

**ROCHELLE CITY COUNCIL  
REGULAR MEETING 10/27/14  
AGENDA ITEM NO. 1h**

**TO:** Mayor and City Council  
**FROM:** City Manager David Plyman  
**SUBJECT:** Health Insurance Renewal

**Recommended Action:** Approve renewal of the Blue Cross/Blue Shield health insurance policy for 2015.

**History and Fact:** The City currently offers health insurance benefits to full-time employees. Blue Cross/Blue Shield of Illinois is our current carrier. The policy expires at the end of the year and should be renewed.

**Discussion:** Insurance agent Ray Rice of Williams-Manny has notified the City that Blue Cross/Blue Shield has offered to renew the current policy beginning January 1 at a decreased cost of 1.1 percent. The City's claims experience has improved compared to a few years ago. I believe Council should approve the continuation of this plan.

The City offers full-time employees the option of declining coverage or selecting either a single or family plan. Employees pay 15 percent of total premium. The City pays the remainder. During 2014, the single plan cost \$701.86 per month and family plan premium is \$1,799.92. After the 1.1 percent decrease effective January 1, 2015, the single plan will drop to \$694.14 and the family plan to \$1,780.12.

The total cost of the Blue Cross/Blue Shield insurance will be \$1,910,632 during 2015. The reduction will save the city \$22,008. The expense is budgeted within each department across all city funds. The 2014-15 budget anticipated an increase in health insurance costs during the January through April period.

**Recommendation:**  
Approve renewal of the Blue Cross/Blue Shield of Illinois insurance plan for 2015.