

VILLAGE OF OAK PARK

PROPOSAL: EMPLOYEE BENEFITS & INSURANCE SERVICES

DATE ISSUED: June 16, 2009

I. REQUEST FOR PROPOSALS - INSTRUCTIONS AND SPECIFICATIONS

This is a request for proposals from qualified firms to provide services ("Service Providers") for the Village of Oak Park which include, but are not limited to an evaluation of existing health, dental, vision, life, and prescription drug benefits and services; recommendations as to the most cost-effective service delivery model(s); and consideration of supplemental insurance and/or other benefit programs related to the Village's S125 Cafeteria Plan and COBRA administration. Service delivery models for consideration include, but are not limited to, brokerage services, membership in multi-jurisdictional pools, and/or direct relationships with an insurance carrier or carriers. The Village of Oak Park will receive proposals at the Human Resources Department, Monday through Friday, 8:30 a.m. to 5:00 p.m., at 123 Madison, Oak Park, Illinois 60302. Proposals will be accepted until 5:00 p.m. (local time) on July 10, 2009. Firms responding to this Request for Proposals must submit seven (7) copies of their proposals. Proposals must conform to the format specified below. Proposals must be enclosed in sealed envelopes.

The Village Board of Trustees reserves the right to accept or reject any and all proposals or to waive technicalities. Information concerning this request for proposals is available from Frank Spataro, Human Resources Director, 123 W. Madison, Oak Park, Illinois 60302. Mr. Spataro can be reached by telephone at the following number, (708) 358-5652, or via e-mail at spataro@oak-park.us.

The documents constituting this request for proposals are listed below. Respondents are responsible for the completion of Sections II through VIII, in their entirety and in the order presented below. Missing information or proposals that are deemed by the Village to be incomplete will not be considered for award.

- I CALL FOR PROPOSALS
- II BACKGROUND INFORMATION
- III AWARD OF CONTRACT
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Upon formal award to the successful Service Provider, an agreement will be executed for the performance of services and payment of agreed-upon fees.

Below is a tentative schedule for the request for proposal, evaluation of responses, selection and approval of a preferred firm or firms ("Service Providers"), and implementation of insurance benefits:

Proposals due to Human Resources Department	July 10
Proposals reviewed and identification of preferred firm(s)	July 24
Update to Village Board via mail with preferred firm(s)	August 3
Negotiation with preferred firm(s)	August 10 - 24
Village Board approval of agreement(s) at Board meeting	September 8
Execution of insurance benefits implementation work plan	September 14 - 25
Open Enrollment Period	November 2 - 20
Effective date of insurance benefits	January 1, 2010

II. BACKGROUND INFORMATION

The Human Resources Director is empowered by the Village of Oak Park Village Code to perform necessary duties in the administration of insurance plans for Village employees and retirees with approval of the Village President and Board of Trustees. The Human Resources Department administers the Village insurance program and related benefits for employees, retirees, employees of “partner agencies” and COBRA participants. The Village of Oak Park insurance and benefit program is currently self-funded except for premiums paid for aggregate and specific stop-loss insurance. The 2009 Village budget for the insurance and benefit program is \$8,137,557.

The Village of Oak Park is a full-service municipal corporation located in Cook County, Illinois. The Village employs approximately 390 full-time employees, all of whom are eligible for insurance benefits that include health, dental and life insurance, and an additional 40 part-time employees eligible for term life insurance coverage. The health insurance plans described below also include prescription drug and vision benefits. Of the 430 employees, approximately 330 are in one of eleven collective bargaining units ranging from two members to just over one hundred members. Insurance is considered a mandatory subject for collective bargaining purposes meaning that the Village and respective collective bargaining units (unions) representing the 330 employees are required to bargain such benefits. The Village also provides retirees with the option to retain their Village health insurance at their own cost; 130 Village retirees currently receive health insurance. In addition to employees of the Village of Oak Park, the Village offers approximately 240 full-time employees of fourteen “partner agencies” participation in the health, dental and life insurance programs and health and dental insurance for ten former employees under COBRA. Currently, there are approximately 1,500 total covered lives in the Village insurance plan. Participants choose from the health maintenance organization (HMO) or preferred provider organization (PPO) plans described below for health and dental insurance. Employees eligible to receive life insurance may elect supplemental life and accidental death and dismemberment (AD&D) coverage at their own cost. The Village conducts an annual open enrollment in November during which employees and retirees can change their plans and coverage.

A. Current Providers and Basic Benefits

- Health Insurance: The Village offers four health insurance plans through Blue Cross/Blue Shield of Illinois: a preferred provider option (PPO), a high-deductible preferred provider option (PPO Legacy), and two health maintenance options (HMO Illinois and HMO Blue Advantage). In addition, employees may forego health insurance upon proof of coverage in a non-Village program and receive payment as indicated below based on the coverage they would otherwise select; 37 Village employees currently opt-out of Village health insurance. The PPO plans have a \$2,000,000 limit for lifetime comprehensive major medical coverage.

COVERAGE	BLUE CROSS/BLUE SHIELD OF ILLINOIS HEALTH INSURANCE PLANS 2009 Monthly Premiums				VILLAGE “OPT-OUT” PROGRAM	FIRST COMMONWEALTH DENTAL INSURANCE PLANS 2009 Monthly Premiums		METROPOLITAN LIFE INSURANCE PLANS
	Preferred Provider Option (PPO)	High Deductible PPO (PPO Legacy)	Health Maintenance Option (HMO-Illinois)	Health Maintenance Option (HMO-Blue Advantage)	Monthly Cash Payments Based on Level of Coverage	Out-of- Network (PPO-style) Coverage	In-Network (DMO-style) Coverage	Basic Life Insurance \$0.160/ \$1,000.00
Single	\$560.70	\$491.40	\$474.80	\$436.80	\$ 75 (single)	\$33.48	\$22.96	
Single + 1	\$1,087.80	\$947.10	\$934.50	\$848.40	\$125 (dependent)			Basic AD&D Insurance \$0.047/ \$1,000.00
Family	\$1,566.60	\$1,382.90	\$1,346.10	\$1,222.20	\$200 (family)	\$98.64	\$60.64	

- Walgreen’s Prescription Plan – 712 health insurance participants are on a three-tier co-pay of \$10, \$20, or \$35 based on type and brand of prescription. 48 Fire Fighters are on a two-tier co-pay of \$5 and \$10.
- Participation in a Section 125 Cafeteria Plan (pre-tax payment for IRS-eligible expenses)
- Dental benefits are provided through First Commonwealth that includes a dental maintenance organization plan and an indemnity-style preferred provider option. Except for a small group of fire and police employees receiving a modest subsidy on dental premiums, this benefit is funded exclusively by employees.
- Term life insurance is offered by the Metropolitan Life Insurance Company that includes basic employer-paid term life insurance and accidental death & dismemberment (AD&D) coverage in amounts ranging from \$1,500

to \$320,000. Employees are eligible to purchase at their own cost supplemental term life and AD&D coverage up to \$200,000 at rates based on the employee's age and subject to approval by MetLife.

III. AWARD OF CONTRACT

A. Contract Term

The Village anticipates awarding an initial minimum contract for two years, after which the Village will have the right to renew for an additional two year period of time. The annual contract period commences on January 1 and ends December 31.

B. Authorization

Any agreement with a selected Service Provider must be approved and authorized by the Village of Oak Park Board of Trustees. All agreements must be reviewed and approved by the Oak Park Village Attorney and executed by the Village Manager. No contract will be valid and enforceable against the Village unless it is reviewed and approved by the Oak Park Village Attorney, authorized by the Board of Trustees, and signed by the Village Manager. The Service Provider is advised that Village staff, other than the Village Manager, have no authority to sign agreements or modify existing agreements on behalf of the Village and that any such agreements are null and void.

C. Required Contract Terms

1. Choice of Law and Jurisdiction

No agreement will be agreed to or valid if it contains a choice of law provision outside the State of Illinois or which requires disputes to be resolved in any court outside the normal jurisdiction for disputes arising in Oak Park, Cook County, Illinois.

2. Attorneys Fees

The Village of Oak Park will not enter into any agreement that contains a requirement that the Village pay the Service Provider's attorneys fees in the event of any dispute.

3. Early Termination/ Penalties

The Contract may be terminated at any time by giving 90 days advanced written notice. If the Village terminates the contract, the Village will not be responsible for any penalties, liquidated damages or amounts other than those due under the payment terms of the contract.

4. Automatic Renewal

The agreement must make contract renewal subject to the mutual consent of both parties. The Village will not agree to any automatic renewal.

5. Payments

All invoices will be paid within 30 days of approval. Charges for late payments must be in accordance with the Local Government Prompt Payment Act, 50 ILCS 505/1, requiring a maximum interest penalty of 1% per month or portion thereof.

6. Termination for Non-appropriation of Funds

The Village reserves the right to terminate any multi year agreement if the Village of Oak Park Board of Trustees fails to appropriate funds for this purpose in any subsequent fiscal year. All funds for payments after December 31st of the current fiscal year are subject to Village of Oak Park's appropriation for this purpose.

7. Service Provider Personnel Assigned to the Village of Oak Park Account(s)

The Village reserves the right to accept or reject any staff designated by the service provider to manage the Village of Oak Park account(s). If no suitable replacement staff is provided, the Village reserves the right to terminate the contract.

8. Ownership of Data

The Village will remain the owner of its employee and claims data at all times. At the conclusion of the services, the vendor will be required to transfer all employee and claims data back to the Village in a format acceptable to the Village.

9. Confidentiality

The Service Provider shall keep the Village's employee and claims data confidential.

10. Subcontracting

The Service Provider shall not assign or subcontract any portion of the services to be provided without the written approval of the Village of Oak Park. The Service Provider assumes responsibility for performance of all Sub-Contractors, whether or not authorized. In the event of a merger of a service provider with another firm, this contract will be transferable to the successor firm only upon the approval of the Village President and Board of Trustees.

11. Force Majeure

There will be no waiver of contract requirements due acts of God, terrorism, weather or other forces majeure. As a first responder to these types of emergencies, the Village expects payroll to be completed in all cases.

12. Insurance Requirements

The selected Service Provider must purchase and maintain for the length of the contract, the lines of insurance described in this section. All insurance coverages shall be on an occurrence basis. The Service Provider shall provide evidence of such insurance to the Village of Oak Park together with its proposal, and will provide evidence that the Village of Oak Park has been added as a named insured, where applicable, before commencement of the services and on an annual basis thereafter. Certificates of Insurance shall contain a clause stating that the coverage afforded by the policies listed will not be canceled or materially altered, except after forty-five (45) days advance written notice to the Village. The Service Provider shall secure the following endorsements to each of the required policies: "It is understood and agreed that the insurance company will give not less than forty-five (45) days advance written notice of any cancellation or material change under any of these policies to the Village of Oak Park. *In the event that such notice is not given to the Village of Oak Park at least forty-five (45) days prior to cancellation or material change, the policy will continue in full force and effect for the benefit of the Village as if such change or cancellation had not occurred.*"

a. Professional Liability/Errors and Omissions Insurance

Professional liability insurance with a minimum per occurrence limit of \$5 million dollars, which insurance shall name the Village of Oak Park as a named additional insured.

b. Crime and Fraud Coverage

Crime coverage such as that provided by Standard Financial Institution Bond Form 24.

13. Performance Bond

In addition to the above described insurance requirements, the Service Provider shall provide the Village with a performance bond in the amount of \$1,500,000.

14. Hold Harmless and Indemnity

Notwithstanding any limitations or restrictions applicable to any insurance or bonds required hereunder, the Service Provider agrees that it shall defend, indemnify and hold the Village of Oak Park and its employees harmless from and against any and all liability, loss, damage, claim, payment or expense, including attorney fees, which the Village or its employees may incur resulting from or arising out of any error or omission in the performance of this Contract, including, without limitation, errors or omissions in the handling, accounting for, or transferring of funds, or to work, services or systems or products provided in the performance of this agreement by the Service Provider or its employees, agents, servants, associates, Contractors, Sub-Contractors, or assignees.

IV. DETAILED SPECIFICATIONS

All firms interested in providing insurance and/or brokerage services to the Village of Oak Park must provide detailed responses for each of the questions listed below. Be sure to indicate next to your response the question that is being answered. If the answer is contained within any attached marketing material, please indicate **precisely** where the response to the particular question is located.

A. Characteristics and Qualifications of the Firm

1. Describe the history and organization of your firm. Include your main business (benefits consulting, actuarial consulting, asset manager, insurance provider, etc.), number of employees, number of offices, locations and financial information.
2. Describe the office that will be designated to service the Village's program, and the services available at that office. If your firm intends to utilize other offices, describe the services they would provide for this account.
3. Name the principal and other key personnel who will be fully responsible for the account. Provide a resume or statement of professional qualifications, related educational background and professional certifications of the personnel assigned to this account. Also, list each person's title as it is conveyed professionally within the firm, and their particular area of expertise.
4. Attach a summary of the firm's premium volume for the past three years for employee group medical insurance coverage that includes dental and prescription plans if applicable.
5. Provide a copy of your firm's current financial statement.
6. Indicate if insurance coverage can be effective by November 21, 2009 if your firm was selected and approved by the President and Board of Trustees on or around September 21, 2009.

B. Conceptual Strategy

7. Review existing health insurance and related programs and conduct a risk analysis. Make recommendations for changes in plan provisions, alternate service delivery systems, financing alternatives, employee contributions, and other areas, as appropriate.
8. Describe your conceptual plan for the Village's health insurance and related benefit program. Include general coverage terms, exclusions, market capacity and constraints, risk retention or appropriate self-insurance levels, approximate premiums, retrospective rating plans and deductibles.
9. Describe any performance guarantees that your firm will make if awarded a contract with the Village.
10. Provide a detailed work plan for implementing new insurance or related benefit programs. The work plan must include a list of all tasks to be performed, the party responsible for accomplishing the task, the date on which the task needs to be accomplished in light of the November 21, 2009 implementation date cited above in #6.
11. The Village of Oak Park's benefits administration is currently maintained in PeopleSoft, VERSION 8.8, Benefits. However, the Village has plans to move off the PeopleSoft/Oracle platform in January 2010 and is currently soliciting proposals to outsource its payroll and human resources management functions. Describe your benefit experience, particularly with regard to importing employment data related to benefit records, history and other related information to payroll and/or human resource management systems as well as importing new health insurance and/or related benefit programs that may be adopted.
12. Describe any web-based or internet interfaces or access means Village staff will have to third party administrators or insurance carriers for purposes of enrolling, terminating or checking on the status of employees' benefit elections.
13. Describe your firm's experience conducting employee orientation and education sessions. Describe your plan for conducting such sessions with Village employees

C. Insurance Marketing Services

14. List the major insurance companies your firm has strong relationships with related to employee group medical insurance coverage.
15. Describe your access to the licensed, excess or surplus lines markets.
16. Describe the insurance marketing expertise of your servicing office and the firm with respect to municipalities and particularly those that are highly unionized as the Village of Oak Park.
17. Describe as well as submit information concerning the firm's access to specialized technical expertise to assist in identifying and analyzing problems in various areas. It is not essential that such expertise be "in-house"; the important point is for the firm to be able to demonstrate that it knows how to or can obtain such technical assistance when it is required.

D. Service to the Account

18. Provide examples of Quarterly Reports and an Annual Report for the Village of Oak Park including, among other relevant information, the complete accounting of fees or commissions earned on the account; a cumulative quarterly and annual premium and loss record; observations on relevant changes in the insurance market or industry and recommendations for potential cost savings for the Village; observations on loss exposures facing the Village and recommendations for minimizing such losses; and insurance policy summaries. If available, please attach a copy of an annual report previously prepared by your firm for a municipality.
19. Describe the form and substance of quarterly and annual meetings with the Village including the form and substance of meetings you conduct with major insurance carriers to discuss Village plans.
20. Describe the range of the claims management services provided by the servicing office and your firm.
21. Describe your business management information systems to provide and maintain the Village's loss information. Provide examples of tables, charts, reports, graphical presentations or any other medium you use for conveying information.
22. Describe your ability to produce an annual "benefits statement" to all employees that describes all employee insurance benefits as well as additional benefits provided by the Village. A list of Village benefits and pertinent data will be provided to the firm to supplement insurance benefit information. Such statements shall include a benefit description of each benefit, the dollar value of each benefit to the employee, how the value calculated, when the benefit is realized, and the party responsible for achieving or providing the benefit.

E. Risk Evaluation and Control

23. Describe any exposure identification and evaluation assistance that is contemplated in your brokerage service to the Village.
24. Indicate any training, education or other technical or employee services available from your firm and the servicing office, as well as the frequency with which such services are available.
25. Describe your capacity, ability and experience offering corporate wellness programs to promote healthy lifestyles and reduce exposure to long-term health costs resulting from chronic or episodic conditions.

F. Reference List

26. Provide evidence of the firm's experience in providing service for other unionized municipalities with coverage or programs comparable to the Village of Oak Park, as well as a description of any underwriting procedures or special plans which have been used to service other accounts.
27. List other accounts the firm has served and indicate whether the Village of Oak Park may independently contact such accounts for an appraisal of comparable services they have received from your firm.
28. List the municipalities or public entities your firm has served, and the degree to which they are (were) unionized. Describe the method or process by which changes were made in different unions.

G. Fee Structure

29. Describe the method(s) by which your firm is compensated, such as fees, commissions or a combination of both. Also, indicate your firm's willingness to work on a fee basis.
30. Submit the hourly billing rates of all personnel to be assigned to the project. This information will be used to negotiate modifications to work contained in the Scope of Work.
31. Submit other pricing/cost data necessary to carry out this project, including justification for any data submitted.
32. If the firm provides unique or proprietary services, submit a description of such services and the fee including fixed price and/or hourly billing rates.

33. Make all fee and pricing proposals on Section V, Proposal Form.

V. PROPOSAL FORM

The undersigned proposes to furnish, Village of Oak Park, Human Resources Department, 123 Madison, Oak Park, IL. 60302, Insurance Services:

Fee for Specified Work: \$ _____ Premiums - Specify the type of insurance and premium

Commission(s) for Specified Work \$ _____ (If applicable)

Hourly Rate(s) for Specified Work \$ _____ (If applicable)

Other Pricing (as indicated) \$ _____ (If applicable)

Proposal Signature: _____

State of _____, County of _____

(Type Name of Signee)

being first duly sworn on oath deposes and says that the Contractor on the above Proposal is organized as indicated below and that all statements herein made on behalf of such Contractor and that their deponent is authorized to make them, and also deposes and says that deponent has examined and carefully prepared their proposal from the Contract Specifications and has checked the same in detail before submitting their Proposal; that the statements contained herein are true and correct.

Signature of Contractor authorizes the Village of Oak Park to verify references of business and credit at its option.

Signature of Contractor shall also be acknowledged before a Notary Public or other person authorized by law to execute such acknowledgments.

Dated: _____

Organization Name

(Seal - If Corporation)

By: _____
Authorized Signature

Address

Telephone

Subscribed and sworn to before me this _____ day of _____, 2006.

Notary Public

In the State of _____.

My Commission Expires: _____.

VI. COMPLIANCE AFFIDAVIT

I, _____, being first duly sworn on oath depose and state as follows:

(Print Name)

1. I am the (title) _____ of the Proposing Firm and am authorized to make the statements contained in this affidavit on behalf of the firm;
2. The Proposing Firm is organized as indicated on Exhibit A to this Affidavit, entitled "Organization of Proposing Firm," which Exhibit is incorporated into this Affidavit as if fully set forth herein;
3. I have examined and carefully prepared this proposal based on the request and verified the facts contained in the proposal in detail before submitting it;
4. I authorize the Village of Oak Park to verify the Firm's business references and credit at its option;
5. Neither the Proposing Firm nor its affiliates¹ are barred from proposing on this project as a result of a violation of 720 ILCS 5/33E-3 or 33E-4 relating to bid rigging and bid rotating, or Section 2-6-12 of the Oak Park Village Code relating to "Proposing Requirements".
6. Neither the Proposing Firm nor its affiliates is barred from contracting with the Village of Oak Park because of any delinquency in the payment of any debt or tax owed to the Village except for those taxes which the Proposing Firm is contesting, in accordance with the procedures established by the appropriate revenue act, liability for the tax or the amount of the tax. I understand that making a false statement regarding delinquency in taxes is a Class A Misdemeanor and, in addition, voids the contract and allows the Village of Oak Park to recover all amounts paid to the Proposing Firm under the contract in civil action.
7. I am familiar with Section 13-3-2 through 13-3-4 of the Oak Park Village Code relating to Fair Employment Practices and understand the contents thereof; and state that the Proposing Firm is an "Equal Opportunity Employer" as defined by Section 2000(E) of Chapter 21, Title 42 of the United States Code Annotated and Federal Executive Orders #11246 and #11375 which are incorporated herein by reference. **Also complete the attached EEO Report or Submit an EEO-1.**
8. All statements made in this application are true and correct.

Signature: _____ Printed Name _____

Name of Business: _____ Your Title: _____

Business Address: _____

(Number, Street, Suite #)

(City, State & Zip)

Telephone: _____ Fax: _____ Web Address: _____

Subscribed to and sworn

before me this _____ day of _____, 2009.

Notary Public

¹ Affiliates means: (i) any subsidiary or parent of the bidding or contracting business entity, (ii) any member of the same unitary business group; (iii) any person with any ownership interest or distributive share of the bidding or contracting business entity in excess of 7.5%; (iv) any entity owned or controlled by an executive employee, his or her spouse or minor children of the bidding or contracting business entity.

VIII. VILLAGE OF OAK PARK E.E.O. REPORT

Please fill out this form completely. Failure to respond truthfully to any questions on this form, failure to complete the form or failure to cooperate fully with further inquiry by the Village of Oak Park will result in disqualification of this proposal. For assistance in completing this form, contact the Finance Department at 708-358-5470.

An EEO-1 Report may be submitted in lieu of this report

1. Vendor Name: _____

2. Check here if your firm is:
 MBE
 WBE
 DBE
 None of the above

3. What is the size of the firm's current stable work force?
 Number of full-time employees
 Number of part-time employees

4. Similar information will be requested of all subcontractors working on this contract. Forms will be furnished to the lowest responsible bidder with the notice of contract award, and these forms must be completed and submitted to the Village before the execution of the contract by the Village.

VIII (continued) EEO REPORT

Please fill out this form completely. Failure to respond truthfully to any questions on this form, or failure to cooperate fully with further inquiry by the Village of Oak Park will result in disqualification of this proposal. An incomplete form will disqualify your proposal. For assistance in completing this form, contact the Purchasing Department at 708-358-5471.

An EEO-1 Report may be submitted in lieu of this report

Vendor Name _____

Total Employees _____

Job Categories	Total Employees	Total Males	Total Females	Males				Females				Total Minorities
				Black	Hispanic	American Indian & Alaskan Native	Asian & Pacific Islander	Black	Hispanic	American Indian & Alaskan Native	Asian & Pacific Islander	
Officials & Managers												
Professionals												
Technicians												
Sales Workers												
Office & Clerical												
Semi-Skilled												
Laborers												
Service Workers												
TOTAL												
Management Trainees												
Apprentices												

This completed and notarized report must accompany your bid. It should be attached to your Affidavit of Compliance. Failure to include it with your bid will be disqualify you from consideration.

_____, being first duly sworn, deposes and says that he/she is the _____
(Name of Person Making Affidavit) (Title or Officer)

of _____ and that the above EEO Report information is true and accurate and is submitted with the intent that it be relied upon.

Subscribed and sworn to before me this _____ day of _____, 20____.

(Signature)

(Date)

END OF PROPOSAL



**EMPLOYEE HEALTH & LIFE
INSURANCE FUND 6028 OVERVIEW
FOR YEARS 2005 - 2009**

Presentation Made to Village Collective Bargaining Units, May 28, 2009

Frank Spataro, Human Resources Director

OVERVIEW OF EMPLOYEE HEALTH/LIFE INSURANCE PARTICIPANTS

EMPLOYEE HEALTH/LIFE INSURANCE PARTICIPANTS FALL INTO ONE OF THREE GROUPS OF FULL-TIME EMPLOYEES:

- 1. 381 VILLAGE OF OAK PARK EMPLOYEES AND 136 FORMER RETIRED EMPLOYEES IN THE ILLINOIS MUNICIPAL RETIREMENT FUND, FIRE PENSION OR POLICE PENSION.**
- 2. 253 EMPLOYEES IN ONE OF THIRTEEN VILLAGE “PARTNER” AGENCIES INCLUDING THE OAK PARK REGIONAL HOUSING AUTHORITY, OAK PARK LIBRARY, FRANK LLOYD WRIGHT FOUNDATION, OAK PARK TOWNSHIP, OAK PARK RESIDENCE CORPORATION, PARK DISTRICT, OAK PARK DEVELOPMENT CORPORATION, HISTORICAL SOCIETY, ARTS COUNCIL, ALLIANCE CREDIT UNION, CONVENTION AND VISITORS BUREAU, DOWNTOWN OAK PARK, AND THE OAK PARK/RIVER FOREST COMMUNITY FOUNDATION**
- 3. 11 FORMER VILLAGE OR “PARTNER” AGENCY EMPLOYEES PARTICIPATING THROUGH COBRA.**

IN ADDITION TO THE PARTICIPANTS LISTED ABOVE, 48 VILLAGE EMPLOYEES HAVE ELECTED TO “OPT-OUT” OF HEALTH INSURANCE BUT CONTINUE TO RECEIVE LIFE INSURANCE BENEFITS

OVERVIEW OF EMPLOYEE HEALTH/LIFE INSURANCE BENEFITS

A. HEALTH INSURANCE

1. FOUR BLUE CROSS/BLUE SHIELD HEALTH INSURANCE OPTIONS

PREFERRED PROVIDER OPTIONS (PPO)

BLUE CROSS/BLUE SHIELD PPO

BLUE CROSS/BLUE SHIELD PRO LEGACY

HEALTH MAINTENANCE OPTIONS (HMO)

BLUE CROSS/BLUE SHIELD HMO ILLINOIS

BLUE CROSS/BLUE SHIELD HMO BLUE ADVANTAGE

2. WALGREENS HEALTH INITIATIVES PRESCRIPTION DRUG PLAN

THREE LEVELS OF CO-PAY: \$10 GENERIC DRUGS

\$20 BRAND-NAME DRUGS

\$35 BRAND NAME DRUG IF GENERIC IS AVAILABLE

3. GUARDIAN DENTAL INSURANCE

B. METROPOLITAN LIFE (MetLife) INSURANCE

BASIC LIFE INSURANCE – BASIC LIFE INSURANCE COVERAGE VARIES BY PAY GROUP.

BASIC LIFE IS PAID MONTHLY BY THE VILLAGE AT THE RATE OF \$0.16 per \$1,000 of INSURANCE

BASIC ACCIDENTAL DEATH & DISMEMBERMENT (AD&D) – BASIC AD&D COVERAGE VARIES BY PAY GROUP. BASIC AD&D IS PAID MONTHLY BY THE VILLAGE AT THE RATE OF \$0.475 per \$1,000 of INSURANCE.

THE VILLAGE IS SELF-FUNDED FOR HEALTH INSURANCE PURPOSES - WHAT DOES THIS MEAN?

THERE ARE TWO WAYS TO PROVIDE INSURANCE:

- A. FULLY-FUNDED** – THIS OPTION REQUIRES PAYMENT OF PREMIUMS TO AN INSURANCE COMPANY WHO PROVIDES COVERAGE FOR THE VILLAGE.
- B. SELF-FUNDED** – THIS OPTION INVOLVES THE VILLAGE BUDGETING FUNDS FOR A THIRD PARTY ADMINISTRATOR (TPA) TO PAY EXPECTED CLAIMS BASED ON PREVIOUS HISTORY. THE VILLAGE IS SELF-FUNDED WITH **BLUE CROSS/BLUE SHIELD** AS THE TPA WHO WORKS CLOSELY WITH THE VILLAGE'S INSURANCE BROKER, **CORPORATE BENEFITS CONSULTANTS, INC.** AND **HUMAN RESOURCES DEPARTMENT STAFF** TO ADMINISTER THE SELF-FUNDED HEALTH & LIFE INSURANCE FUND

ALTHOUGH **SELF-FUNDED**, THE VILLAGE CARRIES TWO TYPES OF STOP-LOSS COVERAGE OR INSURANCE IN THE EVENT OF LARGE CLAIMS RESULTING FROM ILLNESS OR INJURY.

- 1. AGGREGATE STOP LOSS INSURANCE** – COVERS CLAIMS WHEN THE AMOUNT OF PAID CLAIMS FOR THE ENTIRE HEALTH INSURANCE PLAN EXCEEDS THE **POINT OF ATTACHMENT** WHICH IN 2009 IS \$4,350,731.
- 2. SPECIFIC STOP LOSS INSURANCE** – COVERS CLAIMS WHEN THE AMOUNT OF PAID CLAIMS EXCEEDS THE **POINT OF ATTACHMENT** FOR A COVERED PERSON WHICH IS \$125,000.

HEALTH/LIFE INSURANCE BUDGETS for 2004 – 2009 as PART OF THE GENERAL FUND BUDGET

GENERAL FUND BUDGET			EMPLOYEE HEALTH/LIFE FUND				
	BUDGET	PERCENT CHANGE		BUDGET	PERCENT CHANGE	ACTUAL	
2004	\$42,412,969		\$45,565,038	2004	\$4,595,170	\$6,453,451	
2005	\$42,834,712	0.99%	\$41,942,734	2005	\$6,706,416	45.94%	\$6,268,789
2006	\$45,569,021	6.38%	\$43,081,332	2006	\$7,004,100	4.44%	\$6,831,438
2007	\$47,100,383	3.36%	\$46,204859	2007	\$6,800,000	-2.91%	\$7,769,467
2008	\$46,570,000	-1.13%	Data Not Available	2008	\$7,691,368	13.11%	Data Not Available
2009	\$48,729,592	4.64%		2009	\$8,137,557	5.80%	

EMPLOYEE HEALTH/LIFE FUND as a % of the GENERAL FUND BUDGET

	BUDGET	ACTUAL
2004	10.83%	14.16%
2005	15.66%	14.95%
2006	15.37%	15.86%
2007	14.44%	16.82%
2008	16.70%	Data Not Available
2009	15.74%	

SOURCE: BUDGET (FUND) EXPENDITURES AS REPORTED IN '04 TO '09 BUDGET DOCUMENTS POSTED ON FINANCE DEPARTMENT'S PUBLIC WEB PAGE

HEALTH INSURANCE MONTHLY COSTS PAID BY THE VILLAGE AND EMPLOYEES

HEALTH INSURANCE – 2009 Monthly Rates for Village Employees

HEALTH PLAN	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion	HEALTH PLAN	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion			
		SINGLE	\$560.70	\$463.05			\$97.65	Health Maintenance Option (HMO) Illinois	SINGLE	\$478.80	\$424.20	\$54.60
		SINGLE + 1	\$1,087.80	\$911.40			\$176.40		SINGLE + 1	\$934.50	\$812.70	\$121.80
Preferred Provider Option (PPO)	FAMILY	\$1,566.60	\$1,330.35	\$236.25	FAMILY	\$1,346.10	\$1,185.45	\$160.65				
HEALTH PLAN	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion	HEALTH PLAN	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion			
		SINGLE	\$491.40	\$405.30			\$86.10	Health Maintenance Option (HMO) Blue Advantage	SINGLE	\$436.80	\$386.40	\$50.40
		SINGLE + 1	\$947.10	\$791.70			\$155.40		SINGLE + 1	\$848.40	\$738.15	\$110.25
Preferred Provider Option (PPO) Legacy Plan	FAMILY	\$1,362.90	\$1,158.15	\$204.75	FAMILY	\$1,222.20	\$1,075.20	\$147.00				
DENTAL PLAN	COVERAGE (All Village employees except those listed below)	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion	DENTAL PLAN	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion			
		SINGLE	\$33.48	\$0.00			\$33.48	Network (DMO-Style)	SINGLE	\$22.96	\$0.00	\$22.96
		FAMILY	\$98.64	\$0.00			\$98.64		FAMILY	\$60.64	\$0.00	\$60.64
Out-of-Network (Indemnity-style)												
Battalion Chiefs, Deputy Fire Chiefs, Fire Chief, Police Officers, Sergeants, Commanders, Deputy Police Chiefs & Police Chief												
Out-of-Network (Indemnity-style)	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion	Out-of-Network (Indemnity-style)	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion			
		SINGLE	\$33.48	\$16.74			\$16.74	SINGLE	\$33.48	\$16.74	\$16.74	
	FAMILY	\$98.64	\$16.74	\$81.90		FAMILY	\$98.64	\$16.74	\$81.90			

PERCENT OF MONTHLY HEALTH INSURANCE COSTS PAID BY THE VILLAGE AND EMPLOYEES

HEALTH PLAN	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion	HEALTH PLAN	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion		
		SINGLE	82.6%	17.4%			SINGLE	\$478.80	88.6%	11.4%	
		SINGLE + 1	83.8%	16.2%			SINGLE + 1	\$934.50	87.0%	13.0%	
Preferred Provider Option (PPO)	FAMILY	\$1,566.60	84.9%	15.1%	Health Maintenance Option (HMO) Illinois	FAMILY	\$1,346.10	88.1%	11.9%		
HEALTH PLAN	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion	HEALTH PLAN	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion		
		SINGLE	82.5%	17.5%			SINGLE	\$436.80	88.5%	11.5%	
		SINGLE + 1	83.6%	16.4%			SINGLE + 1	\$848.40	87.0%	13.0%	
Preferred Provider Option (PPO) Legacy Plan	FAMILY	\$1,362.90	85.0%	15.0%	Health Maintenance Option (HMO) Blue Advantage	FAMILY	\$1,222.20	88.0%	12.0%		
DENTAL PLAN (All Village employees except those listed below)	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion	DENTAL PLAN	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion		
		SINGLE	0.0%	100.0%			SINGLE	\$23.42	0.0%	100.0%	
		FAMILY	0.0%	100.0%			FAMILY	\$61.85	0.0%	100.0%	
Out-of-Network (Indemnity-style)	FAMILY				Network (DMO-Style)	FAMILY					
Battalion Chiefs, Deputy Fire Chiefs, Fire Chief, Police Officers, Sergeants, Commanders, Deputy Police Chiefs & Police Chief	COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion		COVERAGE	MONTHLY PREMIUM	Village-Paid Portion	Employee-Paid Portion		
		SINGLE	50.0%	50.0%			SINGLE				
		FAMILY	17.0%	83.0%			FAMILY				
Out-of-Network (Indemnity-style)	FAMILY					FAMILY					

HEALTH INSURANCE – EXAMPLES OF BASIC COVERAGE

VARIOUS SERVICES AND PROCEDURES	PPO - Paid or Covered by the Village	HMO - Paid or Covered by the Village
Lifetime Comprehensive Major Medical Coverage	\$2,000,000	None
Single Deductible	\$0	None
Family Deductible	\$0	None
Out-of-Pocket Expense Limitation - Single	\$500	\$1,500
Out-of-Pocket Expense Limitation - Family	\$1,000	\$3,000
In-Patient Hospital Services	90%	100%
Out-Patient Surgery and Diagnostic Tests	90%	100%
Out-Patient Hospital Services	90%	100%
Emergency Accident/Medical Care	100% + \$50 Co-Pay	100% + \$50 Co-Pay
In-Patient Mental Health & Substance Abuse Services Paid by the Village (30 Days/Calendar Year)	90%	100%
Out-Patient Mental Health & Substance Abuse Services Paid by the Village (30 Visits/Calendar Year)	100% + \$10 Co-Pay	100% + \$20 Co-Pay
Physician Office Visit	100% + \$10 Co-Pay	100% + \$10 Co-Pay
Well-Care	100% + \$10 Co-Pay	100% + \$10 Co-Pay
Medical/Surgical Care	90%	100%
Temporomandibular Joint Dysfunction - \$2,500 Lifetime maximum	90%	Not Covered
Chiropractic Services - Limited to \$1,000 per calendar year	100% + \$10 Co-Pay	100% + \$10 Co-Pay
Speech, Occupational & Physical Therapy - PPO - Limited to \$10,000 per Calendar Year HMO - Limited to 60 Visits/ Calendar Year	100% + \$10 Co-Pay	100%
Other Covered Services	90%	100%

VILLAGE-PAID BASIC LIFE INSURANCE INCLUDING ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)

THE VILLAGE PROVIDES BASIC LIFE AND AD&D COVERAGE FOR THE DIFFERENT PAY GROUPS AS LISTED IN THE TABLE BELOW.

Class	Number in Class	Employees in Class
\$ 1,500	34	Retired, sworn Fire Fighters
\$ 3,000	29	School Crossing Guards
\$ 25,000	390	Building Maintenance Employees in the Service Employees International Union, Local 73
		Fleet Maintenance Employees in the International Association of Machinists & Aerospace Workers, Union Local 701
		Employees in the International Association of Machinists & Aerospace Workers, District 8
		Fire Fighters and Fire Lieutenants in the International Association of Fire Fighters, Local 95
		Community Service Officers in the Fraternal Order of Police Community Services Officer Bargaining Unit
		Police Officers in the Fraternal Order of Police, Oak Park #8 Collective Bargaining Unit
		Police Sergeants in the Fraternal Order of Police Lieutenants and Sergeants Association Collective Bargaining Unit
		Water & Sewer Employees in the Chicago Journeyman's Union Collective Bargaining Unit
		Non-Union Employees below the level of Department Director
		Village of Oak Park Department Directors and Equivalent
\$ 50,000	17	
	470	

VILLAGE-PAID HEALTH AND LIFE INSURANCE EXPENSES FOR 2006, 2007 AND 2008

	BLUE CROSS/ BLUE SHIELD	WALGREEN	DENTAL	MetLife	TOTAL
2006	\$ 4,749,867.25	\$ 1,420,736.01	\$ 351,792.11	\$ 85,884.80	\$ 6,608,280.17
2007	\$ 5,885,751.54	\$ 1,412,027.13	\$ 395,198.81	\$ 76,159.20	\$ 7,769,136.68
2008	\$ 5,846,435.62	\$ 1,417,613.56	\$ 427,134.30	\$ 74,118.00	\$ 7,765,301.48