

RESOLUTION NO. 29 - 22

**A RESOLUTION THE BLUECROSS AND BLUESHIELD HEALTH INSURANCE
PLAN FOR JULY 1, 2022 THROUGH JUNE 30, 2023**

WHEREAS, the Village of Chatham (“Village”) is an Illinois Municipal Corporation existing and operating under the Illinois Municipal Code and the laws of the State of Illinois; and

WHEREAS, the Village has been presented with a proposed health insurance plan renewal from BlueCross and BlueShield, with a proposed decrease in cost of approximately 14%, and the Corporate Authorities believe it is in the best interest of the Village to approve said renewal.

NOW THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois, as follows:

Section 1. Recitals. The foregoing recitals shall be and are hereby incorporated into and made a part of this Resolution as if fully set forth in this Section 1.

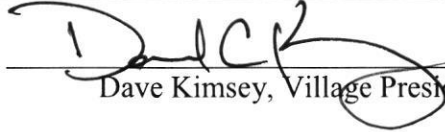
Section 2. Approval of Agreement. The Village Board of Trustees hereby approve the BlueCross and BlueShield healthcare plan renewal for the Village of Chatham, with a monthly charge of \$68,353.00, and authorize the Village Manager, Village President and the Village Clerk to execute any necessary documents to effectuate the renewal.

Section 3. Effective Date. This Resolution shall be in full force and effect from and after its passage and approval.

SO RESOLVED this 14 day of June, 2022.

| | AYE | NAY | ABSTAIN | ABSENT |
|-------------------|-----|-----|---------|--------|
| KRISTEN CHIARO | ✓ | | | |
| MEREDITH FERGUSON | ✓ | | | |
| JOHN FLETCHER | | | | ✓ |
| BRETT GERGER | ✓ | | | |
| TIM NICE | | | | ✓ |
| <i>Carl Troy</i> | ✓ | | | |

| | | | | |
|-------------|---|---|---|---|
| DAVE KIMSEY | | | | |
| | | | | |
| TOTAL | 4 | - | - | 2 |



Dave Kimsey, Village President

Attest:



Dan Holden, Village Clerk

**EXHIBIT A
RENEWAL PLAN**

Village of Chatham
 Medical | Fully-Insured Renewal | Effective 07/01/2022

| | | CURRENT | RENEWAL | NEGOTIATED RENEWAL | FINAL NEGOTIATED RENEWAL |
|---|--------------------------|---|---|---|---|
| Carrier Name | | BlueCross BlueShield of Illinois | BlueCross BlueShield of Illinois | BlueCross BlueShield of Illinois | BlueCross BlueShield of Illinois |
| Plan Name | | MPPH3T6G PPO | MPPH3T6G PPO | MPPH3T6G PPO | MPPH3T6G PPO |
| PLAN DESIGN* | | | | | |
| In-Network Benefits | | Blue Cross PPO | Blue Cross PPO | Blue Cross PPO | Blue Cross PPO |
| Deductible Type | | Embedded | Embedded | Embedded | Embedded |
| Calendar Year (CY) Deductible (Individual / Family) | | \$5,000 / \$10,200 | \$5,000 / \$10,200 | \$5,000 / \$10,200 | \$5,000 / \$10,200 |
| Out-of-Pocket Max Type | | Embedded | Embedded | Embedded | Embedded |
| CY Out-of-Pocket Max (Individual / Family) | | \$5,600 / \$10,200 | \$5,600 / \$10,200 | \$5,600 / \$10,200 | \$5,600 / \$10,200 |
| Coinsurance (member pays after deductible) | | 20% | 20% | 20% | 20% |
| Preventive Care | | Covered 100% | Covered 100% | Covered 100% | Covered 100% |
| Primary Care Visit | | \$40 Copay | \$40 Copay | \$40 Copay | \$40 Copay |
| Specialist Visit | | \$60 Copay | \$60 Copay | \$60 Copay | \$60 Copay |
| Urgent Care | | 20% after deductible | 20% after deductible | 20% after deductible | 20% after deductible |
| Emergency Room | | \$250 Copay (Copay waived if admitted) | \$250 Copay (Copay waived if admitted) | \$250 Copay (Copay waived if admitted) | \$250 Copay (Copay waived if admitted) |
| Inpatient Hospital | | 20% after deductible | 20% after deductible | 20% after deductible | 20% after deductible |
| Outpatient Surgery | | 20% after deductible | 20% after deductible | 20% after deductible | 20% after deductible |
| Diagnostic Test (X-ray, blood work) | | PCP: \$40 Copay; SPC: \$60 Copay | PCP: \$40 Copay; SPC: \$60 Copay | PCP: \$40 Copay; SPC: \$60 Copay | PCP: \$40 Copay; SPC: \$60 Copay |
| Imaging (CT/PET scan, MRI) | | 20% after deductible | 20% after deductible | 20% after deductible | 20% after deductible |
| Prescription Drug Benefit | | | | | |
| Out-of-Pocket Maximum (Individual / Family) | | \$1,000 / \$3,000 | \$1,000 / \$3,000 | \$1,000 / \$3,000 | \$1,000 / \$3,000 |
| Retail | | 30 Days | 30 Days | 30 Days | 30 Days |
| Tier I / Tier II / Tier III | | \$0; \$5 / \$10; \$15 / \$50; \$60 / \$100; \$110 | \$0; \$5 / \$10; \$15 / \$50; \$60 / \$100; \$110 | \$0; \$5 / \$10; \$15 / \$50; \$60 / \$100; \$110 | \$0; \$5 / \$10; \$15 / \$50; \$60 / \$100; \$110 |
| Specialty | | \$150 | \$150 | \$150 | \$150 |
| Out-of-Network Benefits | | | | | |
| Deductible Type | | Embedded | Embedded | Embedded | Embedded |
| CY Deductible (Individual / Family) | | \$10,000 / \$20,400 | \$10,000 / \$20,400 | \$10,000 / \$20,400 | \$10,000 / \$20,400 |
| Out-of-Pocket Max Type | | Embedded | Embedded | Embedded | Embedded |
| CY Out-of-Pocket Max (Individual / Family) | | \$12,200 / \$20,400 | \$12,200 / \$20,400 | \$12,200 / \$20,400 | \$12,200 / \$20,400 |
| Coinsurance (member pays after deductible) | | 40% | 40% | 40% | 40% |
| COST ANALYSIS | | | | | |
| PEPM Rates - Enrollment per Renewal 2022 | Enrollment | MPPH3T6G PPO | MPPH3T6G PPO | MPPH3T6G PPO | MPPH3T6G PPO |
| Employee (EE) Only | 34 | \$657.50 | \$674.89 | \$655.23 | \$568.72 |
| EE + Spouse | 6 | \$1,441.16 | \$1,413.20 | \$1,372.03 | \$1,190.89 |
| EE + Child(ren) | 7 | \$1,424.55 | \$1,477.25 | \$1,434.22 | \$1,244.86 |
| EE + Family | 12 | \$2,208.20 | \$2,215.58 | \$2,151.04 | \$1,867.05 |
| Total Enrollment | 59 | | | | |
| Estimated Monthly Premium | | \$67,472 | \$68,353 | \$66,362 | \$57,600 |
| Estimated Annual Premium | | \$809,667 | \$820,238 | \$796,344 | \$691,205 |
| | Dollar Difference | | \$10,572 | -\$13,322 | -\$118,461 |
| | Percent Change | | 1.31% | -1.65% | -14.63% |
| PLAN PROVISIONS | | | | | |
| Rate Guarantee | | 1 Year rate guarantee ending 06/30/2022 | 1 Year rate guarantee ending 06/30/2023 | 1 Year rate guarantee ending 06/30/2023 | 1 Year rate guarantee ending 06/30/2023 |

*NOTE: Benefit deviations from Current are identified in red font

Notes and Assumptions

Dental Plan Current/Renewal Summary – Blue Cross and Blue Shield of Illinois

| | | CURRENT | | RENEWAL | |
|---|--|--|---------------------|--|-------------|
| Carrier Name | | Blue Cross and Blue Shield of Illinois | | Blue Cross and Blue Shield of Illinois | |
| Plan Name | | Dental Plan DINHR31 | | Dental Plan DINHR31 | |
| PLAN DESIGN* | | | | | |
| Network | | INN [BlueCare] | OON | INN [BlueCare] | OON |
| Calendar Year (CY) Deductible (Individual / Family) | | \$25 / \$75 | \$25 / \$75 | \$25 / \$75 | \$25 / \$75 |
| Annual Maximum | | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| Coinsurance** (member pays after deductible) | | | | | |
| Preventive Services | | 100% | 100% | 100% | 100% |
| Deductible Waived? | | Yes | Yes | Yes | Yes |
| Basic | | 80% | 80% | 80% | 80% |
| Periodontics | | 80% | 80% | 80% | 80% |
| Endodontics | | 80% | 80% | 80% | 80% |
| Major | | 50% | 50% | 50% | 50% |
| Implants | | 50% | 50% | 50% | 50% |
| Orthodontics | | 50% | 50% | 50% | 50% |
| Maximum Age | | To age 19 | To age 19 | To age 19 | To age 19 |
| Deductible | | No | No | No | No |
| Lifetime Max | | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| OON Reimbursement Level | | Allowable Amount | | Allowable Amount | |
| COST ANALYSIS | | | | | |
| PEPM Rates - Enrollment per Renewal Document | | Plan 1 | Dental Plan DINHR31 | Dental Plan DINHR31 | |
| Employee (EE) Only | | 29 | \$16.31 | \$17.94 | |
| EE + Spouse | | 7 | \$32.62 | \$35.88 | |
| EE + Child(ren) | | 8 | \$37.92 | \$41.71 | |
| EE + Family | | 14 | \$59.18 | \$65.10 | |
| Total Enrollment | | 58 | | | |
| Estimated Monthly Premium | | | \$1,833 | \$2,017 | |
| Estimated Annual Premium | | | \$21,999 | \$24,198 | |
| Dollar Difference from Current | | | | \$2,199 | |
| Percent Change from Current | | | | 10.00% | |

**Exclusions/limitations may apply

The information contained herein is subject to the disclosures and disclaimers on the Disclaimers page of this presentation.



Vision Plan Current Summary – Blue Cross and Blue Shield of Illinois

| | | CURRENT | |
|--|--|---|--|
| Carrier Name | | EyeMed | |
| Plan Name | | Vision Plan | |
| PLAN DESIGN* | | | |
| Network Name | INN [Insight Network] | OON | |
| Exam (including eyewear exam) | | | |
| Frequency | 12 Months | 12 Months | |
| Benefit | \$0 Copay | Reimbursed up to \$40 | |
| Lenses | | | |
| Materials Copay | \$0 Copay | | |
| Frequency | 12 Months | 12 Months | |
| Single | \$0 Copay | Reimbursed up to \$30 | |
| Bifocal | \$0 Copay | Reimbursed up to \$50 | |
| Trifocal | \$0 Copay | Reimbursed up to \$70 | |
| Standard Progressive | \$55 Copay | Reimbursed up to \$50 | |
| Frames | | | |
| Frequency | 12 Months | 12 Months | |
| Allowance | Up to \$100 plus 20% off | Reimbursed up to \$70 | |
| Contact Lenses | | | |
| Frequency | 12 Months | 12 Months | |
| Allowance | Conventional: Up to \$100 plus 15% off; Disposable: Up to \$100 | Reimbursed up to \$70 | |
| Medically Necessary | Covered in full | Reimbursed up to \$210 | |
| Separate Fitting Allowance | Standard: \$40 Copay; Premium: 10% off retail price | N/A | |
| Lasik | 15% off retail price or 5% off promotional price | Not Covered | |
| COST ANALYSIS | | | |
| PEPM Rates - Enrollment per [source name] | | Vision Plan | |
| Employee (EE) Only | | \$6.76 | |
| EE + Spouse | | \$12.84 | |
| EE + Child(ren) | | \$13.52 | |
| EE + Family | | \$19.87 | |
| Total Enrollment | | | |
| PLAN PROVISIONS | | | |
| Rate Guarantee | | 4 Year rate guarantee ending 06/30/2024 | |

****Exclusions/limitations may apply**

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Life & AD&D Plan Current Summary – Blue Cross and Blue Shield of Illinois

| | CURRENT |
|--|--|
| Carrier Name | Blue Cross Blue Shield of Illinois |
| PLAN DESIGN* | |
| Employee | |
| Life Benefit | \$10,000 |
| AD&D Benefit | Same as Life amount |
| Benefit Reduction Schedule (% benefit reduces by at age) | 35% at age 65; 55% at age 70; 70% at age 75; 80% at age 80; 85% at age 85 |
| Waiver of Premium | Included |
| Accelerated Benefit Amount | 75% to max \$250,000 |
| Convertible/Portable | Included / Not-Included |
| Suicide Exclusion | Included |
| COST ANALYSIS | |
| Rates | CURRENT |
| Life Rate Per \$1,000 Vol | \$0.161 |
| AD&D Rate Per \$1,000 Vol | \$0.028 |
| PLAN PROVISIONS | |
| Rate Guarantee | 2 Year rate guarantee ending 06/30/2023 |

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STD Plan Current Summary – Blue Cross and Blue Shield of Illinois

| | CURRENT |
|---------------------------------------|---|
| Carrier Name | Blue Cross Blue Shield of Illinois |
| PLAN DESIGN* | |
| Benefit Period | Calendar Year |
| Benefit | 66.67% to max \$250 |
| Elimination Period | |
| Illness | 7 Days |
| Injury | 0 Days |
| Duration of Benefits | 26 Weeks |
| Features and Limitations | |
| Definition of Earnings | Weekly Earnings It includes Your total income before taxes and any deductions made for pre-tax contributions to a qualified deferred compensation plan, Section 125 plan, or flexible spending account. It includes income actually received from commissions |
| Total and Partial Disability | Included |
| Recurrent Disability Provision | Included |
| Continuity of Coverage | Included |
| COST ANALYSIS | |
| Rates | CURRENT |
| Per \$10 of Covered Benefit | \$0.315 |
| PLAN PROVISIONS | |
| Rate Guarantee | 2 Year rate guarantee ending 06/30/2023 |

****Exclusions/limitations may apply**

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Gallagher

Insurance | Risk Management | Consulting

General Disclaimers

Coverage Disclaimer

This proposal is an outline of the coverages proposed by the carrier(s) based upon the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, and conditions of the actual contract language. See the policies and contracts for actual language. This proposal is not a contract and offers no contractual obligation on behalf of GBS. Policy forms for your reference will be made available upon request.

Renewal / Financial Disclaimer

This analysis is for illustrative purposes only, and is not a proposal for coverage or a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. See your policy or contact us for specific information or further details in this regard.

Legal

The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It should not be construed as, nor is it intended to provide, legal advice. Laws may be complex and subject to change. This information is based on current interpretation of the law and is not guaranteed. Questions regarding specific issues should be addressed by legal counsel who specializes in this practice area.



Gallagher

Marketing Summary (Non-Medical)

Health Lines of Coverage: Including Medical, Dental, Vision and EAPs

| Line of Coverage | Carrier Name | Response | Rate Guarantee | Commission |
|------------------|--|----------|----------------|--------------------|
| Dental | Blue Cross and Blue Shield of Illinois | Current | 1 Year | Graded 8% to 3.75% |
| Dental | Blue Cross and Blue Shield of Illinois | Renewal | 1 Year | Graded 8% to 3.75% |
| Dental | United HealthCare | Quote | 1 Year | Graded 10% |
| Vision | EyeMed | Current | 4 Year | 10% |

While Gallagher does not guarantee the financial viability of any health insurance carrier or market, it is an area we recommend that clients closely scrutinize when selecting a health insurance carrier. There are a number of rating agencies that can be referred to including, A.M. Best, Fitch, Moody's, Standard & Poor's, and Weiss Ratings (TheStreet.com). Generally, agencies that provide ratings of Health Insurers, including traditional insurance companies and other managed care organizations, reflect their opinion based on a comprehensive quantitative and qualitative evaluation of a company's financial strength, operating performance and market profile. However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.

Non-Health Lines of Coverage

| Line of Coverage | Carrier Name | Response | **AM Best Rating | Rate Guarantee | Commission |
|-----------------------|--|----------|------------------|----------------|------------|
| Life and AD&D | Blue Cross and Blue Shield of Illinois | Current | A / XV | 2 Year | Graded 15% |
| Short Term Disability | Blue Cross and Blue Shield of Illinois | Current | A / XV | 2 Year | Graded 15% |

Supplemental Compensation

Gallagher may receive supplemental compensation from insurance carriers and vendors, normally calculated at the end of each calendar year, that are contingent on a number of factors including the overall number of employer plans represented, plan retention rates, and overall premium growth. Historically, supplemental compensation has ranged, on average, between 0-3% based on specific carrier programs. These plans have no effect on premiums. Further, Gallagher may receive non-cash compensation from plan vendors or service providers that are not in connection with any particular client. If you have any questions regarding direct or indirect compensation received by Gallagher, please contact your dedicated Gallagher advisor or refer to the Gallagher Global Standards of Business Conduct (<https://www.ajg.com/us/about-us/global-standards>).



A.M. Best Rating

| **A.M. Best Rating | | | |
|--|--|--------------------------------|--|
| Required Standards for Gallagher Benefit Services | | | |
| Group 1 A - to A++ | Recommended | Financial Size Category | |
| Group 2 B + to B ++ and/or financial rating under "VI", or any of Best's "NR" group. This would apply to Best's "A- or higher" rated companies with a financial size under "VI". | Acceptable with signed client acknowledgement letter | Class | Adjusted Policyholders' Surplus |
| Financial Strength Ratings | | I | Less than \$1 Million |
| Secure | Vulnerable | II | \$1 to \$2 Million |
| A++, A+ (Superior) | B, B - (Fair) | III | \$2 to \$5 Million |
| A, A -, A U (Excellent) | C++, C+ (Marginal) | IV | \$5 to \$10 Million |
| B++, B+ (Very Good) | C, C - (Weak) | V | \$10 to \$25 Million |
| | | VI | \$25 to \$50 Million |
| | | VII | \$50 to \$100 Million |
| | | VIII | \$100 to \$250 Million |
| | | IX | \$250 to \$500 Million |
| | | X | \$500 to \$750 Million |
| | | XI | \$750 to \$1,000 Billion |
| | | XII | \$1,000 to \$1,250 Billion |
| | | XIII | \$1,250 to \$1,500 Billion |
| | | XIV | \$1,500 to \$2,000 Billion |
| | | XV | \$2,000 or greater Billion |
| | | NR | Not Rated |

