

RESOLUTION NO. R2006-26

A RESOLUTION AUTHORIZING THE TOWN MANAGER AND/OR MAYOR TO ENTER INTO AND RENEW A CONTRACT FOR MEDICAL INSURANCE FOR EMPLOYEES OF THE TOWN OF SIGNAL MOUNTAIN WITH BLUE CROSS BLUE SHIELD OF TENNESSEE FOR 2006-2007 WHICH IS ATTACHED HERETO WITH PREVIOUS COVERAGE REMAINING THE SAME AND WITH AN INCREASE IN PREMIUMS TO \$289.02 PER MONTH FOR SINGLE COVERAGE AND \$747.70 PER MONTH FOR FAMILY COVERAGE.

BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that the Town Manager and/or Mayor is authorized to enter into and renew a contract for medical insurance for employees of the Town of Signal Mountain with Blue Cross Blue Shield of Tennessee for 2006-2007 which is attached hereto with previous coverage remaining the same with an increase in premiums to \$289.02 per month for single coverage and \$747.70 per month for family coverage. A copy of the Employer Renewal Response Form signed by the Town Manager is attached.

William O. Leavelle
MAYOR

[Signature]
RECORDER

7/10/06
DATE

07-10-06
DATE

PAN/kac



Employer Renewal Response Form (Attachment A to the Group Agreement)

Please Fax to (423) 763-7309

This form will amend any previously issued contracts or amendments. - This document has been classified confidential -

Group Number: **88404-1** Group Name: **Town of Signal Mountain** Effective Date: **7**
Number of Full-time Employees* (minimum 30 hours per week): **70**
*(*For Medicare purposes, notify BlueCross BlueShield of Tennessee if full-time and part-time employee count falls below 20.)*

Section A - Select ONE of the two renewal benefit choices below for Medical and/or Dental:

Medical

1. Renew with the Current/Renewal Medical Benefits for the following options: Option 1 Option 2 Option 3
No changes EXCEPT insurer policy and benefit changes that are not optional and are listed on the Summary of Changes Sheet.

- OR -
2. Select Alternate Medical Benefit Coverages and submit copy of alternate Quote Sheet with this form.

(Mark only the coverages that are changing; coverage will not be included for those items marked "No.")

Coverages	<input type="checkbox"/> Option 1	<input type="checkbox"/> Option 2	<input type="checkbox"/> Option 3
Prescription Drugs	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Behavioral Health	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Special Accident	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Extended Wellcare	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Vision	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
COBRA Administration	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
COBRA with Initial Notification	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

NOTE: COBRA Administration is available to groups with 20 or more employees (size as defined in COBRA legislation).

Section B

Contact an Account Manager to make other benefit plan changes, such as eligibility provisions.

Section C - To change any benefits, you must sign and fax this form to the number shown above.

If the form is not signed, benefits will not change, except for those otherwise communicated by BlueCross BlueShield of Tennessee. Group and new premiums will be confirmed by BlueCross BlueShield of Tennessee within three business days. A minimum of one employee is required to enroll in a benefit option during the renewal open enrollment for that particular benefit option to remain in effect for the group. It is a knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. include imprisonment, fines and denial of coverage. An electronic signature will have the same force and effect as a manual signature. signing below, I certify that I am authorized by the Group to execute this Renewal Response Form. I understand that my broker will commission and/or other fee by BlueCross BlueShield of Tennessee for placing/encouraging the Group's coverage. For more information contact my broker.

Signature: *Joan C. Harp* Date: 6-30-06
Title: TOWN MANAGER

I, the Broker, certify that I have fully explained the contents of this form and its meaning to the Employer
Broker signature (if applicable): *John Davis* Date: 6/29/06

Section D - For BlueCross BlueShield of Tennessee Internal Use Only

- BlueCross BlueShield of Tennessee has not received the signed Employer Renewal Response Form. Your coverage is being renewed at current/renewal benefits.
- BlueCross BlueShield of Tennessee has received the signed Employer Renewal Response Form. Elected options and rates on the attached quote sheet(s) correspond with the following quote number(s).

PPO Quote #: _____

Initial payment of these renewal rates constitutes acknowledgement and acceptance of these rates and benefits and makes it of the company's agreement with BlueCross BlueShield of Tennessee, Inc.

Account Manager: Alex Everley Date: _____
Signature: _____

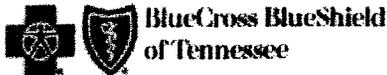
An electronic signature will have the same force and effect as a manual signature

By: Joan C. Harp Title: President, Commercial Business & Established Markets Date: _____

A scanned, imaged or photocopied version of this completely executed form will have the same force and effect of the original document.

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BCBST - RRF 3-00-A Employer Renewal Response Form (Revised 05/05)
EGA-03 (06/05)



Account Management Sheet

An Independent Licensee of the BlueCross BlueShield Association

Renewal Rates Effective 7/1/2006

Note: The following rates are based on a Renewal Effective date of 7/1/2006

Group #: 88404- 1 Name: Town of Signal Mountain Blue Network P

Total Size: 67

Region(1): Chattanooga

Broker: Davis, John M(QVJ4XA003CSD)

SIC(9111): Executive Offices

Region Counts:

<u>NE</u>	<u>KN</u>	<u>CH</u>	<u>NA</u>	<u>JA</u>	<u>ME</u>	<u>OS</u>
-	-	67	-	-	-	-

Important Reminders

- The maximum difference between the highest and lowest benefit and/or network option must be no more than 35 percent.
- Commission Disclosure: The rates presented in this proposal include commissions. If you have questions please contact your broker.

Health

	Counts	Current Rates	Renewal Rates
Individual	26	\$240.08	\$289.02
Two-Person	--	--	--
Ee/Child(ren)	--	--	--
Family	41	\$621.09	\$747.70

Quote#: 199

Blue Network P - Renewal Benefits and Rates

Deductible:	\$500 Deductible	Prescription Drug:	\$10/\$35/\$50
Coinsurance:	80% Coinsurance	Mental Health:	20/25
Out of Pocket:	\$2000 Out Of Pocket	Special Accident:	None
Office Visit:	\$30 Copay	Extended Wellcare:	No
Op Surgery:	Ded/Coin	Vision:	None
Emergency Care:	\$100 Copay	COBRA Admin:	None

	Individual	Ee/Spouse	EE/Child(ren)	Family
Base Plan	\$236.21	--	--	\$611.08
Prescription Drugs	\$49.06	--	--	\$126.92
Mental Health	\$3.75	--	--	\$9.70
Special Accident	--	--	--	--
Extended Wellcare	--	--	--	--
Vision	--	--	--	--
COBRA Admin	--	--	--	--
Total Rate	\$289.02	--	--	\$747.70

Total Monthly Premium: \$38,170.22
Total Increase: 20.39%

Renewal Factor Changes

Base Rate:	13.16%
Risk Adjustment:	10.25%
SIC:	0.00%
Demo:	-3.5%
Reform:	0.00%
Cap:	0.00%

Factor Change Definitions

Base Rate: Changes in regional rates for specific benefits, size, and admin
Including increase due to medical cost and utilization

Risk Adjustment: Group specific change in the health/claims risk

SIC: Change in cost/utilization for specific industry

Demo: Change in adjustments for group's enrollment mix

Reform: Change in state regulation adjustments

Cap: Change in adjustments for pool increase limit

FOR INTERNAL USE ONLY: A 1.04955B 1.00000C 1.01450D 0.87410E 1.16668F 0.86650G 210430

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