November 17, 2010

AUTHORIZE PLACEMENT OF THE BOARD'S EMPLOYEE GROUP BASIC LIFE, VOLUNTARY LIFE, PERSONAL ACCIDENT AND DISABILITY INSURANCE

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:
Approve the placement of the following insurance policies on behalf of the Board for group employee benefits insurance for an initial term 36 months at a cost for the initial term not to exceed $54,000,000.00. No broker is involved. These placements will be arranged and underwritten through Standard Life Insurance Company. Vendor was selected on a competitive basis pursuant to Board Rule 7-2 (Specification No. 10-250046). The policies of coverage constitute the contract between the Board and insurance carriers.

Specification No: 10-250046 Contract Administrators: Pamela Seanior (773) 553-2254

VENDOR: Employee Group Basic Life, Voluntary Life, Personal Accident and Disability Insurance Carrier

Standard Life Insurance Company
900 S W Sixth Avenue
Portland, Oregon 97204
Contact: Christine Pawlak, Employee Benefit Specialist
Vendor: 30450

USER: Human Capital
125 S. Clark – 14th floor Compensation & Benefits Management
Contact: Dale Moyer, Compensation Director
(773) 553-2818

TERM: The term of each policy shall commence on January 1, 2011 and shall end on December 31, 2013.

RENEWAL OPTIONS

The Board shall have the two renewal options of one year each, beginning on January 1, 2014 and January 1, 2015 respectively, at a cost not to exceed $19,000,000.00 for the first renewal term and not to exceed $19,500,000.00 for the second renewal term.

DESCRIPTION OF POLICES

Life Insurance	Group Life Insurance: i) Basic Life Insurance, and ii) Voluntary Life Insurance and Personal Accident Insurance at no cost to the Board to be funded through voluntary payroll deductions for participating Chicago Public Schools and Board of Education employees
Disability Insurance	Disability Insurance: at no cost to the Board to be funded through voluntary payroll deductions for participating Chicago Public Schools and Board of Education employees.

PREMIUM: All premium payments will be made to the appropriate insurance carriers based on premiums reported by Standard Life to the Human Capital. Any premium change that causes the premium to exceed the maximum amounts stated above shall require additional Board authority.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Human Capital Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION: The M/WBE goals for this agreement include 15% total MBE and 5% total WBE participation. The Vendor has committed to utilizing M/WBE firms to market the services and benefits of this insurance contract.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL:

Basic Life: Charge to all units/ Human Capital manages the contract:
Fiscal Year 2010 to 2011: $1,000,000.00
Fiscal Year 2011 to 2012: $2,000,000.00
Fiscal Year 2012 to 2013: $2,000,000.00
Fiscal Year 2013 to 2014: $1,000,000.00

Budget Classification: Sundry Units, All operating funds, sundry programs, group life insurance (account 57905)

Personal Accident Insurance: $0
No cost to the Board
Voluntary Life: $0
No cost to the Board
Voluntary Disability: $0
No cost to the Board

GENERAL CONDITIONS:
Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

Opal L. Walls
Chief Purchasing Officer

Within Appropriation:

Diana S. Ferguson
Chief Financial Officer

Approved as to legal form:

MF

Patrick J. Rocks
General Counsel

Approved:

Ron Huberman
Chief Executive Officer