

### City of Mesquite Vendor Financial Ratings Life and Vol Life Marketing Analysis

<i>Vendor</i>	<i>AM Best</i>	<i>Financial Size</i>	<i>Status</i>
BCBS	A	XV (\$2 Billion or greater)	Quoted
Lincoln Financial	A+	XV (\$2 Billion or greater)	Quoted
The Standard	A	XIV (\$1.5 Billion to \$2 Billion)	Incumbent (Quoted)
Zurich	A+	XV (\$2 Billion or greater)	Incumbent (Quoted)

This is not an insurance contract: This proposal is for comparison purposes only. Please refer to certificate booklet or proposal for additional details, including limitations and exclusions.  
Final rates and benefits will be determined by actual enrollment and plan selection.

**City of Mesquite**  
**Basic Life and AD&D Marketing Analysis**  
**Effective: 01/01/2022**

	Current	Renewal	Proposed	
Benefits	The Standard	The Standard	BCBS	
Employee Life/AD&D Amount	Class 1: \$100,000 Class 2: 3x Annual Earnings Class 3: 2x Annual Earnings	Class 1: \$100,000 Class 2: 3x Annual Earnings Class 3: 2x Annual Earnings	Class 1: \$100,000 Class 2: 3x Annual Earnings Class 3: 2x Annual Earnings	
Guarantee Issue Amount	Full Benefit	Full Benefit	\$500,000	
Maximum Amount	Class 1: N/A Class 2: \$500,000 Class 3: \$500,000	Class 1: N/A Class 2: \$500,000 Class 3: \$500,000	Class 1: N/A Class 2: \$500,000 Class 3: \$500,000	
Conversion	Included	Included	Included	
Accelerated Death Benefit	Included	Included	Included	
Grandfather Prior Elections	N/A	N/A	Yes	
Offer a True Open Enrollment	N/A	An incremental annual open enrollment is included in the existing contract.	Active employees will be allowed to change their elections, subject to evidence of insurability.	
Waiver of Premium	Included	Included	Included	
Age Reduction Formula	65% at age 65 50% at age 70	65% at age 70 50% at age 75	65% at age 70 50% at age 75	
Credits		Not Included*	\$45,000*	
Rate Guarantee	-	3 Years - Until 12/31/2024	5 Years - Until 12/31/2026	
Covered Volume	\$140,623,550	\$140,623,550	\$140,623,550	
Basic Life Rate (per \$1,000)	\$0.030	\$0.065	\$0.049	\$0.045
Monthly Total	\$4,218.71	\$9,140.53	\$6,890.55	\$6,328.06
Annual Total	\$50,624.48	\$109,686.37	\$82,686.65	\$75,936.72
% over Current	-	116.67%	63.33%	50.00%
Value Adds:	Life Services Toolkit and Travel Assistance; AD&D Occupational Assistance	Life Services Toolkit and Travel Assistance; AD&D Occupational Assistance	Beneficiary Resource Services, Travel Resource Services, and Dearborn Cares	

Notes

\*Considered in final evaluation  
Rates may change if worksite is purchased along side the life benefit.

\*Package Pricing Discount off of the medical admin  
An additional \$13,500 off admin if basic and supplemental life sell.

\*Package Pricing Discount off of the medical admin  
An additional \$13,500 off admin if basic and supplemental life sell.  
**This rate will apply if AD&D is sold.**

**City of Mesquite**  
**Voluntary Life Marketing Analysis**  
**Effective: 01/01/2022**

	Current	Renewal	Proposed
<b>Benefits</b>	<b>The Standard</b>	<b>The Standard</b>	<b>BCBS</b>
Employee Benefit	\$10,000 increments	\$10,000 increments	\$10,000 increments
Guarantee Issue	\$300,000	\$300,000	\$300,000
Maximum Amount	\$500,000	\$500,000	\$500,000
Portability	Included	Included	Included
Accelerated Death Benefit	75% to \$500,000	75% to \$500,000	75% to \$500,000
Waiver of Premium	Eligible to age 60 Waived to age 70 Age Reductions Apply	Eligible to age 60 Waived to age 70 Age Reductions Apply	Included to age 70
Participation Requirement	20%	20%	50% for Vol life and 51% for AD&D
Age Reduction Formula	65% at age 70 50% at age 75	65% at age 70 50% at age 75	65% at age 70 50% at age 75
<b>Rate Guarantee</b>	2 years until 12/31/2023	2 years until 12/31/2023	5 Years - Until 12/31/2026
<b>Voluntary Life Rates (Per \$1,000)</b>			
<24	\$0.070	\$0.070	\$0.070
25-29	\$0.070	\$0.070	\$0.070
30-34	\$0.080	\$0.080	\$0.080
35-39	\$0.100	\$0.100	\$0.100
40-44	\$0.140	\$0.140	\$0.140
45-49	\$0.240	\$0.240	\$0.240
50-54	\$0.380	\$0.380	\$0.380
55-59	\$0.650	\$0.650	\$0.650
60-64	\$0.960	\$0.960	\$0.960
65-69	\$1.590	\$1.590	\$1.590
70-74	\$1.590	\$1.590	\$1.590
75+	\$1.590	\$1.590	\$1.590

**City of Mesquite**  
**Voluntary AD&D Marketing Analysis**  
**Effective: 01/01/2022**

	Current	Renewal	Proposed	Proposed
Benefits	Zurich	Zurich	BCBS	The Standard
Employee Benefit	\$25,000 increments	\$25,000 increments	\$25,000 increments	\$1,000 increments
Employee Maximum Amount	\$500,000	\$500,000	\$500,000	\$500,000
Spouse Benefit	50% of EE*	50% of EE*	50% of EE*	50% of EE*
Child Benefit	15% of EE	15% of EE	15% of EE	15% of EE
Seat Belt Benefit	10% of up to \$10,000	10% of up to \$10,000	10% or up to \$25,000	Up to \$10,000
Assault Benefit	10% of your Benefit Amount may be paid	EE: 50% of AD&D up to \$25,000 Dep: N/A	10% or up to \$25,000	EE: 50% of AD&D up to \$25,000 Dep: N/A
Education	2% of your Benefit Amount to \$2,500 per year may be paid for each such Covered Child for up to four consecutive years	2% of your Benefit Amount to \$2,500 per year may be paid for each such Covered Child for up to four consecutive years	3% or up to \$3,000 per child per year towards a 4-year college education	\$5,000 per child per year towards a 4-year college tuition
Participation Requirement	N/A	N/A	51%	25%
Age Reduction Formula	65% at age 70-74 45% at age 75-79 30% at age 80-84 15% at age 85+	65% at age 70 45% at age 75 30% at age 80 15% at age 85	65% at age 70 45% at age 75 30% at age 80 15% at age 85	65% at age 70 45% at age 75 30% at age 80 15% at age 85
<b>Rate Guarantee</b>	2 years until 12/31/2023	2 years until 12/31/2023	5 Years - Until 12/31/2026	2 years until 12/31/2023
<b>Voluntary EE AD&amp;D Rate</b>	\$0.044	\$0.044	\$0.044	\$0.044
<b>Voluntary EE + FAM AD&amp;D Rate</b>	\$0.063	\$0.063	\$0.063	\$0.063
<b>EE Rate % over Current</b>	-	-	0.00%	0.00%
<b>EE + FAM Rate % over Current</b>	-	-	0.00%	0.00%

Notes

\*Spouse with dependent children:  
40% of EE

\*Spouse with dependent children:  
40% of EE

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40% of EE

\*Spouse with dependent children:  
40% of EE

**City of Mesquite**  
**Voluntary Dependent Life and AD&D Marketing Analysis**  
**Effective: 01/01/2022**

	Current	Renewal	Proposed
<b>Benefits</b>	<b>The Standard</b>	<b>The Standard</b>	<b>BCBS</b>
Spouse Benefit	\$5,000 increments	\$5,000 increments	\$5,000 increments
Spouse Guarantee Issue	\$50,000	\$50,000	\$50,000
Spouse Maximum Amount	\$250,000	\$250,000	\$250,000
Child Benefit	\$2,000 increments	\$2,000 increments	\$2,000 increments
Age Reduction Formula	65% at age 70 50% at age 75	65% at age 70 50% at age 75	65% at age 70 50% at age 75
<b>Rate Guarantee</b>	Until 12/31/2022	Until 12/31/2022	5 Years - Until 12/31/2026
<b>Child Rate (Per \$1,000)</b>	\$2,000 Benefit: \$0.043 \$4,000 Benefit: \$0.108 \$6,000 Benefit: \$0.152 \$8,000 Benefit: \$0.217 \$10,000 Benefit: \$0.260	\$2,000 Benefit: \$0.043 \$4,000 Benefit: \$0.108 \$6,000 Benefit: \$0.152 \$8,000 Benefit: \$0.217 \$10,000 Benefit: \$0.260	\$0.026
<b>Voluntary Dependent Life Rates (Per \$1,000)</b>			
<24	\$0.070	\$0.070	\$0.070
25-29	\$0.070	\$0.070	\$0.070
30-34	\$0.080	\$0.080	\$0.080
35-39	\$0.100	\$0.100	\$0.100
40-44	\$0.140	\$0.140	\$0.140
45-49	\$0.240	\$0.240	\$0.240
50-54	\$0.380	\$0.380	\$0.380
55-59	\$0.650	\$0.650	\$0.650
60-64	\$0.960	\$0.960	\$0.960
65-69	\$1.590	\$1.590	\$1.590
70-74	\$1.590	\$1.590	\$1.590
75+	\$1.590	\$1.590	\$1.590

## **Disclaimer**

The following summary of coverages is to be used only as an overview of each policy written and in no way should it be used, nor is intended to be used, as a substitute for the original policy provisions. It has been prepared as a guideline for your reference only.

The policy/policies contain conditions, limitations and exclusions which may affect or limit coverage to be provided and should be reviewed by the insured to verify that coverage has been written as requested.

All of the information contained in this proposal is subject to the terms, conditions and limitations contained in the policies. Values are based on information provided by the client.

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## **McGRIFF, SEIBELS & WILLIAMS, INC. COMPENSATION STATEMENT**

Our principal remuneration for the placement and service of your insurance policy(ies) will be by commission (a proportion of the premium paid that is allowed to us by the insurance company(ies)) and/or a mutually agreed fee.

You should be aware that we may receive additional income from the following sources:

- ☐ **Interest or Investment Income earned on insurance premiums.**
- ☐ **Expense Allowances or Reimbursements from insurance companies and other vendors for (a) educational and professional development programs; (b) managing and administering certain binding authorities and other similar facilities, including claims which may arise; and (c) attendance at insurance company meetings and events; all of which we believe enable us to provide more efficient service and competitive terms to those clients for whom we consider the use of such facilities appropriate.**
- ☐ **Tier II Commission (sometimes referred to as “extra compensation”) is exclusive to the placement of employee benefits insurance and is based on premium volume of new business and/or premium retention.**
- ☐ **Contingent Commission (sometimes referred to as “profit sharing”) which can be based on profitability, premium volume, premium retention, and/or growth. If any part of your account is on a fee basis, we will not accept contingent commissions related to your account.**

If you have questions or desire additional information about remuneration and other income, please contact your Agent who will put you in touch with our Chief Risk Manager for assistance. If any part of your insurance program is placed through any BB&T-owned companies (including retail insurance brokers BB&T Insurance Services, Inc. and BB&T Insurance Services of California, Inc.; wholesale insurance brokers CRC Insurance Services, Inc. and Crump Life Insurance Services, Inc.; managing general underwriter AmRisc, LP; insurance premium finance company, Prime Rate Premium Finance Corporation, Inc. or affiliates; or BB&T Assurance Company, Ltd.) disclosure of that income will also be included.

## **McGRIFF, SEIBELS & WILLIAMS, INC. THIRD PARTY DISCLAIMER**

From time to time, McGriff, Seibels & Williams, Inc. (“MSW”) may share opinions or content regarding third party entities, third party providers of services, or make referrals to third party products and/or services (“Third Party Entities, Products and/or Services”). Any such opinions or content regarding Third Party Entities, Products and/or Services, or links to third party websites shared or posted on MSW’s website or social media sites do not constitute an endorsement of any third party, individual, organization, service, or product by MSW, nor does such activity indicate an affiliation with or sponsorship by MSW.

Any third party representations regarding their products or services contained in their written materials or on their websites are those of the respective authors and do not reflect the affirmation, concurrence or agreement of MSW, its employees, directors, officers, parents, or affiliates that those claims are accurate.

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### **Provider Security Standards**

The following is a brief summary of the measures that we have taken as your broker to review and report to you objectively on the financial security of your insuring companies. Information is included on A.M. Best Company, our primary security rating source, and the internal standards, which we have established to address this important issue for our customers.

MSW Security Review -McGriff, Seibels& Williams has established an internal "Security Review Group" composed of senior management representatives from the Finance, Marketing, Branch, Wholesale and Administrative Divisions of the company. This group's purpose is to develop and implement all procedures and standards for the financial security of all insurers, intermediaries and associations used by MSW and its subsidiary companies.

This group meets periodically to review the current listing of all companies, intermediaries and associations, which are actively used by MSW. It will also act on any pending requests received from throughout the company to have new Providers activated, and to deactivate any Providers that do not meet current MSW standards. MSW Provider Classifications:

"Approved Provider" is any Provider whose A.M. Best's rating is A-or higher. The Best's rating of an "approved" Provider must be printed on all MSW Confirmations of Coverage (Binders) and proposals delivered to clients or prospects.

"Exception Provider" is certain Providers with a rating lower than A-, including those companies "not rated by A.M. Best" which after review by the Security Review Group will be an approved security.

Any Provider approved by MSW receiving an A.M. Best downgrade of rating will be posted on our website ([www.mcgriff.com](http://www.mcgriff.com)). A downgrade that results in an "Approved" Provider moving to a less than A-A.M. Best Rating will be communicated to you in writing.

A.M. Best Company

AmbestRoad

Oldwick, New Jersey 08858

History -A.M. Best Company was incorporated in 1899 as the first rating agency in the world to offer reliable information on the financial condition of U.S. insurance companies. The Best's Rating Guide was first published in 1900, and has since become a cornerstone of the security review process by continuously evaluating the financial integrity of over 4,100 insurance companies. In 1984, the first edition of the Best's International Rating Guide was published, reporting on the claims-paying ability of over 950 international insurers.

The information used by Best to rate insurance carriers is provided by the companies themselves as a part of their normal filings with the National Association of Insurance Commissioners, those states in which the company is licensed, the SEC and/or with its shareholders. Rating reviews are performed annually on each insurance company and on an interim basis as conditions dictate. Best's Rating System -The Best's rating system is designed to evaluate a wide range of objective and subjective factors that affect the overall performance of an insurance company (not applicable to associations or intermediaries). These factors deal with the company's financial strength, its operating performance and its ability to meet its financial obligations to policyholders, as follows:

Profitability\*Spread of risk

\*Quality of reinsurance program\*Leverage/Capitalization

\*Quality and diversification of assets\*Liquidity

\*Adequacy of policy loss reserves\*Adequacy of policyholder's surplus

\*Capital structure\*Management experience and objectives

Best's Rating Symbols -A typical Best's rating is composed of two parts. The "Security" portion provides an alphabetical indication of the quality of the security provided by a company to its policyholders. This rating is further defined in three categories, "Secure", "Vulnerable" or "Not Assigned". The "Financial Size" (FSC) portion of the Best's rating uses Roman numerals to rank companies based on the dollar amount of their policyholder's surplus and contingent reserve funds. While comparative rankings for security or financial size by themselves may not adequately portray the complete financial health of a company, the combination of the two has proven to be reliable in predicting the ability of a company to meet its claims obligations in a timely manner, both now and in the near future. The actual rating symbols used by Best and their meanings are:

“Secure” Ratings A++ or A+ Superior

A or A- Excellent

B++ or B+ Good

“Vulnerable” B or B- Fair

Ratings C++ or C+ Marginal

C or C- Weak

D Poor

E Under Supervision

F In Liquidation

S Suspended

“NF” **Financial Size Categories I**

<b>I</b>	<b>Under \$1,000,000</b>	<b>VIII</b>	<b>100,000,000 – 250,000,000</b>
<b>II</b>	1,000,000 - 2,000,000	<b>IX</b>	250,000,000 – 500,000,000
<b>III</b>	2,000,000 – 5,000,000	<b>X</b>	500,000,000 – 750,000,000
<b>IV</b>	5,000,000 – 10,000,000	<b>XI</b>	750,000,000 – 1,000,000,000
<b>V</b>	10,000,000 – 25,000,000	<b>XII</b>	1,000,000,000 – 1,250,000,000
<b>VI</b>	25,000,000 - 50,000,000	<b>XIII</b>	1,250,000,000 – 1,500,000,000
<b>VII</b>	50,000,000 – 100,000,000	<b>XIV</b>	1,500,000,000 – 2,000,000,000
		<b>XV</b>	Over 2,000,000,000

**Source: *Best’s Key Rating Guide – 2016 Edition***