
Summary Annual Report for Aurora University Employee Benefit Program

This is a summary of the annual reports of the Aurora University Employee Benefit Program, Plans No. 501 and 504, welfare benefit plans sponsored by Aurora University for the Plan Year ended December 31, 2006. The form 5500 annual reports have been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Program provides welfare benefits through a cafeteria plan established under Section 125 of the Internal Revenue Code. The Program also includes a dependent care account component. The cafeteria plan component and dependent care component are not covered by ERISA, and they are not included in the ERISA-required summary. This summary reports only on the ERISA-covered components of the Aurora University Employee Benefit Program listed below:

- Health Flexible Spending Account
- Group Medical Insurance
- Group Dental Insurance
- Group Vision Insurance
- Group Term Life Insurance
- Group AD&D Insurance
- Group LTD Insurance

Uninsured Component

Benefits under the Health Flexible Spending Account (Health FSA) component of the Plan are not funded. Aurora University has committed to pay these benefits out of its general assets. The results for the plan year ended December 31, 2006 are as follows:

Employee Pre-Tax Contributions	\$ 137,863
Aurora University Contributions	\$ <u>0</u>
Total Contributions	\$ 137,863
Claim Payments	\$ 133,157
Administration Fees	\$ <u>7,995</u>
Total Costs	\$ 141,152
Surplus (Deficit):	(\$ 3,289)

Per the terms of the Plan, any Surplus is first used to offset the next Plan Year's administration fees. Any remaining Surplus would be used to reduce Aurora University's Contributions, then Employees' Contributions, for the next Plan Year. Should a Deficit arise, the loss would be paid out of Aurora University's general assets and not assessed to Plan Participants. Any Deficit, however, would also be carried forward and could be used to offset any Surplus in the next Plan Year.

Insured Components - Insurance Information

All components of the Program *other than* the Health FSA component are provided through insurance contracts. The name of the insurer, type of benefit provided, and premiums paid for each component are set forth in the table below. The total amount of premiums paid for the plan year ended December 31, 2006 is \$1,943,042.

Type of Benefit	Name of Insurer	Premiums Paid
Group Medical	Blue Cross Blue Shield of IL	\$1,774,418
Group Dental, Vision	Guardian	\$ 75,792
Group LTD	Reliance Standard	\$ 26,355
Group Life, AD&D	Reliance Standard	\$ 66,477

The above benefit policies with the various insurance companies are so called "non-experience rated" contracts. As such the premium costs are not affected by, among other things, the number and size of claims.

Basic Financial Statement

Because all components of the plan are either unfunded (Health FSA component) or insured (all other components), the plan did not have any plan assets and did not earn any income during the plan year.

Plan administrative expenses for the Plan Year were paid entirely out of Aurora University general assets.

Your Right to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The report will include, among other things:

- Insurance information including sales commissions paid by insurance carriers.
- Fiduciary information, including any non-exempt transactions between the plan and parties-in-interest (that is, persons who have certain relationships with the plan).

To obtain a copy of the full annual report, any part thereof, write to Therese A. Hoehne, Plan Administrator, Aurora University, 347 S. Gladstone Ave., Aurora, IL 60527, or call 630-844-3866. The charge to cover copying costs will be \$10.00 for the full annual report or \$.25 per page for any part thereof.

You also have the legally protected right to examine the annual report at the main office of Aurora University and at the U. S. Department of Labor in Washington, D.C. Or, you may obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to Public Disclosure Room, N5638, Pension and Welfare Benefit Programs, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.