

**MINUTES**  
**LANCASTER COUNTY BOARD OF COMMISSIONERS**  
**TUESDAY, MARCH 15, 2011**  
**COMMISSIONERS HEARING ROOM, ROOM 112**  
**FIRST FLOOR, COUNTY-CITY BUILDING**  
**9:30 A.M.**

Commissioners present: Deb Schorr, Chair  
Bernie Heier, Vice Chair  
Larry Hudkins  
Jane Raybould  
Brent Smoyer

Others present: Kerry Eagan, Chief Administrative Officer  
Gwen Thorpe, Deputy Chief Administrative Officer  
Brittany Behrens, Deputy County Attorney  
Dan Nolte, County Clerk  
Cori Beattie, Deputy County Clerk  
Angela Zocholl, County Clerk's Office

The location announcement of the Nebraska Open Meetings Act was given and the meeting was called to order at 9:30 a.m.

1) **MINUTES: Approval of the minutes of the Board of Commissioners meeting held on Tuesday, March 8, 2011.**

**MOTION:** Heier moved and Raybould seconded approval of the minutes. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

2) **CLAIMS: Approval of all claims processed through Tuesday, March 15, 2011.**

**MOTION:** Raybould moved and Heier seconded approval of the claims. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

3) **SPECIAL PRESENTATION:**

A. **County Treasurer's "Employee of the Year" Awards.**

Andy Stebbing, County Treasurer, and Susan Ross, Department of Motor Vehicles Supervisor, presented the awards to Terry Adams, Deputy County Treasurer, and Alice Jones, Department of Motor Vehicles. The Clerk read the nominations for the record (Exhibit A).

4) **NEW BUSINESS:**

A. **A special events permit application from the UNL Cycling Club for the "Le Tour de Husker" bicycle race on Saturday, April 16, 2011, at Branched Oak Lake.**

**MOTION:** Raybould moved and Hudkins seconded approval of the special events permit. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

4) **NEW BUSINESS CONTINUED:**

- B. **A recommendation from the County Engineer and the Purchasing Agent to award a bid to Gene Steffy Chrysler Jeep Dodge in the amount of \$29,083 for a 2011 3/4 Ton 4x4 Full Size Crew Cab and Utility Body. (B-11-0015)**

**MOTION:** Heier moved and Hudkins seconded approval of the recommendation. Hudkins, Heier, Smoyer and Schorr voted aye. Raybould voted nay. Motion carried 4-1.

- C. **A recommendation from the Purchasing Agent and the Community Corrections Director to award contracts to Clean and Sober Living and St. Monica's Behavioral Health at an estimated cost of \$30,100 for sober living units. (B-11-0016)**

Bob Walla, Assistant Purchasing Agent, said the original estimate is missing the deposit and utility cost, which adds another \$3,300 to the total. He stated the contracts are funded by a federal grant.

**MOTION:** Raybould moved and Hudkins seconded approval of the recommendation. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

- D. **A contract between Safety-Kleen Systems, Inc., Lancaster County, the City of Lincoln and the Lincoln-Lancaster County Public Building Commission for the annual requirements for parts washer services/recycling solvent on an as needed basis. The County shall pay for products and services according to the line item pricing as listed in the contractor's proposal. Term of the contract is one year from the date of execution by all parties. (C-11-0129)**

**MOTION:** Hudkins moved and Raybould seconded approval of the contract. Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

- E. **A contract between Graybar Electric Company, Lancaster County, the City of Lincoln and the Lincoln-Lancaster County Public Building Commission for the annual requirements of electrical products. The County will pay for products and services according to the County of Los Angeles, California Contract No. MA-IS-43272-6. The contract is effective upon execution through December 31, 2012. (C-11-0130)**

**MOTION:** Hudkins moved and Raybould seconded approval of the contract. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

- F. **A contract between Graybar Electric Company, Lancaster County and the City of Lincoln for the annual requirements of telecommunication supplies and accessories. The County will pay for products and services according to the County of Los Angeles, California Contract No. MA-IS-1040222-1. The contract is effective through December 31, 2012. (C-11-0131)**

**MOTION:** Raybould moved and Hudkins seconded approval of the contract. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

4) **NEW BUSINESS CONTINUED:**

- G. **A contract between Life-Assist, Lancaster County and the City of Lincoln for the annual requirements of medical equipment and supplies on an as needed basis. The County shall pay for equipment and supplies according to the line item pricing as listed in the contractor's proposal. Term of the contract is four years from the date of execution by all parties. (C-11-0132)**

**MOTION:** Heier moved and Hudkins seconded approval of the contract. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

- H. **An agreement between The Nebraska State Bar Association and Lancaster County, on behalf of the Lancaster County Public Defender's Office, to provide training on the immigration consequences of criminal convictions. The County shall expend federal grant funds in the amount of \$7,927.75 for the services provided. Term of the agreement is January 1, 2011, to December 31, 2012. (C-11-0133)**

**MOTION:** Raybould moved and Hudkins seconded approval of the agreement. Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

- I. **An agreement between Elizabeth Neeley, Ph.D., d/b/a Objective Advantage, LLC, and Lancaster County, on behalf of Community Corrections, for program evaluation services as part of the Pretrial Release Program Enhancement grant. The County shall expend federal grant funds in the amount of \$26,000 for the services provided. Term of the agreement is January 1, 2011, to December 31, 2012. (C-11-0134)**

**MOTION:** Hudkins moved and Raybould seconded approval of the agreement. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

- J. **An agreement between Elizabeth Neeley, Ph.D., d/b/a Objective Advantage, LLC, and Lancaster County, on behalf of the Public Defender's Office, for program evaluation services as part of the Training on Immigration Consequences grant. The County shall expend federal grant funds in the amount of \$3,500 for the services provided. Term of the agreement is January 1, 2011, to December 31, 2012. (C-11-0135)**

**MOTION:** Heier moved and Raybould seconded approval of the agreement. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

- K. **A business associate agreement between Synthesis, Inc., and Lancaster County, on behalf of the Community Mental Health Center, to comply with Health Insurance Portability & Accountability Act (HIPAA) regulations. The agreement is effective December 1, 2010. (C-11-0137)**

**MOTION:** Raybould moved and Hudkins seconded approval of the agreement. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

- L. **A business associate agreement between Region V Systems and Lancaster County, on behalf of the Community Mental Health Center, to comply with Health Insurance Portability & Accountability Act (HIPAA) regulations. (C-11-0138)**

4) **NEW BUSINESS CONTINUED:**

**MOTION:** Heier moved and Hudkins seconded approval of the agreement. Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

- M. **An agreement with Central Plains Anesthesia to provide specialized medical care and assistance to Lancaster County General Assistance clients who have pending claims with the Social Security Administration and may be eligible for retroactive Medicaid benefits. The agreement sets forth a reimbursement arrangement in which the County will provide payment for the medical care and Central Plains Anesthesia will reimburse the County if/when the General Assistance client is later determined eligible for Medicaid reimbursement. The agreement is effective upon execution of both parties and contains a 30-day termination provision. (C-11-0136)**

**MOTION:** Hudkins moved and Heier seconded approval of the agreement. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

- N. **Authorization of the replacement of the American Century Vista INV fund with the Morgan Stanley Mid Cap Growth P Fund for the Lancaster County, Nebraska Employees Retirement Plan and the Lancaster County, Nebraska 457 Deferred Compensation Plan, both administered by Prudential Retirement.**

**MOTION:** Heier moved and Smoyer seconded to authorize the replacement.

Kerry Eagan, Chief Administrative Officer, said more forms from Prudential would be coming that require a signature. He said the Board could authorize the Chair or himself to sign those forms.

The maker and the seconder agreed to amend the motion to authorize Eagan to sign the follow-up Prudential documents.

**ROLL CALL:** Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

- O. **A political subdivision tort claim filed against Lancaster County Corrections by Jill Curran for lost property in the amount of \$25.**

**MOTION:** Hudkins moved and Smoyer seconded denial of the tort claim based on the department director's recommendation. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

- P. **A political subdivision tort claim filed against Lancaster County Corrections by John D. Kensill for lost property in the amount of \$50.**

**MOTION:** Heier moved and Raybould seconded denial of the tort claim based on the department director's recommendation. Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

5) **CONSENT ITEMS:** *These are items of business that are routine which are expected to be adopted without dissent. Any individual item may be removed for special discussion and consideration by a Commissioner or by any member of the public without prior notice. Unless there is an exception, these items will be approved as one with a single vote of the Board of Commissioners. These items are approval of:*

**A. Receive and place on file the following:**

1. **County Records & Information Management monthly report for February, 2011.**
2. **County Engineer quarterly report for October, November and December, 2010.**
3. **Lancaster County Agricultural Society Management's Discussion and Analysis Financial Statements and Supplementary Information for the year ended November 30, 2010.**

**B. Right-of-way contracts between the County Engineer and the following:**

1. **Wendy Sue Hutchinson, in the amount of \$9, located at 148<sup>th</sup> Street and Hickman Road; Project No. CP-R-76. (C-11-0139)**
2. **Shied Farms, LLC, in the amount of \$1,844.25, located at N. 14<sup>th</sup> Street and Waverly Road; Project No. Bridge F-197. (C-11-0140)**

**MOTION:** Heier moved and Hudkins seconded approval of the consent items. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

6) **PUBLIC COMMENT:**

Joy Shiffermiller, Attorney for the American Federation of State, County and Municipal Employees (AFSCME) Local 2468, offered a one-year contract freeze for union employees to assist with the County's budget (Exhibit B). She discussed other cost-cutting options, such as a relaxed furlough policy and early retirement.

Kim Kaspar, President of the American Federation of State, County and Municipal Employees (AFSCME) Local 2468, discussed the one-year contract freeze and a revised furlough policy she had drafted (Exhibit C). She said the proposal was discussed at recent meetings but there has been no formal vote by union members.

Melvin Moore discussed converting salary positions to an hourly wage as a way to cut the budget.

Chase Brown and Jen Brown, Liberty National Insurance, presented insurance options for the County (Exhibit D). Schorr said the information would be forwarded to the Personnel Department.

7) **ANNOUNCEMENTS:**

- A. **The Lancaster County Board of Commissioners will hold a staff meeting on Thursday, March 17, 2011, at 8:30 a.m., in Room 113 on the first floor of the County-City Building.**
- B. **The Lancaster County Board of Commissioners will hold their next regular meeting on Tuesday, March 22, 2011, at 9:30 a.m., in Room 112 on the first floor of the County-City Building, with the Board of Equalization meeting immediately following.**

7) **ANNOUNCEMENTS CONTINUED:**

C. The Lancaster County Board of Commissioners meeting is broadcast live. It will be rebroadcast on Tuesday at 1:30 and 6:30 p.m. and on Saturday afternoon on 5 City-TV, Cable Channel 5. In addition, this meeting may be viewed on Nebraska On Demand Time Warner Channel 101 and is available on the internet at [www.lancaster.ne.gov](http://www.lancaster.ne.gov). Click on 5 City-TV Video on Demand.

D. The County Commissioners can be reached at 402-441-7447 or [commish@lancaster.ne.gov](mailto:commish@lancaster.ne.gov).

8) **ADJOURNMENT**

**MOTION:** Heier moved and Smoyer seconded to adjourn the Board of Commissioners meeting at 10:18 a.m. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

*Dan Nolte*

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**Dan Nolte**  
Lancaster County Clerk



**MINUTES**  
**LANCASTER COUNTY BOARD OF EQUALIZATION**  
**TUESDAY, MARCH 15, 2011**  
**COMMISSIONERS HEARING ROOM, ROOM 112**  
**FIRST FLOOR, COUNTY-CITY BUILDING**  
**IMMEDIATELY FOLLOWING THE LANCASTER COUNTY**  
**BOARD OF COMMISSIONERS MEETING**

Commissioners present: Deb Schorr, Chair  
Bernie Heier, Vice Chair  
Larry Hudkins  
Jane Raybould  
Brent Smoyer

Others present: Scott Gaines, Deputy County Assessor/Register of Deeds  
Kerry Eagan, Chief Administrative Officer  
Gwen Thorpe, Deputy Chief Administrative Officer  
Brittany Behrens, Deputy County Attorney  
Dan Nolte, County Clerk  
Cori Beattie, Deputy County Clerk  
Angela Zocholl, County Clerk's Office

The location announcement of the Nebraska Open Meetings Act was given and the meeting was called to order at 10:18 a.m.

1) **MINUTES: Approval of the minutes of the Board of Equalization meeting held on Tuesday, March 8, 2011.**

**MOTION:** Hudkins moved and Heier seconded approval of the minutes. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

2) **ADDITIONS AND DEDUCTIONS: Approval of 22 additions and deductions to the tax assessment rolls per Attachments "A" and "B".**

**MOTION:** Heier moved and Raybould seconded approval of the additions and deductions. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

3) **MOTOR VEHICLE TAX EXEMPTION APPLICATIONS:**

**The Bridge International, Inc.**  
**Catholic Social Services**  
**City Impact**  
**Lincoln Church of Christ**  
**Priestly Fraternity of St. Peter**  
**Tabitha, Inc.**  
**Temple Baptist Church**

3) **MOTOR VEHICLE TAX EXEMPTION APPLICATIONS CONTINUED:**

**MOTION:** Heier moved and Smoyer seconded approval of the motor vehicle tax exemptions. Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

4) **ADJOURNMENT**

**MOTION:** Heier moved and Hudkins seconded to adjourn the Board of Equalization meeting at 10:20 a.m. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

*Dan Nolte*

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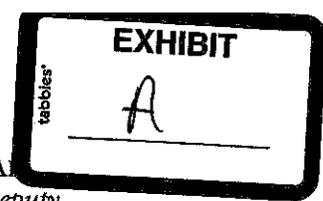
**Dan Nolte**  
**Lancaster County Clerk**



ANDY STEBBING  
*Treasurer*



TERRY A.  
*Chief Deputy*



## LANCASTER COUNTY TREASURER'S OFFICE

555 South 10th Street, Ste. 102 / Lincoln, Nebraska 68508 / Phone (402) 441-7425 / Fax (402) 441-8841

### 2010 County Treasurer Employee(s) of the Year

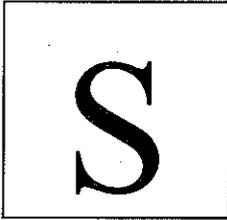
Alice Jones has been selected as the County Treasurer's Employee of the Year for 2010 due to her exceptional work in customer service. Employed with the Treasurer's Motor Vehicle Division for over 15 years, Alice is our taxpayers' first contact when they enter the building. She makes every effort to answer a taxpayer's inquiries while making sure they have the proper documentation for their particular motor vehicle transactions. She's a true expert at dealing with angry, frustrated taxpayers, as well as loud, unruly children. Always there with a smile and a friendly face, she manages to calm the individual before they move on to other Motor Vehicle staff to complete their transactions. Alice's enthusiasm and demeanor with the public is greatly appreciated by her co-workers. She reflects an outstanding level of professionalism in customer relations.

Terry Adams came to the Treasurer's Office as Deputy Treasurer in 1975, recruited by County Treasurer Frank Golden from the State Auditor's Office. Over the years, his knowledge of legal and financial issues has made him invaluable to Lancaster County. Terry is responsible for bringing automation into the Treasurer's Office in both the tax and the motor vehicles areas and remains involved with the State Department of Motor Vehicles in improving motor vehicle services to the citizens of all counties. He's established valuable relationships for the County with other counties throughout the state, the City of Lincoln, and the State of Nebraska. I am truly grateful that Terry had agreed to remain as Chief Deputy as the office changed leadership for the first time in 32 years. His wisdom and knowledge is paramount.

Naturally easy-going and friendly, Terry has probably never met a stranger and has many friendships within the City and County. He and his wife, Kaye, have 3 children and 3 grandchildren, including twin boys. An avid baseball fan, Terry also enjoys his grandchildren's sporting events and date nights with his wife.

Respectfully,

Andy Stebbing



# SHIFFERMILLER LAW OFFICE, P.C., L

EXHIBIT  
B  
tabbles

JOY SHIFFERMILLER  
Attorney at Law

ABBY OSBORN  
Associate Attorney

1002 G Street  
Lincoln, NE 68508  
(402) 484-7700 – Phone  
(402) 484-7714 – Fax

March 14, 2011

Lancaster County Commissioners  
555 South 10<sup>th</sup> Street  
Lincoln, Nebraska 68508

**Re: Proposal for Contract Freeze Local 2468 of the American Federation of State, County, and Municipal Employees, AFL-CIO**

Commissioners:

Please be advised our office represents the Union Local 2468 of the American Federation of State, County, and Municipal Employees, AFL-CIO. In light of the fact that the contract is due for renegotiation, I am enclosing a proposal that we freeze the current contract wages, salaries and benefits for one contract year. Any addendums will be from the date of signing for one year.

The Union remains committed to the representation of the members in the best interest of the members and the county. We are confident if we work together we can find cost saving solutions to labor in both management and labor positions.

Very truly yours,

JOY SHIFFERMILLER

Tom Fox  
JS/cl  
Enc:

## PROPOSAL

The current contract between Local 2468 of the American Federation of State, County, and Municipal Employees, AFL-CIO and Lancaster County is set to expire the beginning of the first pay period in September, this year, 2011.

In light of current economic conditions, Local 2468 of the American Federation of State, County, and Municipal Employees, AFL-CIO Union would propose a freeze of the current contract with no wage, salary or benefit increases. The Union shall offer addendum's and entertain negotiation on specific monetary items, such as furloughs, early retirements, and would consider and discuss other labor cost saving measures. AFSCME offers these potential cost saving proposals knowing they are non-comparable under the current contract and within the array.

Local 2468 of the American Federation of State, County, and Municipal Employees, AFL-CIO offer, if agreed upon, this freeze to be effective immediately and ending April 1, 2012, or from date of signing, prior to the next contract negotiation.

Local 2468 of the American Federation of State, County, and Municipal Employees, AFL-CIO is interested in working with the County to discuss cost savings across all facets of employment, both labor and management.

**UNION FURLOUGH**  
2/11

**Definition**

A **furlough** is **placing** an employee in a non-duty and non-pay status **due to lack** of funds or appropriations or a shortage of work. Furloughs may be an alternative to a permanent layoff of an employee(s).

**Voluntary Furloughs**

- (a) **A status employee in the classified service may request to be placed on unpaid furlough status with the approval of the Department Head.**
  - (1) *Employees may request the furlough day(s) to be on a birthday, in conjunction with paid leave time off or in lieu of paid leave to extend a vacation or use as needed for sick leave e.g. medical appointment.*
- (b) **The Department Head may request to status employees in the classified service to voluntarily be placed on unpaid furlough when the Department Head deems it necessary by reason of shortage of funds or appropriations or shortage of work.**
- (c) **The Department Head shall make a request for volunteers to be placed on voluntary unpaid furlough prior to the implementation of a mandatory furlough.**
- (d) **Once a voluntary unpaid furlough is taken by an employee, the voluntary unpaid furlough time shall be considered in satisfying any subsequent mandatory unpaid furlough requirements within the policy year.**
- (e) **All requests by employees to be voluntarily placed on unpaid furlough must be made in writing and not be unreasonably denied by the Department Head.**
- (f) *Employees shall have the first option of using voluntary furloughs at their convenience for the first 3 quarters of the fiscal year, unless an emergency mandatory situation arises. After that, if the requirements are not met, the Department Head has the right to enforce mandatory furlough at their request.*
- (g) **Length of Voluntary Furlough: The Department Head may grant a request to be placed on voluntary unpaid furlough. Voluntary unpaid furloughs must be taken in no less than two (2) hour increments. A full day furlough without pay is equal to the employee's normal scheduled work hours on the affected day.**
  - (1) **Voluntary unpaid furloughs in excess of thirty (30) calendar days must be approved by the Personnel Officer.**
  - (2) **Voluntary unpaid furlough hours may be scheduled over consecutive days and/or weeks, or non-consecutive days over a period of time.**
- (h) *Employees may request the furlough day(s) to be on a birthday, in conjunction with paid leave time off or in lieu of paid leave to extend a vacation or use as needed for sick leave e.g. medical appointment.*
- (i) **The Department Head shall schedule furloughs in a manner which minimizes disruption to the efficient operation of the department. The Department Head will work with employees to identify in advance what voluntary furlough days/hours will be taken to maintain effective operations and essential services.**
- (j) *Employees who exceed the voluntary or mandatory required number of hours/days shall be able to transfer these additional days to other employees who may be experiencing financial hardships and are unable to meet the requirements. This*

*can be donated between departments and the employee donating the furlough day(s) will be done at the pay rate of that employee. E.g. Jane makes \$20.00 per hour and transfers to John making \$15.00 per hour the rate back to the County will be the \$20.00 per hour rate. This also can go in the reverse order.*

- (k) *Employees who are in an unpaid status of LWOP can use these hours for voluntary or mandatory furlough days. This shall include time off with FMLA status employees during the fiscal year. This shall include all LWOP leave per County Personnel rules and AFSCME Union Contract. All LWOP leave requests shall not be unreasonably denied to avoid use as a furlough. Disciplinary actions will not count as furlough leave time.*

### **Mandatory Unpaid Furloughs**

- (a) **The Department Head shall make a request for volunteers to be placed on voluntary unpaid furlough prior to the implementation of a mandatory unpaid furlough. If there are insufficient volunteers to mitigate the need for mandatory unpaid furloughs and/or if effective operations or essential services are compromised, a Department head may implement mandatory unpaid furloughs.**
- (b) **The Department Head may furlough status employees in the classified service whenever he/she deems it necessary by reason of shortage of funds or appropriations or shortage of work. In such case, the Department Head shall establish a uniform Mandatory Furlough Plan which shall require all employees in the department to take an equal number of hours of leave without pay during a furlough period.**
- (1) **During this time all non status employees (On-call or Temporary/seasonal employees), by department, will be laid off first and full-time status employees will fill the vacant hours.**
- (c) **Notice: When a mandatory unpaid furlough has been implemented, the status employee shall be notified at least fifteen (15) calendar days prior to the effective date of a furlough period.**
- (1) **The furlough notice will include the following:**
- (A) **A general statement of the reason for the furlough (budget shortfall, decrease in appropriations, shortage of work).**
- (B) **The effective date of the furlough and the maximum number of furlough hours. If the furlough is due to an emergency situation the number of hours may not be known in advance. If the number of furlough hours becomes known after the onset of the furlough, the Department Head shall notify the employee within 24 hours informing him/her of the length of said furlough.**
- (2) **In the case of an emergency a furlough notice will be provided as soon as reasonably possible.**
- (d) **Length of Mandatory Unpaid Furlough:**
- (1) **A status employee may be placed on mandatory unpaid furlough for a period not to exceed 40 furlough hours during a County fiscal year. Mandatory unpaid furlough hours may be scheduled over consecutive days and/or weeks, or non-consecutive days over a period of time.**
- (A) **No mandatory furlough shall be more than 16 hours per pay period.**

- (2) Mandatory unpaid furlough hours shall be taken in no less than two (2) hour increments. A full day furlough without pay is equal to the employee's normal scheduled work hours on the affected day.
  - (3) An employee may not be furloughed more than their normal scheduled work day unless requested by the employee and agreed to by the employee and Department Head.
- (e) Scheduling Mandatory Unpaid Furlough:
- (1) The scheduling of mandatory unpaid furloughs shall be at the sole discretion of the Department Head and the Department Head shall schedule furloughs in a manner which minimizes disruption to the efficient operation of the department. However, to the extent possible, employees will be allowed to choose the timing of furlough days/hours.
  - (2) Employees shall not be scheduled for furlough during periods of paid approved leave. Employees may be scheduled for furlough upon return to work from approved leave.
    - (A) *Employees may request the furlough day(s) to be on a birthday, in conjunction with paid leave time off or in lieu of paid leave to extend a vacation or use as needed for sick leave e.g. medical appointment.*
- (f) Essential Services: Departments Heads shall plan mandatory unpaid furlough time in a manner that allows for essential services to be provided. The Department Head will work with employees to identify in advance what furlough days/hours will be taken during the furlough period and to maintain effective operations and essential services.

### **Fair Labor Standards Act Compliance**

- (a) In accordance with the provisions of the Fair Labor Standards Act, non-exempt (hourly) employees shall take unpaid furloughs in the day or hourly increments listed above. Non-exempt employees are not allowed to work during the unpaid furlough days/hours, nor are they allowed to work overtime hours during the week in which the unpaid furlough days/hours are taken.
- (b) In accordance with the provisions of the Fair Labor Standards Act, exempt employees will be considered as non-exempt for the work week in which the unpaid furlough day/hours are taken. Exempt employees are not allowed to work during the unpaid furlough days/hours. Exempt employees may not exceed forty (40) hours in combined furlough and work hours during the week in which the unpaid furlough days/hours are taken unless authorized in advance by the Department Head.

### **Benefits and Seniority During Mandatory or Voluntary Furlough**

- (a) Furloughs shall not constitute a break in service of employment and there shall be no loss of seniority.
- (b) Furloughs shall not effect an employee's health insurance, dental insurance, continuous service, length of service or eligibility for longevity increases. However, employees shall be responsible for their normal contributions for benefits.
  - (1) **No mandatory furlough will be more than 40 hours thus causing an employee a break in service affecting benefits.**

### **Vacation Leave, Sick Leave, Personal Holidays, and Other Paid Leaves During Mandatory and Voluntary Furlough**

- (a) Employees shall continue to accrue vacation and sick leave at their current levels during the furlough period and leave earnings shall not be prorated as a result of a furlough.
- (b) Employees may not substitute paid leave for a period of furlough.

### **Holiday Pay During Mandatory or Voluntary Furlough**

- (a) If an unpaid furlough day is scheduled on a holiday, then the employee will not receive holiday pay.
- (b) Unpaid furlough days scheduled immediately before and/or after a holiday, but not scheduled on a holiday, shall not disqualify an employee from receiving holiday pay.
  - (1) *If the Department Head schedules a mandatory furlough on a scheduled paid holiday, the rate of pay shall be at the same as if the holiday was worked or at 1 1/2 times .*

### **Sanctions**

Employees are strictly forbidden from performing any County work while on furlough, including but not limited to checking work-related e-mail and voice mail. Employees who perform County work while on furlough may be subject to appropriate disciplinary action up to and including dismissal from employment.

### **Grievances**

Employees may grieve a furlough under Lancaster County Personnel Rule 12.

### **Misc**

*No Department Head shall impose a mandatory furlough upon an employee(s) in the last fiscal quarter if no steps were taken in the three previous quarters to avoid such furlough.*

- (a) *See Voluntary Furlough, item (f).*

### **Sunset Clause**

*This policy will be effective upon the agreement and signing of this for one year from the date of signing.*

EXHIBIT

tabbles®

D

**THE LIBERTY  
NATIONAL  
WORKSITE  
ADVANTAGE**



**BENEFITS  
OFFERED**  
for Employers

# THE LIBERTY NATIONAL WORKSITE ADVANTAGE



LIBERTY NATIONAL'S WORKSITE ADVANTAGE USES IRS SECTION 125 TO HELP EMPLOYERS PROVIDE TAX SAVINGS TO EMPLOYEES WHEN THEY PURCHASE INSURANCE THROUGH PAYROLL DEDUCTION.

**1. Do you currently have a Section 125 Cafeteria plan?**

- a. Does your company offer major medical hospitalization coverage?
- b. On average, approximately how much premium do the employees pay and how many participate?

*You and your employees will save additional tax dollars on the purchase of our supplemental insurance plans.*

**2. If you do not have a Section 125 plan, would you like for your employees to be able to save tax dollars on the purchase of insurance through payroll deduction?**

*Your Liberty National agent will be happy to set up an appointment to show you how you can help provide this benefit to your employees now.*

## COMMON QUESTIONS ABOUT 125 CAFETERIA PLANS

**How does it work for my employees?**

By simply changing the way they currently pay medical premiums from a post-tax to a pre-tax basis your employees will see an increase in their take-home pay (this figure will vary based on their individual salary).

**What can my employees do with the tax savings?**

Some participants in Cafeteria Plans use the tax savings to purchase supplemental insurance products through the convenience of payroll deduction. Your employees can add those products that best suit them and their family to their personal insurance plans or they can take the tax savings as an increase in take-home pay.

**Must my employees participate in the company's Section 125 Cafeteria Plan?**

No, there is no obligation to participate. However, many employees do and business experts say they should take advantage of the program when it's made available.

# HOW DOES IT WORK?

## HOW DOES LIBERTY NATIONAL WORKSITE ADVANTAGE WORK?

It's simple. Liberty National Worksite Advantage is built around Internal Revenue Code Section 125, the 1978 tax code which created cafeteria or premium-only plans. Through a premium-only plan, employees can use their pre-tax dollars to pay premiums for an employer-sponsored health care plan. This allows you and your employees to start saving immediately on the money you spend for benefits.

## HOW WILL YOUR COMPANY SAVE MONEY?

Your payroll taxes for workers' compensation, unemployment insurance and FICA contributions could be as much as 10% of payroll. Pre-tax benefit payments will reduce your employee's taxable income and as a result reduce your contributions. So the more employees participate the more you will save. You will also save FICA and FUTA taxes you might currently pay on employee premiums.

## WHAT IS THE COST TO THE EMPLOYER?

The employer pays no part of the employee's premium. In fact, the employer saves money with a Section 125 plan.



- THROUGH LIBERTY NATIONAL WORKSITE ADVANTAGE YOUR EMPLOYEES GET BENEFITS AND MORE TAKE-HOME PAY. AND YOU SAVE MONEY.
- COMPANIES NEED STRONG BENEFITS TO KEEP GOOD EMPLOYEES.
- LIBERTY NATIONAL WORKSITE ADVANTAGE IS BASED ON A SECTION 125 PLAN SO COMPANIES CAN AFFORD TO OFFER EMPLOYEES A STRONG BENEFIT PLAN.
- PAYING FOR BENEFITS CAN REALLY CUT INTO COMPANY PROFITS.
- THE LIBERTY NATIONAL WORKSITE ADVANTAGE IS A PLAN THAT PAYS FOR BOTH EMPLOYEES AND EMPLOYERS.

## IS LIBERTY NATIONAL WORKSITE ADVANTAGE WORTHWHILE FOR SMALL COMPANIES?

Usually yes. It is easy to implement a premium-only plan such as Liberty National Worksite Advantage in companies where employees contribute to their health care plans.

## WHAT ARE YOUR COMPANY'S RESPONSIBILITIES?

Liberty National will provide all the documents you need to present Liberty National Worksite Advantage to your employees in writing. If you decide to offer Liberty National Worksite Advantage you must give all full-time employees the opportunity to participate or not participate. Information from Liberty National includes rules for non-discrimination.

## HOW CAN YOU GET STARTED?

The Liberty National Worksite Advantage Section 125 plan comes with all the materials and information you need to make it work for your company. So contact your Liberty National representative and find out how to begin cutting benefit expenses right away.

# SAVINGS



## WHAT THE LIBERTY NATIONAL WORKSITE ADVANTAGE CAN DO FOR YOUR EMPLOYEES

Because the Liberty National Worksite Advantage allows employees to pay for healthcare insurance premiums before they pay Uncle Sam, employees pay less tax on their income. In other words, through Liberty National Worksite Advantage you can give employees an IRS-approved tax break to pay for benefits. Choose from a variety of supplemental healthcare coverage options such as accident, cancer, critical illness, dental or vision plans, and group term life insurance.

### HOW WILL YOUR EMPLOYEES BENEFIT?

#### More take-home pay!

Because Liberty National Worksite Advantage allows employees to pay for benefits on a pre-tax basis, they will pay less tax and have more take-home pay.

#### More benefit options.

You can offer your employees a variety of benefits through convenient pre-tax payroll deduction. Allowable benefits include medical, dental and vision, cancer, dread disease and intensive care, accident, and group term life. Employees (through age 55) are eligible for Group Term Life coverage up to \$100,000 (a maximum of \$50,000 for ages 56-70). Pretax benefits are limited to the first \$50,000 of Group Term coverage.

### EMPLOYER TAX SAVINGS

NUMBER OF EMPLOYEES	AVERAGE MONTHLY REDIRECTED PREMIUMS PER EMPLOYEE				
	\$100	\$150	\$200	\$250	\$300
10	\$1,200	\$1,800	\$2,400	\$3,000	\$3,600
20	\$2,400	\$3,600	\$4,800	\$6,000	\$7,200
30	\$3,600	\$5,400	\$7,200	\$9,000	\$10,800
40	\$4,800	\$7,200	\$9,600	\$12,000	\$14,400
50	\$6,000	\$9,000	\$12,000	\$15,000	\$18,000
100	\$12,000	\$18,000	\$24,000	\$30,000	\$36,000
200	\$24,000	\$36,000	\$48,000	\$60,000	\$72,000

Based on this example of reduced taxable employee income, your company would pay less Social Security, and save about \$10 for every \$100 of employee contributions.

Based on a combined Social Security (FICA) and federal unemployment (FUTA) tax rate of ten percent. Additional state and local taxes may apply in some states which could affect overall tax savings.

# BENEFITS

## THE LIBERTY NATIONAL WORKSITE ADVANTAGE COVERAGE OPTIONS Available products vary by state.

### PRE-TAX SAVINGS PRODUCTS

#### GROUP TERM LIFE INSURANCE

Pure insurance protection for you or any member of your family. Features of this plan include:

- Guaranteed Rates – once you purchase the plan your rates will not increase
- Your coverage can never be reduced or cancelled as long as you pay premiums
- Coverage for you, your spouse and dependents
- You can continue your coverage after you leave employment
- Up to \$100,000 of insurance protection available for employees
- Pre-tax savings for the first \$50,000 of employee coverage

#### INTENSIVE CARE COVERAGE

Features of this plan include:

- A supplemental policy which pays in addition to any other insurance you may have
- Guaranteed renewable until you are age 65 or eligible for Medicare due to age
- You can continue your coverage after you leave employment
- Pays benefits for Daily Intensive Care Confinement, Extra benefits for Intensive Care Confinement due to Automobile and Travel Accident, Regular Hospital Room following ICU confinement, Blood and Ambulance

#### VISION

Liberty National's Vision Plan offers convenient access to a network of over 32,000 private practice and retail providers. Basic benefits include:

- Eye exams once a year
- Frames and eyeglass lenses once every two years
- Contact lenses
- Lens options discounts
- Savings on Lasik surgery

#### DENTAL ALTERNATIVE INSURANCE

Features of this plan include:

- Single or family
- Pre-tax eligible under Section 125
- Minimum waiting period
- Select your own dentist

#### CANCER INSURANCE

Features of this plan include:

- No overall lifetime maximum benefit
- A supplemental policy pays in addition to any other insurance you may have
- Family, single parent or individual coverage
- You can continue your coverage after you leave employment
- Pays benefits for First Occurrence diagnosis, Income Replacement, Hospital Confinement, Radiation and Chemotherapy, Prescription Chemotherapy Drugs, Blood, Attending Physician, Private Duty Nurse, Surgery, Anesthesia, Transportation, Prosthesis, Government Hospital Confinement and New or Experimental Treatment

#### ACCIDENT PROTECTOR PLUS

Protection from the unexpected, with coverage you need and benefits you can use. Features of this plan include:

- Accidental death and dismemberment benefits
- On and off the job protection
- Guaranteed renewable to age 65
- Benefits paid directly to you
- Daily hospital benefit
- Intensive care unit benefit
- Emergency treatment benefit
- Coverage for dislocations and fractures
- Ambulance benefit
- Transportation benefit
- Blood and plasma benefit
- Waiver of premiums
- Coverage may continue when you leave your employer

#### HOSPITAL INCOME PLAN

The Hospital Income Plan can provide a monthly income to help with expenses not covered by some hospitalization plans. Features of this plan include:

- A daily income for up to 180 days of hospital confinement during any 12-month period.
- Extra cash for the high costs of first and second day confinement
- Cash may be paid directly to you or you may assign benefits to the hospital.

#### ACCIDENT (ACB)

Features of this plan include:

- \$150,000 benefit for death by travel accident
- \$75,000 benefit for death by automobile accident
- \$50,000 benefit for accidental death
- \$30,000 benefit for loss of eyesight
- \$30,000 benefit for loss of two or more limbs
- \$15,000 benefit for loss of one limb

### AFTER-TAX PRODUCTS

#### CAREER LIFE PLUS

- Permanent, whole life insurance
- Coverage for you, your spouse and dependents
- No medical exam required
- Guaranteed issue policy
- Accidental Death Benefit and Premium Waiver available to insureds age 0-59

#### CRITICAL ILLNESS INSURANCE

Critical Illness protection pays a lump sum benefit directly to you upon first diagnosis of a critical illness. This plan includes coverage for:

- Cancer (if requested)
- Heart Attack
- Stroke
- Major Organ Transplant
- Total loss of Eyesight
- Total Loss of Hearing

#### SHORT TERM DISABILITY

Voluntary Individual Short Term Disability coverage underwritten by Unum Provident Corporation through Provident Life and Accident Insurance Company. Plans and benefits vary by state. Ask your agent for more details.

# GROUP TERM LIFE INSURANCE

## LIBERTY NATIONAL GROUP TERM LIFE POLICY ADVANTAGES



### **GUARANTEED NEVER TO INCREASE IN PREMIUM.**

#### **THE POLICY IS PORTABLE**

If you retire, resign, or are terminated you can take this plan with you at no additional cost.

#### **IT IS UNLIKE OTHER TERM POLICIES**

Typical group term insurance either ends at age 65 or 70, or it forces you to convert to an unaffordable whole life rate at those ages. This policy provides term coverage to age 100 and never increases in premium.



#### **QUALIFYING IS EASY**

Limited health questions.

#### **DEATH BENEFIT WILL NEVER DECREASE**

— as long as your policy stays in force.

#### **EASY PAYMENT USING PAYROLL DEDUCTION**

#### **AVAILABLE AS A PRE-TAX PROGRAM**

The insurance premiums are deducted from income before they are taxed. Both the company and employees save money. (When an employee saves on Social Security, so does the company.)



#### **AN EXCELLENT RECRUITING TOOL**

Because this policy is portable, employees do not have to worry about paying more for life insurance when leaving the company due to retirement or a change in careers.

### **GROUP TERM LIFE PLAN VERSUS AN INDIVIDUAL WHOLE LIFE PLAN — POTENTIAL SAVINGS**

COVERAGE	COST (WEEKLY)		GROUP TERM SAVINGS (ANNUALLY)
	WHOLE LIFE	GROUP TERM	
25 year old male smoker \$25,000	\$8.18	\$3.26	\$255.84
45 year old male smoker \$25,000	\$17.36	\$9.42	\$412.88

A pre-tax program would provide even greater savings to the group term costs above, because the term life policy can be placed under the 125 Cafeteria plan. Whole life insurance cannot be put under the program due to cash values.

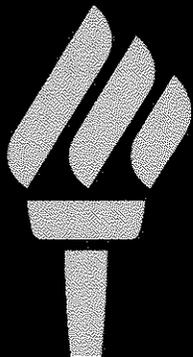


IN TODAY'S UNCERTAIN BUSINESS WORLD IT IS IMPORTANT YOU KNOW WHO STANDS BEHIND THE PRODUCTS YOU BUY AND THE AGENT WHO REPRESENTS THE COMPANY. AT LIBERTY NATIONAL, WE ARE PROUD OF OUR HISTORY, OUR FINANCIAL STRENGTH AND OUR SERVICE TO OUR POLICYHOLDERS.

Liberty National Life Insurance Company, headquartered in Birmingham, Alabama, traces its origin back to 1900 when our predecessor — a fraternal organization called the Heralds of Liberty — was founded. In 1929, at the beginning of the Great Depression, Liberty National was incorporated as a stock company.

Liberty National survived during the Depression due to strong management with an emphasis on conservative investments and close attention to the costs of doing business. These characteristics continue to be the cornerstone of Liberty National's management philosophy. With over a century of experience, Liberty National has proven that financial strength and integrity are our best policies.

Today, Liberty National is a wholly owned subsidiary of Torchmark Corporation, (TMK), one of the largest publicly held life and health insurers in the nation. Torchmark Corporation's subsidiary companies specialize in life and health insurance coverage for working Americans.



### LIBERTY NATIONAL LIFE INSURANCE COMPANY

SERVING AMERICA SINCE 1900

RATED A+ (SUPERIOR) BY A.M. BEST COMPANY\*

THOUSANDS OF BUSINESS CLIENTS IN THE UNITED STATES

MILLIONS OF INDIVIDUAL CUSTOMERS WHO DEPEND ON US FOR  
FINANCIAL PROTECTION

**Liberty National**   
**Life Insurance Company** 

2001 Third Avenue South • Birmingham, Alabama 35233



# Accidental Death Coverage for You and Your Family

No premium is due until the end of the first policy year.  
But coverage begins the day the application is signed.

## We can help you protect yourself and your loved ones in case of an accident.

### The Top Five Causes of Unintentional Death are:

1. Motor Vehicle
2. Falls
3. Poisoning
4. Choking
5. Fires, Smoke



### Important Facts\*

- Accidents are the leading cause of death among those 1 to 44 years old and the fifth leading cause overall.
- An estimated **120,000 Americans** were killed by unintentional injury in 2007.
- An accidental death occurs **every four minutes** in the United States.

### Noncancelable and Guaranteed Renewable

with premiums payable to policy anniversary following insured's 70th birthday.

- You pay no premiums during the first policy year. At the end of the first policy year, keep the coverage for \$10 a year premium. If you decide not to pay the premium, the plan will terminate and no premiums will be due.
- Coverage is effective when the named insured or spouse signs the application for insurance. If the spouse signs the application, the named insured must be alive at time of signature.

\*Source: National Safety Council's *Injury Facts 2009 Edition*

This is only a brief description of Liberty National Life's Accidental Death Insurance Policy, form 7061. See policy for definitions. Noncancelable until the policy anniversary following your 70th birthday. Full details, including exceptions for payment of benefits, are in the policy. Insurance benefits provided by Liberty National Life Insurance Company, 3700 S. Stonebridge Drive, McKinney, Texas 75070.

Liberty National's  
**Accidental  
Death Policy**

**\$3,000**

Coverage for you

**\$3,000**

Coverage for  
your spouse

**\$1,000**

Coverage for  
your children

**Issue Ages 18 - 68**

**Liberty National**  
Life Insurance Company  
Since 1900



**Liberty National**  
Life Insurance Company



# For Hometown Service, Our Company Stands Above The Rest.



Since 1900 we've grown into one of the nation's leading insurers with more than 200 locations and thousands of representatives in hometowns across the nation.

We believe in personal, one-to-one, hometown service for insurance. And that's the way it ought to be.

We offer ways to help you provide money for your family — money which can be used for:

- funeral expenses
- mortgage payment in case of death
- living expenses
- cancer treatment
- medical expenses
- monthly income to survivors

We also offer a discount card to help our customers save on prescriptions, eye wear, travel and other items.

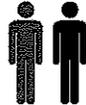
In addition, we offer life and supplemental health insurance through employer/employee payroll deduction.

See your hometown Liberty National Life agent today for details.

# Cancer Endurance Plan™



**You don't have to endure the financial strain of cancer alone.**

Lifetime Chance of Developing Cancer	Men: 1 in 2	Women: 1 in 3
		

Source: American Cancer Society, Cancer Facts & Figures, 2009

## Cancer shows NO favoritism. EVERYONE is at risk.

Cancer isn't just a devastating disease. Cancer can also be devastating to your family's finances. But if you are diagnosed with cancer, you don't have to endure the financial strain of cancer alone.

The Cancer Endurance Plan's benefits do not reduce as you age. And, most benefits do NOT have lifetime maximums, meaning our plan will be with you or your family member for the entirety of treatment, providing benefits repeatedly when help is needed most.

### FEATURES

- Pays in addition to any other insurance you have
- Benefits will be paid to you unless you direct otherwise in writing. Under some governmental plans (such as Medicaid) benefits have already been assigned by the insured
- Choice of individual, family, or single parent coverage
- Policy can be converted to different type (individual, family, single parent) if your family status changes (adoption, birth, death, divorce)
- Guaranteed renewable for life
- Cannot be canceled as long as premiums are paid on time
- Rates cannot be increased on an individual basis, but may increase on a class basis by state

### Limitations and Exclusions

This policy contains a 30-day waiting period that begins with the policy's effective date. If a covered person has cancer manifested during the waiting period, coverage for that cancer will apply only to expenses incurred after two years from the policy's effective date, and no First Occurrence Benefit will be paid. No benefits are payable to anyone who has cancer manifested before the effective date of this policy.

If a covered person has one of the specified dread diseases manifested before the policy's effective date or waiting period, coverage for the specified disease will apply only to expenses incurred after two years from the policy effective date.

The policy does not cover treatment for any disease or sickness or incapacity other than cancer or one of the specified dread diseases; treatment or services where no charge is normally made in the absence of insurance, except U.S. government hospitals; treatment or services outside the continental United States; treatments that are not accepted or approved by the American Medical Association as an effective cancer treatment; or drugs or substances not approved by the Federal Drug Administration for use in the treatment of cancer.

These Limitations and Exclusions may vary by state.

**Liberty National**  
Life Insurance Company  
Since 1900

P.O. Box 8080 • McKinney, TX 75070

R-3699

This is a cancer policy.  
This is **NOT** major medical insurance or a Medicare Supplement.  
Policy Forms: **5KM** (individual), **5KN** (family), **5KO** (single parent)

LNL1372 0910

<b>BENEFIT</b>	<b>PAYS</b>
<b>First Occurrence</b>	\$3,500 upon the first written diagnosis of cancer. Payable only once. For this benefit only, skin cancer (except for melanoma) is not covered.
<b>Hospital Confinement</b>	Days 1-90: <b>\$250</b> per day of continuous confinement. And <b>\$600</b> per day thereafter for continuous confinement. No maximum number of days. <b>No lifetime limit.</b>
<b>Surgical</b>	<b>Up to \$2,000</b> per surgical procedure for surgeon's fees as specified in the surgical schedule of the policy. <b>No lifetime limit.</b>
<b>Anesthetist</b>	<b>Up to 25%</b> of the amount payable for surgery. <b>No lifetime limit.</b>
<b>Outpatient Surgery</b>	<b>Up to \$250</b> for each day of a surgical procedure for cancer treatment as outpatient in hospital or ambulatory surgical center. <b>No lifetime limit.</b>
<b>Attending Physician</b>	<b>Up to \$35 per day</b> for one attending physician charges for cancer treatment, in or out of hospital. Charges by physician for surgery, radiation, chemotherapy, or office visit for chemotherapy and/or radiation not covered under this benefit. <b>No lifetime limit.</b>
<b>Private Duty Nursing</b>	<b>Up to \$75 per day</b> for graduate RN or LPN care recommended by physician, in or out of hospital. No lifetime limit.
<b>Hospice</b>	<b>Up to \$75 per day</b> for visit from Hospice representative or visiting a Hospice facility for treatment or services related to cancer as determined by physician. Does not pay if person is confined to hospital or U.S. government hospital. <b>No lifetime limit.</b>
<b>Radiation and Chemotherapy</b>	<b>Up to \$500 per day</b> , in or out of the hospital. No lifetime limit.
<b>Prescription Chemotherapy Drug</b>	<b>Up to \$10,000 per year</b> for prescription cancer-fighting chemotherapy drugs prescribed to be taken at home. <b>No lifetime limit.</b>
<b>Blood Transfusion</b>	<b>Up to \$500 per day</b> for blood or blood components and administration of blood or plasma for blood transfusion for cancer treatment. Does not pay for cross matching, lab tests, supplies, or blood replaced by donors. <b>No lifetime limit.</b>
<b>New or Experimental Treatment</b>	Covered person's charges for new or experimental cancer treatment under policy's regular schedule of benefits. Treatment must be approved by AMA and FDA and administered in United States by licensed physician. State specific provisions may apply.
<b>Transportation</b>	<b>All charges</b> covered person and one attendant incurs for commercial transportation by aircraft, railroad, bus, or ambulance to and from <b>ANY</b> hospital or clinic in U.S. to receive specialized treatment for cancer. Or, 25¢ per mile if personal car is used and destination is more than 100 miles away, one way. This benefit is payable only when traveling to another city because similar physician advised services are not available within 100 miles of the city where you live. Maximum limit of 6 trips in 12-month period.
<b>Income Replacement</b>	<b>\$100 per week</b> , if disabled due to cancer, up to a lifetime maximum of 26 weeks. All gainfully employed insured persons are covered. A 14-day elimination period applies.
<b>Prosthesis</b>	<b>Up to \$750</b> for prosthesis used as a result of cancer. Lifetime limit of 2 prostheses.
<b>Government Hospital Confinement</b>	<b>\$3,500</b> First Occurrence Benefit upon the first diagnosis of cancer (if not already paid). <b>\$250 per day</b> for the first 90 days of hospital confinement and <b>\$600 per day</b> thereafter for continuous confinement in lieu of all other hospital benefits.
<b>Dread Disease</b>	Pays Hospital Confinement Benefit in lieu of all other benefits for treatment of cystic fibrosis, diphtheria, encephalitis, Lou Gehrig's disease, meningitis, multiple sclerosis, muscular dystrophy, osteomyelitis, poliomyelitis, rabies, scarlet fever, sickle cell anemia, smallpox, tetanus, tuberculosis, tularemia, typhoid fever.

See policy for full details and coverage amounts

# We can relieve some of the pressure of being in intensive care

## Liberty National's Intensive Care Protector™ Insurance Policy

Did you know the cost for intensive care treatment often needed during a major illness or accident is considerably higher than the normal daily hospital room charge? That's why Liberty National developed specific coverage for intensive care.

**ISSUE AGES:** 0-60; 15-60 for family\* or single parent

BENEFIT FOR:	WE PAY:
<b>Daily Intensive Care</b>	<b>\$1,000 per day</b> up to 30 days for each ICU <sup>1</sup> confinement (other than automobile and travel accidents) beginning the first day for accidental bodily injury and the second day for sickness.
<b>Automobile and Travel Accident</b>	<b>\$1,000 per day</b> up to 30 days for each ICU confinement for treatment of an accidental bodily injury resulting from an automobile or travel accident. This benefit pays for confinements which begin within 48 hours of the accident, and pays in addition to Daily Intensive Care Benefit.
<b>Regular Hospital Room</b>	<b>\$200 per day</b> for confinement in a regular hospital room up to the same number of covered days of ICU confinement. For example, if you are in ICU for two covered days, you would receive \$200 per day for up to two days of regular room confinement occurring during the same hospitalization.
<b>Blood</b>	<b>\$200</b> for whole blood or blood components administered during a hospital stay involving an ICU confinement.
<b>Ambulance</b>	<b>\$200</b> for a professional ambulance or air ambulance when a covered insured is transported to the hospital for an ICU confinement.

\* On Family policies, older spouse is Proposed Insured.

<sup>1</sup> ICU: Intensive Care Unit as defined by the policy. See policy definition for details.

Note: Benefit amounts shown above are based on two units of coverage. For one unit of coverage, the benefits will be one-half the amount shown.

**Liberty National**  
Life Insurance Company  
Since 1900



# Liberty National's Intensive Care Protector™ Insurance Policy



## Plus You Get These Extra Features:

- Benefits will be paid to you unless you direct otherwise in writing. Under some governmental plans (such as Medicaid), some benefits have already been assigned by law.
- There is no maximum limit for total benefits paid on this policy.
- Insured children remain covered until the earliest of: the child's marriage, age 21, or when they are no longer dependent on you if not living with you. Coverage on mentally or physically incapacitated children may continue even longer. Coverage on full-time students may continue to age 25.
- Your coverage is guaranteed renewable until you are 65 or eligible for Medicare due to age, as long as you pay premiums.
- This plan is available to individuals, single parents, families and children.
- Benefits are paid when you are confined to a U.S. Government hospital.

## Limitations and Exclusions:

No benefits will be paid for medical treatment:

- Caused by mental or emotional disorders.
- Resulting from war or act of war.
- Involving pre-existing conditions for two years after the effective date of the policy.
- For which no charge is normally made in the absence of insurance, except for U.S. Government hospitals, Medicare, Medicaid and Champus.
- For the first day of confinement in an ICU due to sickness.
- Occurring or beginning within the first 30 days of life for children born within 10 months of the effective date of the policy.

This is only a brief description of Liberty National's Intensive Care Protector policy, forms 5JP, 5JQ, and 5JR. Full details, including exceptions and conditions, are in the policy.

Agent's Name \_\_\_\_\_

**Liberty National**  
Life Insurance Company  
Since 1900

3700 South Stonebridge Drive - McKinney, Texas 75070

# Who is Liberty National?

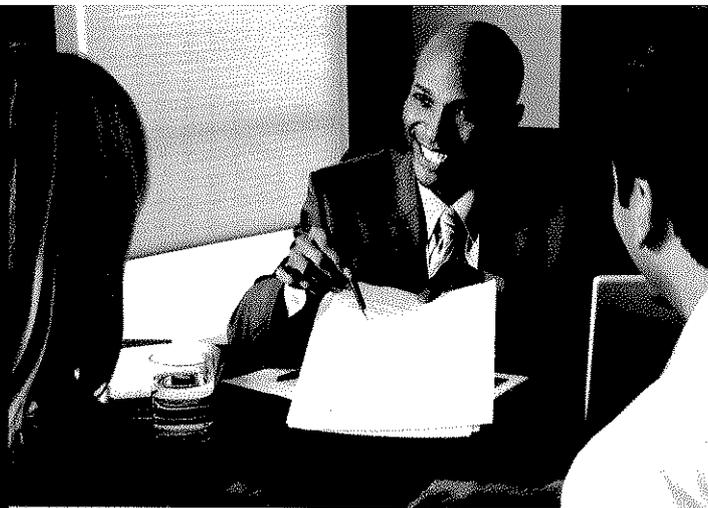
**Primary Business:** Life and supplemental health insurance marketed to individuals through home and workplace sales. We also sell Medicare Supplements.

- **Chief Executive Officer:**  
Anthony L. McWhorter
- **President and Chief Marketing Officer:**  
Andrew W. King
- **Founded:** 1900, incorporated as a stock insurer in 1929
- **Licensed:** In 49 states
- **Locations:** More than 2,800 Agents in more than 188 Branch Offices throughout the U.S.
- **Strength:** More than \$44 billion of life insurance in force (as of 12/09)
- **Policies:** More than 4 million in force (as of 12/09)
- **Parent Company:** Torchmark Corporation (NYSE: TMK)

## Financial Strength Ratings

Why are these ratings important? Because they indicate our consistent ability to pay customer claims.

- A+ (Superior) Financial Strength Rating from A.M. Best Company (as of 6/09)
- AA- "Very Strong" Financial Strength Rating from Standard & Poor's (as of 6/09)
- A1 Insurer's Financial Strength Rating from Moody's (as of 1/09)
- A+ "Strong" Insurer's Financial Strength Rating from Fitch (as of 6/09)
- Ward's Top 50 Life-Health (as of 7/09)



# Who is Liberty National?

## Why Choose Liberty National?

### **One-on-one, hometown Agent service.**

At Liberty National you aren't just a policy number. You're part of the family. Our Agents build long-term relationships with each of their customers. You can always find personalized help at one of our local Branch Offices.

**Unique branding.** Liberty National doesn't spend millions of dollars on advertising so we can provide customers introductory offers like our \$3,000 Accidental Death Policy, Child Safe Kit, MedFacts Kit, Memorial Guide, and more.

**Our history.** We've been around since 1900, successfully weathering the Great Depression, world wars, and national economic adversities. Our past stability is the foundation for a solid future.



**Liberty National**  
Life Insurance Company  
Since 1900



P.O. Box 8080  
McKinney, Texas 75070  
[www.libnat.com](http://www.libnat.com) • [www.lnlcareers.com](http://www.lnlcareers.com)

**Liberty National**  
Life Insurance Company  
Since 1900



## Life Insurance

Why do people purchase life insurance?

- To help pay for final expenses
- Loss of income due to an unexpected death
- Mortgage protection
- To help pay for children's education

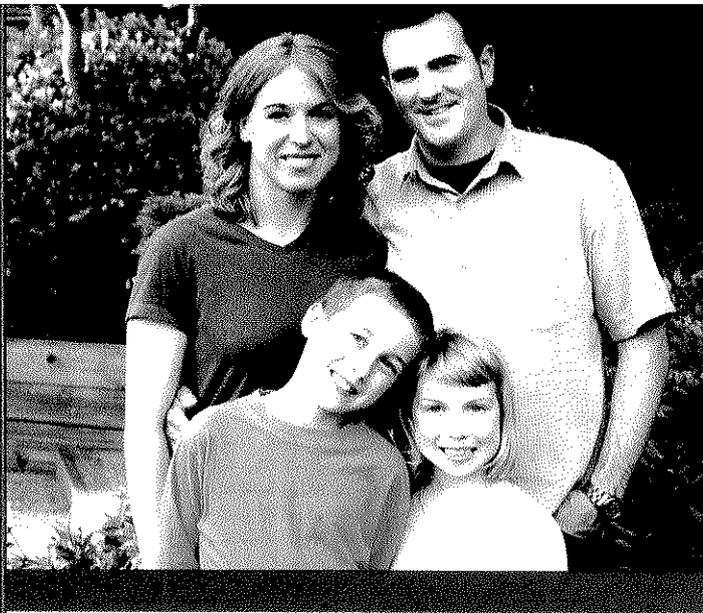
There are two main types of life insurance. Whole Life and Term Life. Which type is right for you?

## Whole Life

- Whole life insurance provides coverage for your entire life and also builds cash and loan value with premium payments
- Premiums never increase during your ownership of your whole life policy
- It is generally more expensive because coverage lasts a lifetime

## Term Life

- Term life insurance provides coverage for a limited period of time
- After that period, policyholders typically pay increased premiums to continue coverage
- Term life insurance is usually less expensive and a good choice for young families



## Supplemental Health Insurance

- Cancer
- Critical Illness
- Accident
- Hospital Intensive Care
- And more

## Other Products

- Annuities
- Liberty National Auto Club

## Worksite Products

Liberty National's Worksite Advantage offers several life/supplemental health products for eligible employees.

**Our two most popular products are:**

- Group Term Life (to age 100)
- CareerLife Plus

Both of these products are portable, meaning if the employee leaves his job for any reason, the coverage goes with him. The premium is guaranteed never to increase. The death benefit will never decrease as long as the policy stays in force. No blood tests or physical exams required.

## How can employers save money?

Employers can save federal tax dollars on FICA, Social Security, unemployment, workers' compensation, state and local taxes (where allowed by state law) when their employees purchase benefits using pretax dollars.

## How can employees save money?

Employees can save taxes on allowable benefits that they purchase through convenient payroll deduction, thereby, increasing their take-home pay.

Liberty National Life Insurance Company is not connected with or endorsed by the U.S. Government or the federal Medicare program. This is a solicitation for insurance, and you may be contacted by an Agent representing Liberty National Life Insurance Company. Product availability varies by state.

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**Life Insurance Company**  
Since 1900





## COMMON QUESTIONS ABOUT SECTION 125 CAFETERIA PLANS

### How does it work for me as an employee?

By simply changing the way you currently pay medical premiums from an after-tax to a pre-tax basis you will see an increase in take-home pay (this figure will vary based on your individual salary).

### What can I do with the tax savings?

Some participants in Cafeteria Plans use the tax savings to purchase supplemental insurance products through the convenience of payroll deduction.

### Must I participate in my company's Section 125 Cafeteria Plan?

No, there is no obligation to participate. However, many employees do and business experts say you should take advantage of the program when it's made available.

## GROUP TERM LIFE INSURANCE AT A GLANCE

Insurance protection for you or other members of your family. Features of this plan include:

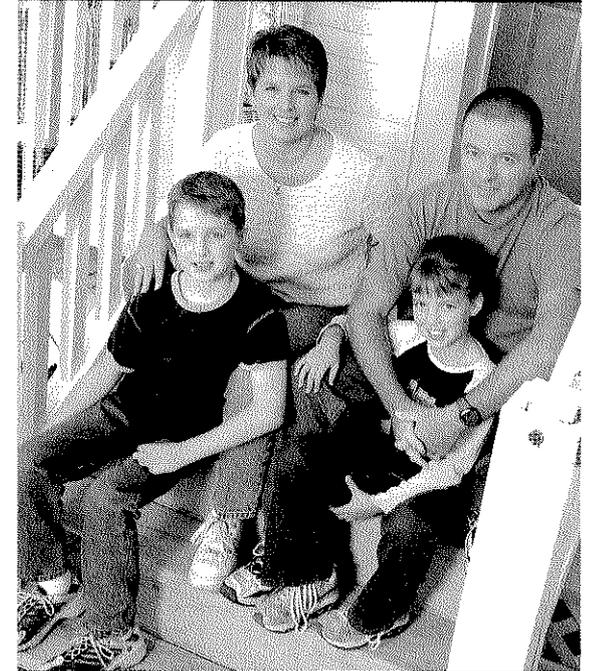
- Guaranteed renewable to age 100 as long as premiums are paid on time
- Guaranteed Rates – once you purchase the plan your rates will not increase
- Your coverage can never be reduced or cancelled as long as you pay premiums
- Coverage for you, your spouse and dependents (where available)
- You can continue your coverage after you leave employment
- Up to \$100,000 of insurance protection available
- Available in the workplace

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THE LIBERTY  
NATIONAL  
WORKSITE  
ADVANTAGE



**GROUP  
TERM LIFE  
INSURANCE**  
for You and Your Family

# GROUP TERM LIFE INSURANCE FOR YOU AND YOUR FAMILY

## WHAT THE LIBERTY NATIONAL WORKSITE ADVANTAGE CAN DO FOR YOU

Because the Liberty National Worksite Advantage allows you to pay for healthcare insurance premiums before you pay Uncle Sam, you pay less tax on your income. In other words, through Liberty National Worksite Advantage you receive an IRS approved tax break to pay for benefits. Choose from a variety of supplemental healthcare coverage options such as accident, critical illness, dental, cash cancer plans, and group term life insurance.

**Coverage for you, your spouse and dependents is available.** Employees (through age 55) are eligible for coverage up to \$100,000 (a maximum of \$50,000 for ages 56-70). The amount of dependent coverage cannot exceed:

1. 50% of employee coverage in Arkansas, Florida, Louisiana, Oklahoma, and Wyoming for spouse or children. Coverage is only available if the employee is insured.
2. 100% of employee coverage in Arizona, Maryland, Oregon, Virginia, and Washington for spouse or children - not to exceed \$50,000. Coverage is only available if the employee is insured.
3. \$10,000 in South Carolina for spouse and children. Coverage is only available if the employee is insured.
4. Coverage on dependent children is not available in Pennsylvania.

**Available only through your employer.** Your employer is providing this voluntary group plan as a benefit to full-time employees.

**Level death benefit coverage.** Your coverage will not decrease so long as your policy remains in force.

**No increase in premiums.** They are locked in at your present age. No increase as you get older and no increase if you leave employment.

**Payroll deduction makes premium payment easy.** Your premiums are deducted each payday, so you don't have to write a check.

**You are covered when you sign the enrollment form,** provided underwriting requirements are met.

**You can take this coverage with you.** If you leave employment, you may pay the premiums through bank draft. Your coverage and premiums remain the same, even if you change jobs or retire. You may continue your coverage to age 100.

## EMPLOYEE SAVINGS WITH THE LIBERTY NATIONAL WORKSITE ADVANTAGE\*

Based on \$2,000 monthly income	Without Premium Only Plan	With Premium Only Plan
Gross Monthly income	\$ 2,000	\$ 2,000
Pre-tax Insurance Premium	- \$ 0	- \$ 200
Total Taxable Income	\$ 2,000	\$ 1,800
Federal Income Tax (25%)	- \$ 500	- \$ 450
<b>TOTAL</b>	<b>\$ 1,500</b>	<b>\$ 1,350</b>
Insurance Premium (taxed)	- \$ 200	- \$ 0
<b>TAKE-HOME NET PAY</b>	<b>\$ 1,300</b>	<b>\$ 1,350</b>
Additional Monthly take-home pay	0	+ \$ 50
Additional annual take-home pay	0	+ \$ 600

\* These tax savings are simply an example. Individual tax savings will vary from employee to employee.

**NOTE:** Products described in this brochure can be purchased through a Section 125 cafeteria plan or a conventional payroll deduction program made available by your employer.



**Chase Brown**

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