SUMMARY STATEMENT

ITEM NO.: DRPA-18-075  SUBJECT: Short Term Disability Proposal from Symetra Life Insurance Company

COMMITTEE MEETING: Finance

COMMITTEE DATE: July 11, 2018

BOARD ACTION DATE: July 18, 2018

PROPOSAL: Staff seeks authorization to amend the Symetra Life Insurance Company (“Symetra”) Short Term Disability (STD) contract to add STD benefits for Delaware River Port Authority (DRPA) non-represented employees, Port Authority Transit Corporation (PATCO) non-represented employees and IBEW-represented employees.

BACKGROUND: At the request of staff, DRPA’s benefit consultant/broker, Gallagher Benefit Services, Inc. (Gallagher), obtained a proposal from Symetra to add STD benefits for three (3) classes of employees who currently have Long Term Disability (LTD) benefits with Symetra but who do not have insured STD benefits in place, with the intent of harmonizing the STD program across the Authority and making DRPA and PATCO more competitive in our effort to attract, recruit and retain qualified candidates. Symetra provided Gallagher with a proposal, and Gallagher presented a summary to staff, with varying elimination period options (7 days, 14 days and 21 days).

After carefully considering the options, staff recommends that Option 2 (14 day elimination period) be implemented effective August 1, 2018. The approximate cost to add this benefit for the three classes identified above is approximately $12,194 per month, which includes the FICA matching benefit. Rates are guaranteed through 12/31/2020. The STD benefit will replace the salary continuation program that is currently in place at PATCO for non-represented employees.

Symetra is DRPA & PATCO’s Group Life, Accidental Death and Dismemberment (AD&D), and Disability provider for a three-year term that began January 1, 2018 through December 31, 2020. Symetra also provides a STD benefit for IUOE and FOP-represented employees.
<table>
<thead>
<tr>
<th>SUMMARY:</th>
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<tbody>
<tr>
<td>Amount:</td>
<td>$146,329.96 annually</td>
</tr>
<tr>
<td>Source of Funds:</td>
<td>Revenue and General Funds</td>
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<tr>
<td>Operating Budget:</td>
<td>DRPA and PATCO Operating</td>
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<tr>
<td>Master Plan Status:</td>
<td>N/A</td>
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<tr>
<td>Other Fund Sources:</td>
<td>None</td>
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<tr>
<td>Duration of Contract:</td>
<td>2 yrs. 5 month (8/1/18 – 12/31/20)</td>
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<td>Other Parties Involved</td>
<td>Symetra Life Insurance Company</td>
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RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorizes staff to amend the Symetra Life Insurance Company Short Term Disability contract to add STD benefits for Delaware River Port Authority (DRPA) non-represented employees, Port Authority Transit Corporation (PATCO) non-represented employees and IBEW-represented employees; and be it further

RESOLVED: That staff is authorized to accept the 14-day elimination period and determine whether the elimination period should be shortened or increased to meet the needs of the Authority without returning to the Board for additional authorization to negotiate the change; and be it further

RESOLVED: That the Short Term Disability benefit shall take effect on or before August 1, 2018; and be it further

RESOLVED: That the Chair, Vice Chair and the CEO must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and CEO and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA. If both the Chair and Vice Chair are absent or unavailable, and any agreement or agreements need to be executed during their absence, then the CEO may execute on behalf of DRPA.

SUMMARY:

Amount: $146,329.96 annually
Source of Funds: Revenue and General Funds
Operating Budget: DRPA and PATCO Operating
Master Plan Status: N/A
Other Fund Sources: None
Duration of Contract: 2 yrs. 5 month (8/1/18 – 12/31/20
Other Parties Involved Symetra Life Insurance Company