



# CITY OF SUFFOLK

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## ADDENDUM NO. 4

City of Suffolk  
RFP #20065-JS  
February 20, 2020

Purchasing Division  
442 W. Washington Street, Room 1086  
Suffolk, VA 23434-5237  
Phone: (757) 514-7520 / Fax: (757) 514-7524

The Request for Proposal (RFP) for Employee Benefits – Ancillary Coverage has been amended.

The following questions and answers are incorporated in the RFP:

Q1: Can you provide the current / historical VLTD rates?

A1: See Appendix U (attached)

All other information remains unchanged.

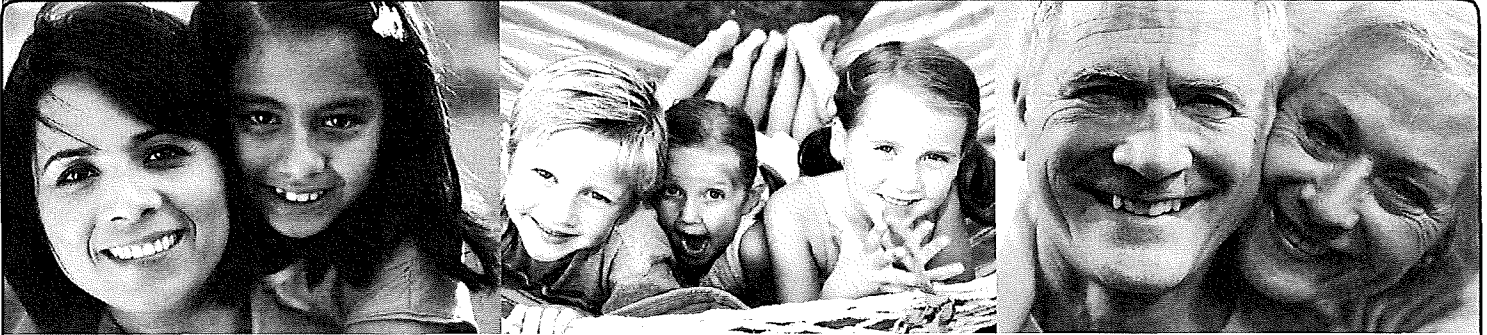
Contract Officer:

  
Jay Smigielski, Purchasing Agent, CPPO

If you have any questions regarding this Addendum, please contact Jay Smigielski, Purchasing Agent at [jsmigielski@suffolkva.us](mailto:jsmigielski@suffolkva.us)

It is the responsibility of the offeror to ensure that they have read and met the specifications of all addendums in their proposal.

# Long-Term Disability Insurance is Paycheck Insurance



## Just Over 1 in 4 of Today's 20-Year Olds Will Become Disabled Before Retiring.<sup>1</sup> Are You Willing to Gamble with Those Odds?

- √ Health Insurance
- √ Car Insurance
- √ Life Insurance
- ? Paycheck Insurance

Most people remember to insure their car, their health and their life. However, almost everything you own is based on your ability to earn an income. Disability Insurance is not an "extra". It is a "must".

City of Suffolk is pleased to provide you with the opportunity to purchase Group Voluntary Disability Insurance. Now you can protect your wages by taking advantage of affordable group rates. When you enroll in this coverage, you will be paid a percentage of your salary if you become totally disabled and are unable to work.

### Are you willing to gamble with your paycheck?

Just over 1 in 4 of today's 20-year olds will become disabled before retiring.<sup>1</sup> In just the last 10 minutes, 490 Americans became disabled.<sup>2</sup> That's 49 every minute. Are you willing to gamble with those odds?

- In the U.S., a disabling injury occurs every second, a fatal injury occurs every four minutes.<sup>2</sup>
- Disability is not only caused by freak accidents. It is often caused by conditions such as arthritis, cancer, pregnancy, heart disease...<sup>3</sup>

- The risk of long-term disability during a worker's career is greater than the risk of premature death. Yet most workers would never think of going without Life Insurance protection for their families.<sup>4</sup>
- Disability can be more disastrous financially than death. If you are disabled, you lose your earning power, but you still have living expenses and medical care costs not covered by Health Insurance.<sup>5</sup>

### What about Social Security, Workers Comp and other insurance plans?

- Only 36% of the 2.8 million workers who applied for Social Security Disability Insurance benefits in 2011 were approved.<sup>6</sup>
- Workers' compensation provides benefits ONLY if a disability is a result of an on-the-job accident, injury or occupational disease. Close to 90% of disabling accidents and illnesses are not work related.<sup>7</sup>
- Health Insurance covers medical services and prescriptions; it does not replace income if you cannot work.
- Unemployment Compensation is for those who are physically and mentally able to work.

(over)

1 U.S. Social Security Administration, Fact Sheet February 7, 2013 | 2 National Safety Council, Injury Facts 2012 Ed. | 3 Council for Disability Awareness, disabilitycanhappen.org | 4 Guide to Disability Income Insurance, America's Health Insurance Plans, 2013. | 5 "Life and Disability Insurance," usa.gov, October 17, 2012. | 6 2011 Social Security Administration, Office of Chief Actuary, ssa.gov/OACT/STATS/dibStat.html | 7 Council for Disability Awareness, CDA 2012 Long Term Disability Claims Review.

For complete details including all benefits, exclusions and limitations, refer to certificate form number GLDI-C200-(12/06)-VA as issued to the employer.

# City of Suffolk—Voluntary Long-Term Disability Insurance FAQ

## Am I eligible for this coverage?

You are eligible for this plan if you are an active employee of the City of Suffolk and working a minimum of 40 hours per week .

## Are there any medical questions?

If you are a new hire or a newly eligible employee you can purchase this plan without medical questions or tests if the following conditions apply to you:

- if you enroll within 31 days from your date of hire or eligibility date.
- if at least 20% of all eligible City of Suffolk employees are enrolled. (To find out if 20% of the employees are enrolled, please see your Human Resources department.)

If you enroll late (after 31 days from your hire date or eligibility date), if you request an increase in coverage, or if less than 20% of City of Suffolk eligible employees have enrolled, you will need to complete the medical questionnaire.

Please note that coverage may be denied based upon your answers to the medical questions.

## What about maternity coverage?

Disability Insurance will protect you the same as any illness.

## How much coverage is available?

Long-Term Disability benefits replace 60% of your salary up to a monthly maximum of \$6,000.

## What is an "Elimination Period"?

An Elimination Period is the time between when your disability begins and the time you are eligible to receive benefits. No benefits are paid during the Elimination Period of 90 consecutive calendar days.

## Waiver of Premium

The Waiver of Premium feature waives your Disability Insurance premium payment during a disability. This begins as soon as you start receiving benefits and continues while you are disabled.

## What if I earn income while I'm disabled such as Social Security income?

As with most Disability Insurance plans, benefits are reduced by other income you may receive during a disability, including Social Security or a State Retirement Disability benefit plan.

Note that this plan would pay in addition to any employer-sponsored sick leave pay.

## What Exclusions or Limitations are there?

1. Payment of monthly benefits is limited to a total of 24 months during your entire lifetime for a total disability caused by or attributed to a Mental Disorder, Substance Abuse or a Special Condition. If you are confined as an in-patient to a hospital for such condition, this 24 month limitation will not apply while you remain continuously confined and for up to 90 days following the end of your confinement. If you are confined again during the 90 day period for at least 14 consecutive days, benefits will be payable for the length of the second confinement and for up to 90 days following the end of the second confinement. Mental Disorder means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress related abnormality, disorder, disturbance, dysfunction or syndrome listed in the latest edition of American Psychiatric Association Diagnostic and Statistical Manual or the International Classification of Disease. Substance Abuse means a condition listed in the latest edition of American Psychiatric Association Diagnostic and Statistical Manual or the International Classification of Disease within a classification category or code including but not limited to 291, 292, 303, 304 or 305. Special Condition means a condition which is based on self-reported symptoms and is not verifiable using objective medical tests, procedures or clinical examinations standardly accepted in the practice of medicine. Special Conditions include but are not limited to the following: Chronic headaches; Chronic pain; Tinnitus (ringing of the ears); Chronic Fatigue Syndrome.
2. No coverage is provided for a disability resulting from a pre-existing condition unless:
  - the disability begins after a treatment-free period of 12 months, or
  - the disability begins after you have been insured for 24 continuous months.

Pre-existing Condition means a mental or physical condition whether or not diagnosed or misdiagnosed for which you have consulted a Physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures, including self-administered procedures, or taken prescribed drugs or medications at any time during the 12 months period just before the effective date of your insurance under the Group Policy.

3. The policy does not cover any total disability:
  - due to war, declared or undeclared, or any act of war
  - due to any act of international armed conflict or conflict involving the armed forces of any country
  - while you are in the armed forces of any country or international authority
  - due to your attempted suicide while sane or insane
  - as a result of your intentionally self-inflicted injuries
  - as a result of your committing of or attempting to commit a felony
  - as a result of your participation in a riot
  - as a result of your engaging in an illegal occupation

# City of Suffolk

## Voluntary Long-Term Disability Insurance Cost Calculation

### Age-Based Rates

Age*	Rate
20 - 24	0.0018
25 - 29	0.0019
30 - 34	0.0024
35 - 39	0.0031
40 - 44	0.0041
45 - 49	0.0059
50 - 54	0.0074
55 - 59	0.0086
60 - 64	.0101
65 +	.0110

### Calculate your per-paycheck cost

$$\begin{array}{r}
 \$ \underline{\hspace{2cm}} \text{ Enter your annual salary}^\dagger \\
 \times \quad 0. \underline{\hspace{2cm}} \text{ Enter your rate from table} \\
 = \quad \$ \underline{\hspace{2cm}} \text{ Annual Cost} \\
 \div 26 \text{ Divide by the number of paychecks per year} \\
 \hline
 = \quad \$ \underline{\hspace{2cm}} \text{ Estimated Amount that will be deducted from} \\
 \text{your paycheck}
 \end{array}$$

\*as of January 1st of the coming year.

†This policy will not cover any amount of salary that exceeds \$120,000. If your annual salary exceeds this amount, do not enter your full salary. Instead, use \$120,000 as your salary amount on this line.

Please note: Rates above are as of 1/1/2016. Rates are subject to change due to plan design change or at policy renewal.

Administered by:



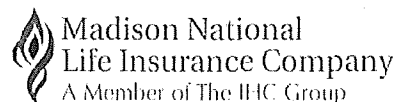
**Corporate Headquarters**

250 South Executive Drive, Suite 300, Brookfield, WI 53005

**Offices Nationwide**

800.627.3660

Underwritten by:



**Madison National  
Life Insurance Company**  
A Member of The IHC Group

**Home Office**

1241 John Q. Hammons Drive, Madison, WI 53717

This is a brief description of disability insurance. For complete details including all benefits, exclusions and limitations, refer to Certificate form number GLDI-C200-(12/06)-VA as issued to your employer.

Madison National Life Insurance Company, Inc. is a Wisconsin Insurance company and a Member of the IHC Group. The IHC Group is an insurance organization composed of Independence Holding Company (NYSE: IHC) and its operating subsidiaries. The IHC Group has been providing life, health and stop loss insurance solutions for over 30 years. For information on the IHC Group, see [www.ihcgroup.com](http://www.ihcgroup.com).