takes a special touch. Our Life benefits analysts complete annual grief training. This program helps them empathize with beneficiaries and recognize when

they need special attention. We strive to help you make a tough time easier. Our goal is to provide support with easy claim filing, timely decisions, and prompt payment of approved claims.

#### Census Demographics for Basic Life

| Categories                | Current Calculation |
|---------------------------|---------------------|
| Female Lives              | 332                 |
| Male Lives                | 842                 |
| Benefit Volume            | \$60,765,966        |
| % Benefit Volume Age 50 + | 52%                 |

#### Experience Data for Basic Life

| Components       | From October 1, 2017<br>through April 30, 2020 |
|------------------|------------------------------------------------|
| Adjusted Premium | \$361,380                                      |
| Incurred Claims  | \$728,195                                      |
| Experience Rate  | 0.54                                           |
| Credibility      | 36.00%                                         |
| Manual Rate      | 0.63                                           |
| Blended Rate *   | 0.59                                           |

\* Blended Rate = (Experience Rate) (Credibility) + (Manual Rate) (1-Credibility)

Based on our thorough analysis of the plan and future expected claim experience, we're offering the renewal rate[s] listed below.

| Renewal Date    | Current Rate * | Renewal Rate * | Monthly Premium Change ** |
|-----------------|----------------|----------------|---------------------------|
| October 1, 2020 | \$0.200        | \$0.220        | \$1,215                   |

\* Rate mode is Per \$1000 of Benefit

\*\* Final premium change will be determined based on your group's composition at billing time

Rate will be guaranteed for 2 years until October 1, 2022.

The Standard is committed to helping you provide employees and their beneficiaries with the support they need. Below is a reminder of the additional services and tools offered with your Life plan.

### The Life Services Toolkit

For employees, online services include estate planning and state-specific will preparation, identity theft prevention, financial calculators, wellness resources and more. For beneficiaries, the Life Services Toolkit offers grief and loss support by phone, online and face-to-face. They can also take advantage of access to financial counselors, legal consultation and other support services. This service is offered through a vendor that is not affiliated with The Standard.

### Travel Assistance

Travel Assistance can provide a sense of security for your employees and their eligible family members anytime they travel with minimal restrictions. Available 24 hours a day — with access online or through a single phone call — Travel Assistance offers a full range of trip planning and travel support, including emergency evacuation services and medical, legal, and translation service referrals. This service is offered through a vendor that is not affiliated with The Standard.

### Your Additional Life Renewal

Your Additional Life insurance from The Standard allows you to expand the benefit options you offer your employees. Your Additional Life plan can offer choice, flexibility, convenience and greater peace of mind for employees.

### Census Demographics for Additional Life

| Categories                | Current Calculation |
|---------------------------|---------------------|
| Female Lives              | 50                  |
| Male Lives                | 102                 |
| Benefit Volume            | \$33,365,700        |
| % Benefit Volume Age 50 + | 34%                 |

Based on our thorough analysis, we're offering the renewal rate[s] listed below.

Age Graded Rates for Additional Life:

| Age Band                      | Current Rate * | Renewal Rate * | Volume      | Monthly Premium Change ** |
|-------------------------------|----------------|----------------|-------------|---------------------------|
| 0 – 24                        | \$0.070        | \$0.070        | \$0         | \$0                       |
| 25 – 29                       | \$0.060        | \$0.060        | \$753,000   | \$0                       |
| 30 – 34                       | \$0.070        | \$0.070        | \$2,332,000 | \$0                       |
| 35 – 39                       | \$0.130        | \$0.130        | \$5,457,000 | \$0                       |
| 40 – 44                       | \$0.200        | \$0.200        | \$7,669,000 | \$0                       |
| 45 – 49                       | \$0.330        | \$0.330        | \$5,912,000 | \$0                       |
| 50 – 54                       | \$0.530        | \$0.530        | \$5,500,000 | \$0                       |
| 55 – 59                       | \$0.860        | \$0.860        | \$3,295,000 | \$0                       |
| 60 – 64                       | \$1.120        | \$1.120        | \$1,948,000 | \$0                       |
| 65 – 69                       | \$1.760        | \$1.760        | \$499,700   | \$0                       |
| 70 – 74                       | \$3.110        | \$3.110        | \$0         | \$0                       |
| 75 and over                   | \$3.110        | \$3.110        | \$0         | \$0                       |
| Total Monthly Premium Change: |                |                |             | \$0                       |

\* Rate mode is Per \$1000 of Benefit

Age Graded Rates for Spouse Life:

| Age Band                      | Current Rate * | Renewal Rate * | Volume    | Monthly Premium Change ** |
|-------------------------------|----------------|----------------|-----------|---------------------------|
| 0 24                          | \$0.070        | \$0.070        | \$0       | \$0                       |
| 25 29                         | \$0.060        | \$0.060        | \$0       | \$0                       |
| 30 34                         | \$0.070        | \$0.070        | \$0       | \$0                       |
| 35 39                         | \$0.130        | \$0.130        | \$650,000 | \$0                       |
| 40 44                         | \$0.200        | \$0.200        | \$975,000 | \$0                       |
| 45 49                         | \$0.330        | \$0.330        | \$697,000 | \$0                       |
| 50 54                         | \$0.530        | \$0.530        | \$685,000 | \$0                       |
| 55 59                         | \$0.860        | \$0.860        | \$355,000 | \$0                       |
| 60 64                         | \$1.120        | \$1.120        | \$270,000 | \$0                       |
| 65 69                         | \$1.760        | \$1.760        | \$80,000  | \$0                       |
| 70 74                         | \$3.110        | \$3.110        | \$0       | \$0                       |
| 75 and over                   | \$3.110        | \$3.110        | \$0       | \$0                       |
| Total Monthly Premium Change: |                |                |           | \$0                       |

\* Rate mode is Per Thousand

\*\* Final premium change will be determined based on your group's composition at billing time

Rate will be guaranteed for 2 years until October 1, 2022.

## Thank You and Next Steps

We appreciate the opportunity to continue our partnership with City of Delray Beach.

A summary of our Renewal Offer is in the chart below. Thank you for allowing Standard Insurance Company the opportunity to support your insurance needs.

| Product & Services *  | Through 09/30/20              | Effective 10/01/20            |
|-----------------------|-------------------------------|-------------------------------|
| Basic Life            | \$0.200 Per \$1000 of Benefit | \$0.220 Per \$1000 of Benefit |
| Travel Assistance     | Included in Rates for Life    | Included in Rates for Life    |
| Basic AD&D            | \$0.020 Per \$1000 of Benefit | \$0.020 Per \$1000 of Benefit |
| Additional Life       | Rate Varies                   | Rate Varies                   |
| Additional AD&D       | \$0.020 Per \$1000 of Benefit | \$0.020 Per \$1000 of Benefit |
| Spouse Dependent Life | Rate Varies                   | Rate Varies                   |
| Child Dependent Life  | \$0.180 Per \$1000, Elective  | \$0.180 Per \$1000, Elective  |

\*The above shown rates are monthly.

You can count on us to help you retain and attract employees by providing the benefits and services they value – now and for years to come. We're always available to address any questions you have about this renewal or for any service needs. Please reach out to the Tampa group office at (813) 878-0273 and we'll be happy to help.