

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
COUNTY OF COOK AND STATE OF ILLINOIS

DISTRICT AGREEMENT WITH SUN LIFE INSURANCE COMPANY
FOR THE LIFE INSURANCE PLAN

THE CHANCELLOR

REPORTS

that Dearborn National (formerly Fort Dearborn) has been the insurance company for the Group Term Life Insurance Plan for active employees and all retirees of the City Colleges of Chicago since 2007; and

that Gallagher Benefit Services, an employee benefits consulting firm with extensive public sector and higher education experience, solicited competitive bids for Life Insurance from the following insurance companies: Cigna, Hartford, Humana, Liberty Mutual, Lincoln Financial, Mutual of Omaha, Reliance Standard, The Standard, Sun Life, and Unum; and

that Gallagher Benefit Services reviewed and evaluated all bids and recommended Sun Life Insurance Company, as the new insurance company for the Group Term Life Insurance Plan effective October 1, 2010; and

that the Office of Human Resources reviewed and approved the recommendation of Sun Life Insurance company as the new insurance company for the Group Term Life Insurance Plan for active employees and all retirees on behalf of the District; and

that the current and proposed monthly rates will result in a 36.7% decrease in the active employee life coverage rate and no increase in the retiree life coverage rate as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>
Active		
Employee Coverage:	\$.19/\$1,000 of life coverage	\$.135/\$1,000 of life coverage
Local 1600 Retiree		
Coverage:	\$.80/1000 of life coverage	\$.80/1000 of life coverage
Other		
Retiree Coverage:	\$.62/\$1,000 of life coverage	\$.62/\$1,000 of life coverage

that the proposed Sun Life Insurance Company rates include the following additional benefits at no added cost to the City Colleges:

- 1) an employee assistance program;
- 2) extended leave of absence coverage up to 24 months; and
- 3) no elimination period to file a waiver of premium; and

that the estimated annual expenditure will not exceed \$490,000; and

that the City Colleges of Chicago seeks to terminate its relationship with Dearborn National Company as the Insurance Company for the Life Insurance Plan effective September 30, 2010; and

that the Office of M/WBE Contract Compliance has reviewed the above referenced contract proposal and Sun Life Insurance Company working with Acosta and Associates, a certified MBE for direct participation and certified WBE firms on other projects as consideration for indirect participation, is in compliance with the Board Approved Participation Plan.

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees authorizes the Chairman to terminate the contract with Dearborn National Insurance Company for the Life Insurance Plan for employees and retirees of City Colleges of Chicago effective September 30, 2010, and to enter into a contract with Sun Life Insurance Company for the period October 1, 2010 through September 30, 2013, at an annual cost not to exceed \$490,000.

FINANCIAL

Not to exceed \$490,000 per year- 00003-0025006-521400-00084-10060-0000000
Educational Fund

FY 2011-Not to exceed \$367,000 per year-00003-0025006-521400-00084-10060-0000000

FY 2012-Not to exceed \$490,000 per year-00003-0025006-521400-00084-10060-0000000

FY 2013- Not to exceed \$490,000 per year-00003-0025006-521400-00084-10060-0000000

FY 2014- Not to exceed \$122,500 per year-00003-0025006-521400-00084-10060-0000000

Respectfully submitted,

**Cheryl L. Hyman
Chancellor**

September 8, 2010 - Office of Human Resources – District Office