

November 9, 2007

To All VACE / CIGNA Health Plan Employers:

Enclosed are the VACE / CIGNA Health Plan renewal rates* for the period January 1, 2008 through December 31, 2008. There are minor benefit plan changes for 2008 as outlined on the enclosed sheet. Enclosed also is the information regarding VACE's dental renewal for January 1, 2008. If you do not have dental insurance please ignore this information (or if you find it of interest please ask your agent for more information).

You, as the employer, continue to have the option of choosing two plans (\$600, \$1,000, \$2,500, \$3,000 deductible, \$2,250 HSA OAP, or the **new** \$3,500 HSA OAP) to offer your employees. If you choose to offer two plans, then each employee may choose one or the other for their coverage.

January is the VACE open enrollment period. At this time, you, as the employer, may choose to do any of the following . . .

- Change your plan(s) and / or add another plan (a maximum of two plans).
- Change your group's probation period for new or rehired employees.
- Allow employees to enroll who had previously chosen not to.
- Allow employees to change from one plan to another.

Enclosed is an open enrollment form for you to complete. This form shows the options available to you and should be returned if you have changes. Your agent's name and phone number are on this form. I am sure they would be happy to assist you with any questions.

If you don't notify VACE of any plan changes by November 21st (at which time VACE bills for January 2008), your January 2008 bill will reflect the current status. You will have until January 8, 2008 to get any changes to VACE for an effective date of January 1, 2008. Any changes received by VACE after January 8, 2008 and before February 7, 2008, will be effective for February 1, 2008. No open enrollment changes will be accepted after February 7, 2008.

If you are making changes to your plan, your January and February 2008 invoices may not reflect these changes. **Please pay the invoice as billed** and any adjustments will show on the following invoice.

As a reminder, any group that drops the VACE Health Plan will not be eligible to return to the plan for 18 months.

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Please note that enclosed is a notice discussing the VACE / CIGNA Health Plan and its prescription drug coverage as it relates to the Medicare Part D prescription drug coverage. VACE will be mailing this notice directly to any of your employees already on the VACE / CIGNA Medicare Supplement coverage and also to any employees of an age such that they will shortly be having to make choices about Medicare coverage. As VACE does not know of all circumstances for your employees, we would ask that you retain a copy of this letter for your records and future questions by your employees, and that you distribute the notice at this time to all your employees for their consideration and any future needs. Such distribution is required by federal law.

VACE continues to get positive feedback from its agents and business members that CIGNA is an excellent health plan and a very good value. We hope you agree. Please call or e-mail us at the number listed at the bottom of the first page of this letter if you have any questions or need any assistance with the issues discussed above or anything else with your health plan.

If you were not already aware VACE's web site is www.vaceinsurance.com and all forms and a lot of other information regarding your insurance are available there. Please take advantage of this resource.

Sincerely,

Charles R. Nichols
Manager, VACE Health Plan

Enclosures

***Please note:** Rates are subject to approval by Banking & Insurance.