

ISLAND COUNTY FIRE PROTECTION DISTRICT #5

IN THE MATTER OF CANCELLATION
OF WARRANT #92663

RESOLUTION 92-05

WHEREAS, the Administrator of the Incentive Plan of Island County Fire District #5, Arnold Tucker & Associates, has determined it beneficial to change the carrier on said plan, per the attached correspondence.

WHEREAS, Fire District #5 previously issued Warrant 92663 on October 21, 1992 in the sum of \$1,695 made payable to Security Benefit Life.

WHEREAS, pursuant to the attached correspondence, said Warrant 92663 must be voided and a warrant issued to Northern Life in its stead.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the below listed warrant be cancelled. The County Auditor and County Treasurer, by copy of this Resolution are directed to take action to transfer all records of such warrant so as to leave the funds as if such warrants had never been drawn.

Warrant No. 92663
Issue Date: 10/21/92
Payee: Security Benefit Life
Amount: \$1,695

ADOPTED this 5th day of November, 1992.

BOARD OF COMMISSIONERS
ISLAND COUNTY FIRE DIST. #5



CHERYL J. ENGLE, CHAIR



GERALD J. HELM, COMMISSIONER



PAUL E. MESSNER, COMMISSIONER

ATTEST:



DELANE T. RYAN, DISTRICT SECRETARY
FINANCE OFFICER



Arnold Tucker

& Associates

Pension & Retirement Planners

Nov. 5, 1992

Island County F.P.D. #5
P.O. Box 787
Coupeville, WA 98239

ATTN: Joe Biller and Delane Ryan,

RE: Change of Carriers on Volunteer Incentive Plan

As we discussed on the phone today our original life insurance and annuity carrier Security Benefit Life has added a new first year administrative charge in addition to their policy fee. This new fee varies with age and coverage amount (Example: \$12.50/month for Joe Biller's plan and \$5.75/month for Delane Ryan's plan).

This coupled with their minimum premium of \$300.00, regardless of age and policy amount, has prompted us to go back to our original provider Northern Life in Seattle. We have negotiated some needed concessions in their billing system for this program and recommend that your insurance provider be Northern Life, the company that originally helped Chief Haworth and ourselves design your Volunteer Incentive Plan. The advantages to Island County F.P.D. #5 are as follows:

1. No extra first year fee.
2. No \$300 Minimum annual premium (minimum determined by age and amount of insurance - can go as low as \$120/year on the life insurance).
3. Local (Seattle) home office since 1906.
4. Higher current interest rates. Security Benefit's life rates dropped to 6.5%. Northern Life's is at 7.1%.
5. Northern has a slightly higher Standard and Poors rating (AA- v.s. A+).

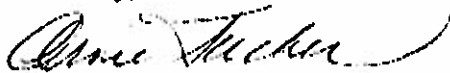
To comply with our recommendation please cancel Warrant #⁹²⁶⁶³091400 of \$1,695.00 to Security Benefit Life and replace with a Warrant of equal amount payable to Northern Life.

Northern has agreed to accept Security Benefit's applications and underwriting and we will get signatures on delivery of the plan. We are scheduled to deliver these

plans to your people on November 30th at their evening meeting. Please feel free to call and discuss this recommendation with me at your convince. I will also provide comparative policy information and projections at our meeting November 30th or sooner if desired.

Although this requires more work for our staff and in some cases reduced commissions (due to lower policy minimums) we felt it was in the best interest of your district after we received and read the new Security Benefit policies.

Sincerely,



Arnold Tucker