

November 13, 2009

To All VACE / CIGNA Health Plan Employers:

Enclosed are the VACE / CIGNA Health Plan renewal rates for the period January 1, 2010 through December 31, 2010. There are benefit plan changes for 2010 as outlined on the enclosed sheet. Enclosed also is the information regarding VACE's dental renewal for January 1, 2010. 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 of the following seven plans (\$1,250, \$2,500, \$3,000 \$4,000 OAP deductible, \$2,450 HSA OAP, \$3,500 HSA OAP, or the \$5,000 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.

December 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 declined coverage.
- 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 27th (VACE will bill for January 2010 on December 2nd), your January 2010 bill will reflect the current plans with the 2010 rates. You will have until January 8, 2010 to notify VACE of any changes with an effective date of January 1, 2010. Any changes received by VACE after January 8, 2010 and before February 5, 2010, will be effective for February 1, 2010. No open enrollment changes will be accepted after February 5, 2010.

If you are making changes to your plan, your January and February 2010 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.

-over-

VACE will be mailing a creditable coverage disclosure notice discussing the VACE / CIGNA Health Plan and its prescription drug coverage as it relates to the Medicare prescription drug coverage (Part D coverage) 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. Please see the enclosed letter with more explanation.

The disclosure notice is available at www.vaceinsurance.com/healthinformation/index.html. As VACE does not know of all circumstances for your employees, we would ask that you obtain a copy of this disclosure notice 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.

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. May we also suggest that you encourage all of your employees on the VACE / CIGNA health plan to use www.MyCIGNA.com and for those on the VACE / Northeast Delta dental plan to use www.NEDelta.com. There is a wealth of useful information on those websites.

Sincerely,

Charles R. Nichols
Manager, VACE Health Plan

Enclosures