

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
APRIL 13, 2010 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
Amendment for Group Health Insurance Plan; Amendment for Long Term Disability Insurance Plan and Amendment for Group Life Insurance Plan	✓ Resolution Ordinance Motion Discussion Only	Wesley Morgan, SPHR Director of Human Resources

SYNOPSIS

Resolutions have been prepared for the following items:

- Authorize an Amendment related to the Village's Group Health Insurance Plan
- Authorize an Amendment to the Village's Agreement for the Long Term Disability Plan
- Authorize an Amendment to the Village's Agreement for the Group Life Insurance Plan

STRATEGIC PLAN ALIGNMENT

The Five Year Plan and Goals identified *Exceptional Services and Communication*.

FISCAL IMPACT

The proposed amendments are administrative in nature and would have no impact on the cost of administering the Village's group health insurance, long term disability or group life insurance plans.

RECOMMENDATION

Approval on the April 20, 2010 consent agenda.

BACKGROUND

Periodically, administrative amendments to the Village's group health insurance plan are necessary for clarification purposes and to comply with recent State and Federal legislation. Staff proposes an administrative amendment to the Village's group health insurance plan for Village Council consideration. This administrative amendment would have no cost impact on the previously approved health insurance contracts. The proposed amendment would bring the Village into compliance with a recent revision in Illinois law. The proposed amendment would change the requirements for a plan participant's child to be eligible for coverage under the Village's group health insurance plan. The following changes to eligibility requirements for children of Village health insurance plan participants would occur as a result of the proposed amendment:

- Children of Village health insurance plan participants would be eligible for coverage under the Village's health insurance plan until the age of 26 (or until the age of 30 for honorably discharged military veterans)
- Children of Village health insurance plan participants would be eligible for coverage under the Village's health insurance plan even if they are not financially dependent on their parents
- Health insurance plan participants whose children are eligible for coverage under the plan, but do not meet the Federal tax definition of a dependent, would be required to pay all taxes imposed on the value of the plan.

In addition to the proposed amendment to the Village's group health insurance plan, staff is proposing two amendments to the Village's long term disability (LTD) and group life insurance plans. Both amendments are administrative in nature. The first proposed amendment adjusts the dates in which the Village's LTD

and group life insurance plans become effective. This amendment will ensure the Village's LTD and group life insurance plans become effective for new employees at the same time as all other benefits.

The second plan amendment is to clarify the description of employees eligible for LTD benefits. The initial LTD policy was written when the Village had only two collective bargaining agreements and the language states that the LTD benefit was available to all full-time employees with the exception of collective bargaining unit members in police and fire. Since the initial policy went into effect, there is now an additional collective bargaining unit in the Public Works Department who are covered under the LTD benefit. As a result, the proposed LTD plan amendment would clarify that the exclusion only applies to members of the police and fire collective bargaining units.

ATTACHMENTS

LTD Insurance Amendment #2

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING EXECUTION OF AMENDMENT #2 TO AN AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE AND NATIONAL INSURANCE SERVICES OF WISCONSIN, INC. (Long Term Disability)

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Amendment #2 (the "Amendment"), between the Village of Downers Grove (the "Village") and National Insurance Services of Wisconsin, ("NIS"), for long term disability insurance, as set forth in the form of the agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Mayor and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Amendment, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Amendment.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____

Village Clerk

AMENDMENT #2 TO
NATIONAL INSURANCE SERVICES
JOINDER AGREEMENT
FOR
LONG TERM DISABILITY INSURANCE

Carrier No: 1190

Carrier: MNL

(For NIS Use Only)
Group No. 26246
Policy No. 6071
Class No. 01

Group Name: Downers Grove Village

Employee Classification: 01-All Employees, excluding Collective Bargaining Units

Effective Date: August 1, 2009

Benefit Change:

- Under 'The Plan is as follows:', under 'Section I', the item entitled '3. Eligible Class' is hereby deleted in its entirety and replaced with the following:

'3. Eligible Class' 01-All Employees, excluding Police and Fire
Collective Bargaining Units'

- Under 'The Plan is as follows:', under 'Section I', the item entitled 'Effective Date of Insurance – Employees' and 'Probationary Period' are hereby deleted in their entirety and replaced with the following:

'Effective Date of Insurance – Employees' See Section II'

'Probationary Period' 30 days'

- Under 'The Plan is as follows:', under 'Section II' the following is hereby added:

'Effective Date of Insurance – Employees:

Under 'SECTION II – ELIGIBILITY AND EFFECTIVE DATES', under subsection 'B. ELIGIBILITY DATE', item '(2)' is deleted and replaced with:

'(2) the first of the month after the Employee completes the Probationary Period.'

- Furthermore, any and all other references to class '01-All Employees excluding Collective Bargaining Units' should in effect pertain to '01-All Employees, excluding Police and Fire Collective Bargaining Units'.

Rate: The premium rate will remain unchanged.

The above rates are guaranteed until the next plan renewal date. This rate guarantee will not pertain to adjustments in premium rate due to amendments requested by the Employer.

IN ALL OTHER RESPECTS, COVERAGE UNDER THIS POLICY REMAINS UNCHANGED.

Accepted this _____ day of _____, 2010 for the above-named Employer:

By: _____
Signature

Print Name and Title

Accepted for NATIONAL INSURANCE
SERVICES by Administrator, National
Insurance Services of Wisconsin, Inc.



Date: February 15, 2010

This signed and executed Amendment must be returned within 20 working days of the date of the Administrator's signature in order to insure acceptance of the Amendment as outlined.