

RESOLUTION NO. 59-2010

Offered by All of Council

A RESOLUTION AUTHORIZING THE MAYOR AND THE FINANCE DIRECTOR TO ENTER INTO AN AGREEMENT WITH CONSUMERS LIFE INSURANCE COMPANY FOR LIFE AND DISABILITY INSURANCE FOR FULL-TIME VILLAGE EMPLOYEES AND DECLARING AN EMERGENCY.

WHEREAS, the Village's Mayor has recommended entering into an agreement with Anthem Life to be the provider for life and disability insurance for full-time Village employees during the year 2011.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Richfield, Summit County, State of Ohio:

SECTION 1. That the Mayor and the Finance Director be, and they hereby are, authorized and directed to enter into an agreement with Consumers Life Insurance Company for the Village's life and disability insurance effective January 1, 2011, in accordance with the offer provided to Robert Lamm from Associated Underwriters Insurance. A copy of which offer is attached hereto as Exhibit "A" and incorporated herein fully as if by reference.

SECTION 2. This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare and for the further reason that it is immediately necessary in order to be effective January 1, 2011; wherefore, provided this Resolution receives the affirmative vote of two-thirds of the members of Council elected or appointed, it shall take effect immediately upon its passage and execution by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 12/7/10

John Cochran
President of Council

ATTEST:
Carolyn E. Salwen
Clerk of Council

Michael J. Hayes
Mayor
12/7/10

12-7-2010 5 p.m.

Resolution ⁵⁹ 60-2010
EXHIBIT A



Group Name: Village of Richfield
Proposal Effective Date: 1/1/2011
Proposal Number: 957
Channel: I/F Strategy

Dear Group Official,

Thank you for the opportunity to tell you about Consumers Life Insurance Company. Medical Mutual of Ohio, Consumers Life Insurance Company's parent company, is one of the oldest and most respected health insurance companies in the nation, recognized as an early pioneer of the concept of prepaid health insurance. As a leader and innovator, Medical Mutual has adapted to the changing needs of the healthcare industry, and Consumers Life carries this mission on by partnering with its customers to understand their business issues and needs in the life and disability arena. And, as a mutual insurance company, Medical Mutual is owned and operated for the benefit of our members, with products and services designed in your best interests. Unlike publicly traded insurance companies that must operate to maximize their financial return, we do not answer to stockholders and Wall Street analysts.

The following pages show how Consumers Life can customize an insurance program to provide the most benefits for your employees. No matter what your needs may be, Consumers Life and your broker will work with you to find the best coverage options. If you have any questions regarding the enclosed materials, please contact your Consumers Life representative or broker.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Stevenson", written over a horizontal line.

Robert Stevenson

Director, Life Underwriting and Administration



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SCHEDULE OF BENEFITS

Eligibility

All actively at work full-time or part-time employees are eligible for coverage. Actively at work on a full-time or part-time basis means that the employee is:

1. Performing the material and substantial duties of his occupation at the employer's usual place of business or at a location the employer has authorized the employee to work.
2. Working a minimum of 20 hours per week on a regularly scheduled basis
3. Paid full-time or part-time earnings

Basic Life and Accidental Death and Dismemberment (AD&D) Benefit

The Basic Life and AD&D benefit is the benefit as defined in the current carrier's Basic Life and AD&D benefit schedule and subject to the following:

1. Life and AD&D maximum benefit in accordance with the benefit schedule is not greater than \$200,000.
2. Benefit amounts by class are not greater than 2 ½ times the benefit of the next lower class.
3. Benefits will reduce according to the reduction stated in the current carrier's group Life and AD&D benefit schedule.
4. Retirees are not eligible.
5. Consumers Life Insurance Company's standard policy provisions will be issued.



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COST SUMMARY

Benefit	Number of Lives	Monthly Rate	Volume	Monthly Cost
Life Insurance - \$50,000	61	\$0.19 per \$1,000	\$3,050,000	\$579.50
AD&D Insurance - \$50,000	61	\$0.04 per \$1,000	\$3,050,000	\$122.00
TOTAL MONTHLY COST				\$701.50

General Provisions

1. The rates quoted in this proposal were determined by applying a discount to your current rates and are subject to change should your current rates change. For purposes of this proposal, your current rates are defined to be the greater of your inforce rates or your renewal rates, if your renewal occurs within 30 days of the policy effective date.
2. These rates are guaranteed for the initial 24 months following the policy effective date.
3. The pricing illustrated above also requires the following to be submitted with the Group Application:
 - a. A current billing statement; and
 - b. If the policy effective date is within 30 days of the group's renewal, a copy of the renewal notification on the current carrier's letterhead; and
 - c. A copy of the current carrier's policy or certificate; and
 - d. A current census
4. All coverages quoted, except Dependent Life and Voluntary coverages (if applicable), are non-contributory and require 100% of the eligible employees to enroll.
5. Consumers Life Insurance Company's standard policy provisions will be issued. This proposal provides only basic information on the features of the policy. It is not intended to be a complete representation of all terms and provisions of our policy. In case of conflict between this proposal and the policy, the terms of the policy will govern.
6. Salary means gross compensation prior to before-tax payroll deductions. It includes commissions but does not include compensation from bonuses, overtime or any other form of extra pay. The commissions will be averaged over the 12-month period immediately preceding death or disability.



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About Consumers Life

Consumers Life Insurance Company is a wholly owned subsidiary of Medical Mutual of Ohio, the oldest and largest insurer in the state of Ohio for over 70 years. The 2,700 Consumers Life and Medical Mutual employees provide outstanding customer service to our policyholders, members, brokers, and benefit managers. We look forward to serving your life and disability insurance needs for many years.

General Provisions

Actively at Work

Being Actively at Work is a requirement for coverage, except as indicated below in the "Transition of Coverage" provision. If an employee is not Actively at Work on the day his coverage would otherwise be effective, the effective date of his coverage will be the date of his return to Active Work. If an employee does not return to Active Work, he will not be covered.

Transition of Coverage

Consumers Life Insurance Company agrees to waive the Actively at Work provision for Life, Accidental Death and Dismemberment and Dependent Life Insurance, on a premium paying basis, for Employees:

- a) who are not disabled; and
- b) who are on lay-off, Leave of Absence, or sabbatical leave; and
- c) who are being covered by an extension of benefits provision under the prior carrier's policy on the day immediately preceding our policy effective date; and
- d) who are no longer eligible for coverage under the prior carrier's policy.

Life Insurance, Accidental Death and Dismemberment and Dependent Life will continue under this provision for the balance of the time provided for under the prior carrier's policy, but not to exceed a total of 3 months.

Employees who are disabled prior to the effective date of the Consumers Life policy should either file and get approved for Waiver of Premium benefits under the prior carrier's policy or exercise their conversion privilege under the prior carrier's policy in order for their coverage to continue.



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Group Term Life Insurance

Beneficiary

The employee may name his own beneficiary and may change the beneficiary at any time. The employee may specify the manner in which he desires the proceeds to be paid.

Conversion Privilege

The policy contains a conversion privilege provision which gives an employee whose life insurance terminates or reduces the right to convert to an individual life insurance policy without furnishing evidence of insurability, provided certain conditions are met. The individual conversion policy will be a whole life policy. It will not contain any disability benefits or AD&D. The request to convert must be made within 31 days following termination of coverage

Waiver of Premium

Consumers Life may continue the employee's life insurance benefit without the further payment of premium provided:

1. The employee is insured under the Policy and Actively at Work on or after the effective date of the Policy; and
2. The employee is under the age of 60; and
3. The employee provides Consumers Life with satisfactory written Proof of Total Disability within 12 months after the date the employee became Totally Disabled; and
4. The employee's Total Disability has continued without interruption for at least 6 months; and
5. The employee's Total Disability is not caused by an intentionally self-inflicted injury (whether sane or insane); and
6. The employee's Total Disability does not occur as a result of the commission of, or attempt by the employee to commit a felony; and
7. The employee's Total Disability does not result from the employee driving a Motorized Vehicle while Intoxicated; and
8. The employee is still Totally Disabled when Proof of disability is submitted; and
9. All required premium has been paid.

If waiver of premium is approved, the amount of continued insurance is subject to any reduction of benefits as a result of age or amendment to the policy.

Life insurance coverage will continue without payment of premium until the employee is no longer disabled or reaches age 65, whichever occurs first.

Extension of Coverage

If the employee is no longer Actively at Work as a result of a disability, layoff, or leave of absence, he may continue to be eligible for group insurance coverage, except short term disability coverage, as follows:

- Disability** Until the end of the twelfth month following the month in which the disability began, provided all premiums are paid when due.
- Layoff** Until the end of the month following the month during which the layoff began, provided all premiums are paid when due.
- Leave of Absence** Until the end of the month following the month in which the Leave of Absence began, provided all premiums are paid when due.
- FMLA** Family Medical Leave of Absence (FMLA)-Until the end of a 12 week period, or longer if required by state law, following the date a Leave of Absence, in compliance with the Family and Medical Leave Act of 1993, began, provided all premiums are paid when due



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Group Term Life Insurance

Accelerated Death Benefit

The accelerated death benefit is 75% of the employee's Group Term life insurance amount in force on the date Consumers Life receives proof the employee is terminally ill. This sum is limited to a maximum of \$225,000 and a minimum of \$15,000. For this benefit, terminally ill shall mean an Employee has a life expectancy of 12 months or less, due to a medical condition.

If the employee's group term life insurance benefit is subject to an age reduction within 12 months after the date Consumers Life receives proof, the accelerated death benefit will be 75% of the reduced group term life insurance benefit.

Consumers Life will pay the benefit during the employee's lifetime if the employee or his legal representative claims the benefit and provides Consumers Life with satisfactory proof that the employee is terminally ill. The benefit is payable in one lump sum to the employee.

This benefit does not apply to Accidental Death and Dismemberment benefits.

The benefit will not be payable:

1. for any amount of group term life insurance which is less than \$20,000; or
2. if the employee's group term life insurance benefit has been assigned; or
3. if the employee's group term life insurance benefit is payable to an irrevocable beneficiary, including notification to Consumers Life that such benefit or a portion of such benefit is to be paid to a former spouse as part of a divorce or separation agreement; or
4. to retirees.



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Group Accidental Death & Dismemberment (AD&D)

Consumers Life will pay up to the Principal Sum set forth in the Application/Participation Agreement if an Employee loses His life or a member of His body as a result of an Accident, while insured under the Policy. The amount payable is shown in the table below. The loss must occur within 365 days of the Accident; and the loss must be the direct and sole result of the Accident and independent of all other causes.

TABLE OF LOSSES	% OF PRINCIPAL SUM PAYABLE
Loss of Life	100
Loss of Both Hands	100
Loss of Both Feet	100
Loss of Entire Sight of Both Eyes	100
Loss of One Hand and One Foot	100
Loss of Speech and Hearing	100
Quadriplegia	100
Paraplegia	75
Loss of One Hand	50
Loss of One Foot	50
Loss of Entire Sight of One Eye	50
Loss of Speech	50
Loss of Hearing (both ears)	50
Hemiplegia	50
Loss of Thumb and Index Finger (on same hand)	25
Uniplegia	25

Loss, with respect to hand or foot, means actual and permanent severance from the body at or above the wrist or ankle joint, as applicable. With respect to sight, speech and hearing, Loss means entire and irrecoverable loss of sight, speech or hearing. With respect to thumb and index finger, loss means complete severance of entire digit at or above joints.

Quadriplegia means total Paralysis of both arms and legs. Paraplegia means total Paralysis of both legs. Hemiplegia means total Paralysis of one arm and one leg on the same side of the body. Uniplegia means total Paralysis of one limb.

Paralysis means loss of use without severance of a limb which resulted from an Accident. Paralysis must be determined by a Medical Provider to be permanent, total and irreversible.

The total amount of benefits payable for all losses to any one person resulting from any one Accident will not be greater than the Principal Sum set forth in the Application/Participation Agreement.

Consumers Life will pay benefits for loss of life to the same beneficiary(ies) named to receive life insurance benefits. Benefits for all other losses will be paid to the Employee.

The employee may name his own beneficiary and may change the beneficiary at any time. The employee may specify the manner in which he desires the proceeds to be paid.



<p>Group Name: Village of Richfield Proposal Effective Date: 1/1/2011 Proposal Number: 957 Channel: Inforce Rating Strategy</p>
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Group Accidental Death & Dismemberment (AD&D)

Seat Belt Benefit (not available In GA)

Pays an additional benefit if an employee dies as a result of a covered accident while wearing a seatbelt.

Air Bag Benefit (not available In GA)

Pays an additional benefit if an employee dies while driving or riding in an automobile, provided that the employee was positioned in a seat equipped with a factory-installed air bag.

Repatriation Benefit

Pays an additional benefit for the preparation and transportation of an employee's body to a mortuary if the employee dies as a result of a covered accident away from his principal residence.

Education Benefit (not available In GA)

If the Principal Sum is payable under the AD&D benefit for the employee's loss of life, each employee child who qualifies will receive reimbursement for incurred educational expenses in a school of higher education beyond the 12th grade. The maximum Dependent Education Benefit for each Student shall equal the least of the following amounts: 1) 3% of the Principal Sum per year for each Dependent Child; 2) \$5,000 per year for each Dependent Child; 3) \$30,000 for all Dependent Children and all years; 4) The amount of expense actually incurred.

Exposure and Disappearance Benefit

If, as a result of an Accident while insured for this benefit, an employee is unavoidably exposed to the elements and suffer a loss as a result of that exposure, the loss will be covered. If the employee's body has not been found within one (1) year of an Accidental disappearance, forced landing, sinking or wrecking of a conveyance in which the employee was an occupant, the employee will be deemed to have suffered loss of life.

Coma Benefit (not available In GA)

If an Injury occurs as a result of an Accident, Consumers Life will pay the employee or the employee's legal representative an additional benefit if the employee becomes Comatose within 31 days of the Accident and remains Comatose beyond the Waiting Period.

Limitations

Consumers Life will not pay any Accidental Death & Dismemberment benefits for a loss caused by or connected with:

1. suicide or attempted suicide;
 2. intentionally self-inflicted injury, including but not limited to Russian roulette;
 3. bodily or mental disease or treatment of these;
 4. the Employee's participation in, or as a result of His having participated in the commission of an assault or felony;
 5. bacterial infection except pyogenic infection which occurs through or with an Accidental cut or wound;
 6. war or any act of war, whether declared or undeclared;
 7. travel or flight in an aircraft while a member of the crew, or while engaged in the operation of the aircraft, or giving or receiving training or instruction in such aircraft;
 8. the Employee's being under the influence of any drug, (except those prescribed by a physician and used in the manner prescribed), including narcotics, hallucinogens and gas or fumes, which are taken or inhaled voluntarily;
 9. voluntary poisoning;
 10. the Employee's being intoxicated;
 11. any loss or injury as a result of autoerotic asphyxiation;
 12. any period which an Employee is confined to a penal or correctional institution;
- riding, driving or testing a Motorized Vehicle used in a race or speed contest; and
 taking part in the sports of scuba diving, bungee jumping, sky diving, parachuting, hang gliding or ballooning.

