

A RESOLUTION AUTHORIZING THE MAYOR AND FINANCE DIRECTOR TO ENTER INTO A RENEWAL WITH CIGNA HEALTHCARE FOR THE VILLAGE'S HEALTH INSURANCE FOR THE YEAR 2000 AND DECLARING AN EMERGENCY

WHEREAS, the Village's employee benefit consultant has recommended the bid of CIGNA HealthCare for the Village's health insurance for the year 2000.

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

SECTION 1. That the Mayor and Finance Director be, and they hereby are, authorized and directed to enter into a renewal for the year 2000 with CIGNA HealthCare for Village health insurance in accordance with the recommendation of the Village's employee benefit consultant dated November 22, 1999, a copy of which 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 by January 1, 2000; 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: December 7, 1999

Michael J. Lyons  
President of Council

Ronald W. Larsen  
Mayor

Dated: 12/9/99

ATTEST:  
Carol Gibson  
Clerk of Council



*-Employee Benefit Consultants-*

3291 Stanley Road  
Akron, Ohio 44333-9203

Thomas R. Dettling  
Principal  
Dettling Associates  
Tel: (330) 867-8484  
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EXHIBIT "A"

November 22, 1999

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

RE: CIGNA HealthCare Rate Renewal for January 1, 2000

Dear Eleanor:

This has not been a good year for HMO renewals due to prescriptions adjusting 10-15% due to both cost and usage and HMO renewals in the 9-10% adjustment area. However, there are exceptions such as The Village of Richfield's CIGNA HealthCare renewal.

The Village's Employee rate is adjusting 4.9% and the Family rate, 2.2% for a total adjustment of 2.45% on total monthly premium. This is based on 10 singles and 35 families.

Employee present rate of \$209.48 adjusts to \$219.95 and family rate of \$550.93 to \$562.92. Present monthly premium of \$21,377.35 adjusts to \$21,901.70 for \$524.35 more per month based on 10 singles and 35 families. This is the best renewal that we have had this particular year with all accounts.

Sincerely,

Thomas R. Dettling

Net Increase 2.5%



CIGNA HealthCare

November 22, 1999

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, 2000, the new rates will be as follows:

	Inforce	Current Rates	Renewal Rates
Employee	10	\$209.48	\$219.95
Employee + Family	35	\$550.93	\$562.92

These new rates reflect a <sup>2.45% TAD</sup> 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, 2000. I may be reached at 216.642.2545.

Sincerely,

*Wendy L. Bernadine*

Wendy L. Bernadine  
Client Service Representative

	<u>Monthly</u>	
	<u>Current</u>	<u>Renewal</u>
	2094.80	2199.50
	19282.55	19702.20
	<u>21377.35</u>	<u>21901.70</u>

Employee Rate Increase 5%  
Employee + Family Rate Increase 2.17%

Net Monthly Increase 2.5%