

RESOLUTION NO. 2293-22

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON, ESTABLISHING THE AMOUNT OF LIFE INSURANCE TO BE PROVIDED FOR EACH EMPLOYEE OF THE DISTRICT, AS AUTHORIZED IN RESOLUTION NO. 756, AND DESIGNATING THE ADDITIONAL AMOUNT OF LIFE INSURANCE AVAILABLE TO THE COMMISSIONERS AND ALL OTHER EMPLOYEES.

WHEREAS, Resolution No. 756, authorized Public Utility District No. 1 of Skagit County, Washington, hereafter referred to as the "District," to enter into a Life Insurance program offered through the Pacific Underwriters Corporation, Insurance agent for the District,

WHEREAS, in 2021 the District engaged TrueBenefits to review the District's benefit program, including life insurance benefits for employees and Commissioners,

WHEREAS, that at the time of this Resolution there are three retirees currently insured on the life insurance (hereinafter referred to as "retirees"), and the District has determined it is more cost effective to self-insure the previous life insurance benefit (hereinafter referred to as "benefit") for these retirees.

BE IT RESOLVED that the District will contribute the premium cost for \$50,000.00 of base Term Life insurance with a provision for Accidental Death and Dismemberment (AD&D) Insurance for each employee, including the Commissioners and

BE IT FURTHER RESOLVED that Commissioners and employees of the District may purchase additional life insurance coverage through the insurance broker that exceeds the \$50,000 coverage paid for by the District. Such additional coverage will be purchased at premium rates provided by the current insurer and broker. Limitations on the total allowed level of life insurance coverage will be established by the General Manager, and

BE IT FURTHER RESOLVED that the District will self-insure the benefit for only the three retirees referenced above at the amount of \$10,000 per retiree, and

BE IT FURTHER RESOLVED that the benefit provided to the three retirees will be paid out by the District upon the death of each retiree to the beneficiary listed as a taxable amount (as required by law), and

BE IT FURTHER RESOLVED that the benefit will be "grossed-up" for taxes so each net benefit will be as close to the \$10,000 of base life insurance as possible. The calculation will be based on any applicable tax percentages and requirements in effect at the time of each payment, and

BE IT FURTHER RESOLVED that the retirees will continue to make the same premium payments to the District, which will be a requirement for the District to provide the aforementioned benefit. Any lapses in premium payments that exceed 10 days will result in cancellation of this benefit, and

BE IT FURTHER RESOLVED that retired employees and Commissioners will have the option to continue any life insurance provided through a portability option with the insurance company, at rates and provisions established by the insurance company, and

BE IT FURTHER RESOLVED that the aforementioned changes will go into effect on the 1<sup>st</sup> of June, 2022. and

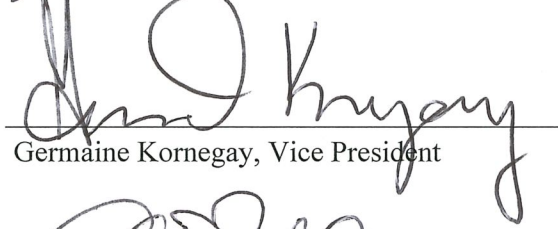
BE IT FURTHER RESOLVED that this Resolution supersedes Resolution No. 1466-89, 2192-12, and all prior resolutions that pertain to, or may be in conflict with the aforesaid subject matter EXCEPT Resolution No. 756, which shall remain in effect.

ADOPTED by the Commission of Public Utility District No. 1 of Skagit County, Washington, at a regular meeting held this 24th day of May 2022.



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Joseph Lindquist, President



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Germaine Kornegay, Vice President

ATTEST



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Andrew Miller, Secretary