

A RESOLUTION AUTHORIZING THE MAYOR AND THE FINANCE DIRECTOR TO ENTER INTO A RENEWAL OF THE VILLAGE'S GROUP LIFE AND AD&D INSURANCE

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 into a renewal of the Village's Group Life and AD&D Insurance with Mutual of Omaha for two (2) years commencing January 1, 2002 and January 1, 2002 in accordance with the letter from Dettling Associates, the Village's employee benefits consultant, dated October 11, 2001, a copy of which is attached hereto as Exhibit "A" and incorporated herein fully as if by reference.

SECTION 2. This Resolution shall take effect and be in force from and after the earliest period allowed by law.

PASSED: December 4, 2001

Michael J. Hayes
President of Council

Donald L. Larsen
Mayor

Dated: 12/5/2001

ATTEST:
Carole Gibson
Clerk of Council



3291 Stanley Road
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Thomas R. Dettling
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October 11, 2001

Ms. Eleanor Lukovics, Finance Director
The Village of Richfield
4410 W. Streetsboro Road, P.O. Box 387
Richfield, Ohio 44286-0387

Dear Eleanor:

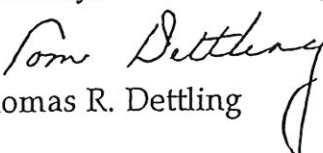
This year's CIGNA renewal rates are driven largely by escalating drug costs, which is well known by those who do not have a prescription drug program. Some prescriptions are three or four dollars per pill which has become more common than not. Your medical care increase is attributed to the change in your group's demographics, entitlements bestowed upon the program by law, and the health care inflationary trend.

CIGNA's Employee rate of \$230.95 will adjust to \$254.05 and Family of \$591.07 to \$650.18 effective January 1, 2002. This is a 10 per cent adjustment over rates for 2001. Enclosed are two recent articles on health care renewals. Most of our renewals this year have been in the 13 to 21 per cent range. 10 per cent has been our lowest renewal so far this year.

Your Life and AD&D Insurance rate of \$.53 and \$.03 per \$1,000 will remain the same for 2002 with Mutual of Omaha. I expect that your Vision costs will remain the same with Vision Service Plan. The Fortis will probably adjust their Dental rates 4 to 6 per cent which will be the inflationary trend of Dental Insurance.

Dettling Associates look forward to continuing to provide your employees with comprehensive and cost effective benefits.

Sincerely,


Thomas R. Dettling

cc: Elmo Midgley