



Open Enrollment

Flexible Spending Account

Life Insurance Programs

Effective: 1/1/2007 - 12/31/2007

INTRODUCTION

We are pleased to announce our annual open enrollment for our Flexible Spending Accounts and Life Insurance Programs. During this open enrollment period, you may enroll or change your enrollment in the Health/Dependent Care Flexible Spending Accounts and Voluntary Life Insurance Plans.

Please note that effective January 1, 2007, Reliance Standard Life Insurance Company (RSL) is taking over as the carrier for the City's Basic Life Insurance, Voluntary Term Life Insurance, and Disability Insurance coverage (for most Associations). Alliant Insurance Services performed a full marketing for our life and disability plans and the Insurance and Benefits Advisory Committee examined alternatives and made recommendations to move to RSL. The decision was made for several reasons:

FINANCIAL - RSL was able to offer the same plans with some slight enhancements on the life insurance for a lower cost with a 3 year rate guarantee.

STABILITY - RSL's services, knowledge and expertise are well-known and they are a respected insurance company.

CUSTOMER SERVICE - RSL has assigned a well-staffed dedicated unit of experts which has been assembled to be an advocate for effective claims processing and problem solving.

RSL was able to match all benefit plans. In addition, RSL was able to offer a more comprehensive voluntary life program that will allow members the flexibility to meet their needs.

We are pleased with this change and look forward to working with RSL. If you have any questions, please do not hesitate to call our Employee Benefits Team: Barbara Pratt, Personnel Assistant or Kasama Lee, Sr. Human Resources Analyst at (714) 375-8456.

Sincerely,

The Human Resources Division

BASIC LIFE INSURANCE

The Basic life (City paid) insurance plan design will remain the same and there is nothing that you will need to do to continue coverage. All currently enrolled employees will be transferred to the new plan automatically.

ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE

The Basic Accidental Death & Dismemberment (AD&D) insurance plan design will remain the same and there is nothing that you will need to do to continue coverage. All currently enrolled employees will be transferred to the new plan automatically.

VOLUNTARY ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE

The voluntary Accidental Death & Dismemberment (AD&D) insurance plan design will also remain the same and there is nothing that you will need to do to continue coverage. All currently enrolled employees will be transferred to the new plan automatically. Please see the enclosed enrollment form for plan options and premiums.

If you wish to enroll or change your current enrollment, please return the enclosed enrollment form to Employee Benefits by November 30, 2006.

VOLUNTARY TERM LIFE INSURANCE - RSL

We are also pleased to announce an enhanced voluntary term life insurance program for employees. The voluntary term life insurance program through RSL allows employees the option to purchase coverage from \$10,000 to \$500,000 in \$10,000 increments. This coverage is also available to spouses and may be purchased even if the employee does not enroll. RSL is extending a special Guaranteed Issue to everyone for this **one time only**. (This Guaranteed Issue will **NOT** be offered during any future open enrollment periods.) Employee members under the age of 60 will be eligible to purchase up to \$120,000 in life insurance with no medical questions. Employee members over the age of 60 will be entitled to a reduced Guaranteed Issue. Spouses are entitled to a \$50,000 Guaranteed Issue **as long as the employee enrolls for at least \$50,000**. There is also coverage available for dependent children. Please see the enclosed enrollment packet and summary sheet for more information.

You will not be required to complete new enrollment forms unless you want to change your current coverage elections. If you do not do anything your current coverage elections will roll over to RSL.

If you wish to enroll or change your current enrollment, please return the enclosed enrollment form to Employee Benefits by November 30, 2006.

VOLUNTARY UNIVERSAL LIFE AND CRITICAL ILLNESS INSURANCE - ING

We also offer voluntary Universal Life and Critical Illness insurance plans through ING. Tandem Benefits is the licensed Benefit Counselor for our ING plans. Additional plan information is available in Employee Benefits and on Surfnet.

If you are interested in these plans, please complete the enclosed interest form and fax it to Tandem Benefits at the phone number listed by November 30, 2006.

LONG TERM DISABILITY - MEA/MEO/NA/FMA/MSOA

The Long Term Disability Plan will remain the same and there is nothing that you will need to do to continue coverage. All currently enrolled employees will be transferred to the new plan automatically.

FLEXIBLE SPENDING ACCOUNT PROGRAMS

During this open enrollment, you may also enroll or re-enroll in the TRIAD Health Care and Dependent Care Flexible Spending Accounts. These accounts let you pay for dependent care and some medical expenses with pre-tax dollars. The maximum amount you can contribute to these plans for 2007 are \$5,000 for Health Care and \$5,000 for Dependent Care. Please see the enclosed enrollment packet for more information. Please also review the enclosed memo from Tri-Ad regarding the Flex Card Parameters for 2007.

If you wish to enroll or re-enroll in the FSA plans, please return the enclosed enrollment form to Employee Benefits by November 30, 2006. Please note that even if you are currently enrolled for 2006, you must re-enroll each year.

ADDITIONAL INFORMATION

- To view your current voluntary term life and AD&D enrollments, please visit the Employee Benefits page on the City's intranet site, Surfnet, or www.surfcity-hb.org/employee_benefits. *Note: Enrollments in ING and Principal Life are not listed on this site. For assistance, please call Employee Benefits at (714) 375-8456.*
- You may also view your current life insurance and AD&D beneficiaries on this site. If you wish to update your beneficiary information, please contact Employee Benefits. Please note that it is very important that you update your beneficiary form if you've gotten married, divorced or have had some changes in your family.