

**SUMTER COUNTY BOARD OF COMMISSIONERS  
EXECUTIVE SUMMARY**

**SUBJECT:** Renewal of Short-term Disability with Sun Life Financial

**REQUESTED ACTION:** Approve

Work Session (Report Only)    **DATE OF MEETING:** 9/14/2010  
 Regular Meeting                       Special Meeting

**CONTRACT:**  N/A

Effective Date: 10/1/2010  
Managing Division / Dept:

Vendor/Entity: Sun Life Financial

Termination Date: 9/30/2011

Support Services/Risk Management

**BUDGET IMPACT:** Approximate \$81,435 annually

Annual  
 Capital  
 N/A

**FUNDING SOURCE:** Group Health Plan

**EXPENDITURE ACCOUNT:** 501-595-591-4539

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**HISTORY/FACTS/ISSUES:**

Through Brown & Brown, we have received a renewal quote from Sun Life Financial for Short-term Disability that is provided through the health plan as a benefit to active employees. The renewal rate is increased from \$.226 to \$.294 per \$10 of payroll based on the claims trend between 10/1/09 and 7/31/10 which was a 120% loss ratio on claims paid vs. premiums collected. A portion of the increase is also due to the non-renewal of the group guaranteed Long-term disability that is now offered as a voluntary benefit paid by the employee.

This policy provides for a 15 day elimination period meaning the employee uses their accrued leave time for that period, then the policy picks up 60% of their payroll with a maximum of \$500 per week. The maximum benefit is 11 weeks. This benefit does not apply to Workers' Compensation claims.

Staff recommends renewal.

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Sun Life Assurance Company of Canada  
1715 North Westshore Blvd  
Westshore Center, Suite 450  
Tampa, FL 33607  
Tel: 813-281-1700  
Fax: 813-281-1701

August 9, 2010

Brown & Brown of Florida, Inc. - Leesburg  
900 N 14th Street, 3rd Floor  
Leesburg, FL 34748

Re: Group Policy: Sumter County Board of County Commissioners - 211158  
Group Office: Tampa

Dear Brown & Brown of Florida, Inc. - Leesburg:

Thank you for helping us provide Sumter County Board of County Commissioners with solid products and outstanding service over the past year. We are pleased to present the enclosed renewal notification for Sumter County Board of County Commissioners for the policy year ending September 30, 2010.

The enclosed rates are based on the current distribution of employees by age, gender and insurance amount. These rates also reflect our current rating practices.

At Sun Life Assurance Company of Canada, we are proud to offer customers our Four Marks of Value—a combination of strength and ability unique in our industry:

- **Our Financial Strength**—We receive top ratings from independent rating agencies.
- **Our Ability to Make Things Easy**—Customers enjoy our local service, robust e-services, and outstanding customer and claims service...guaranteed!
- **Our Claims Expertise**—Our expert analysts, innovative technology and universal claims promise give employers and employees peace of mind.
- **Our Solid Product Features**—We offer everything a company needs to run a successful Life, Disability or Stop-Loss plan.

It is our understanding, as the Agent of Record for Sumter County Board of County Commissioners, that you will communicate this information to your customer immediately. It has been our pleasure to serve Sumter County Board of County Commissioners, and we look forward to continuing our relationship with you and your customer in the coming year. If you want to learn more about the value we provide our customers, or receive additional information about products and services that may benefit Sumter County Board of County Commissioners, please call me at 813-281-1700.

Sincerely,

Brad Mathews  
Sales Representative

Underwriter: Jay Quartarone

SLPC 15793

Sun Life Assurance Company of Canada  
is a member of the Sun Life Financial group of companies.

[www.sunlife-usa.com](http://www.sunlife-usa.com)

<b>Benefit</b>	<b>Short Term Disability</b>
Eligible Employees	565
Volume	\$230,826
Rate Basis	per \$10 benefit
Current Rate	\$0.226
Current Annual Premium	\$62,600
<b>Renewal Rate</b>	<b>\$0.294</b>
Estimated Renewal Premium	\$81,435
Guarantee	12 months

Comments:

- Since 10/1/09 thru 7/31/10, the STD claims have been \$82,403 with two claims still active. The premiums collected from 10/1/09 thru 7/31/10 have been \$68,778. This is a 120% loss ratio not including the open claims, our overhead/expense, etc.
- Without the employer paid LTD remaining in force with Sun Life Financial, the STD rate will increase to \$0.294 (30% increase) for 12 months.
- With a contract change from a 15 day elimination period to a 30 day elimination period, Sun Life can reduce the renewal to \$0.278 (23% increase). To implement this change, we will simply need a policyholder letter requesting this change at anniversary.

Underwriter: Jay Quartarone

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