

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

**THE CHANCELLOR**

**REPORTS**

that Dearborn National (formerly Fort Dearborn) has been the insurance company for the Disability and Life Insurance Plan for the Federation of Clerical and Technical Personnel (Local 1708) employees 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 the Disability and 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 Disability and Life Insurance Plan effective October 1, 2010; and

that the Office of Human Resources reviewed and approved the recommendation of Sun Life Insurance company on behalf of the District; and

that the current and proposed monthly rates will result in a 35% decrease in the disability coverage rate, a 10% decrease in the life coverage rate and no increase in the accidental death and dismemberment (AD&D) coverage rate as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>
Disability Coverage:	\$ .23/\$10 of disability benefit	\$ .17/\$10 of disability benefit
Life Coverage:	\$ .15/\$1,000 of life coverage	\$ .135/\$1,000 of life coverage
AD&D Coverage:	\$ .02/\$1,000 of AD&D coverage	\$ .02/\$1,000 of AD&D coverage

that the estimated annual expenditure will not exceed \$20,500; and

that the City Colleges of Chicago seeks to terminate its relationship with Dearborn National as the insurance company for the Disability and 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 for the Disability and Life Insurance Plan for Local 1708 employees 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 \$20,500.

**FINANCIAL**

Not to exceed \$20,500 per year 00003-0025006-521400-00084-10070-0000000  
Educational Fund  
FY 2011-Not to exceed \$15,375.00-00003-0025006-521500-00084-10070-0000000  
FY 2012-Not to exceed \$20,500.00-00003-0025006-521500-00084-10070-0000000  
FY 2013-Not to exceed \$20,500.00-00003-0025006-521500-00084-10070-0000000  
FY 2014 Not to exceed \$5,125.00-00003-0025006-521500-00084-10070-0000000

**Respectfully submitted,**

**Cheryl L. Hyman  
Chancellor**

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