

APPROVE THE RENEWAL OF THE POLICY WITH STANDARD INSURANCE COMPANY TO PROVIDE VOLUNTARY GROUP LONG TERM DISABILITY INSURANCE FOR CPS EMPLOYEES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the renewal of the policy with Standard Insurance Company (Standard) to provide Voluntary Group Long Term Disability Insurance for Chicago Public School Employees. Standard 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. This coverage has been in place with Standard since September 1996. There are currently 19,500 active participants. The insurance policy and its binder shall constitute the Board's contract with this carrier. Information pertinent to this insurance matter is stated below.

Specification No.: 00250568

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

TERM: The term for this insurance shall commence on January 1, 2003 and shall end December 31, 2003.

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.

COMPENSATION: 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: This is a 100% employee-pay group long-term disability plan, with no cost to the Board of Education. Fiscal Year: 2003

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:

Approved:

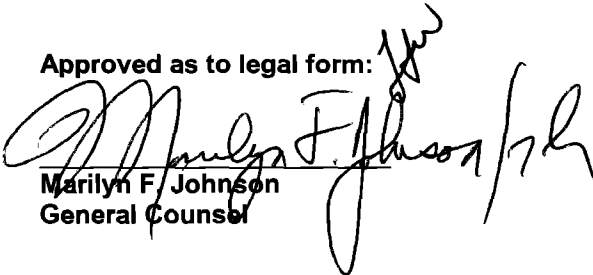

Anita Rocha
Acting Chief Purchasing Officer


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel