

A RESOLUTION AUTHORIZING THE MAYOR AND THE FINANCE DIRECTOR TO ENTER INTO A RENEWAL OF THE VILLAGE'S HEALTH INSURANCE WITH CIGNA

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 a renewal of the Village's health insurance with CIGNA effective January 1, 2001 in accordance with the letter from Dettling Associates, the Village's employee benefits consultant, dated October 6, 2000, a copy of which letter 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: November 7, 2000

Michael J. Lyons  
President of Council

Ronald S. Larsen  
Mayor

Dated: 11/8/2000

ATTEST:

Carol Gibson  
Clerk of Council



*Employee Benefit Consultants*

3291 Stanley Road  
Akron, Ohio 44333-9203

Thomas R. Detting  
Principal  
Detting Associates  
Tel: (330) 867-8484  
Fax: (330) 867-8483

October 6, 2000

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

RE: Renewal for CIGNA effective January 1, 2001

Dear Eleanor:

Three weeks ago, we renewed a 42 live company in Akron who has an HMO with SummaCare with a 11.67 per cent increase. After everything that we have read on double digit adjustments this year, we thought that it was a good renewal. Enclosed is an article from the "Beacon Journal" stating that Health insurance premiums will increase 10 to 30 per cent this year. Prescription costs have adjusted in the 12 to 15 per cent area.

The Village of Richfield rates are adjusting 5 per cent which is well below what frankly we expected. Rates are outlined in the enclosed October 2nd letter to us. This is the lowest renewal that we have received this year.

We anticipate that your Dental rates will adjust 4 per cent effective January 1, 2001 and that your Group Life and AD&D Insurance rates will remain unchanged. We would recommend that all insurance remain unchanged. However, if you need bids on either your Health Insurance or your Dental Insurance, we have time to secure confirmed rates for January 1, 2001.

Sincerely,

  
Thomas R. Detting

✓ cc: ELMO MIDDLEY

Stacie M. Dobson  
Client Service Representative  
Cleveland Sales Division



October 2, 2000

Routing 325  
5005 Rockside Road  
Independence OH 44131  
Telephone 216.642.2537  
Facsimile 216.642.2574  
stacie.dobson@cigna.com

Mr. Thomas Dettling  
Dettling & Associates  
3291 Stanley Road  
Akron, OH 44333

RE: CIGNA HealthCare Rate Renewal

Dear Tom:

Our underwriters recently completed their annual review of premium rates for Village of Richfield. Effective January 1, 2001, the new rates will be as follows:

|                   | Inforce | Current Rates | Renewal Rates |
|-------------------|---------|---------------|---------------|
| Employee          | 13      | \$219.95      | \$230.95      |
| Employee + Family | 36      | \$562.92      | \$591.07      |

These new rates reflect a 5% increase over last year's rates. Please keep in mind that these rates are subject to revision if the number of covered lives changes by 15% or more from the current level. In addition, we maintain the responsibility to make changes in premium rates if any of the basic coverages are changed or modified.

Please call me to confirm acceptance of these rates that will go into effect January 1, 2001. I may be reached at 216.642.2537

Sincerely,

Stacie M. Dobson  
Client Service Representative