

## **INSURANCE FUND**

The Insurance Fund serves as a centralized cost center for the Village's health benefits plan and general liability/workers compensation insurance costs. The principle revenues of the Insurance Fund are transfers from other funds and departments based on their proportionate share of total budgeted costs.

Health Benefits Plan – The Village's health benefits plan provides medical, dental, prescription, vision, life and disability benefits to full-time staff and to retired employees (who choose to pay the 100% monthly budgeted cost), and a few others. The Glenbard Wastewater Authority and Glen Ellyn Public Library are also participants in the plan and contribute their proportionate share of budgeted costs each year. (The plan year renews each October 1<sup>st</sup>.)

The health benefits plan is a self-funded plan whereby the Village and its participants/beneficiaries contribute the total anticipated costs of health benefit claims, "stop loss" insurance, and plan administration each year. The Village retains a health benefits consultant to perform plan analysis, benefit reviews and cost projections, and also uses a third party administrator to handle the payment of claims. Employee participants pay 20% of the total budgeted plan costs, in addition to usage deductibles and co-payments, while retired employees pay 100% of the total budgeted cost.

Our renewal for health benefits plan year 2006 which began October 1, 2005 projected an increase of 8.3% in total plan costs for the plan year ending September 30, 2006. A national trend increase of 15% was added to the FY06/07 budget in anticipation of renewal increases in October, 2006 which is planned to cover the remaining seven months of FY06/07.

Liability/Workers Compensation Insurance – This category includes all other types of insurance carried by the Village, other than the employee health benefits program, and includes coverages for property, liability, auto, workers compensation, boiler, public official's liability and the like.

On January 1, 2002, the Village began pooling its general liability / workers compensation insurance coverages with the Municipal Insurance Cooperative Agency or MICA, a privately administered insurance pool consisting of 20 municipal and other local government agencies within Illinois. Prior to this, the Village participated in a similar, but much larger insurance pool, the Intergovernmental Risk Management Agency (IRMA) consisting of about 80 local government participants in the Chicago metropolitan area.