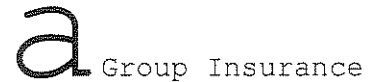


Lidia Wrobel
Account Manager



October 6, 2008

Pamela Lee
Director of Human Resources
City of Rochester Hills
1000 Rochester Hills Drive
Rochester Hills, MI 49309

Life, Accident & Disability
400 Galleria Office Centre Suite 500
Southfield, MI 48034
Telephone 248.226.9366
Facsimile 248.226.9423
Lidia.wrobel2@CIGNA.com

City of Rochester Hills: **FLX 960556 - Life**
 OK 960497 - Accident
 LK-960493 - LTD
 LK-750087 - STD

Dear Pamela,

Thank you for allowing CIGNA Group Insurance to provide *Life, Accident, and Disability* benefits the past several years for your employees. We appreciate having the opportunity to serve you.

Rate Action

Based on our review of your plans, associated rates and benefit strategy we are pleased to continue your programs until January 1, 2010. The attached Renewal Summary Update provides your renewal rates for your Life and Accident and Disability benefits.

Required Basic Life Renewal Rate Action:

The required renewal action for this account is based on the relationship of our manual to the in-force rate. Based on that relationship, this account is being renewed as-is until 1/1/2010:

Basic Life Rate = **\$.181/\$1000 of covered benefit**

Required Accident Renewal Rate Action:

The accident coverage will also be renewing as-is for until 1/1/2010.

Accident Rate = **\$.03/\$1000 of covered benefit**

Voluntary Accident Rate = **\$.033/\$1000 of covered benefit**

Required Voluntary Life Renewal Rate Action:

There will be no change to the current voluntary step rates.

Voluntary Employee and Dependent Spouse Coverage

<u>AGE</u>	<u>RATE</u>
<20	\$.066/1000
20 – 24	.102
25 – 29	.119
30 – 34	.145
35 – 39	.189
40 – 44	.277
45 – 49	.446
50 – 54	.798
55 – 59	1.476
60 – 64	2.231
65 – 69	3.595
70 – 74	6.756
75+	21.923

Voluntary Dependent Child Coverage

\$.18/1000

Required LTD Renewal Rate Action:

The required renewal action for this account is based on the relationship of our manual to the in-force rate. Based on that relationship, the core LTD rate will decrease from \$0.53 to \$0.40. The Buy-up plan rates will remain AS-IS. All rates are guaranteed until 1/1/2010.

LTD Core Rates= **\$.40/\$100 of covered payroll**
 LTD Buy-up Rates – **per \$100 of Covered Payroll**

<u>AGE</u>	<u>RATE</u>
<20	\$.01/100
20 – 24	.01
25 – 29	.02
30 – 34	.03
35 – 39	.04
40 – 44	.07
45 – 49	.11
50 – 54	.17
55 – 59	.20
60 – 64	.23
65 – 69	.45

Required STD Renewal Rate Action:

Pamela Lee
October 7, 2008
Page 3

The required renewal action for this account is based on the relationship of our manual to the in-force rate. Based on that relationship, this account is being renewed as-is until 1/1/2010.

STD Rate = \$.76/\$10 of covered weekly benefit

Again, thank you for allowing us to work with you and Gallagher/Rains Group. We look forward to serving you in the years to come. I will be following up shortly with Gallagher/Rains to review your questions and comments regarding this renewal.

In the interim if you have any questions regarding this renewal position, please do not hesitate to call me.

Sincerely,

Lidia Wrobel
Account Manager

Cc: Gordon Smith, Sales Executive
Underwriter

**Renewal Summary
City of Rochester Hills
FLX 960556
OK 960497
LK-960493
LK-750087**

Rate

Basic Life Rate = \$.181/\$1000 of covered benefit
Voluntary Life Rate = Age Banded Step Rates
Accident Rate = \$.03/\$1000 of covered benefit
Voluntary Accident Rate = \$.033/\$1000 of covered benefit
LTD Core Rate = \$.40/\$100 of covered payroll
LTD Buy-up Rates = Age Banded Step Rates
STD Rate = \$.76/\$10 of covered weekly benefit

Rate Guarantee

The life, accident, LTD and STD rates are guaranteed from through 1/1/2010

Caveats

If the lives and/or volume change by +/- 15%, we reserve the right to re-evaluate our pricing.

We **cannot guarantee** rates for retirees and insureds that terminate employment with you and choose to continue their coverage under the plan's portability feature.