

The Intergovernmental Personnel Benefit Cooperative (IPBC)

History

The Intergovernmental Personnel Benefit Cooperative (IPBC) is an entity created under Illinois state laws, which allows municipal groups to band together for the purposes of insurance. The IPBC was established in 1979 and currently includes 65 municipalities or municipal entities as members.

Purpose

The purpose of the IPBC is to provide economies of scale and risk pooling that will allow members more financial stability than offered by the commercial insurance market in a fully transparent environment. The members retain the right within the IPBC to create and change their PPO plan design, which is often required due to the nature of bargained contracts. Members also operate as part of a larger Board of Directors to control the finances within the pool.

Members

Long-term commitment by members to the philosophy of risk pooling has been instrumental in the success of the IPBC. Many members have been part of the organization for more than two decades.

“The Streamwood Village Board has established a formal budgetary policy encouraging intergovernmental cooperation in order to improve services and control costs. The IPBC offers group purchasing power that the Village would not have on their own. The IPBC Board has worked hard to develop creative products and flexible plan designs that are both cost-effective and meet the needs of our employees.”

— Dave Richardson,
Former Finance Director, Village of Streamwood

Products

The IPBC offers self-insured PPO, HMO, and Dental programs. Upon entering the IPBC, each community will have access to a Life, AD & D benefit as well as a multitude of other products (vision, property and casualty, long-term care, retirement, etc.). The PPO program allows members authority over plan design, but provides a unique pooling of risk among all members for individual claims between \$30,000 and \$125,000. Claims over \$125,000 are fully reinsured. Therefore, members are responsible for claims under \$30,000 and the redistributed claims cost for claims between \$30,000 and \$125,000. This allows for increased budgetability and stability from year to year.

The HMO product is also self-insured through a special arrangement. Members pay for fixed costs of capitation (monthly stipend paid to a primary care physician) for hospital and Rx charges. There are several different choices of plan designs with different levels of office visit and prescription drug co-pays. All members pay the same rates based on plan design choices.

The Dental program is self-insured, and each member has complete flexibility over plan design. Several different network options are available to members through the IPBC's vendors.

Business Partners

Ancel Glink (Attorney)
Sikich (Auditing)
Lauterbach & Amen (Accounting)
IGFOA (Recordkeeping)
Gallagher Benefit Services (Benefits Consulting)