

SECOND AMENDMENT OF THE GROUP INSURANCE AGREEMENT  
FOR EMPLOYEE BENEFITS BASIC AND VOLUNTARY LIFE COVERAGE

THIS SECOND AMENDMENT OF THE GROUP INSURANCE AGREEMENT FOR EMPLOYEE BENEFITS BASIC AND VOLUNTARY LIFE COVERAGE, made and entered into by and between the Lee County Board of County Commissioners, a political subdivision of the State of Florida ("County") and The Standard Insurance Company ("Standard"), collectively, the "Parties."

WHEREAS, the County entered into a Group Insurance Agreement for the purchase of group basic and voluntary life insurance benefits coverage through Solicitation No. RFP180164LKD with Standard on the 12<sup>th</sup> day of December 2018 ("Agreement"); and,

WHEREAS, it was discovered after the execution of the Agreement that it would be in the best interest of the County to modify the GROUP LIFE INSURANCE POLICY attachment to the Agreement, PREMIUM RATES AND RENEWALS subsection of the COVERAGE FEATURES section, to change the Notice of Rate Change requirement from 60 days to 180 days; and,

WHEREAS, the Parties desire to modify the PREMIUM RATES AND RENEWALS subsection of the COVERAGE FEATURES section of the GROUP LIFE INSURANCE POLICY attachment to the Agreement to change the Notice of Rate Change requirement.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING AND THE MUTUAL COVENANTS CONTAINED HEREIN, IT IS AGREED AS FOLLOWS:

1. Effective January 1, 2021, the Parties agree that the PREMIUM RATES AND RENEWALS subsection of the COVERAGE FEATURES section of the GROUP LIFE INSURANCE POLICY attachment to the Agreement shall be superseded by the following, and in all other respects the PREMIUM RATES AND RENEWALS remains unchanged:

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## PREMIUM RATES AND RENEWALS

### Premium Rates:

#### Life Insurance:

##### Plan 1:

Class 1, 2 and 3: \$0.149 monthly per \$1,000 of Life Insurance

Class 4: \$1.08 monthly per \$1,000 of Life Insurance

##### Plan 2:

Age of Member On  
Last January 1

Monthly Rate Per Multiple  
of \$1,000 for each Member  
electing Plan 2 Life Insurance

Under 30	\$ 0.060
30 through 34	0.080
35 through 39	0.090
40 through 44	0.100
45 through 49	0.160
50 through 54	0.240
55 through 59	0.450
60 through 64	0.670
65 through 69	1.310
70 or over	2.140

#### Dependents Life Insurance:

##### Spouse:

Age of Member On  
Last January 1

Monthly Rate Per Multiple  
of \$1,000 for each Member  
electing Dependent Life Insurance

Under 30	\$ 0.060
30 through 34	0.080
35 through 39	0.090
40 through 44	0.100
45 through 49	0.160
50 through 54	0.240
55 through 59	0.450
60 through 64	0.670
65 through 69	1.310
70 or over	2.140

##### Child:

\$0.130 monthly per \$1,000 of Dependents Life Insurance for each Member electing Dependents Life Insurance for their Children, regardless of the number of Children covered

#### AD&D Insurance:

\$0.017 monthly per \$1,000 of AD&D Insurance

#### Premium Due Dates:

January 1, 2019 and the first day of each calendar month thereafter.

#### Grace Period:

60 days

#### Initial Rate Guarantee Period:

January 1, 2019 to January 1, 2022

10/19/2018

- 10 -

164657-A

Notice of Rate Change:	180 days
Minimum Participation:	
Life Insurance:	
Number:	10 insured Members
Percentage:	Plan 1 (basic): 20% of Members eligible for Plan 1 Plan 2 (additional): 20% of Members eligible for Plan 2
Dependents Life Insurance:	20% of insured Members with eligible Dependents must elect to insure those Dependents

#### **Contingent Rate Guarantee**

The Contingent Rate Guarantee will apply for two years if, on September 1, 2021, both the Incurred Loss Ratio and Current Loss Ratio for Plan 1 (basic) Life Insurance, Plan 2 (additional) Life Insurance, and Plan 1 (basic) AD&D Insurance under the Group Policy are 85% or less.

The premium rates during the Contingent Rate Guarantee will equal the premium rates in effect at the end of the Initial Rate Guarantee Period.

#### **Calculating Loss Ratios**

The Incurred Loss Ratio is the result of the following calculation:

Incurred Loss Ratio = Incurred Claims divided by Earned Premium

Each element is calculated from the Group Policy Effective Date.

The Current Loss Ratio is the result of the following calculation:

Current Loss Ratio = Incurred Claims divided by Earned Premium

Each element is calculated from the beginning to the end of the 12 month period ending on the day before September 1, 2021.

#### **Definitions**

**Earned Premium** =  $a + b - c$ , where:

- a = Paid premiums.
- b = Change in uncollected premium.
- c = Change in advance premium.

**Incurred Claims** =  $a + b + c + d + e$ , where:

- a = Claims paid, including benefits paid and costs incurred under any provision of the Group Policy.
- b = Legal fees, expenses, settlements and judgments paid in connection with lawsuits relating to claims.
- c = Payments of the Employer's share of Social Security and Medicare tax by Standard (if applicable).
- d = Conversion charges for converting to an individual life insurance policy under the Right To Convert provision (if applicable).

e = Change in claims reserves, including Incurred But Not Reported (IBNR), pending, active and outstanding claims reserves.

10/19/2018

- 12 -

164657-A

IN WITNESS WHEREOF, this Second Amendment of the Agreement has been signed and sealed, in duplicate, by the respective parties hereto.

DATED this 23 day of January, 2021 by the Lee County Board of County Commissioners.

COUNTY: LEE COUNTY, FLORIDA

BY: [Signature]  
Erin Hailstone  
Director of Human Resources

APPROVED as to Form for the Reliance of  
Lee County Only

BY: [Signature]  
County Attorney's Office

DATED this 31st day of December, 2020 by Standard Life Insurance Company

ATTEST:

[Signature]  
(Witness)



CORPORATE SEAL:

BY: [Signature]  
Authorized Signature

David Payne  
Authorized Signature Printed Name

Vice President, Life and Disability Services  
Authorized Signature Title