

12/15/14 10:30 p.m.

Resolution 89 -2014

RESOLUTION NO. 89 -2014 (AMENDED 12-15-14)

Offered by All of Council

A RESOLUTION AUTHORIZING THE MAYOR AND THE FINANCE DIRECTOR TO ENTER INTO AN AGREEMENT WITH LINCOLN FINANCIAL GROUP FOR DENTAL INSURANCE FOR FULL-TIME VILLAGE EMPLOYEES.

WHEREAS, the Village's Mayor has recommended entering into an agreement with Lincoln Financial Group to be the provider for dental insurance for full-time Village employees during the period January 1, 2015 through June 30, 2016.

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 Lincoln Financial Group for the Village's dental insurance effective January 1, 2015, in accordance with the offer from Lincoln Financial Group, a copy of which offer is attached hereto as Exhibit "A" and incorporated herein fully as if by reference.

SECTION 2. In accordance with Section 4.12 of the Charter of the Village of Richfield, this Resolution shall take effect and be in force upon the approval of the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 12-16-14

Rick Huber
President of Council

ATTEST:

Cowlyn E. Sullivan
Clerk of Council

Belbin Bashara
Mayor

Dated: 12/16/14

TO: Village Council
Mayor Bobbie Beshara

CC: Carolyn Sullivan
William Hanna

FROM: Sandy Turk, Finance Director

RE: 89-2015 Resolution for dental insurance for
the December 16, 2014 Council Meeting

Date: December 15, 2014

ACTION BEING REQUESTED		TYPE OF REQUEST
Approval		Resolutions

The Finance Department requests amending Resolution No. 89-2014 for third reading and adoption at the December 16, 2014 Council meeting for the dental insurance resolution to enter into an agreement with Lincoln Financial Group.

The current dental coverage with Ameritas Dental costs \$43,015.20 and we had a two year contract that ends at the end of the year. The current single and family monthly rate is \$27.96 and \$77.20, respectively. The Village pays 100% of the cost. The switch to Lincoln Financial Group for an 18 month period will cost the same as the current rates established two years ago; a single and family monthly rate of \$27.96 and \$77.20, respectively.

Let me know if you have any questions.

Attachment

H:/-sturk/Resolution/Briefing Memos/2015 dental briefingmemo11-12-14.doc

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THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

REGIONAL GROUP SALES OFFICE

Julian A. Mikola
2 Summit Park Drive, Ste 120
Independence, OH 44131
Office: (216) 750-3715
Toll Free: (888) 859-9688
Fax: (216) 901-1350

SERVICE OFFICE

8801 Indian Hills Drive
Omaha, Nebraska 68114
Phone: 800-423-2765
Fax: (877) 573-6177

Home Office: Fort Wayne, IN

Facsimile Cover Sheet

To: Dee Dee Osborne
Inc.
Phone: (330) 645-6338
From: Julian A. Mikola
RE: VILLAGE OF RICHFIELD
Richfield, OH 44286

Company: Associated Underwriters Insurance,
Fax: (330) 645-0374
Date: 12/15/2014

Total number of pages (Including this cover sheet): 10

COMMENTS:

Group Insurance products are issued by The Lincoln National Life Insurance Company, which is not licensed and does not solicit business in New York. In New York, group insurance products are issued by Lincoln Life & Annuity Company of New York.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Each affiliate is solely and independently responsible for its own financial and contractual obligations.

Lincoln Financial Group is pleased to offer the Lincoln VisionConnect Plan. With over 55,000 provider locations, Lincoln VisionConnect Plan allows you to access a wide selection of highly qualified providers. Ask your local representative how our Vision Plan can benefit your employees.

This facsimile transmission is intended only for the addressee named above. It contains information that is privileged, confidential or otherwise protected from use and disclosure. If you are not the intended recipient you are hereby notified that any review, disclosure, copying or dissemination of this transmission, or the taking of any action in reliance on its contents, or other use is strictly prohibited. If you have received this transmission in error, please notify us by telephone immediately so that we can arrange for its return to us. Thank you for your cooperation.

WHY CHOOSE THE LINCOLN NATIONAL LIFE INSURANCE COMPANY?

Lincoln Financial Group maintains:

- **Strong financial history**
- **Some of the highest ratings in the industry**
 - AA- "Very Strong" Standard & Poor Rating
 - A+ "Superior" A.M. Best Company Rating
 - A+ "Very Strong" Fitch Rating
- **"Direct to Home Office Service" through group sales offices located nationwide**
- **One-stop shopping for comprehensive group benefits**
 - True group products including Life and AD&D, Short-Term Disability, Long-Term Disability (with optional Critical Illness coverage), Dental, Vision and Employee Assistance Programs
 - WORKSITE¹ Voluntary products including Life and AD&D, STD, LTD, Dental and Vision
 - ✓ **Featuring Voluntary enrollment form customization**
- **Real Time Online Benefit Administration with Online Services**
 - Submit claims and check their status online
 - Change member information online
 - Enroll and terminate members and coverages online
 - Utilize Virtual Billing capabilities to add or terminate members, then recalculate the bill to reflect the actual amount owed, and pay the bill online
 - View and print group forms, administration guidelines, contracts and certificates online
 - Apply for group insurance coverage electronically with e-App
 - Continuous enhancements are being made to our Online Service capabilities to better serve both your needs and your clients' needs
- **Interactive Voice Response (IVR) System allows service 24 hours a day, 7 days a week**
 - Use IVR to check on the status of claims, members and premium payments all hours of the day, everyday.
- **Lincoln DentalConnect Plan**
 - Our Lincoln DentalConnect Plan brings many distinct advantages including an expanded nationwide network with access to more than 319,728 provider locations.

WHAT THIS MEANS FOR YOU...

The Lincoln Financial Group companies:

- have a long history of strength and stability, offering you superior products – and the service to back them up.
- focus on making life easier for the customer by doing business the way the customer wants to do business – via the Web, telephone, IVR, e-mail or fax.
- are committed to superior service, combined with a guaranteed commitment to technology, which means less hassle for you!

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SPECIFIC PROPOSAL CONDITIONS

Dental

This quote includes an 18 month rate guarantee, until 7/1/2016.

Life

This quote includes an 18 month rate guarantee, until 7/1/2016.

Voluntary Life

This quote includes an 18 month rate guarantee, until 7/1/2016.

Vision

This quote includes an 18 month rate guarantee, until 7/1/2016.

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SCHEDULE OF INSURANCE

Option 1.00

Proposed Effective Date: January 01, 2015

<u>CLASSIFICATION</u>	<u>AMOUNT OF BENEFIT</u>	
	Life Insurance	Accidental Death and Dismemberment (24 Hour) 50,000
Class 1 All Active Full-time Employees	50,000	

The amount of Life Insurance and AD&D for Class 1 will reduce:
-35% upon the Person's attainment of age 65
-an additional 15% of the original amount at age 70
Benefits will terminate upon retirement.

Guarantee Issue

- Insurance amounts in excess of \$50,000, including any increases, will require the submission and the approval of satisfactory evidence of insurability.

Minimum Hours: 30, unless otherwise agreed upon.

The AD&D coverage includes the Safe Driver Benefit (Seat Belt & Air Bag Benefit) and Common Carrier Benefit.

The Employer should consult a tax advisor regarding the tax implication of these benefits.

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SCHEDULE OF RATES AND COSTS

<u>Coverage</u>	<u>Number of Employees</u>	<u>Volume</u>	<u>Rate</u>	<u>Monthly Premium</u>
Life Insurance	62	3,050,000	\$.185/per \$1,000 of benefit	\$564.25
AD&D	62	3,050,000	\$.020/per \$1,000 of benefit	\$61.00
			Total Premium	\$625.25

Quoted rates are guaranteed until 7/1/2016.

Quoted rates assume:

- The above rates assume the Life and AD&D coverages is on a non-contributory basis and 100% participation is required.
- All employees to be covered are **Actively at Work** on the policy's effective date. If any individual does not meet the Actively at Work requirement, we will require full disclosure of all necessary information to evaluate the risk. After reviewing this information, we reserve the right to revise or withdraw this proposal.

ACTIVELY AT WORK means an employee's full-time performance of all customary duties of his or her occupation at:

- (1) the Group Policyholder's place of business; or
- (2) any other business location where the employee is required to travel.

Unless disabled on the prior workday or on the day of absence, an employee will be considered Actively at Work on the following days;

- (1) a Saturday, Sunday or holiday which is not a scheduled workday;
- (2) a paid vacation day, or other scheduled or unscheduled non-workday; or
- (3) an excused or emergency leave of absence (except a medical leave).

This proposal describes certain insurance coverages available from Lincoln Financial Group and should under no circumstances be construed as a contract or offer to contract for such coverages. An application must be completed and submitted to our Service Office, before a group will be considered for coverage.

If the proposed policy qualifies as a replacement plan, then coverage for an otherwise eligible person who is disabled on the policy effective date will be administered in accord with any applicable state discontinuance and replacement law.

The proposal is based on preliminary census data received by Lincoln Financial Group. Actual costs will be based on the final enrollment data of employees insured under the plan on its effective date. Rates quoted for the proposed benefits shown are effective for 90 days from the date shown on the proposal. A complete listing of the terms, conditions, and limitations, that will apply to your coverage, if issued, is available upon request.

Village of Richfield

**BENEFITS AND COST SUMMARY
FOR DENTAL PROPOSAL
Option 1.01**

Proposed Effective Date: January 01, 2015

PROPOSED SCHEDULE OF BENEFITS for Class 1

Class 1: All Active Full-time Employees (Retired, temporary and seasonal employees are not eligible)

Minimum Hours: 30, unless otherwise agreed upon.

CALENDAR YEAR DEDUCTIBLE:

Deductible Type: Annual

Deductible applies to:
INDIVIDUAL
FAMILY

In Network
Type II and III
\$50
\$150

Out of Network
Type II and III
\$50
\$150

BENEFITS LEVELS

PPO Plan

TYPE I - Diagnostic & Preventive
TYPE II - Basic Services
TYPE III - Major Services

100%
90%
60%

100%
80%
50%

Out of Network - 90th percentile U & C

MAXIMUM BENEFIT per covered person:

TYPES I, II, and III combined, per calendar year

\$1000

\$1000

BENEFIT WAITING PERIOD

TYPE II Expenses
TYPE III Expenses

None
None

Terms of the Prior Carrier Credit Provision may apply.

LATE ENTRANT

TYPE II Expenses
TYPE III Expenses

12 Months
12 Months

COST SUMMARY

Rates shown are monthly and are guaranteed for two years from the program effective date.

	Eligible Employees	For PPO Plan <u>w/o ortho</u>
Employee Only	15	\$27.96
Family	41	\$77.20

MONTHLY COST

\$3,584.60

The dental rates shown in this proposal include a package discount which will be available if dental is sold with another line of coverage. To qualify for this discount:

- The second line of coverage must generate at least \$1,200 of non-dental annualized premium; OR
- If more than one additional non-dental line of coverage is purchased, the \$1,200 additional premium requirement is waived.

This package discount applies only to the dental premium and is available for new business and for existing policyholders.

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PROPOSAL ASSUMPTIONS:

Quoted rates are based on the following assumptions. If these assumptions are not correct, the rates may be adjusted or the proposal may be withdrawn.

Employer contribution to employee premium -	90%
Employer contribution to dependent premium -	90%
Minimum employee participation -	90% (A minimum of 10 employees must be enrolled)
Minimum dependent participation -	90%

Employees covered by another dental plan may be excluded from participation calculations, as long as they do not exceed 30% of eligible employees.

Final rates will be calculated based on:

- the agreed-upon plan;
- employer contribution (changing the percentage of employer contributions for employee and/or dependent coverage may affect quoted rates);
- enrolled census;
- employee location(s);
- correct industry code (SIC); and
- other pertinent underwriting factors.

If there are changes in these factors, the plan may be re-rated or coverage may be refused.

Dependents eligible for coverage include the employee's lawful spouse and unmarried children from birth to age 19 (to age 25 for full-time students). Additional state requirements may apply.

INITIAL ENROLLMENT PERIOD means the period in the calendar year, not to exceed 31 days, during which the Group Policyholder allows eligible Employees to purchase or make changes in their Employee or Dependent Dental Coverage. Participation in an Initial Enrollment Period does not change Policy provisions related to the Eligibility Waiting Period or Benefit Waiting Periods.

ANNUAL ENROLLMENT PERIOD means the period in the calendar year, not to exceed 31 days, during which the Group Policyholder allows eligible Employees to purchase or make changes in their Employee or Dependent Dental Coverage. Participation in an Annual Enrollment Period does not change Policy provisions related to the Eligibility Waiting Period or Benefit Waiting Periods; Late Entrant Limitations will apply.

THIS IS NOT A CONTRACT: This illustration was prepared based on the information provided in the Request for Proposal. It is a description of dental coverage available from Lincoln Financial Group and not an offer to contract. More detailed information is available upon request concerning the terms, conditions and limitations contained in the master policy, if issued. If there are discrepancies between the information contained in this proposal and the master policy, the terms of the master policy will control. State-specific restrictions and requirements may not be addressed in this proposal.

An Application for Group Insurance must be completed by the Employer and approved by Lincoln Financial Group before coverage can become effective.

This proposal is subject to revision if not accepted on or before the Proposed Effective Date shown on the Benefits and Cost Summary page of this proposal.

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COVERED DENTAL SERVICES For Dental Proposal Option 1.01

After any applicable deductible is satisfied, the following dental services will be covered, at the reimbursement rate quoted.

Type III procedures may be subject to a Benefit Waiting Period, Prior Carrier Credit may apply.

TYPE I - DIAGNOSTIC & PREVENTIVE SERVICES

- Routine Oral Examinations - up to 2 per year
- Bitewing X-rays (including those taken as part of a full-mouth series) - 1 set per year
- Complete full-mouth or panoramic X-rays - 1 per 5 years
- Other Dental X-rays (including periapical films) - 6 per year
- Routine Cleanings- Up to 2 per year
- Fluoride Treatments- Through age 18; 1 per year
- Space Maintainers- Through age 15; 1 per lifetime
- Sealants (Undecayed and unrestored first and second permanent molars only) - Through age 13; 1 per 60 months

TYPE II - BASIC SERVICES

- Problem Focused Exams - 4 per year
- Consultations
- Palliative Treatment (including emergency relief of dental pain)
- Injections of antibiotics and other therapeutic medications
- Fillings - 1 per 24 months (includes composite fillings on posterior teeth)
- Prefabricated Stainless Steel and Resin Crowns
- Simple Extractions
- Surgical Extractions
- Oral Surgery
- Biopsy and Examination of Oral Tissue (including brush biopsy)
- General Anesthesia and I.V. Sedation
- Prosthetic Repair and Recementation Services
- Endodontics (including Root Canal Treatment)
- Periodontal Maintenance procedures following active periodontal therapy - up to 2 per year
- Non-surgical Periodontal Therapy
 - Scaling and Root Planing - 1 per 24 months
 - Full-mouth Debridement - 1 per lifetime
- Periodontal Surgery -1 per 36 months

TYPE III PROCEDURES - MAJOR SERVICES

- Bridges - 1 per 5 years
- Full and partial dentures - 1 per 5 years
- Denture Reline and Rebase Services
- Crowns, Inlays, Onlays and related services - age 16 and above; 1 per 5 years
- Implants and related services - age 16 and above; 1 per 5 years

To include Orthodontic Coverage in your Lincoln Financial Group Group Dental Policy, the policyholder must meet the following dependent enrollment criteria:

On the Policy's Effective Date, 5 child dependent units must be enrolled.
If dependent enrollment in the group policy does not meet this minimum requirement, Orthodontic Coverage (Type IV Services) will not be issued. This requirement does not change the minimum participation requirements.

**Village of Richfield
BENEFITS AND COST SUMMARY
FOR Lincoln VisionConnect® PROPOSAL PLAN LVC10
Option 1.00**

Note: The following is only a proposal. The agreed upon terms will be defined by the policy.

Proposed Effective Date: January 01, 2015

PROPOSED SCHEDULE OF BENEFITS for Class 1

Class 1: All Active Full-time Employees (Retired, temporary and seasonal employees are not eligible)

Minimum Hours: 30, unless otherwise agreed upon.

	<u>Network¹</u>	<u>Out of Network²</u>
EXAM COPAY	\$20	Not applicable
MATERIAL COPAY	\$20	Not applicable
EYE EXAMINATION	100%	Up to \$40.00
EYEGLASS LENSES		Up to \$40.00
Single Lenses	100%	Up to \$60.00
Bifocal	100%	Up to \$80.00
Trifocal	100%	Up to \$80.00
Lenticular	100%	Up to \$80.00
As a value-added benefit, standard scratch-resistant coating is provided at no additional charge for all lenses covered in full.		
FRAMES³	100%	Up to \$45.00
ELECTIVE CONTACT LENSES⁴		Up to \$125.00
Covered Contact Lens Selection (material copay applies)	100%	Up to \$125.00
All other elective contact lenses (no copay)	Up to \$125.00	
NECESSARY CONTACT LENSES⁵	100%	Up to \$210.00
SERVICE FREQUENCIES		
Exam		12 months
Lenses		12 months
Frames		24 months

COST SUMMARY

Rates shown are monthly and are guaranteed until 7/1/2016.

	<u>Participating Employees</u>	<u>Monthly Rate</u>
Employee Only	15	\$4.21
Employee + Family	41	\$10.53
MONTHLY COST		\$494.88

1. *Network Benefits:* Exam and materials copays and patient options are paid to the network provider by the plan participant.

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2. *Out-of-Network Benefits:* The plan participant pays full fee to the provider and the member submits a claim for reimbursement of services rendered up to maximum allowance. There are no copays.
3. *Frame Benefit:* Our generous frame benefit applies to virtually all of the frames on the market today, and most of those are covered-in-full, with no additional cost to the member, other than applicable copay. Plan participants receive a \$130.00 retail frame allowance for frames purchased at retail chain providers, and for any frame above \$130.00, the member will only pay the difference. A 30% discount is applied in excess of the allowance.
4. *Elective Contact Lenses:* Contact lenses are provided in lieu of eyeglasses (lenses and frame). When purchasing Covered Contact Lens Selection from a network provider, the benefit is covered-in-full (after copay if applicable). This includes:
 - fitting/evaluation fees
 - contacts (including up to 4 Boxes of disposables, depending on prescription and plan selected)
 - up to two follow-up visits.Contact lenses purchased with an out-of-network provider or outside of the Select contact lenses, the materials copay does not apply, and the allowance is applied toward the fitting/evaluation fees.
5. Necessary contact lenses are determined at the eye care provider's discretion. If an out-of-network provider considers contacts necessary, members should ask their out-of-network provider to contact us concerning the reimbursement that we will make before they purchase such contacts.

PROPOSAL ASSUMPTIONS:

Quoted rates are based on the following assumptions. If these assumptions are not correct, the rates may be adjusted or the proposal may be withdrawn.

Employer contribution to employee premium - 90%
Employer contribution to dependent premium - 90%

Participation Requirement – 2 enrolled lives.

Proposal assumes the plan is sold with at least one additional line of coverage.

Final rates will be calculated based on:

- the agreed-upon plan;
- employer contribution (changing the percentage of employer contributions for employee and/or dependent coverage may affect quoted rates);
- residing group location;
- list billing, unless otherwise agreed upon;
- other pertinent underwriting factors.

If there are changes in these factors, the plan may be re-rated or coverage may be refused.

PATIENT OPTIONS

Patient options, such as ultraviolet protection and progressive lenses, are offered at a 20% to 40% discount, which results in substantial member savings from the provider's usual and customary charges.

ACCESS TO DISCOUNTED LASER VISION CORRECTION PROCEDURES

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Through Laser Vision Network of America (LVNA), we can provide our members with access to discounted laser vision correction procedures. Members may choose an NCQA-credentialed surgeon from LVNA's nationwide network of more than 500 laser vision correction surgeons.

NATIONAL PROVIDER NETWORK

The *Lincoln VisionConnect* plan provides a national vision network of over 55,000 providers which includes both private practice and retail chain provider locations. By offering access to a diverse network of providers with day, evening and weekend availability, we afford our members greater choice and convenience. The member web site, <http://lvc.lfg.com>, is equipped with a provider locator feature that displays a listing of the providers in the requested area. All providers participating in the network must meet or exceed established quality and licensing standards.

MAIL ORDER CONTACTS

Members may purchase mail order contact lenses online through www.myvisionlenses.com at a 10% discount.

MEMBER SERVICES

Our plan is user-friendly and supported by various self-service options. There are no ID cards, claim forms or vouchers. Members can access plan information and identify network providers via our toll-free customer service number at 1-800-440-8453, 24/7 Interactive Voice Response (IVR) and interactive Website. In particular, members appreciate our extended customer service hours and online contact lens ordering.

The *Lincoln VisionConnect*® program is marketed by The Lincoln National Life Insurance Company (Fort Wayne, IN), which does not solicit business in New York, nor is it licensed to do so. In New York, this program is marketed by Lincoln Life & Annuity Company of New York (Syracuse, NY). Both are Lincoln Financial Group @ companies.

Lincoln VisionConnect® is a registered trademark of Lincoln National Corporation.

The *Lincoln VisionConnect*® vision coverage provided by or through United Healthcare Insurance Company, located in Hartford, Connecticut, United Healthcare Insurance Company of New York, located in Islandia, New York, or their affiliates. Administrative services provided by Spectera, Inc., United Healthcare Services, Inc. or their affiliates. Plans sold in Texas use policy form number VPOL.06.TX or VPOL.13.TX and associated COC form number VCOC.INT.06.TX or VCOC.CER.13.TX. Plans sold in Virginia use policy form number VPOL.06.VA or VPOL.13.VA and associated COC form number VCOC.INT.06.VA or VCOC.CER.13.VA. This

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policy has exclusions, limitations and terms under which the policy may be continued in-force or discontinued. For costs and complete details of the coverage, contact Lincoln VisionConnect@.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

Affiliates are separately responsible for their own financial and contractual obligations.

Village of Richfield
Voluntary Term Life Schedule

Option 1.00

Proposed Effective Date: January 01, 2015

Voluntary Term Life offers your employees and their spouses the opportunity to choose the life insurance benefit(s) they want at a price they can afford.

Employee

- Coverage is available in \$10,000 increments up to 5.00x annual salary (rounded to the next higher \$10,000)
- Minimum coverage is \$10,000
- Maximum coverage is \$100,000
- For employees age 70 & over, maximum coverage is \$50,000
- Coverage reduces 35% upon the Person's attainment of age 65, an additional 25% of the original amount at age 70, an additional 15% of the original amount at age 75, an additional 15% of the original amount at age 80, and will terminate upon retirement.

Voluntary Life Benefit features:

- Portability.
- Employee Life Insurance Premium Waiver.
- Accelerated Death Benefit (Living Benefit) - maximum of \$250,000 or 75% of Insured person's Life insurance coverage, whichever is less.
- Conversion is available when insurance terminates.

All permanent employees regularly scheduled to work at least 30 hours each week are eligible to participate. An employee must be actively at work on the date coverage takes effect. Employees who work part-time, on-call or on a seasonal basis are not eligible to participate in the program. Retirees are not eligible.

Spouse

- Coverage is available in \$5,000 increments up to 2.50x the employee's annual salary (rounded to the next higher \$5,000), not to exceed 50% of the employee's benefit amount
- Minimum coverage is \$5,000
- Maximum coverage is \$30,000
- Coverage reduces 35% upon the employee's attainment of age 65, and will terminate upon the employee's attainment of age 70 or retirement, whichever occurs first.
- Spouse coverage is only available if the employee is insured for voluntary coverage.

Dependent Children

- Dependent Coverage is only available if the employee is insured for voluntary coverage.
- This benefit provides coverage for all dependent children in the following amounts:

From age 6 months to 19 years old	\$10,000
(up to 25 years of age, if unmarried, & a full-time student)	
Age 14 days to 6 months	\$250
From birth to age 14 days	No benefit

The Employer should consult a tax advisor regarding the tax implication of these benefits.

Village of Richfield

Rates

The following **Voluntary Term Life and AD&D** rates were developed for **Village of Richfield**, using characteristics specific to your group.

<u>Age</u>	<u>Uni-smoker</u>
< 25	0.125
25 - 29	0.125
30 - 34	0.135
35 - 39	0.165
40 - 44	0.225
45 - 49	0.345
50 - 54	0.615
55 - 59	0.945
60 - 64	1.105
65 - 69	1.945
70 - 74	3.755
75 - 79	9.985
80 - 99	22.785

These rates are:

- Unisex
- Guaranteed until 7/1/2016
- Based on the employee's current age for both Employee and Spouse
- Shown as a monthly rate per \$1,000 of Life Insurance Coverage
- Adjusted once each year on the program anniversary date
- Based on 62 eligible employees

Accidental Death & Dismemberment coverage is \$.045 per \$1,000 per month and is included in the rates shown above.

Employee Accidental Death & Dismemberment benefit features:

- Seatbelt Benefit -- \$10,000 or 10% of the principal sum, whichever is less.
- Airbag Benefit -- \$10,000 or 10% of the principal sum, whichever is less.
- Common Carrier -- Two times principal sum otherwise paid for Other Covered Accidents.

Dependent Children coverage is \$2.00 per month for \$10,000, regardless of the number of children.

This proposal assumes that:

- **All employees to be covered are Actively at Work** on the policy's effective date. Actively at Work means an employee's full-time performance of all customary duties of his or her occupation at:
 - (1) the policyholder's place of business; or
 - (2) any other business location where the employee is required to travel.
- **Spouses and dependent children to be covered are not in a 'Period of Limited Activity'.** Period of Limited Activity means a period when a spouse or child is confined in a health care facility; or, whether confined or not, is unable to perform the regular and usual activities of a healthy person of the same age and sex.

If a spouse or child is in a Period of Limited Activity on the day his or her Dependent Life Insurance would otherwise take effect, insurance for that dependent will not take effect until the day after:

- (1) his or her final discharge from the health care facility; or
- (2) his or her resumption of the normal activities of a healthy person of the same age and sex.

If any individual does not meet these requirements, we will require full disclosure of all necessary information to evaluate the risk. After reviewing this information, we reserve the right to revise or withdraw this proposal.

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WORKSITE 1
PORTFOLIO

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Proposal Conditions

This proposal contains an outline of the coverage, benefits, rates and other additional information regarding the Voluntary Term Life Program we offer. This proposal is not a contract. The controlling provisions will be in the Group Insurance Master Policy, and this proposal is not intended in any way to modify the provisions or their meanings. If there is any conflict between the proposal and the Group Insurance Master Policy, the Group Insurance Master Policy controls.

The Voluntary Term Life program is subject to the laws and rulings of the State Insurance Department having jurisdiction. This plan of insurance is not available in every state and in those states where it is available, it may be withdrawn or revised at any time prior to acceptance.

The rates quoted in this proposal are a function of the characteristics of **Village of Richfield** at the time of proposal submission. We reserve the right to re-evaluate the risk, and change the rates if necessary, based upon the characteristics of the group on the anniversary date of the program.

This proposal will remain in effect until withdrawn or a new proposal is issued, but in no event will this proposal remain in effect beyond 90 days from December 12, 2014.

Village of Richfield

Underwriting

Guaranteed Acceptance

Your Voluntary Term Life program offers a certain amount of coverage to eligible employees, spouses and dependent children without having to provide medical evidence as long as applicants sign up within the defined enrollment period and minimum participation requirements are met.

Newly eligible employees have 31 days to enroll from the day they are first eligible in order to take advantage of the guaranteed acceptance offer. Employees must be actively at work on the day coverage takes effect.

Employee

- Current Eligible Employees: Up to 2 Increments are available on a guaranteed acceptance basis. See the Enrollment Period(s) below for the availability of this opportunity.
- Newly Eligible Employees: \$100,000 of coverage is available on a guaranteed acceptance basis.

Spouse

Newly eligible spouses have 31 days to enroll in the program to take advantage of the guaranteed acceptance offer. Spouses must not be in a period of limited activity on the date coverage takes effect.

- Newly eligible spouses: \$10,000 of coverage is available on a guaranteed acceptance basis.
- Current eligible spouses: Up to 2 Increments are available on a guaranteed acceptance basis. See the Enrollment Period(s) below for the availability of this opportunity.

Dependent Children

Newborn children are automatically covered when they reach 14 days of age at no additional cost if the dependent children benefit has been elected. Children must be at least 14 days old and not be in a period of limited activity on the date coverage takes effect.

- Coverage is available on a guaranteed acceptance basis.

Initial Enrollment Period

On the effective date, newly eligible employees will be allowed to elect coverage up to the Guaranteed Acceptance Level. Submission and approval of satisfactory evidence of insurability will be required for any amounts over the Guaranteed Acceptance Level shown above.

Annual Open Enrollment Period

A designated timeframe that occurs each year for eligible employees to elect coverage who did not enroll during their initial enrollment period or for employees with existing coverage to elect additional benefit amounts. Current eligible employees may elect or increase insurance coverage as defined by the Guaranteed Acceptance rules above without submission and approval of satisfactory evidence of insurability.

Simplified Underwriting:

When simplified underwriting is required, a completed statement of health must be submitted for coverage approval. Additional medical information *may also* be requested. Coverage subject to the simplified underwriting process is either approved or declined, depending on the information received. Simplified underwriting applies to the following:

Full Underwriting:

When full underwriting is required, a completed statement of health must be submitted for coverage approval. Additional medical information *will* be requested. Coverage subject to the full underwriting process is either approved or declined, depending on the information received. Full underwriting applies to the following:

- Any coverage applied for after the established open enrollment period.
- Any coverage adjustments or reinstatements.

Minimum Participation:

- Minimum participation rules require enrollment acceptance of at least 10 employee lives or 25% of the eligible employee group, whichever is greater. Spouse participation of at least 5 spouses or 10% of your participating employees, whichever is greater, must participate in the program. In addition, premium must total at least \$100 per month.

Actively at Work Definition:

The full-time performance of all customary duties of an employee's occupation at your place of business or other business location to which you require the employee to travel.

Period of Limited Activity Definition:

Any period of time that a spouse or dependent child is confined in a health care facility or, whether confined or not, is unable to perform the regular and usual activities of a healthy person of the same age and sex.



LINCOLN FINANCIAL GROUP® PRIVACY PRACTICES NOTICE

The Lincoln Financial Group companies* are committed to protecting your privacy. To provide the products and services you expect from a financial services leader, we must collect personal information about you. We do not sell your personal information to third parties. We share your personal information with third parties as necessary to provide you with the products or services you request and to administer your business with us. This Notice describes our current privacy practices. While your relationship with us continues, we will update and send our Privacy Practices Notice as required by law. Even after that relationship ends, we will continue to protect your personal information. You do not need to take any action because of this Notice, but you do have certain rights as described below.

INFORMATION WE MAY COLLECT AND USE

We collect personal information about you to help us identify you as our customer or our former customer; to process your requests and transactions; to offer investment or insurance services to you; to pay your claim; or to tell you about our products or services we believe you may want and use. The type of personal information we collect depends on the products or services you request and may include the following:

- **Information from you:** When you submit your application or other forms, you give us information such as your name, address, Social Security number; and your financial, health, and employment history.
- **Information about your transactions:** We keep information about your transactions with us, such as the products you buy from us; the amount you paid for those products; your account balances; and your payment history.
- **Information from outside our family of companies:** If you are purchasing insurance products, we may collect information from consumer reporting agencies such as your credit history; credit scores; and driving and employment records. With your authorization, we may also collect information, such as medical information from other individuals or businesses.
- **Information from your employer:** If your employer purchases group products from us, we may obtain information about you from your employer in order to enroll you in the plan.

HOW WE USE YOUR PERSONAL INFORMATION

We may share your personal information within our companies and with certain service providers. They use this information to process transactions you have requested; provide customer service; and inform you of products or services we offer that you may find useful. Our service providers may or may not be affiliated with us. They include financial service providers (for example, third party administrators; broker-dealers; insurance agents and brokers, registered representatives; reinsurers and other financial services companies with whom we have joint marketing agreements). Our service providers also include non-financial companies and individuals (for example, consultants; vendors; and companies that perform marketing services on our behalf). Information we obtain from a report prepared by a service provider may be kept by the service provider and shared with other persons; however, we require our service providers to protect your personal information and to use or disclose it only for the work they are performing for us, or as permitted by law.

When you apply for one of our products, we may share information about your application with credit bureaus. We also may provide information to group policy owners, regulatory authorities and law enforcement officials and to others when we believe in good faith that the law requires disclosure. In the event of a sale of all or part of our businesses, we may share customer information as part of the sale. We do not sell or share your information with outside marketers who may want to offer you their own products and services; nor do we share information we receive about you from a consumer reporting agency. You do not need to take any action for this benefit.

SECURITY OF INFORMATION

We have an important responsibility to keep your information safe. We use safeguards to protect your information from unauthorized disclosure. Our employees are authorized to access your information only when they need it to provide you with products, services, or to maintain your accounts. Employees who have access to your personal information are required to keep it confidential. Employees are trained on the importance of data privacy.

Questions about your personal information should be directed to:

Lincoln Financial Group
Attn: Enterprise Compliance and Ethics
Corporate Privacy Office, 7C-01
1300 S. Clinton St.
Fort Wayne, IN 46802

Please include all policy/contract/account numbers with your correspondence.

*This information applies to the following Lincoln Financial Group companies:

First Penn-Pacific Life Insurance Company
Lincoln Financial Group Trust Company, Inc
Lincoln Financial Investment Services Corporation
Lincoln Investment Advisors Corporation

Lincoln Life & Annuity Company of New York
Lincoln Retirement Services Company, LLC
Lincoln Variable Insurance Products Trust
The Lincoln National Life Insurance Company

ADDITIONAL PRIVACY INFORMATION FOR INSURANCE PRODUCT CUSTOMERS

CONFIDENTIALITY OF MEDICAL INFORMATION

We understand that you may be especially concerned about the privacy of your medical information. We do not sell or rent your medical information to anyone; nor do we share it with others for marketing purposes. We only use and share your medical information for the purpose of underwriting insurance, administering your policy or claim and other purposes permitted by law, such as disclosure to regulatory authorities or in response to a legal proceeding.

MAKING SURE MEDICAL INFORMATION IS ACCURATE

We want to make sure we have accurate information about you. Upon written request we will tell you, within 30 business days, what personal information we have about you. You may see a copy of your personal information in person or receive a copy by mail, whichever you prefer. We will share with you who provided the information. In some cases we may provide your medical information to your personal physician. We will not provide you with information we have collected in connection with, or in anticipation of, a claim or legal proceeding. If you believe that any of our records are not correct, you may write and tell us of any changes you believe should be made. We will respond to your request within 30 business days. A copy of your request will be kept on file with your personal information so anyone reviewing your information in the future will be aware of your request. If we make changes to your records as a result of your request, we will notify you in writing and we will send the updated information, at your request, to any person who may have received the information within the prior two years. We will also send the updated information to any insurance support organization that gave us the information, and any service provider that received the information within the prior 7 years.

Questions about your personal medical information should be directed to:

Lincoln Financial Group
Attn: Medical Underwriting
P.O. Box 21008
Greensboro, NC 27420-1008

The CONFIDENTIALITY OF MEDICAL INFORMATION and MAKING SURE INFORMATION IS ACCURATE sections of this Notice apply to the following Lincoln Financial Group companies:

First Penn-Pacific Life Insurance Company
Lincoln Life & Annuity Company of New York
The Lincoln National Life Insurance Company