



*...the educational prism through which students realize meaning and purpose in their lives...*

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**TO: Members, Board of Education  
Dr. Constance Collins, Superintendent**

**FROM: Therese M. O'Neill, Assistant Superintendent for Finance & Operations  
Trish Carlson, Director of Human Resources**

**RE: Medical, Dental & Life Insurance Renewals – 2010-11 School Year**

**DATE: May 11, 2010**

The Insurance Committee has been conducting on-going meetings over the course of this entire school year, becoming more educated to the various components of medical insurance, supported by the District's insurance consultant, The Bjork Group, and its representatives (John Bjork, Jim Hodgdon and Sue Rand). The composition of the Insurance Committee includes representatives from all categories of staff (teachers, teacher aides, secretaries, custodians, administration and Board of Education).

Over the last two months, particular attention has been given to the renewal for the 2010-11 school year and the news is better than expected – there will be an increase of only 6% for health insurance and no increase for dental and life insurance.

Last year, the Board of Education offered a \$125 incentive to employees who opted from the HMO Illinois and Blue Cross/Blue Shield PPO to Blue Advantage and, as demonstrated on the attached spreadsheet, significant movement occurred thus resulting in a favorable outcome for the Insurance Fund. Further, all new employees will be provided the Blue Advantage HMO. Currently, the insurance fund has a balance of approximately \$1,500,000 and it is recommended by the District's insurance consultant that a good self-insurance fund should have a minimum of a three-month run-out, which for us is approximately \$1,100,000. If, in fact, we experience a catastrophic year during 2010-11, the 6% increase along with the additional monies taken from the insurance fund will be sufficient in protecting all stakeholders.

Therefore, the Assistant Superintendent for Finance & Operations, the Director of Human Resources, and the District's Insurance Committee, in concert with the District's insurance consultant, The Bjork Group, are recommending a 6% increase in medical rates for the 2010-11 school year.

**Attachment (1)**