



**APPLICATION FOR EXCESS LOSS COVERAGE  
(Cost-Plus Accounts Only)**

Customer Number: 010156  
Employer Group Name: Village of Oak Park  
Employer Group Address: 123 Madison  
Oak Park, IL 60302  
\_\_\_\_\_  
Employer Group Number(s): PC1286  
Effective Date of Policy: 01/01/2020  
Policy Period: Beginning on the current Effective Date of Policy and ending on 12/31/2020.

The specifications below shall become effective on the first day of the Policy Period specified above and shall continue in full force and effect until the earliest of the following dates: (1) The last day of the Policy Period; (2) The date the Policy terminates; or (3) The date this Exhibit is superseded in whole or in part by a later executed Exhibit.

**Is this a Unified group (Indemnity Excess Loss Coverage and HMO Excess Loss Coverage)?** ☒ Yes ☐ No  
If yes, please complete separate Indemnity and HMO Excess Loss Coverage Applications.

**A. Aggregate Excess Loss Coverage:** ☒ Yes ☐ No  
If yes, complete items 1 through 9 below.

1. ☐ New Coverage ☒ Renewal of Existing Coverage

2. Excess Loss Coverage during the current Policy Period:

☐ New Coverage (Select one from below):

☐ Standard: Claims incurred and paid during the current Policy Period.

☐ Standard with "Run-in" included: Claims incurred on or after \_\_\_\_\_ and paid during the current Policy Period.

"Run-in" includes claims paid by Policyholder's prior claim administrator: Yes ☐ No ☐

If yes, such claims must be reported by the Policyholder to the Company (Blue Cross and Blue Shield of Illinois, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company) within 12 months of the current Effective Date of Policy and paid by the Policyholder's prior claim administrator within 6 months after the current Effective Date of Policy.

☒ Renewal of Existing Coverage: Claims incurred on or after the original Effective Date of Policy and paid during the current Policy Period.

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company,  
an Independent Licensee of the Blue Cross and Blue Shield Association

3. Aggregate Excess Loss Coverage shall apply to:

- ☒ Medical Claims ☐ Vision Claims  
☒ Outpatient Prescription Drug Claims ☐ Dental Claims (Pre-Dent)  
☐ For Hospital Employer Groups only: *Excludes* \_\_\_\_\_% of Home Hospital Medical claims  
☐ Other (please specify): \_\_\_\_\_

4. Average Claim Value: \$1,457.19 (per employee per month).

- ☒ Includes Company's Provider Access Fee ☐ Excludes Company's Provider Access Fee

Attachment Factor: 135% of the Average Claim Value.

5. Aggregate Attachment Claim Liability

Employer's Claim Liability for the current Policy Period shall be the sum of the Monthly amounts obtained by multiplying the number of Coverage Units for each Month by the following factor:

\$1,967.21 for each Individual Coverage Unit

6. Aggregate Excess Loss Coverage includes coverage of Run-Off Paid Claims: ☒ Yes ☐ No

Run-Off Attachment Claim Liability Factors:

Employer's Run-Off Claim Liability shall be an amount equal to 15% of the annualized Employer Claim Liability based on the participation of the two calendar months immediately preceding termination. Settlement for the final accounting period will be described in the section of the Policy entitled SETTLEMENTS.

7. Aggregate Excess Loss Claims:

- a. The amount of Paid Claims during the current Policy Period, less Individual (Specific) Excess Loss Claims if any, that exceeds the Point of Attachment. The Aggregate Point of Attachment shall equal the sum of the Employer's Claim Liability amounts calculated Monthly as described in item A.5. above for the current Policy Period. However, for the current Policy Period the minimum Point of Attachment shall be \$5,655,913.
- b. The following applies if the answer to item A.6. above is "Yes" (Aggregate Excess Loss Coverage includes coverage of Run-Off Paid Claims):

In the event of termination at the end of a Policy Period, Aggregate Excess Loss Coverage shall equal the amount of Final Settlement Paid Claims that exceed the Final Settlement Aggregate Point of Attachment. Final Settlement Paid Claims shall equal the sum of the Paid Claims during the Final Policy Period and the Paid Claims during the Run-Off Period, less Individual (Specific) Excess Loss Claims, if any. The Final Settlement Point of Attachment shall equal the sum of the Employer's Claim Liability amount for the Final Policy Period and the Employer's Run-Off Claim Liability calculated as described in items 5. and 6. above. However, for the Final Settlement Period the minimum Aggregate Point of Attachment shall be the minimum Aggregate Point of Attachment in item A.7.a. above increased by 15%.

- c. The amount of "Run-in" Claims that is excluded from Individual (Specific) Excess Loss Coverage in item B.2. is also not eligible for Aggregate Excess Loss Coverage.

8. Excess Loss Premium (select one)

- ☒ Annual Premium (Due on the first day of the current Policy Period): \$3,707.

The following applies if the answer to item A.6. above is "Yes" (Aggregate Excess Loss Coverage includes coverage of Run-Off Paid Claims): In the event of termination at the end of the current Policy Period, an additional premium amount equal to 15% of the Annual Premium will be due within ten (10) calendar days of receipt of the billing.

- ☐ Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for a particular Month by:

\$\_\_\_\_\_ for each Coverage Unit

The following applies if the answer to item A.6. above is "Yes" (Aggregate Excess Loss Coverage includes coverage of Run-Off Paid Claims):

Variable: In the event of termination at the end of the current Policy Period, an additional Premium amount equal to 15% of the annualized Premium based on the participation of the two months immediately preceding termination will be due within then (10) calendar days of receipt of the billing.

9. The premium is based upon a current membership of 265 Coverage Units.

**B. Individual (Specific) Excess Loss Coverage:** ☒ Yes ☐ No

If yes, complete items 1 through 6 below.

1. ☐ New Coverage ☒ Renewal of Existing Coverage

2. Excess Loss Coverage Period:

☐ New Coverage (Select one from below):

☐ Standard: Claims incurred and paid during the current Policy Period.

☐ Standard with "Run-in" included: Claims incurred on or after \_\_\_\_\_ and paid during the current Policy Period.

"Run-in" includes claims paid by Policyholder's prior claim administrator: Yes ☐ No ☐

If yes, such claims must be reported by the Policyholder to the Company within 12 months of the current Effective Date of Policy and paid by the Policyholder's prior claim administrator within 6 months after the current Effective Date of Policy.

☒ Renewal of Existing Coverage: Claims incurred on or after the original Effective Date of Policy and paid during the current Policy Period.

3. Individual (Specific) Excess Loss Coverage shall apply to:

☒ Medical Claims ☐ Vision Claims

☒ Outpatient Prescription Drug Claims ☐ Dental Claims (Pre-Dent)

☐ For Hospital Employer Groups only: *Excludes* \_\_\_\_\_% of Home Hospital Medical claims

☐ Other (please specify): \_\_\_\_\_

4. Individual (Specific) Excess Loss Claims

For each other Covered Person:

Individual (Specific) Excess Loss Coverage equals the amount of Paid Claims for a Covered Person during the current Policy Period in excess of the Individual Point of Attachment of \$135,000 per Covered Person. Such amount shall apply for the current Policy Period.

a. Point of Attachment ☒ Includes Company's Provider Access Fee

☐ Excludes Company's Provider Access Fee

b. Employer's Claim Liability equals the sum of Paid Claims for a Covered Person during the current Policy Period up to the Point of Attachment specified in B.4. above.

5. Individual (Specific) Excess Loss Coverage includes coverage of Run-Off Paid Claims: ☒ Yes ☐ No

The following applies if the answer to item B.5. above is "Yes" (Individual (Specific) Excess Loss Coverage includes coverage of Run-Off Paid Claims):

- a. In the event of termination at the end of the current Policy Period, Individual (Specific) Excess Loss Coverage shall equal the amount of Final Settlement Paid Claims that exceed the Point of Attachment specified in 4. above. Final Settlement Paid Claims shall equal the sum of Paid Claims for a Covered Person during the Final Policy Period and the Run-Off Period (beginning on 01/01/2021 and ending on 12/31/2021).
- b. In the event of termination at the end of the current Policy Period, Employer's Final Settlement Claim Liability equals the sum of Paid Claims for a Covered Person during the Final Policy Period and Run-Off Period up to the Point of Attachment specified in item B.4.a. above.

Settlement for the final accounting period will be described in the section of the Policy entitled SETTLEMENTS.

6. Excess Loss Premium (select one):

☐ Annual Premium (Due on the first day of the current Policy Period): \$\_\_\_\_\_.

The following applies if the answer to item B.5 is "Yes" (Individual (Specific) Excess Loss Coverage includes coverage of Run-Off Paid Claims): In the event of termination at the end of the current Policy Period, an additional premium amount equal to 20% of the Annual Premium will due within ten (10) calendar days of receipt of the billing.

☒ Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for a particular Month by:

\$153.78 for each Coverage Unit

The following applies if the answer to item B.5. above is "Yes" (Individual (Specific) Excess Loss Coverage includes coverage of Run-Off Paid Claims): In the event of termination at the end of the current Policy Period, an additional premium amount equal to 20% of the annualized Premium based on the participation of the two months immediately preceding termination will be due within ten (10) calendar days of receipt of the billing.

7. The premium is based upon a current membership of 265 Coverage Units.

**Additional Provisions:**

Retirees Covered: Yes ☒ No ☐

Effective 01/01/2020: Changing ISL Level to \$135,000

The undersigned person represents that he/she is authorized and responsible for purchasing excess loss coverage on behalf of the Employer. It is understood that the actual terms and conditions of coverage are those contained in this Application and the Excess Loss Coverage Policy into which this Application for Excess Loss Coverage shall be incorporated at the time of acceptance by Blue Cross and Blue Shield of Illinois, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company (HCSC). Upon acceptance, HCSC shall issue a Excess Loss Coverage Policy to the Employer. Upon acceptance of this Application and issuance of the Excess Loss Coverage Policy, the Employer shall be referred to as the "The Policyholder."

Mike Shank

\_\_\_\_\_  
Sales Representative

Vic Dingle

\_\_\_\_\_  
Printed Name of Underwriter

\_\_\_\_\_  
Signature of Underwriter

\_\_\_\_\_  
Signature of Authorized Purchaser

\_\_\_\_\_  
Title of Authorized Purchaser

\_\_\_\_\_  
Date

INTERNAL USE ONLY

Date Application approved by Underwriting:  
Name of Underwriter: