

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

DISTRICT AGREEMENT WITH FORT DEARBORN LIFE INSURANCE COMPANY
FOR THE LIFE INSURANCE PLAN

THE CHANCELLOR

REPORTS

that Standard Insurance Company has been the insurance company for the Life Insurance Plan for employees and retirees of the City Colleges of Chicago since 2003; and

that on behalf of the District, Molloy Consulting Inc.—an employee benefits consulting firm with extensive public sector experience—solicited competitive bids for the Life Insurance Plan from the following insurance companies: Aetna, Fort Dearborn, MetLife, Prudential, Standard, Unicare, and Unum; and

that Molloy Consulting Inc. and District Office Human Resources Staff reviewed and evaluated all bids and recommended Fort Dearborn Life Insurance Company—a wholly owned subsidiary of Health Care Service Corporation (BlueCross BlueShield of Illinois, Texas, New Mexico and Oklahoma)—as the new insurance company for the Life Insurance Plan effective October 1, 2007; and

that the current and proposed monthly rates will result in a 36.7% decrease in the employee life coverage rate and a 33.7% decrease in the retiree life coverage rate as follows:

	Current Rate	Proposed Rate
Employee		
Coverage:	\$.30/\$1,000 of life coverage	\$.19/\$1,000 of life coverage
Retiree		
Coverage:	\$.98/\$1,000 of life coverage	\$.62/\$1,000 of life coverage

that the proposed Fort Dearborn Life Insurance Company rates include Beneficiary Resource Services provided by Bensinger, DuPont & Associates for the following beneficiary services for up to one year at no additional cost: 1) grief counseling, 2) legal counseling and 3) financial counseling; and

that the estimated annual expenditure will not exceed \$614,544.60; and

that the City Colleges of Chicago wishes to terminate its relationship with Standard Insurance Company as the Insurance Company for the Life Insurance Plan effective September 30, 2007; and

that the Office of M/WBE Contract Compliance has reviewed the above referenced District wide Life Insurance Plan for employees and retirees and based on the vendor responses, the consultant recommended the best vendor response for the District and since Fort Dearborn Life Insurance Company is using Minor's Unique Printing as the certified MBE vendor and Data Media Products as the certified WBE vendor as subcontractors and it is therefore in compliance with the Board approved Participation Plan.

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees authorize the Chairman to terminate the contract with Standard Insurance Company for the Life Insurance Plan for employees and retirees of City Colleges of Chicago effective September 30, 2007, and to enter into a contract with Fort Dearborn Life Insurance Company for the period October 1, 2007 through September 30, 2010, at an annual cost not to exceed \$614,544.60.

FINANCIAL

FY2008 \$458,155 - Education Fund- 00003-0025006-00084-10060-0000000-521400

FY2009 \$156,389 - Education Fund- 00003-0025006-00084-10060-0000000-521400

Respectfully submitted,

Wayne D. Watson
Chancellor

September 6, 2007-Human Resources – District Office