

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL WORKSHOP**  
**NOVEMBER 13, 2007 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Contract with National Insurance Services for Life, Accidental Death and Dismemberment and Long Term Disability Insurance	✓ Resolutions Ordinance Motion Discussion Only	Wesley Morgan Director of Human Resources

**SYNOPSIS**

Resolutions have been prepared authorizing approval of a contract for 2008 with National Insurance Services for life, accidental death and dismemberment and long term disability insurance at an annual amount of \$154,000.

**STRATEGIC PLAN ALIGNMENT**

The Village Goals for 2011 include *Exceptional Municipal Organization*. A supporting objective of this statement is to provide *Responsible Stewardship of Village Finances and Resources*.

**FISCAL IMPACT**

The recommended 2008 health insurance program budget provides \$154,000 for these services.

**RECOMMENDATION**

Approval on the November 20, 2007 consent agenda.

**BACKGROUND**

The Village of Downers Grove provides term life, accidental death and dismemberment (AD&D) and long term disability (LTD) coverage to eligible Village personnel. Life/AD&D benefits are also offered to eligible employees of the Downers Grove Park District, SEASPAR, the Downers Grove Library and the Economic Development Corporation with all of these entities being responsible for 100% of the premium costs for their respective groups. Village retirees also are offered coverage (life only) at a level of \$15,000 with coverage reducing as the retiree matures and coverage completely terminating at the age of 75. Village retirees are also responsible for contributing 100% of their premium costs.

The Village's current 2007 contract for life/AD&D and LTD coverage is with National Insurance Services at an annual cost of \$101,000. As part of the annual bidding process, staff directed the Village's consultant, GCG Financial of Bannockburn, Illinois, to obtain alternative quotes for these services. The response from the current carrier, National Insurance Services, indicates that there will be no increase in premium costs for 2008. Five additional companies (Assurant; Guardian; Principal, Lincoln Financial; and Unum) did respond to the request for quote, however, all declined to quote, indicating that "rates were uncompetitive."

Based on the fact that National Insurance Services has provided the only competitive quote, GCG Financial is recommending that the Village contract with NIS for life/AD&D and LTD services for 2008. Current life/AD&D premiums are at \$0.23 per thousand dollars of coverage and LTD premiums are at 0.275 percent of covered payroll. While there will be no increase in these premium rates, the total annual cost for these services will increase due primarily to the fact that in 2008 there will be a significant increase in the actual volume of life/AD&D coverage due to bargaining unit contract stipulations.

**ATTACHMENTS**

Resolutions

NIS Insurance Trust Joinder Agreement – LTD

NIS Trust Joinder Agreement for Group Life Insurance

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING EXECUTION OF AN  
AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE AND  
NATIONAL INSURANCE SERVICES OF WISCONSIN, INC. (Long Term Disability)**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Agreement (the “Agreement”), between the Village of Downers Grove (the “Village”) and National Insurances Services of Wisconsin, (“NIS”), for long term disability insurance, as set forth in the form of the agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Mayor and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

\_\_\_\_\_  
Mayor

Passed:

Attest: \_\_\_\_\_

Village Clerk

**NATIONAL INSURANCE SERVICES OF WISCONSIN  
INSURANCE TRUST JOINDER AGREEMENT  
FOR  
LONG-TERM DISABILITY INSURANCE**

The undersigned Group and the Administrator of the National Insurance Services of Wisconsin Insurance Trust (the "Trust") agree that the following choice of Plan and Options shall constitute its Program as an Employer.

The Plan is as follows:

**Section I**

<b>1. Employer</b>	<b>DOWNERS GROVE VILLAGE</b>
<b>2. Carrier Number (Employer's Group Number)</b>	<b>1190</b>
<b>3. Eligible Class</b>	<b>01-All Employees, excluding Collective Bargaining Units</b>
<b>4. Effective Date</b>	<b>January 1, 2008</b>
<b>5. Initial Premium Rate (Monthly)</b>	<b>.275% of covered payroll</b>
<b>6. Plan Renewal Date</b>	<b>January 1, 2009</b>
<b>7. Maximum Annual Covered Salary</b>	<b>\$120,000</b>
<b>8. Maximum Monthly Benefit</b>	<b>\$6,000</b>

<b>Conversion</b>	<b>See Section II</b>
<b>Rate Change Notification</b>	<b>60 Days (Standard)</b>
<b>Subrogation</b>	<b>Applies per Endorsement No. 3</b>
<b>Effective Date of Insurance - Employees</b>	<b>Per Policy</b>
<b>Employer Contribution</b>	<b>100% Employer Paid</b>
<b>Min. Hour Requirement for Active Service</b>	<b>30 hours per week</b>
<b>Continuity of Coverage</b>	<b>Per Policy</b>
<b>Elimination Period</b>	<b>90 Consecutive Calendar Days</b>
<b>Definition of Disability</b>	<b>Three years regular occupation (See Section II)</b>
<b>Maximum Benefit Period</b>	<b>See Section II</b>
<b>Benefit Percent</b>	<b>60% of Basic monthly earnings</b>
<b>Minimum Monthly Benefit</b>	<b>See Section II</b>
<b>Termination of Employee's Insurance</b>	<b>See Section II</b>
<b>Long Term Care Insurance</b>	<b>Policy Endorsement Applies</b>
<b>Probationary Period</b>	<b>30 Days</b>

<b>Minimum Participation</b>	<b>100%</b>
<b>Cumulative Elimination Period</b>	<b>See Section II</b>
<b>Claim Payment Method/Basic Earnings</b>	<b>Monthly (Per Policy)/Base Wage Only (Per Policy)</b>
<b>Monthly Benefit-All Sources Maximum</b>	<b>See Section II</b>
<b>Coordination With Other Income Benefits</b>	<b>Full Family/General Freeze (See Section II)</b>
<b>Sick Leave</b>	<b>See Section II</b>
<b>Recurrent Disability</b>	<b>Per Policy</b>
<b>Rehabilitation</b>	<b>See Section II</b>
<b>Survivor Benefit</b>	<b>See Section II</b>
<b>Partial/Residual Disability</b>	<b>See Section II</b>
<b>Maternity Coverage</b>	<b>Option B Applies</b>
<b>Pre-Existing Condition Exclusion</b>	<b>See Section II</b>
<b>Mental Illness Limitation</b>	<b>See Section II</b>
<b>Right of Recovery</b>	<b>Applies</b>



Section II

Definition of Total Disability:

Under 'SECTION I – DEFINITIONS' of the Policy, under item '(2)' of the definition of "Total Disability" and "totally disabled" the following is hereby added:

'(2) after benefits have been paid for 36 months, the Insured cannot perform each of the substantial and material duties of any gainful occupation for which he or she is reasonably fitted by training, education or experience; and'

Maximum Benefit Period:

<u>Age At Disablement</u>	<u>Duration of Benefits</u>
Before Age 60	The day before attaining the Social Security Normal retirement Age as stated in the 1983 Revision or any later revision of the United States Social Security Act
Age 60 through Age 64	To the later of the above or 36 Months
Age 65 through Age 67	24 months
Age 68 through Age 69	18 months
Age 70 through Age 71	15 months
Age 72 and Over	12 months

Minimum Monthly Benefit:

The Minimum Monthly Benefit provision applies to Insured's who regularly work at least 30 hours per week. The Minimum Monthly Benefit is \$100.00.

Cumulative Elimination Period:

Under 'SECTION III – BENEFITS' of the Policy, item 'G. CUMULATIVE ELIMINATION PERIOD' is hereby deleted in its entirety and replaced with:

'If an Insured has been Totally Disabled during the Elimination Period, then returns to Active Work and again becomes Totally Disabled from the same or a related cause while the Policy is in force, the Elimination Period will be affected as follows:

- If the Insured's return to Active Work is for a total of 15 consecutive days or less, the Company will count the Elimination Period from the first day of the original period of Total Disability. The Elimination Period will be increased by the number of days of return to Active Work.
- If the Insured's return to Active Work is for a total of 16 or more consecutive days, the Elimination Period will start over and apply to the new period of Total Disability.

Any part of a calendar day on which there has been a return to Active Work shall count as a whole day. Fractions of days shall not be added together for credit under this provision.'



**Monthly Benefit:**

Under 'SECTION III – BENEFITS' of the Policy, subsection 'B. MONTHLY BENEFIT' is deleted in its entirety and replaced with the following:

'To figure the amount of Monthly Benefit, follow these steps:

1. Multiply the Insured's Basic monthly earnings by the Benefit Percentage shown in this Joinder Agreement.
2. Take the lesser of:
  - a. the amount determined in step (1) above; or
  - b. the Maximum Monthly Benefit shown in this Joinder Agreement.
3. Deduct items '(1)' through '(5)' under 'SECTION III – BENEFITS', subsection 'C. OTHER INCOME BENEFITS', and the following, from the amount determined in step (2):

any salary, wages, partnership or proprietorship draw, commissions, or similar pay that the Insured receives, or is entitled to receive, from any gainful employment in which he or she actually engages. However, such amounts will not be considered for the 12 consecutive months beginning with the day the Insured becomes entitled to such amounts, as long as the sum of:

- a. the income described above,
- b. the amount determined in step (2) above, and
- c. benefits from any other source described in Other Sources,

is not more than 100% of the Insured's Basic monthly earnings. Any amount over 100% will be subtracted from the amount determined in step (2) above when determining the benefit under this plan.

After this 12 month period, the Company will consider 70% of the amount determined after reducing any salary, wages, partnership or proprietorship draw, commissions or similar pay that the Insured receives, or is entitled to receive, from any gainful employment in which he or she actually engages, by any Family Care Expense.

"Family Care Expense" means the expense incurred for the care of one or more dependent family members to allow the Insured to be gainfully employed. The family member must be under age 13, or be physically or mentally incapable of caring for him or herself, and be chiefly dependent upon the Insured for support and maintenance. To qualify the care must be provided by someone other than a relative of the Insured. The allowable Family Care Expense will not exceed \$350 per eligible family member per month. A prorated amount will apply to any period shorter than a month.

4. However, if the amount determined in step (2) above plus the amount of benefits and payments from Other Sources is more than 70% of the Insured's Basic monthly earnings, the Monthly Benefit will be further reduced by the excess.

The Monthly Benefit payable will never be less than the Minimum Monthly Benefit shown in this Joinder Agreement.

"Other Sources" include:

1. Item '(7)' listed in 'SECTION III – BENEFITS', subsection 'C. OTHER INCOME BENEFITS';
2. Any amount the Insured or his or her dependents receives, or is eligible to receive, because of the Insured's disability, under a group, franchise, association or wholesale policy (this does not include credit or mortgage disability insurance).'



Coordination With Other Income Benefits:

In the Policy, under 'SECTION III - BENEFITS', under section 'C. OTHER INCOME BENEFITS', the following sentence is hereby deleted:

'After the first deduction for Social Security benefits, the monthly benefit will not be further reduced due to any cost of living increase payable under Social Security.'

and is replaced with:

'After the first deduction for Other Income Benefits, the Monthly Benefit will not be further reduced due to any cost of living increase payable under any Other Income Benefits.'

Sick Leave:

Under 'SECTION III - BENEFITS', under section 'C. OTHER INCOME BENEFITS' of the Policy, subsection '(a)' under item '(6)' is deleted in its entirety. Subsection '(e)' under item '(6)' is also deleted in its entirety and replaced with, '(e) any other type of extra pay, however there will be no offsetting with Employer-sponsored sick leave;'

Survivor Benefit:

Under 'SECTION III - BENEFITS', subsection 'J. SURVIVOR BENEFIT' shall apply. However, the third and fourth paragraphs are deleted in their entirety and replaced with:

'The Company will pay a benefit to the Eligible Survivor when proof is received that an Insured died while receiving a Monthly Benefit.

The benefit will be an amount equal to three times the Insured's last monthly benefit.'

Pre-Existing Condition Exclusion:

Under 'SECTION IV - EXCLUSIONS AND LIMITATIONS' of the Policy, the language under item 'B. PRE-EXISTING CONDITION EXCLUSION' is hereby deleted in its entirety and replaced with:

"Pre-Existing Condition" means a sickness or injury for which the Insured had received medical treatment, consultation, care or services including diagnostic measures, or had taken prescribed drugs or medicines in the three months prior to his or her effective date.

No coverage is provided for a disability resulting from a Pre-Existing Condition unless:

- 1) the disability begins after a treatment-free period of 3 months, or
- 2) the disability begins after the employee has been Insured for 12 continuous months.'



Mental Illness Limitation:

Under 'SECTION IV – EXCLUSIONS AND LIMITATIONS', under subsection 'C. MENTAL ILLNESS LIMITATION', the following is hereby added as 'OPTION F' and shall apply:

'Payment of Monthly Benefits is limited to a total of 24 months during an Insured Employee's entire lifetime for Total Disability caused or contributed by his or her alcoholism, drug abuse or addiction or use of any hallucinogen, or a mental or emotional disorder. However, if the Employee is confined as an in-patient to a Hospital for such condition, this 24 month limitation will not apply while he or she remains continuously confined.

However, if the Insured Employee is so confined at the end of that 24 month period, Benefit payments for Total Disability will go on for up to 60 days in a row after the confinement ends. If the Insured Employee becomes re-confined during the recovery period for at least 10 days in a row, Benefit payments will continue for the confinement and another recovery period of up to 60 more days. If the Insured Employee continues to be Totally Disabled and become confined after the 24 month period and for at least 10 days in a row, Benefit payments will continue during the confinement.'

Termination of Employee's Insurance:

Under 'SECTION V – TERMINATION PROVISIONS', under 'A. TERMINATION OF EMPLOYEE'S INSURANCE', under '(6)', item '(c)' is hereby added as follows:

'(c) Insured Employees are eligible to continue their insurance due to the following leaves:

- i. an eligible employee may continue his or her insurance due to the Family Medical Leave Act (FMLA) for a duration of time specified by any state or federal law;
- ii. an eligible employee may continue his or her insurance due to a Leave of Absence or due to a temporary Lay-off until the end of the month following the month in which the leave commenced.'

Conversion:

If coverage under this Policy ends and the Insured has been Insured under the Policy for at least one year; then, without evidence of insurability, the benefits offered for conversion at that time will be available based upon the rates in effect for the conversion provision at that time. The Insured must apply for the conversion provision within 31 days following the Insured's termination of benefits under this Policy.

Rehabilitation:

Under 'SECTION III – BENEFITS', subsection 'H. REHABILITATION' is deleted in its entirety and replaced with the following:

*'Rehabilitation for the Insured*

The Insured may be eligible to receive vocational rehabilitation services. In order to be eligible for such services, the Insured must have the functional capability to successfully complete a rehabilitation plan.

Vocational rehabilitation services will include the preparation of a rehabilitation plan for the Insured with input from the Insured and the Insured's doctor. The Company, the Insured, and the Insured's doctor, or the Insured's Employer can begin the process of developing a rehabilitation plan. Vocational rehabilitation services may include, at the sole discretion of the Company, payment of the Insured's medical expense, education expense, moving expense, accommodation expense or family care expense.

While the Insured is participating with full cooperation in a rehabilitation plan, the Monthly Benefit will be increased by 10% of the Insured's monthly pay or \$1,000, whichever is less. During this period, the Monthly Benefit may exceed the Maximum Monthly Benefit as stated in the Joinder Agreement.

If the Insured returns to work as part of a rehabilitation plan while he or she is disabled, the Company will pay the Employer:



- \* 100% of the Insured's salary, wages, partnership or proprietorship draw, commissions, or similar pay; or
- \* the Monthly Benefit, if less,

for the first month after the Insured returns to work, or the remaining period of disability, if less.

If the disability ends while the Insured is participating with full cooperation in a rehabilitation plan, and he or she is not able to find gainful work, the Company will:

- \* pay the Insured the amount of benefit, other than rehabilitation benefits, that would have been payable if the Insured had remained disabled until:
  - three months after the disability ends, or
  - the date the Insured is able to find gainful work, if earlier; and
- \* provide or pay for reasonable job placement services for a period of up to three months after the disability ends.

Failure to participate with full cooperation in the rehabilitation plan, without good cause, will result in the reduction or the termination of the Insured's long term disability insurance benefits. If benefits terminate, the Insured's long term disability coverage under the Policy will end. Reduction of benefits will be based on the Insured's projected income if the Insured had met the goals of the rehabilitation plan. Benefits will be figured as though the Insured was:

- \* Actually working in the occupation contemplated in the rehabilitation plan; and
- \* Earning the projected income amount.

If such work at the projected income amount would have resulted in the termination of the Insured's long term disability insurance benefits, the Insured's benefits will terminate as of the expected completion of the rehabilitation plan.

"Good Cause" means a medical reason preventing implementation of the rehabilitation plan.

The Company will make the final determination of any vocational rehabilitation services provided, of the Insured's eligibility for participation, and of any continued benefit payments.

#### Rehabilitation for the Insured's Spouse

The Insured and his or her spouse may ask to participate in a rehabilitation plan for the Insured's spouse while the Insured is disabled if:

- \* the Insured is receiving disability benefits from a social security plan, and
- \* the Insured's spouse's earnings in the six calendar months prior to the Insured's disability averaged less than 60% of the Insured's monthly pay.

The Company has the sole discretion to approve or deny the request. The terms and conditions of the rehabilitation plan must be mutually agreed to by the Insured, his or her spouse and the Company.

The rehabilitation plan for the Insured's spouse may include, at our discretion payment of the Insured's Spouse's education expense, reasonable job placement expenses, and the family's moving expense, if any. It may also include the family care expense incurred by the Insured's Spouse, necessary in order for the Insured's Spouse to be retrained under the Rehabilitation Plan.

The Monthly Benefit payable will be reduced by 50% of any salary, wages, partnership or proprietorship draw, commissions, or similar pay from and work the Insured's spouse does as a result of participating in the Insured's Spouse's rehabilitation plan. If the Insured's spouse is working when the rehabilitation plan begins, the Company will only reduce the benefit by 50% of the increase in income that results from participation in this rehabilitation plan.



Residual Disability:

Under 'SECTION III - BENEFITS', section 'Q. RESIDUAL DISABILITY' is hereby deleted in its entirety and replaced with:

'If an Insured is working, and is not disabled under the definition of Total Disability, the Insured will be considered "Totally Disabled" during any month when he or she is not able, because of Injury, Sickness or pregnancy, to earn more than 80% of his or her Basic earnings. In determining how much the Insured is earning the following will be considered: wages, salary, commissions and similar pay from any gainful work (including partnership profits, where applicable), whether the compensation is paid in regular installments or in a lump sum, and any other income he or she receives or is eligible to receive. However, sick pay and salary continuance for periods not at work will not be included. Any lump sum payment will be pro-rated over the period of time for which the payment accrued.

The Basic earnings figure as used in accordance with the preceding paragraph, in order to determine if you are "Totally Disabled", will be increased by 7.5% on each anniversary of the date Total Disability began. This increase will not affect the amount of benefit we pay.

If any pro-rated payment plus other earnings received during any month is more than 80% of Basic earnings (including the 7.5% increase), the Insured will not be considered Totally Disabled for that month."



Joinder Agreement

The undersigned Group adopts and agrees to be bound by the terms and conditions of the National Insurance Services of Wisconsin Insurance Trust Agreement, (the "Trust Agreement"), and the insurance agreements covering its employees. Any amendment to said Trust Agreement must be agreed to in writing by the parties. The Group understands that the Trust is a vehicle for obtaining insurance to provide benefits under one or more of the Group's employee benefit programs. In this regard, the Group joins together with other groups under the Trust as a single policyholder in the purchase and maintenance of group insurance policies. The Trust's Administrator shall provide the Group with the information involving the insurance policies which is necessary for the Group to comply with applicable state and federal reporting requirements which relate to this group insurance. The Group agrees to be bound by actions taken pursuant to the powers granted under the Trust Agreement or the affected insurance policy.

This agreement can be terminated by either party upon 60 days written notice or for non-payment of required premium.

The signature by the Administrator of the Trust constitutes acceptance of the undersigned Group as an Employer under the Trust.

This Agreement and Trust Agreement shall be construed and enforced between the parties signing below according to the laws of the State of Illinois. Venue shall be proper only in the County of DuPage for state claims or the Northern District of Illinois for federal claims.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Downers Grove Village  
Civic Center  
Downers Grove, Illinois 60515-4776

By: \_\_\_\_\_

National Insurance Services of  
Wisconsin Insurance Trust  
Administrator - National Insurance Services  
of Wisconsin, Inc.

By: 

This Program is underwritten by Madison National Life Insurance Company.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING EXECUTION OF AN  
AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE AND  
NATIONAL INSURANCE SERVICES (Group Life)**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Agreement (the “Agreement”), between the Village of Downers Grove (the “Village”) and National Insurances Services, (“NIS”), for group life insurance, as set forth in the form of the agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Mayor and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

\_\_\_\_\_  
Mayor

Passed:

Attest: \_\_\_\_\_

Village Clerk

**NATIONAL INSURANCE SERVICES TRUST JOINDER AGREEMENT  
FOR  
GROUP LIFE INSURANCE**

The undersigned Employer and the Administrator of the National Insurance Services Trust (The "Trust") agree as follows:

The Employer understands and agrees that the insurance coverage for which this is an Application will be subject to one of the following underwriting and participation requirements of the insurer:

1. Seventy-five percent (75%) of all eligible employees must be insured. If the Employer contributes 100% of the required premium, then 100% of the eligible employees must enroll.
2. As indicated in the employers labor agreement which differs from 1. as follows:  
None.  
\_\_\_\_\_  
\_\_\_\_\_
3. All participating employers are required to contribute a minimum of 25% of the cost of employee plan cost.

The Employer hereby requests the coverage indicated and provides the required application data.

4. Employer Village of Downers Grove (630) 434-5538  
(Exact Legal Name) (Telephone)
5. Address: Civic Center, 801 Burlington Avenue Du Page  
(Street) (County)
- Downers Grove Illinois 60515-4776  
(City) (State) (Zip)
6. Nature of Business: Municipality



**7. GROUP INSURANCE BENEFITS**

- |                                     |   |                          |                             |
|-------------------------------------|---|--------------------------|-----------------------------|
| <input checked="" type="checkbox"/> | Basic Term Life Insurance                   | <input type="checkbox"/> | Supplemental Life Insurance |
| <input checked="" type="checkbox"/> | Basic AD&D Insurance                        | <input type="checkbox"/> | Supplemental AD&D Insurance |
| <input checked="" type="checkbox"/> | Waiver of Premium Benefit                   | <input type="checkbox"/> | Dependent Life Insurance    |
| <input checked="" type="checkbox"/> | Accelerated Death Benefit                   |                          |                             |
| <input type="checkbox"/>            | Long-Term Care Insurance Policy Endorsement |                          |                             |

Original Effective Date of Insurance: June 1, 2002  
 Revised Effective Date of Insurance: September 1, 2007

8. **ELIGIBILITY** - Are any individuals currently disabled?  N/A  
 If yes, give full name and social security number (attach separate list if needed).

Eligibility Date: New Individuals One month following Date of Hire  
 Current Individuals: Immediate

**9. CLASSIFICATION OF INDIVIDUALS - BASIC COVERAGE**

Class "Eligible" : Basic Term Life: Basic Term AD&D:

Class "Eligible" :	Basic Term Life:	Basic Term AD&D:
01) Management Personnel	2 X Annual Salary, Rounded to the next higher \$1,000; to a Maximum of \$200,000	2 X Annual Salary, Rounded to the next higher \$1,000; to a Maximum of \$200,000
02) Patrol Officers	\$30,000	\$30,000
03) Park District Employees	1 X Annual Salary, Rounded to the next higher \$1,000; Minimum of \$30,000; Maximum of \$150,000	1 X Annual Salary, Rounded to the next higher \$1,000; Minimum of \$30,000; Maximum of \$150,000
04) Library Employees	\$20,000	\$20,000
05) Non-Management Employees	\$30,000	\$30,000
06) Employees who retired prior to April 30, 1984	\$5,000	N/A
07) Employees who retired between April 30, 1984 and April 29, 1989	\$10,000	N/A
08) Employees who retired between May 1, 1989 and April 29, 1995	\$15,000	N/A
09) Employees who retired on May 1, 1995 or later	\$15,000	N/A
10) Permanent Part-Time Employees budgeted to work 1,000 or more hours per year	\$15,000	\$15,000



11)	Grandfathered Retiree - Richard Obert	\$10,000	N/A
12)	Grandfathered Retiree - Cliff Israel	\$10,000	N/A
13)	Grandfathered Retiree - Dan Irons	\$10,000	N/A
14)	Village Manager	2 X Annual Salary, Rounded to the next higher \$1,000; Maximum of \$300,000	2 X Annual Salary, Rounded to the next higher \$1,000; Maximum of \$300,000
15)	SEASPAR Employees	\$30,000	\$30,000
16)	President - Economic Development Corporation	2 X Annual Salary, Rounded to the next higher \$1,000; Maximum of \$200,000	2 X Annual Salary, Rounded to the next higher \$1,000; Maximum of \$200,000
17)	Economic Development - Non-Management	\$30,000	\$30,000
18)	Management Firefighters	2 X Annual Salary, Rounded to the next higher \$1,000; to a Maximum of \$200,000	2 X Annual Salary, Rounded to the next higher \$1,000; to a Maximum of \$200,000
19)	Non-Management Firefighters	\$30,000	\$30,000

Basic Coverage Non-Evidence Amount: \$300,000 Class 14  
\$200,000 All Other Insured Classifications

**10. CLASSIFICATION OF INDIVIDUALS - SUPPLEMENTAL COVERAGE**

N/A

**11. DEPENDENT LIFE**

N/A

**12. REDUCTIONS AND TERMINATIONS**

**Classes 01 – 05, 10, and 14 -19:**

Basic Life and Basic AD&D Insurance terminates upon the Insured Employee's retirement, unless eligible for Retiree coverage.

**Classes 06 –08, and 11-13:**

Basic Life and Basic AD&D (if applicable) Insurance will not reduce or terminate.

**Class 09:**

Basic Life Insurance reduces to 65% upon the Insured Employee's attainment of age 65, reduces to 50% upon the Insured Employee's attainment of age 70, and terminates upon the Insured Employee's attainment of age 75.



**13. REPLACEMENT**

If the insurance applied for replaces, or is in addition to any similar group or wholesale insurance now or previously in-force, give the name of the carrier and the date the insurance was or is to be discontinued: N/A

**14. PREMIUMS**

- 0 % Employee contributions required for Basic coverage. (All Other Insured Classifications)
- 100 % Employee contributions required for Retiree coverage. (Classes 06-09, 11-13)
- N/A % Employee contributions required for Supplemental coverage.
- N/A % Employee contributions required for Dependent coverage.

Premiums will be paid:  Monthly  Other: \_\_\_\_\_

Advance payment of \$ N/A is submitted with this application to be applied by the Trust on premiums for insurance due when and if issued.

15. a. Are retirees covered under this plan?  Yes  No

b. If "Yes", state conditions under which retirees are eligible: All Eligible Employees who are eligible for Retiree coverage, pursuant to the Village of Downers Grove employment agreements.

16. Excluded classes (explain if any): \_\_\_\_\_  
\_\_\_\_\_

Benefits are only available to active full-time employees working an average of at least 30 hours per week and to Permanent part-time employees budgeted to work 1,000 or more hours annually on a regular basis and compensated by a reasonable salary or wage. Benefits are also available to eligible retirees. Seasonal employees are not considered eligible for coverage. Those employees not actively at work at the time of eligibility become eligible upon returning to active employment. The Employer, however, may request to provide benefits to other than active full-time employees. Such request must be outlined below and will not be effective unless approved in writing by the insurer.

17. Additional Information: The Basic Term Life rate is \$0.20/\$1,000. The Basic AD&D rate is \$0.03/\$1,000. These rates are guaranteed until January 1, 2008 and will renew every January 1st thereafter.

**Waiver of Premium Benefit:**

Under 'PART V - CONTINUATION OF LIFE INSURANCE BENEFIT DURING TOTAL DISABILITY', subsection 'A. WAIVER OF PREMIUM BENEFIT', the first paragraph is hereby deleted in its entirety and replaced with:

'If an Insured becomes totally disabled, prior to age 60, the Company will waive the premium for that Insured and his or her dependents. The wavier of premium will begin on the first of the month following six months of total disability in a row.'



**18. Name and Title of person for:**

Administrative Details: <u>Mary LaLonde</u>	Payroll Details: <u>Mary LaLonde</u>
Title: <u>Benefits Coordinator</u>	Title: <u>Benefits Coordinator</u>
Address: <u>801 Burlington Avenue</u> <u>Downers Grove, IL 60515-4776</u>	Address: <u>801 Burlington Avenue</u> <u>Downers Grove, IL 60515-4776</u>
Phone: <u>(630) 434-5538</u>	Phone: <u>(630) 434-5538</u>

19. If evidence of insurability is required, was the medical information on the Evidence of Insurability form completed by:  Agent  Employer  Employee

20. Premiums are due and payable monthly, in advance, and will be due on the 15<sup>th</sup> of each month for the next month's coverage.

21. The undersigned employer adopts and agrees to be bound by the terms and conditions of the National Insurance Services Trust Agreement, as amended from time to time (the "Trust Agreement"), and the insurance agreements covering its employees. The Employer understands that the Trust is a vehicle for obtaining insurance to provide benefits under one or more of the Employer's employee benefit programs. In this regard, the Employer joins together with other groups under the Trust as a single policyholder in the purchase and maintenance of group insurance policies. The Trust's Administrator shall provide the Employer with the information involving the insurance policies which is necessary for the Employer to comply with applicable state and federal reporting requirements which relate to this group insurance. The Employer agrees to be bound by actions taken pursuant to the powers granted under the Trust agreement or the affected insurance policy.



22. The signature by the Administrator of the Trust constitutes acceptance of the undersigned Employer as a group member under the Trust. Coverage will become effective upon acceptance by the insurer.

23. **AGREEMENT AND SIGNATURES** - It is understood and agreed as follows:

1. Insurance will be effective with regard to those individuals listed above in the classes of Eligible Individuals, on the latest of the following dates:
  - a. The effective date approved by the Trust;
  - b. The date this application is signed; and
  - c. The date the first premium is paid in full.
2. No agent has the authority to waive any of the Trust/Underwriter's rights or requirements, or make or alter any contract or policy.

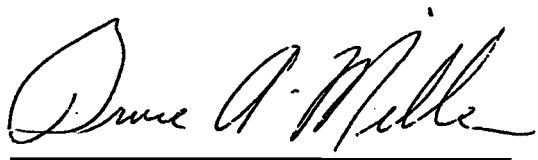
Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2007

\_\_\_\_\_  
Signature of Writing Agent      Agent Code      Employer Signature

\_\_\_\_\_  
Signature of Other Agent      Agent Code      Print Name  
(If Split Case)

\_\_\_\_\_  
Agency      Agent Code      Print Title

National Insurance Services Trust  
Administrator: National Insurance Services  
Carrier ID # 4116

By:   
Bruce A. Miller, President

This Program is underwritten by Madison National Life Insurance Company.