

**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 DISABILITY AND LIFE INSURANCE PLAN**  
**FOR UNION LOCAL 1708 EMPLOYEES**

**THE CHANCELLOR**

**REPORTS**

that Unum (formerly UnumProvident) has been the insurance company for the Disability and Life Insurance Plan for Local 1708 employees of the City Colleges of Chicago since 1980; 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 Disability and Life Insurance 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 Disability and Life Insurance Plan effective October 1, 2007; and

that the current and proposed monthly rates will result in a 20.7% decrease in the disability coverage rate, a 65.1% decrease in the life coverage rate, and a 33.3% decrease in the AD&D coverage rate as follows:

	Current Rate	Proposed Rate
Disability Coverage:	\$ .29/\$10 of disability benefit	\$ .23/\$10 of disability benefit
Life Coverage:	\$ .43/\$1,000 of life coverage	\$ .15/\$1,000 of life coverage
AD&D Coverage:	\$ .03/\$1,000 of AD&D coverage	\$ .02/\$1,000 of AD&D coverage

that the estimated annual expenditure will not exceed \$25,232.40; and

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

that the Office of M/WBE Contract Compliance has reviewed the above referenced disability and life insurance plan for Local 1708 employees and since the consultant recommended that the current agreement be terminated and a new agreement be established 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 Unum for the Disability and Life Insurance Plan for Local 1708 employees 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 \$25,232.40.

**FINANCIAL**

FY2008 - \$18,924 Education Fund 00003-0025006-00084-10070-0000000-521500  
FY2008 - \$ 6,308 Education Fund 00003-0025006-00084-10070-0000000-521500

Respectfully submitted,

Wayne D. Watson  
Chancellor

September 6, 2007 -Human Resources – District Office