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SEP 26 2013



Chandler · Arizona
Where Values Make The Difference



MEMORANDUM

DATE: September 23, 2013

TO: Mayor and Council

THRU: Rich Dlugas, City Manager *RD*
Debra Stapleton, Director of Human Resources Division *dst*

FROM: Valerie F. Hernandez, Benefit Programs Manager *VFH*

SUBJECT: Recommendation for Approval of Anthem Life Insurance Agreement

RECOMMENDATION: Continue to provide long-term disability insurance for public safety personnel through a one year extension to the agreement between the City of Chandler and Anthem Life Insurance Company for benefit plan year 2014, effective January 1, 2014.

BACKGROUND: City staff reviews the employee benefits package each year with the assistance of an employee benefits consulting firm. The long-term disability insurance is designed to assist public safety personnel to help replace income enabling the employee to focus on getting better. The current rate of .36 cents per \$100 monthly covered payroll has been guaranteed for plan year 2014; therefore, no rate increase will occur. This benefit is paid by the City.

PROPOSED MOTION: Move to approve and authorize the Mayor and Council to approve the one year extension to the agreement between the City of Chandler and Anthem Life Insurance Company for benefit plan year 2014, effective January 1, 2014.

**CALENDAR YEAR 2014
AMENDMENT TO THE CONTRACT
PROVIDING LONG-TERM DISABILITY INSURANCE
TO PUBLIC SAFETY PERSONNEL
BETWEEN THE CITY OF CHANDLER AND
ANTHEM LIFE INSURANCE COMPANY**

This Amendment ("Calendar Year 2014 Amendment"), is made and entered this 21 day of September, 2013 to the *Contract Providing Long-Term Disability Insurance to Safety Personnel at City of Chandler Between the City of Chandler and Anthem Life Insurance Company*, dated January 1, 2004 ("Contract").

WHEREAS, the City of Chandler and Anthem Life Insurance Company ("Contractor") entered into a Contract effective January 1, 2004, and have subsequently extended that Contract, subject to the same terms and conditions as the initial Contract for the terms January 1, 2005 through December 31, 2005; January 1, 2006 through December 31, 2006; January 1, 2007 through December 31, 2007 subject to certain Amendments (the "2007 Contract"); January 1, 2008 through December 31, 2008; January 1, 2009 through December 31, 2009; January 1, 2010 through December 31, 2010; January 1, 2011 through December 31, 2011; and January 1, 2012 through December 31, 2012; and January 1, 2013 through December 31, 2013 by the *Calendar Year 2013 Amendment to the Contract Providing for Long Term Disability Insurance to Public Safety Personnel Between the City of Chandler and Anthem Life Insurance Company*; and

WHEREAS, the City and Anthem Life Insurance Company want to extend this Contract, as amended in 2013, for the term January 1, 2014 through December 31, 2014.

NOW, THEREFORE, in consideration of the mutual covenants and provisions contained herein and other good and valuable consideration, the parties do agree as follows:

1. The term of the Contract is extended for the term from January 1, 2014 through December 31, 2014.
2. The Exhibit B of the Contract, titled Fee Schedule, shall continue to state: "36 cents per \$100 of payroll."
3. The Parties agree that Company shall continue to provide these services at the rates set forth in number 2 above for 24 months beginning January 1, 2013 so long as City continues to renew this Contract each year.
4. Except for the provisions amended by items 1 and 3 above, the Contract as amended by the *Calendar Year 2013 Amendment to the Contract Providing for Long*

for Long Term Disability Insurance to Public Safety Personnel Between the City of Chandler and Anthem Life Insurance Company shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2014 Amendment to the Contract Providing Long-Term Disability Insurance to Public Safety Personnel Between the City of Chandler and Anthem Life Insurance Company* to be duly executed this 21 day of September, 2013.

CITY OF CHANDLER,
an Arizona municipal corporation

ANTHEM LIFE INSURANCE
COMPANY

By: _____
Mayor

By: August F. Tall
Title: National Director UW

APPROVED AS TO FORM:

ATTEST: (If corporation)

City Attorney

Secretary

ATTEST:

City Clerk