

**AUTHORIZE THE RENEWAL OF THE VOLUNTARY GROUP LONG TERM DISABILITY INSURANCE
FOR CPS EMPLOYEES WITH STANDARD INSURANCE COMPANY**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the renewal of Board's Voluntary Group Long Term Disability Insurance for Chicago Public School Employees with Standard Insurance Company. Standard Insurance was selected on a non-competitive basis because it offers a 100% employee-pay group long-term disability plan, with a rate schedule for employees, and will not increase its monthly rates for the January 1, 2002 renewal. This coverage has been in place with Standard since September, 1996. There are currently 17,500 active participants. The insurance policy and its binder shall constitute the Board's contract with this carrier. Information pertinent to this insurance carrier is stated below.

Specification No.: 00-250568:

INSURANCE CARRIER: Standard Insurance Company
900 S.W. Fifth Avenue
Portland, Or. 97204
(503) 321-8693
Contact Person: Kelly Cushing
Vendor# 30450

USER: Bureau of Risk and Benefits Management
125 South Clark Street-14th Floor
Georgette Hampton, Director
(773) 553-2818

RENEWAL TERM: The renewal term for this insurance shall commence on January 1, 2002 and shall end December 31, 2002.

DESCRIPTION OF POLICY: Standard Insurance Long term Disability (LTD) Benefits is an Income Replacement System for employees who are unable to work due to a long-term illness or injury. A physician determines the employee's disabilities. These benefits provide 60% of the employee's earnings. The Board offers two LTD options to choose from; (1) 90 day waiting period and (2) 180 day waiting period. The waiting period is the length of time before LTD benefits began. The longer the waiting period, the lower the premium to the employee.

DELIVERABLES: Standard Insurance Company shall continue to provide the following:

- 1) On going disability coverage on an insured basis,
- 2) Quarterly experience reports, and
- 3) Annual renewal reports.

AUTHORIZATION: Authorize the Director of Risk and Benefits Management to execute all ancillary documents required to administer or effectuate the policies.

PREMIUM: This is a 100% employee-pay group long-term disability plan, with no cost to the Board of Education.

AFFIRMATIVE ACTION: Not applicable.

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

FINANCIAL: Charge to The Bureau of Risk and Benefits Management: \$0 Fiscal Year: 2002

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.

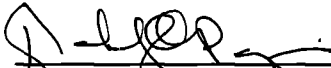
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), 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:



Natalye Paquin
Chief Purchasing Officer

Approved:



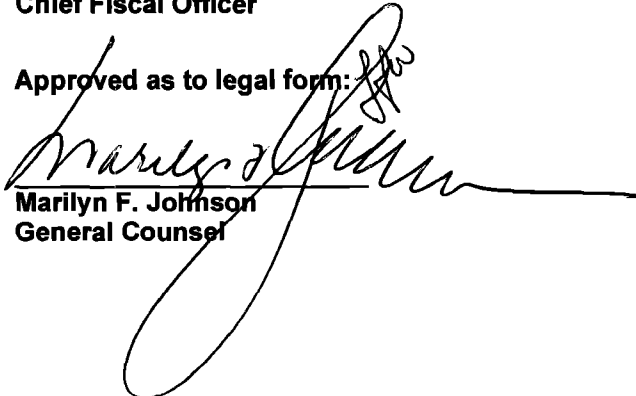
Arne Duncan
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel