

**FDAC EMPLOYMENT BENEFITS AUTHORITY**  
**Special Meeting**  
Board of Directors Teleconference Meeting  
700 R Street, Suite 200  
Sacramento, CA 95811

**Tuesday, November 17, 2020**  
**9:00 a.m. – 9:30 p.m.**

[Zoom Link](#)

Dial In: +1-669-900-6833

Find your local call in number: <https://zoom.us/j/99148136860>

Meeting ID: 991 4813 6860 Passcode: 385897

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*Pursuant to Governor Newsom’s Executive Order N-25-20 regarding COVID-19, members of the FDAC EBA Board of Directors and staff may participate in this meeting by teleconference. To reduce the spread of COVID-19, members of the public are encouraged to listen to the meeting from their homes via teleconference by using the dial in number above, entering the meeting ID when prompted, followed by the access code or connecting to the meeting online via their computer, smart phone or tablet at the zoom link above.*

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*In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Carmen Berry at 916-231-2941 or [cberry@firebenefits.org](mailto:cberry@firebenefits.org). Requests must be made as early as possible, and at least one full business day before the start of the meeting.*

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**Agenda**

<b><u>Item</u></b>		<b><u>Action</u></b>	<b><u>Page</u></b>
<b>1.</b>	<b>Call to Order and Introductions</b>		
<b>2.</b>	<b>Approval of Agenda Items</b>	<b>Action</b>	<b>1</b>
<b>3.</b>	<b>Board Officer Election</b> <i>The board will discuss and elect a new Secretary/Treasurer.</i>	<b>Action</b>	
<b>4.</b>	<b>Director Comments</b>	<b>Information</b>	
<b>5.</b>	<b>Public Comments</b> <i>At this time, members of the public may address the Board on any item that is not on the agenda. No action may be taken on items that are not on the agenda unless authorized by law. Comments are limited to three minutes per person.</i>	<b>Information</b>	
<b>6.</b>	<b>Closed Session</b> <i>With respect to every item of business to be discussed in closed session pursuant to Section 54956.9: CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION (Subdivision (a) of Section 54956.9) Name of case: <b>Shauna McElroy vs. Standard Insurance Company; Branciforte Fire Protection District; Fire District of California Employment Benefits Authority; Keenan &amp; Associates</b></i>		
<b>7.</b>	<b>Results of Closed Session</b>	<b>Information</b>	
<b>8.</b>	<b>Consideration of Notice of Claim</b> <i>Filed on behalf of Shauna McElroy against FDAC EBA on October 8, 2020</i>	<b>Action</b>	

**9. Roundtable**

**Discussion**

**10. Adjourn**

**Action**

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**CLAIM AGAINST FIRE DISTRICT ASSOCIATION OF CALIFORNIA EMPLOYEE  
BENEFITS AUTHORITY**

SHAUNA MCELROY,	)	<b>CLAIM FOR DAMAGE</b>
	)	
Claimant,	)	
	)	
v.	)	
	)	
FIRE DISTRICT ASSOCIATION OF	)	
CALIFORNIA EMPLOYEE BENEFITS	)	
AUTHORITY,	)	
	)	
Respondent.	)	

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**I. CLAIMANT:**

Shauna McElroy, c/o her attorneys, Gianelli & Morris, 550 S. Hope Street, Suite 1645, Los Angeles, California 90071.

**II. SEND ALL CORRESPONDENCE TO:**

Gianelli & Morris, 550 S. Hope Street, Suite 1645, Los Angeles, California 90071.

**III. DATE AND TIME OF INCIDENT:**

Life insurance claim was denied on July 13, 2020. The date and time Respondent failed to request a Medical History Statement, failed to remit premiums, etc., is currently unknown to Claimant.

**IV. LOCATION OF INCIDENT:**

Office of Respondent, 700 R Street, Suite 200, Sacramento, California 95811.

**V. BASIS OF CLAIM AND DAMAGE:**

At all relevant times, Respondent offered various forms of medical, dental, vision, and life insurance to employees of its participating members, including Branciforte Fire Protection District ("Branciforte"). In particular, Respondent offered Branciforte's employees life insurance through a group life insurance policy issued to Respondent by Standard Insurance Company ("Standard"),

1 Group Policy No. 155367-A (the "Policy"). Respondent participated in administrative aspects of the  
2 life insurance coverage provided by Standard that included the enrolling of Branciforte's employees  
3 for contributory life insurance, the collection of premiums for contributory life insurance, the  
4 forwarding and accounting of premiums for contributory life insurance premiums to Standard, the  
5 requesting, obtaining, and forwarding of any Medical Health Statement that may be required, the  
6 verification of the completion and submission of same to Standard, and the delivery of certificates of  
7 insurance evidencing any contributory life insurance selected by and paid for by any of its members'  
8 employees.

9 Pursuant to the foregoing, Respondent enrolled a Branciforte employee, Peder McElroy,  
10 Claimant's deceased spouse, for \$100,000 in non-contributory life insurance and \$200,000 in  
11 contributory life insurance under the Policy. In connection therewith, Respondent collected  
12 premiums from Peder McElroy's paycheck for remittance to Standard for the \$200,000 contributory  
13 life insurance. Claimant was designated as the beneficiary of this life insurance.

14 Peder McElroy died on May 30, 2020. Claimant subsequently made claim under the Policy  
15 for the death benefits due and provided the proper proof of loss to Standard. Standard paid  
16 Claimant the \$100,000 non-contributory life insurance benefits. On July 13, 2020, Standard sent a  
17 letter to Claimant in which it denied liability for the \$200,000 in contributory life insurance  
18 benefits stating that the Policy required Peder McElroy to submit "Evidence of Insurability" for  
19 this coverage in the form of a Medical History Statement that Standard would have had to approve,  
20 that Peder McElroy failed to do this, and that the lack of his submission and approval by Standard  
21 precluded his eligibility for the coverage which justified the denial of Claimant's claim.

22 The undertaking and performance of the administrative functions by Respondent, as  
23 described above, created a duty on behalf of Respondent to perform the administrative functions  
24 with reasonable care so as not to expose the employees electing and paying for benefits to risk of  
25 loss, including the denial of insurance benefits. Respondent violated its duty of reasonable care by,  
26 among other things, enrolling Peder McElroy for \$200,000 in contributory life insurance benefits  
27 without securing a Medical Health Statement from him as asserted by Standard in denying  
28 Claimant's claim, collecting premiums from Peder McElroy for this coverage without conditioning  
the collection of those premiums on the receipt of a Medical Health Statement, failing to advise  
Standard that it had collected premiums from Peder McElroy for the coverage without requiring a  
Medical Health Statement, and by failing to provide Peder McElroy with any notice, including a  
certificate of coverage, that Standard would deem him ineligible for contributory life insurance  
unless he provided a Medical Health Statement.

As a proximate result of these acts, Standard has denied liability for the \$200,000 in  
contributory life insurance benefits. Standard asserted that the Policy required Peder McElroy to  
submit "Evidence of Insurability" for this coverage in the form of a Medical History Statement that  
Standard would have had to approve, that Peder McElroy failed to do this, and that the lack of his  
submission and approval by Standard precluded his eligibility for the coverage which justified the  
denial of Claimant's claim. As a further proximate result of said acts, Claimant has suffered loss of  
\$200,000 in life insurance benefits under the Policy, great physical and mental stress, pain, and  
shock to her nervous system, great emotional distress, humiliation, and economic loss, all to her  
damage in a sum to be proven at a later date.

The amount of the claim exceeds \$10,000 and the claim will not be a limited civil case.

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**VI. NAMES OF RESPONDENT'S EMPLOYEES CAUSING THE DAMAGE:**

Unknown at this time.

DATED: October 7, 2020

GIANELLI & MORRIS



By: \_\_\_\_\_

ROBERT S. GIANELLI  
JOSHUA S. DAVIS  
ADRIAN J. BARRIO  
Attorneys for Claimant