



Agenda Item Summary

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Submitted By

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Reviewed By

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Agenda Item Title

A Resolution Approving a Renewal of a Professional Services Agreement between the Village of Oak Park and VistaNational Insurance Group, Inc. through December 31, 2020 in an Annual Amount Not to Exceed \$39,000 for Broker Services for Village Employee Benefits and Authorizing its Execution

Overview

VistaNational Insurance Group, Inc., has been selected to provide insurance brokerage services for a 15-month term commencing on approval of the attached agreement to December 31, 2020, with a right to renew for one (1) additional year to December 31, 2021.

Recommendation

Approve the Resolution.

Fiscal Impact

Consistent with the current adopted budget, the FY20 Health Insurance Fund budget will need to include funding for broker fees in the amount not to exceed \$39,000.

Background

The Village's Employee Health Insurance Fund (Fund 6028) serves as the funding source for the payment of claims for medical services and prescription drugs provided for Village employees as well as eligible retirees who participate in the Village plans. Other insurance and benefits provided within Fund 6028 include vision, dental and life insurance, administration of flexible spending accounts, and the opt-out program for Village employee's who elect to be covered under their spouse's health insurance. The fund also includes the payments made by employee and retiree payments for the coverages elected.

Upon approval of the agreement with VistaNational Insurance Group, Inc. to act as the Village's broker, the firm will be instructed to survey various insurance markets to identify preferred providers for 2019 based on the quality of service. VistaNational Insurance Group, Inc. negotiates rates and discounts with these providers on behalf of the Village to reduce premiums, and fees or charges on claims for insurance and services provided for Village employees. Prospectively, VistaNational Insurance Group, Inc. will analyze claim data and trends from the previous months and make recommendations to the Village as to the resources needed for projected 2019 claims, and recommends the insurance providers or carriers best suited to serve as the Village's "third party administrator" or TPA responsible for paying and managing claims as well as resolving claim disputes.

The resources identified by VistaNational Insurance Group, Inc. for the payment of projected health insurance claims and services become the basis upon which the requested funding level for the Employee Health Insurance Fund (Fund 6028) is set.

The recommended Agreement with VistaNational Insurance Group, Inc. specifies a two-year term that can be extended for one additional year for a total period not to exceed three years. Compensation due the consultant from the Village for the one (extended) year of the Agreement is in an amount not to exceed \$39,000.

The Village's is self-insured for its employee and retire health insurance and prescription drug coverage

Alternatives

The Village Board could direct staff to conduct addition research or suggest an alternative recommendation.

Previous Board Action

On July 8, 2015 the Board approved a Professional Services Agreement with VistaNational Insurance Group, Inc. to provide brokerage services for the Village to assist in obtaining health, dental and life insurance benefits for Village employees and retirees as well as administrative services for COBRA administrative services and IRS Section 125 programs for a two (2) year term with an option to renew at the Village's discretion through December 31, 2018.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

N/A.

Intergovernmental Cooperation Opportunities

N/A.