

**VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION**

<u> X </u>	Resolution or Ordinance (Blue)	<i>Waiver of First requested</i> <u> </u>
<u> </u>	Recommendations of Boards, Commissions & Committees (Green)	
<u> </u>	Other Business (Pink)	

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: William T. Lichter, Village Manager

DATE: April 12, 2005 (B of T) Date: April 21, 2005

TITLE: A Motion to Approve the Contract with ING Employee Benefits
(ReliaStar Life Insurance Company)

SUBMITTED BY: Kathleen Dunne, Human Resource Generalist

BACKGROUND/POLICY IMPLICATIONS:

Requesting authorization for the Village President and Clerk to sign the application for life insurance provided by ING Employee Benefits. The plan rates will be effective from June 1, 2005 through May 31, 2007.

See attached memorandum.

FISCAL IMPACT/FUNDING SOURCE:

Village Attorney	_____	Date _____
Finance Director	_____	Date _____
Village Manager	<u>Leonard J. Flood</u>	Date <u>4/13/05</u>

acting

TO: Len Flood, Director of Finance
FROM: Kathleen Dunne, HR Generalist *KD*
DATE: April 13, 2005
SUBJECT: Life Insurance Contract

The Village first contracted with GE Financial Life Insurance Company in 1997 as part of the overall changes to the health and life insurance programs. GE Financial is requesting an increase to our existing rates. As a result, I asked the Village's broker from Lockton to seek quotes from other life insurance providers.

As a result of his efforts, I am recommending that the Village sign a contract with ING Employee Benefits for the purchase of life insurance. The advantages of changing life insurance carriers at this time include:

1. The cost of coverage is lower by \$.02 per \$1,000 of coverage;
2. We will be able to self administer our bills which will eliminate administrative errors.
3. We will be able to offer our employees the chance to purchase additional life insurance for family members, if the participation percentage is met.

Further, ING has agreed to the lower prices for a two year period.

I am attaching the policy from INC Employee Benefits. Additionally, approval of the attached resolution authorizing the Village President and Clerk to sign the application is requested. With this approval, the Life Insurance contract will be effective from June 1, 2005 through May 31, 2007.

Please ask the Village Manager to place this item on the April 21, 2005 Consent Agenda.

Attachments

KD/ljh

RESOLUTION
R _____ 05

**A RESOLUTION AUTHORIZING SIGNATURE OF
PRESIDENT AND CLERK ON AN APPLICATION**

WHEREAS, THE Corporate Authorities of the Village of Lombard have received an application for ReliaStar Life Insurance Company (provided by ING Employee Benefits); and

WHEREAS, THE Corporate Authorities deem it to be in the best interest of the Village of Lombard to approve the application as attached hereto and marked Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS as follows:

SECTION 1: That the Village President be and hereby is authorized to sign on behalf of the Village of Lombard said application as attached hereto.

SECTION 2: That the Village Clerk be and hereby is authorized to attest said application as attached hereto.

Adopted this _____ day of _____, 2005.

Ayes: _____

Nays: _____

Absent: _____

Approved this _____ day of _____, 2005.

William J. Mueller
Village President

ATTEST:

Barbara A. Johnson
Acting Village Clerk

APPROVAL AS TO FORM:

Thomas P. Bayer
Village Attorney

A Proposal for Village of Lombard Basic Term Life and AD&D Insurance

Outline of Benefits

Insurance provided by ReliaStar Life Insurance Company. Policy form number LP00GP or ICP200.

Basic Life and AD&D Insurance

Classification	Benefit Amount
Class 1: Employees earning \$35,000 or more annually	\$50,000
Class 2: Employees earning between \$25,000 & \$35,000 annually	\$40,000
Class 3: Employees earning less than \$25,000 annually	\$30,000

Benefit amount reduces to 65% at age 70, by an additional 35% at age 70, and by an additional 35% at age 75.

Estimated Monthly Cost

Basic Term Life and AD&D Insurance

Coverage	Rate /\$1,000	Volume	Monthly Cost
Basic Life	\$.17	\$ 13,045,000	\$ 2,217.65
AD&D	\$.02	\$ 13,045,000	\$ 260.90
Total Estimated Monthly Premium			\$2,478.55

Agreed upon by

Signature _____ Name (Printed) _____ Title _____ Date _____



EMPLOYEE BENEFITS

A Proposal for Village of Lombard Basic Term Life and AD&D Insurance

Effective Date.....	<i>June 1, 2005</i>
Proposal Expiration Date	<i>May 31, 2005</i>
Situs State.....	<i>Illinois</i>
Eligible Employees	<i>262</i>
Eligibility for Basic Life	
Employees.....	<i>30 hrs/wk</i>
Plan Maximum	<i>\$50,000</i>
Guarantee Issue	<i>\$50,000</i>
Accelerated Life Benefit	<i>Included</i>
Maximum Life Expectancy.....	<i>6 months</i>
Maximum Dollar Amount.....	<i>\$100,000</i>
% of Face Amount	<i>50%</i>
Actively-at-Work Provision	<i>Required</i>
Basic Funding	<i>Pooled</i>
AD&D Funding	<i>Pooled</i>
Rate Guarantee	<i>24 months for Basic Life and AD&D</i>
Administration	
Basic Administration	<i>Employer</i>
Employer Contribution.....	<i>100% for Basic Life and AD&D</i>
Employee Participation	<i>100% for Basic Life and AD&D</i>
Basic Waiver of Premium	<i>Included.</i>
Waiver Termination Age.....	<i>65</i>
Waiver Age of Disability	<i>Must be disabled prior to age 60 to qualify for waiver.</i>
AD&D	<i>24 hour coverage</i>

- *ING Employee Benefits agrees to match the current case reduction schedule.*
- *This proposal assumes our standard contract language.*
- *Individuals who are US Citizens and are assigned outside of the US, or Foreign Nationals, will not be covered by this Policy.*
- *All claims are paid in US dollars.*
- *Any changes may require an adjustment to the Life and AD&D rates.*
- *Rates maybe adjusted with enrollment shifts of 15% or more.*



EMPLOYEE BENEFITS