



797 BALD HILL ROAD
WARWICK, RI 02886

401-821-1330
FAX 401-823-0970
E-MAIL: jjm@petrarcamcgair.com
www.petrarcamcgair.com

July 21, 2011

Mr. Timothy J. Brown
General Manager/Chief Engineer
Kent County Water Authority
P.O. Box 192
West Warwick, RI 02893

Re: Board Meeting Minutes of May 19, 2011

Dear Mr. Brown:

Enclosed you will find the original Board meeting minutes of May 19, 2011 to be kept in the vault with the other original minutes.

If you have any further questions, please feel free to contact me.

Very truly yours,

Joseph J. McGair

JJM:maf
Enc.

Petrarca and McGair

From: Open Meetings Admin [openMeetings@sos.ri.gov]
Sent: Monday, June 20, 2011 3:55 PM
To: jjm@petrarcamcgair.com; openMeetings@sos.ri.gov
Subject: SOS Open Meetings : Meeting Minutes

June 20, 2011

This is your electronic confirmation for the electronic filing of meeting minutes for the Kent County Water Authority. The meeting minutes filed are in for the meeting held on: May 19, 2011 15:30:00.

This notice was electronically filed on the Secretary of State Open Meetings Website on: June 20, 2011 03:55:22 pm.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903
(401) 222-2357
(401) 222-1404
TTY: 711
openmeetings@sos.ri.gov
sos.ri.gov

Petrarca and McGair

From: Open Meetings Admin [openMeetings@sos.ri.gov]
Sent: Monday, June 20, 2011 3:53 PM
To: jjm@petrarcamcgair.com; openMeetings@sos.ri.gov
Subject: SOS Open Meetings : Meeting Minutes

June 20, 2011

This is your electronic confirmation for the electronic filing of meeting minutes for the Kent County Water Authority. The meeting minutes filed are in for the meeting held on: May 19, 2011 15:30:00.

This notice was electronically filed on the Secretary of State Open Meetings Website on: June 20, 2011 03:53:24 pm.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903
(401) 222-2357
(401) 222-1404
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Petrarca and McGair

From: Open Meetings Admin [openMeetings@sos.ri.gov]
Sent: Monday, June 20, 2011 3:52 PM
To: jjm@petrarcamcgair.com; openMeetings@sos.ri.gov
Subject: SOS Open Meetings : Meeting Minutes

June 20, 2011

This is your electronic confirmation for the electronic filing of meeting minutes for the Kent County Water Authority. The meeting minutes filed are in for the meeting held on: May 19, 2011 15:30:00.

This notice was electronically filed on the Secretary of State Open Meetings Website on: June 20, 2011 03:52:08 pm.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903
(401) 222-2357
(401) 222-1404
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Petrarca and Mcgair

From: Open Meetings Admin [openMeetings@sos.ri.gov]
Sent: Monday, June 20, 2011 3:40 PM
To: jjm@petrarcamcgair.com; openMeetings@sos.ri.gov
Subject: SOS Open Meetings : Meeting Minutes

June 20, 2011

This is your electronic confirmation for the electronic filing of meeting minutes for the Kent County Water Authority. The meeting minutes filed are in for the meeting held on: May 19, 2011 15:30:00.

This notice was electronically filed on the Secretary of State Open Meetings Website on: June 20, 2011 03:39:52 pm.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903
(401) 222-2357
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Petrarca and McGair

From: Open Meetings Admin [openMeetings@sos.ri.gov]
Sent: Monday, June 20, 2011 3:39 PM
To: jjm@petrarcamcgair.com; openMeetings@sos.ri.gov
Subject: SOS Open Meetings : Meeting Minutes

June 20, 2011

This is your electronic confirmation for the electronic filing of meeting minutes for the Kent County Water Authority. The meeting minutes filed are in for the meeting held on: May 19, 2011 15:30:00.

This notice was electronically filed on the Secretary of State Open Meetings Website on: June 20, 2011 03:38:35 pm.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903
(401) 222-2357
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Petrarca and Mcgair

From: Open Meetings Admin [openMeetings@sos.ri.gov]
Sent: Monday, June 20, 2011 3:25 PM
To: jjm@petrarcamcgair.com; openMeetings@sos.ri.gov
Subject: SOS Open Meetings : Meeting Minutes

June 20, 2011

This is your electronic confirmation for the electronic filing of meeting minutes for the Kent County Water Authority. The meeting minutes filed are in for the meeting held on: May 19, 2011 15:30:00.

This notice was electronically filed on the Secretary of State Open Meetings Website on: June 20, 2011 03:25:20 pm.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at
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Petrarca and McGair

From: Open Meetings Admin [openMeetings@sos.ri.gov]
Sent: Monday, June 20, 2011 3:24 PM
To: jjm@petrarcamcgair.com; openMeetings@sos.ri.gov
Subject: SOS Open Meetings : Meeting Minutes

June 20, 2011

This is your electronic confirmation for the electronic filing of meeting minutes for the Kent County Water Authority. The meeting minutes filed are in for the meeting held on: May 19, 2011 15:30:00.

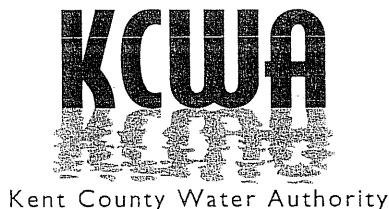
This notice was electronically filed on the Secretary of State Open Meetings Website on: June 20, 2011 03:24:04 pm.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903
(401) 222-2357
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openmeetings@sos.ri.gov
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Agenda



Agenda

BOARD MEETING AGENDA
May 19, 2011 – 3:30 P.M.
OFFICES OF KENT COUNTY WATER AUTHORITY
(Revised May 13, 2011)

Approval - Minutes of Meeting: Board Meeting – April 21, 2011

Guests: 3:30 p.m. High Service Requests:
- The Oaks, Attorney Resnick
4:00 p.m. - Starkweather & Shepley, Medical Renewal

Legal Counsel: Legal Matters

Director of Finance Report: No Reports This Month

Point of Personal Privilege & Communication:

General Manager/Chief Engineer's Report:

Old Business:

New Business: Re: Leaks – MAI-TAI – Licciardi Billings – Discussion Action
Revisit Retroactive 2 Year Probation Payment Action
RFQ Consultant Regarding Reorganization Action
IFR 2009B Construction Services – Fee Update Approval
RIDOT C & M Agreement, Route 3/Sandy Bottom, For Approval
Pension Changes to Contract, Investments and Plan, Approval
Budget Discussion

Capital Projects: CIP-1C Mishnock Well Treatment Plant (Bid Date)
CIP-1B Mishnock Transmission (Design Status, FUNDING)
CIP-2 East Greenwich Well Treatment (Pending Finalization)
CIP-7b Read School House Road Tank (NATGUN Settlement)
CIP-7c, 7d, 8a Read School House Water Main (Pavement Failure)

Infrastructure Projects IFR 2006B & 2007 (Pavement Failure)
IFR 2009A (Construction Status)
IFR 2009B (Construction Status)
Quaker Lane P. S. Design (Reactivated)
IFR 2010 Design (Funding Needed)
Tech Park Storage Tank Painting (Remediation Status)
SCADA Upgrade, Needs

PO Box 192
West Warwick, RI 02893-0192
401-821-9300
www.kentcountywater.org

The offices of the Kent County Water Authority are handicapped accessible. Individuals requesting interpreter services for the hearing impaired must contact the offices of the Kent County Water Authority 72 hours before the meeting at 821-9300. (Telecommunications device for the hearing impaired available).

Agenda Revised and Re-posted May 13, 2011.

1. KCWA Main Entry Office Public Bulletin Board
2. KCWA Side Entry Door Entrance
3. West Warwick Town Hall Public Bulletin Board

Agenda Revised Sent Via U. S. Post Office May 13, 2011 for Posting on Public Bulletin Board

1. City of Warwick
2. Town of Coventry
3. Town of East Greenwich
4. Town of West Warwick
5. Town of West Greenwich

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Petrarca and McGair

From: Open Meetings Admin [openMeetings@sos.ri.gov]
Sent: Friday, May 13, 2011 11:45 AM
To: jjm@petrarcamcgair.com; openMeetings@sos.ri.gov
Subject: SOS Open Meetings : Meeting Notice

May 13, 2011

This is your electronic confirmation for the electronic filing of meeting notice for the Kent County Water Authority. The meeting notice filed is for the meeting on: May 19, 2011 3:30:00 pm.

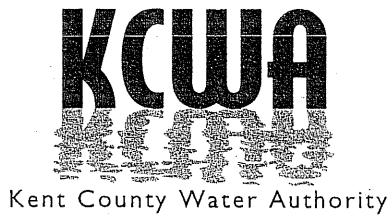
This notice was electronically filed on the Secretary of State Open Meetings Website on: May 13, 2011 11:44:34 am.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903
(401) 222-2357
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openmeetings@sos.ri.gov
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Agenda



Agenda

BOARD MEETING AGENDA
May 19, 2011 – 3:30 P.M.
OFFICES OF KENT COUNTY WATER AUTHORITY

Approval - Minutes of Meeting: Board Meeting – April 21, 2011

Guests: 3:30 p.m. High Service Requests:
- The Oaks, Attorney Resnick
4:00 p.m. - Starkweather & Shepley, Medical Renewal

Legal Counsel: Legal Matters

Director of Finance Report: No Reports This Month

Point of Personal Privilege & Communication:

General Manager/Chief Engineer's Report:

Old Business:

New Business: Revisit Retroactive 2 Year Probation Payment Action
RFQ Consultant Regarding Reorganization Action
IFR 2009B Construction Services – Fee Update Approval
RIDOT C & M Agreement, Route 3/Sandy Bottom, For Approval
Pension Changes to Contract, Investments and Plan, Approval
Budget Discussion

Capital Projects: CIP-1C Mishnock Well Treatment Plant (Bid Date)
CIP-1B Mishnock Transmission (Design Status, FUNDING)
CIP-2 East Greenwich Well Treatment (Pending Finalization)
CIP-7b Read School House Road Tank (NATGUN Settlement)
CIP-7c, 7d, 8a Read School House Water Main (Pavement Failure)

Infrastructure Projects IFR 2006B & 2007 (Pavement Failure)
IFR 2009A (Construction Status)
IFR 2009B (Construction Status)
Quaker Lane P. S. Design (Reactivated)
IFR 2010 Design (Funding Needed)
Tech Park Storage Tank Painting (Remediation Status)
SCADA Upgrade, Needs

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Agenda Posted May 12, 2011.

1. KCWA Main Entry Office Public Bulletin Board
2. KCWA Side Entry Door Entrance
3. West Warwick Town Hall Public Bulletin Board

Agenda Sent Via U. S. Post Office May 12, 2011 for Posting on Public Bulletin Board

1. City of Warwick
2. Town of Coventry
3. Town of East Greenwich
4. Town of West Warwick
5. Town of West Greenwich

PO Box 192
West Warwick, RI 02893-0192
401-821-9300
www.kentcountywater.org

Petrarca and Mcgair

From: Open Meetings Admin [openMeetings@sos.ri.gov]
Sent: Friday, May 13, 2011 11:31 AM
To: jjm@petrarcamcgair.com; openMeetings@sos.ri.gov
Subject: SOS Open Meetings : Meeting Notice

May 13, 2011

This is your electronic confirmation for the electronic filing of meeting notice for the Kent County Water Authority. The meeting notice filed is for the meeting on: May 19, 2011 3:30:00 pm.

This notice was electronically filed on the Secretary of State Open Meetings Website on: May 13, 2011 11:31:05 am.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903
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KENT COUNTY WATER AUTHORITY

BOARD MEETING MINUTES

May 19, 2011

The Board of Directors of the Kent County Water Authority held its monthly meeting in the Joseph D. Richard Board Room at the office of the Authority on May 19, 2011.

Chairman, Robert B. Boyer opened the meeting at 3:37 p.m. Board Members, Mr. Gallucci, Mr. Masterson and Mr. Giorgio were present together with the General Manager, Timothy J. Brown, Technical Service Director, John R. Duchesneau and Legal Counsel, Joseph J. McGair and other interested parties. Legal Counsel led the group in the pledge of allegiance.

The minutes of the Board meeting of April 21, 2011 were moved for approval by Board Member Giorgio and seconded by Board Member Gallucci and were unanimously approved.

Guests:

The Oaks, Robert DeBlois, Developer, Attorney Sanford Resnick

The Chairman stated that there was concern with the project in that there was a dead ended water line. The General Manager stated that obviously funds would be needed for flushing and cleaning because it has been recommended that looping is necessary and that some mechanism would insure funds for flushing etc. and to ultimately construct the line loop. The General Manager stated that he had met with the Developer but did not hear back from the Developer until current plans were shown at this meeting. The General Manager stated that an escrow/indemnity/personal guarantee would be necessary and that the staffs work together with Developer and Legal Counsel.

Starkweather & Sheply, Medical Renewal

Kent County Water Authority Independent Insurance Consultant Gary J. Primavera, AAI and Arm VP and Kimberly A. Muldoon APR, CLT Account Executive gave the presentation. Ms. Muldoon handed out the presentation of the various options for medical/dental employee benefits which is evidenced and attached as "A". She explained that Blue Cross products are labeled Vantage Blue and policies can be executed on a calendar year basis and, of course, Blue Cross details have been redrafted including deductibles.

She stated that the results of their independent due diligence comparisons showed Tufts (20% increase), United (9% increase) and continued issues with the 15 Kent County Water Authority retirees which would result in different plans and the mix would be very problematic and staff time consuming. She stated that it is the Census which drives the rate and under 50 employees census does not help the premium and it is age weighted and the co-pays will obviously be increased.

She stated for example, that one increase is 3.1 and status on prescription will bring to it 4.5. She went on to say that the selection of Blue Cross would allow Kent County Water Authority to keep plan 65 which would increase to approximately 12% for anything else comparable. Ms. Muldoon compared the others and the recommendation was the Blue Cross at the 8.8% increase and Delta Dental at 3.3% increase for equivalent plans and three year multi-year lock-in and based upon all of the comparisons. She stated that the Life Term Insurance will stay the same. There was a thorough discussion by the Board and it was the sense of the Board with the recommendation of Ms. Muldoon that the Blue Cross/Blue Shield Vantage and the plan 100 Blue and Delta Dental with three years lock in be approved.

It was moved by Board Member Gallucci and seconded by Board Member Masterson that the recommendation of Starkweather and Shepley, independent insurance experts to approve the Blue Cross Vantage; plan 100 Blue and Delta Dental (three year lock in) as outlined in and evidenced by "A" attached and it was unanimously,

VOTED: To approve the Blue Cross Vantage; plan 100 Blue and Delta Dental (three year lock in) as outlined in and evidenced by "A" attached.

LEGAL MATTERS

G-Tech

The hearing date was held on April 27, 2009 and the DPUC issued a Division Order on May 20, 2009 which states that the Complaint filed by GTECH Corporation on July 22, 2008 against Kent County Water Authority is hereby denied and dismissed. The deadline for GTECH to file an appeal is June 20, 2009. GTECH filed an appeal on June 19, 2009 in the Providence County Superior Court to the Decision of the Division of Public Utilities and Carriers of May 20, 2009 which ruled in favor of Kent County Water Authority. Kent County Water Authority answered the complaint on June 29, 2009 and Legal Counsel will engage in that portion of this continuing litigation. The parties have filed a consent order with the Court for the schedule of the briefs. GTECH brief was received on October 2, 2009 and Kent County Water Authority brief is due November 16, 2009. Kent County Water Authority filed their brief on November 16, 2009. GTECH did not file a reply brief and it is now up for order by the Court. Legal Counsel filed a Motion to Assign to a Judge and the assignment motion was scheduled for February 25, 2010 and was ordered on even date. The matter has been assigned to Judge Vogel, but no hearing date has been set. Legal Counsel requested that the

Clerk of the Court schedule a hearing to conclude this matter and a conference with Judge Vogel was held on August 24, 2010 who stated that the Court will be rendering a decision and will give the parties notice. On November 18, 2010 Legal Counsel received the Decision from Judge Vogel which found that Kent County Water Authority Rules and Regulations precluding master metering for separately owned parcels of realty was correct and the decision of the Public Utilities Commission affirming the Kent County Water Authority Rules and Regulations was upheld. The deadline for GTECH to appeal this decision was December 20, 2010. GTECH did not file an appeal. The General Manager and Legal Counsel met with GTECH representative on January 24, 2011 and the matter will be resolved in the spring with full compliance to the Rules and Regulations. The staff met on April 20, 2011 and it is moving in the right direction and resolution is on-going and plans came in yesterday.

Harris Mills

The company has gone into receivership. Kent County Water Authority is owed \$3,676.58. Legal Counsel will monitor for proof of claim filing. A permanent receiver was appointed. A proof of claim prepared and forwarded to the General Manager for signature on September 17, 2008 and will be filed in the Kent County Superior Court and sent to the receiver. Proof of Claim was filed and sent to Received on September 19, 2008. The proof of claim deadline was December 1, 2008. Legal counsel will continue to monitor for payment on claim. As of May 12, 2009, there has been no change in status. Petition to sell was filed by Receiver in Kent County Superior Court on June 5, 2009. Offer to property made which will allow for partial payment of claims. Legal Counsel will monitor progress of sale.

There has been no further progress regarding the sale of the Harris Mill complex in the receivership matter. Legal Counsel to contact the Receiver for a status report. New offers to purchase have come in which could allow Kent County Water Authority claim in this matter to be paid out of the receivership proceeds. As of September 14, 2009 the previous offer did not materialize. A new offer is being pursued. Legal Counsel will continue to monitor the progress of the sale. The receivership case is in the Supreme Court. On October 1, 2010 the Court approved the sale of the property and the allowed disbursements including payment of Kent County Water Authority bill. This office will continue to monitor payment. On May 13, 2011 Legal Counsel sent a letter to Counsel for potential buyer inquiring as to the status of the sale.

Hope Mill Village Associates

The company is in receivership. Kent County Water Authority is owed \$1,632.44. Legal Counsel to prepare and file Proof of Claim. Proof of Claim was prepared and was forwarded to the General Manager for signatures. Proof of Claim was filed in Kent County Superior Court and was sent to the receiver on August 28, 2008 and as of this date this case is still pending. Hope Mill filed Chapter 11 Bankruptcy on August 20, 2008. Kent County Water Authority was not listed as a creditor. The proof of claim was prepared and signed by the General Manager on November 14, 2008 and was filed with the Bankruptcy Court on November 18, 2008, The proof of claim filing

deadline was the end of November, 2008. Pursuant to the plan of reorganization filed by Debtor on November 22, 2008, Kent County Water Authority will be paid in full upon confirmation of the plan by the Bankruptcy Court and Legal Counsel will continue to monitor. As of February 17, 2009 the Court has not scheduled a hearing for confirmation of plan. Debtor will be filing an Amended Plan in March 2009. Legal Counsel will continue to monitor. As of July 16, 2009 the Debtor has not filed an Amended Plan.

The Bankruptcy Court hearing was to be held on August 19, 2009 regarding a motion filed by Hope Mill to convert Chapter 11 to Chapter 7. Legal counsel will monitor the hearing and how the disposition of the hearing will affect the claim of Kent County Water Authority. The hearing was held on December 17, 2009. Assets purchased pursuant to Asset Purchase Agreement. Kent County Water Authority charges to be paid pursuant to Asset Purchase Agreement. Legal Counsel will follow up regarding timetable of payment to Kent County Water Authority. Legal Counsel spoke with Attorney DeAngelis on February 17, 2010 for status on payment to Kent County Water Authority.

Legal Counsel spoke with Attorney DeAngelis on May 13, 2010 and Mr. DeAngelis stated that a final closing has yet to be scheduled, but should be scheduled in the near future. There has been no progress on scheduling a closing as of May 13, 2011.

West Greenwich Technology Tank/Rockwood

This matter may be in litigation in that Rockwood Corporation had failed to take any steps and continually denied Kent County Water Authority efforts to take any steps in the painting issues inside of the tank and on February 16, 2009 their surety, Lincoln General Insurance Company, denied the claim as well. The matter was reviewed between the General Manager and Legal Counsel. Rockwood sent a proposal to Legal Counsel on March 31, 2009 and the General Manager weighed the same and a response was sent to Rockwood on April 24, 2009. On May 2, 2009 Rockwood sent another proposal and the General Manager responded to the same on May 8, 2009 requesting a written remedial plan proposal within ten days. On May 8, 2009 Rockwood responded by asking the General Manager to reconsider his position. On May 12, 2009 the General Manager sent correspondence to Rockwood stating the Authority will await Rockwood comments to KCWA letter of May 8, 2009. On May 13, 2009 Rockwood provided an additional response to the KCWA letter of May 8, 2009 with questions. On May 13, 2009 the General Manager sent correspondence agreeing to provide Rockwood with more time to complete a plan of remediation for an additional 10 days. On May 14, 2009, Rockwood sent a response and the General Manager, Merithew and Rockwood to have an informal meeting to work out details. The meeting took place and the Authority is monitoring the efforts of Rockwood to remedy the situation. The tank was recently dry inspected and the vendor remediated the same. Kent County Water Authority is awaiting final inspection of the tank with respect to the remediation. Rockwood has performed work at the site and it is necessary to have a

final inspection after the tank has been filled. The tank has been filled and inspection is moving forward. This has been concluded. However, inspection followed which disclosed that there were more paint issues. On July 22, 2010, Legal Counsel notified the Bonding Company regarding action to correct. This will be further discussed by the General Manager in IFR projects. This matter is being discussed which may include litigation and KCWA is awaiting final restoration plans from the vendor. On March 16, 2011 and March 17, 2011, the General Manager received email communications from Rockwood requesting KCWA response to Rockwood performing its February 18th proposal on March 21, 2011. Further, the email stated that Mr. Northrop is no longer with Lincoln and provided an alternate contact for forwarding of the claim of KCWA.

On March 29, 2011 Legal Counsel sent correspondence to Mr. Northrop's successor, Paul Poppish pursuant to Mr. Law of Rockwood. After receiving no reply, Legal Counsel sent a follow up letter to Mr. Poppish on April 13, 2011. On May 16, 2011, Legal Counsel called Lincoln General and Mr. Poppish is no longer with the company and was directed to Mr. Bob Griffith and Legal Counsel spoke with him and was asked to send the correspondence to him which was accomplished on even date. Legal Counsel will await the Griffith response.

Comptroller of the Currency

On October 16, 2008, Kent County Water Authority resolved to change the Trustee from US Bank to Bank of NY Mellon regarding 2001/2002/2004 bond issue trust administration to be effective January 23, 2009. That on October 17, 2008, Kent County Water Authority timely notified US Bank concerning the transfer of trusteeship. On approximately January 20, 2009, the US Bank announced that it would require \$6,650.00 as transfer fees to accomplish ownership to the Bank of NY Mellon. Additionally, the US Bank kept \$1,667.67 of fees that were previously unused. That in order for the closing and transfer to take place, Kent County Water Authority on January 22, 2009 paid the sum of \$6,650.00 under protest and stated its displeasure with the US Bank and thereby stating that it would not jeopardize its bondholders and therefore paid the same and also sent a copy to the Controller of the Currency. On March 4, 2009 the Controller of the Currency stated that the US Bank would be replying directly to Kent County Water Authority. On March 11, 2009 Kent County Water Authority received a response from US Bank which was totally unsatisfactory. On March 31, 2009, Kent County Water Authority notified the Controller of the Currency concerning the unsatisfactory response of US Bank dated March 11, 2009 and reiterated its position. On June 30, 2009 US Bank sent a check in the amount of \$1,666.67 and it was received by Legal Counsel on July 6, 2009, saying that the same was a bookkeeping error as exhibited on the check. That on July 7, 2009 Kent County Water Authority sent a letter to US Bank with a copy to the Controller of the Currency that the amount for advance services paid was acknowledged and that Kent County Water Authority has not acknowledged its exception to extracting at the 11th hour ransom of \$6,650.00 on January 12, 2009 and it will continued pursuit of its claim with the Controller of the Currency. A follow up letter was sent to the Controller of the Currency on August 21, 2009 and will await a response. A follow up letter was sent on

December 17, 2009. The General Manager received a response from the Comptroller of the Currency on January 8, 2010 and on January 11, 2010, Legal Counsel received a response letter from the Comptroller of the Currency which deemed that the complaint is still active. Legal Counsel has been monitoring the status via the website provided by the Comptroller and there is no updated status as of May 20, 2010 and Legal Counsel sent follow up letters on May 20, 2010, September 15, 2010, October 8, 2010 and November 17, 2010. In response to follow-up letters, status of claim via website has been changed to "Review in Process". Legal Counsel sent another follow up letter on February 16, 2011. Still awaiting reply which for this agency is glacial.

Spectrum Properties, The Oaks, Coventry, Rhode Island

Legal Counsel for the developer forwarded on July 13, 2009 to Kent County Water Authority Legal Counsel for comment on the proposed form of easement deeds with respect to the residential subdivision. On July 29, 2009, Legal Counsel for Kent County Water Authority sent a response to Attorney William Landry setting forth comments to the proposed form of deeds. Legal Counsel received revised deeds from Attorney Landry on September 10, 2009 and they have been forwarded to the General Manager for review and have been approved by the General Manager. On September 24, 2009, Legal Counsel forwarded to Attorney Landry correspondence stating that the form of easement deed has been approved by Kent County Water Authority and for Attorney Landry to forward the original executed deeds to Kent County Water Authority for execution of acceptance. Legal Counsel has not received the deeds to date therefore Legal Counsel forwarded status inquiry correspondence to Attorney Landry on November 18, 2009. Attorney Landry replied to Legal Counsel on November 23, 2009 stating that the developer is in the midst of scheduling a final approval hearing with the Town and Attorney Landry will provide Legal Counsel for KCWA with the anticipated timetable for final approval and recording of the deeds upon Mr. Landry's receipt of this information.

Legal Counsel pursuing Attorney Landry for status of his receipt of timetable for municipal approvals. Legal Counsel telephoned Attorney Landry and left a voicemail message as to status and subsequently forwarded correspondence to Attorney Landry on March 11, 2010. On May 11, 2010, Legal Counsel forwarded subsequent correspondence to Attorney Landry inquiring as to the status of the matter. The Developer contacted Legal Counsel directly and informed her that final approvals have not been received. Sanford J. Resnick, Esq. forwarded correspondence on September 17, 2010 to the Chairman informing of his representation of the developer and a request to appear before the Board to discuss inspection fees. Mr. Resnick appeared at the May 19, 2011 Board Meeting. See infra.

257A Mishnock Road, West Greenwich, RI

Legal Counsel was contracted by Thomas Goldberg, Esq., Attorney for Wendy Lasalle, current owner of property formerly owned by her late father, Robert Broadhurst.

The subject property was occupied by Mr. Broadhurst for over 40 years and is landlocked. Ms. Lasalle is now desirous of selling the real estate and Anthony Q. Cofone, Esq., represents the prospective buyer and is requesting an ingress/egress easement from Kent County Water Authority over its Mishnock land. There is an existing, unimproved roadway formerly utilized by Mr. Broadhurst for access to the property. Attorney Cofone provided Legal Counsel with some recorded maps showing access to the site and Legal Counsel met with Mr. Cofone on June 16, 2010 to review title as Mr. Cofone claims pre-existing rights of way/access. Legal Counsel requested Mr. Cofone memorialize in writing the claim for pre-existing access rights for presentment to the Board. On July 19, 2010, Legal Counsel received correspondence from Attorney Coffone setting forth the title issue and request for easement. On July 29, 2010, Kent County Water Authority informed Attorney Coffone via writing that the prescriptive easement rights set forth in his July 16, 2010 correspondence obviates the need for Kent County Water Authority to provide easement rights to the owner with respect to the wellhead protection land of Kent County Water Authority.

As of May 10, 2011 no response has been received from Attorney Coffone.

DPUC: Mai Tai Investments Docket No.: D10-111

Mai Tai Investments of Coventry filed a complaint against Kent County Water Authority because of a billing dispute. The matter is new and Kent County Water Authority has responded with a data request and a hearing will be held thereafter. On September 23, 2010, Mr. Iacono requested an extension of 30 days to respond or object to KCWA data requests in order to seek counsel. This matter is on hold until Mr. Iacono retains counsel. On November 29, 2010 Legal Counsel for KCWA filed a Motion to Dismiss regarding no response. On December 7, 2010 Legal Counsel received an Objection to the Motion to Dismiss and Request for Additional Extension of Time to Respond to Data Requests which was filed by Mr. Iacono. On December 14, 2010 Legal Counsel filed an Objection and Motion to Strike in response to Mr. Iacono's Objection and Motion to Dismiss. Legal Counsel received an entry of appearance from Pavilonis, Esq. on which may be determinative of the motions.

Mai Tai Investments forwarded to Legal Counsel response to the first set of data requests. On January 18, 2011 Legal Counsel sent out a Motion to Compel More Responsive Answers and a Motion to Dismiss regarding inadequate responses. This matter was scheduled before the DPUC on February 9, 2011 and discovery was ordered by the Hearing Officer to be completed by February 15, 2011 and a hearing was held on March 9, 2011 and briefs will be filed with a decision to be expected at the end of May or early June of 2011. On April 12, 2011 Legal Counsel received the Complainant's brief and Kent County Water Authority brief was filed on April 26, 2011. The Complainant's response to Kent County Water Brief was due on May 6, 2011 in that they did not ask the Hearing Officer for any additional time and the Decision is being written by the Hearing Officer.

Natgun

Counsel for Natgun corporation was to present another proposal for Kent County Water Authority to review and none has been received by Legal Counsel to date albeit the attorney for Natgun had asked Legal Counsel for time to provide a document in lieu of a release. The matter stands as Kent County Water Authority is aware that Natgun is litigating with Parkside which refuses to provide a release. Kent County Water Authority is protected due to the hold back on the contract.

Director of Finance Report:

No reports this month due to the illness of the Director.

Point of Personal Privilege and Communications:

The Chairman stated that the Kent County Consumer Confidence Water Quality was excellent and very well done and informational.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT

Old Business

New Business:

Re: Leaks – MAI-TAI – Licciardi Billings – Discussion Action

Licciardi

The Chairman stated that he contacted the DPUC regarding the informal decision against Licciardi in the amount of \$912.85 and after speaking with the DPUC stated that a case by case is the proper way to approach it for settlement. The General Manager stated that the Licciardi Complaint was filed with the DPUC to dispute the water bill and an informal hearing was held by Diana Moniz, DPUC Chief Consumer Agent/ Hearing Officer and a decision was rendered on February 9, 2011 stating that the bill was correct and that Licciardis were to pay \$112.98 per month beginning February 23, 2011 until the amount was exhausted and that Licciardis did not appeal the same within ten days. Legal Counsel's opined that the matter became final thereafter. It was the sense of the Board that Legal Counsel should contact the Chief Consumer Agent/Hearing Officer, Diana Moniz to determine if there are any further remedies available to Licciardi as the Board has deep sympathy with all of its customers, some of whom are fixed incomes and are having trouble getting by. Legal Counsel will report back to the Board at the next Board Meeting.

Mai Tai

The Chairman stated that he has reviewed the same with the DPUC and that Legal Counsel should attempt to discuss this matter with an eye towards a compromise and report back to the Board concerning the same at the next Board meeting.

Board Member Giorgio left the meeting at 4:55 p.m.

Revisit Retroactive 2 Year Probation Payment Action

The Chairman stated that this has been an ongoing matter and the Laborer/Customer Service Chart 1.5/1.75 was presented and attached as “G” to the April 21, 2011 action by the Board to approve the minor amendment to the Laborer/Customer Service Chart as presented and evidenced as “G”.

The Chairman stated that the matter first came to his attention in the fall of 2010 and that it was first placed on the Agenda for November 18, 2010 meeting under the heading, Staff Adjustment (Proposed Organization Chart) and that the matter was further studied and that action was taken at the April 21, 2011 meeting and that it was the recommendation of the Chairman and the sense of the Board that the action taken on April 21, 2011 would relate back to November 18, 2010 and it was moved by Board Member Masterson who was on the prevailing side at the April 21, 2001 action and seconded by Board Member Gallucci who, also, was on the prevailing side, that the action taken on April 21, 2011 be reconsidered and it was unanimously voted by the remaining Board Members (Chairman, Giorgio, Gallucci, Masterson)

VOTED: The action taken on April 21, 2011 be reconsidered.

A thorough discussion ensued and as both Board Members (Masterson and Gallucci) had been on the prevailing side of the April 21, 2011 meeting, it was moved by Board Member Masterson and seconded by Board Member Gallucci to amend the action as passed on April 21, 2011 the Laborer/Customer Service Chart 1.5/1.75 as presented and evidenced by “G” (April 21, 2011) in that the said action shall relate back and be effective as of November 18, 2010 and it was unanimously voted by the remaining Board Members (Chairman, Giorgio, Gallucci, Masterson)

VOTED: The amendment to the Laborer/Customer Service Chart 1.5/1.75 as presented and evidenced by “G” (April 21, 2011) shall relate back and be effective as of November 18, 2010.

It was then moved by the Board Member Masterson and seconded by Board Member Gallucci to approve the main motion as amended to the Laborer/Customer Service Chart 1.5/1.75 as presented and evidenced by "G" (April 21, 2011) and that the said action shall relate back and be effective as of November 18, 2010 and it was unanimously voted by the remaining Board Members,

VOTED: To approve the main motion as amended to the Laborer/Customer Service Chart 1.5/1.75 as presented and evidenced by "G" (April 21, 2011) and that the said action shall relate back and be effective as of November 18, 2010

RFQ Consultant Regarding Reorganization Action

The Chairman said the Value ADD Management Services management study was done in 1997 and he provided a copy and was received by the Board but he felt that review would be helpful. The Chairman stated that he has met with State Officials regarding future water and he concluded the work load on the General Manager will increase with more responsibility. He stated that the Board should consider an employee to be trained to succeed the General Manager when and if he retires. This matter is to be placed on the Agenda for the June meeting for further discussion.

IFR 2009B Construction Services – Fee Update Approval

The General Manager recommended the approval of Task Order No. 6 which will be attached to the agreement between Kent County Water Authority and James J. Geremia & Associates, Inc. dated Jul 1, 2008 for 2009A/2009B infrastructure improvement project as evidenced and attached as "B". The General Manager stated that this reflects the rate increase through the completion of the project as allowed in the basic agreement. The rates are as follows:

Principal	\$127.00
Project Manager	\$101.00
Engineer	\$ 75.00
CADD Technician	\$ 55.00
Clerical	\$ 60.00
Resident Inspector	\$ 55.00

Mileage during construction \$0.50/mile

It was moved by Board Member Masterson and seconded by Board Member Gallucci to approve Task Order No. 6 and to have the Chairman execute Task Order No. 6 on behalf of Kent County Water Authority as evidenced and attached as "B" and it was unanimously voted by the remaining Board Members (Chairman, Giorgio, Gallucci, Masterson)

VOTED: To approve Task Order No. 6 and to authorize the Chairman to execute Task Order No. 6 on behalf of Kent County Water Authority as evidenced and attached as “B”.

RIDOT C & M Agreement, Route 3/Sandy Bottom, For Approval

It was moved by Board Member Masterson and seconded by Board Member Gallucci to authorize the General Manager to execute the RIDOT C & M Agreement on behalf of Kent County Water Authority and it was unanimously voted by the remaining Board Members (Chairman, Giorgio, Gallucci, Masterson)

VOTED: To authorize the General Manager to execute the RIDOT C & M Agreement on behalf of the Kent County Water Authority.

Pension Changes to Contract, Investments and Plan, Approval

The General Manager stated that the investment plan has been in place since 2003 and that the recommendations of Summit Financial have been sound and that the modifications recommended by Summit at the April, 2011 meeting and that further, Nationwide is now offering reduced fees because of new laws passed in the wake of the bail outs and asset allocation and it was recommended by Summit Financial to approve the new plan as evidenced and attached as “C” and it was moved by Board Member Gallucci and seconded by Board Member Masterson to approve the new plan as evidenced and attached as “C” and it was unanimously voted by the remaining Board Members (Chairman, Giorgio, Gallucci, Masterson)

VOTED: To approve the new plan as evidenced and attached as “C”.

Budget Discussion

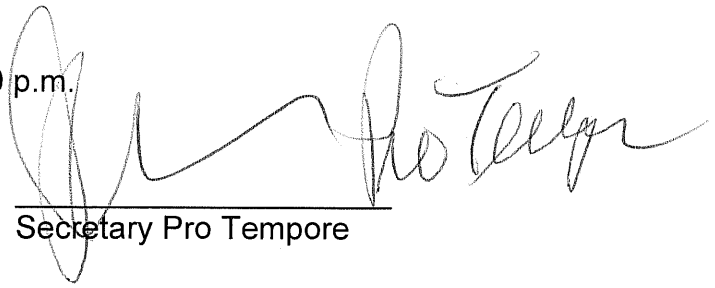
The General Manager stated that due to personal illness of the Director that the Budget will be similar to the previous fiscal year. The PUC said increases were implemented for the operating reserve account and conversely the operating reserve has reduced lost revenue. The General Manager stated that he may have to ask the PUC for a request in this area. He also stated that the step in increases are automatic via Board policy which the General Manager again explained. A thorough discussion ensued.

CAPITAL PROJECTS:
INFRASTRUCTURE PROJECTS

All Capital Projects and Infrastructure Projects were addressed by the General Manager and described to the Board by the General Manager with general discussion following and are evidenced and attached as “D”.

Board Member Masterson made a Motion to adjourn, seconded by Board Member Gallucci and it was unanimously voted,

VOTED: To adjourn the meeting at 6:00 p.m.



Secretary Pro Tempore

Employee Benefits

Insurance Renewal

For

Kent County Water Authority

July 1, 2011

Presented by:

Kimberly A. Muldoon, APR, CLTC
Account Executive, Employee Benefits

Starkweather & Shepley Insurance Brokerage, Inc.

May 19, 2011

DISCLAIMER: This proposal or summary is provided for illustration purposes only; it is not a legal contract and is based on information provided by the client/prospect. It is provided to facilitate your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations, and exclusions that will govern in the event of a loss.



A. M. BEST FINANCIAL RATINGS

<u>COMPANY</u>	<u>RATING</u>	<u>FINANCIAL SIZE CATEGORY</u>
BLUE CROSS BLUE SHIELD OF RI	NOT FORMALLY FOLLOWED	(NR-5)
TUFTS HEALTH PLAN	NOT FORMALLY FOLLOWED	(NR-5)
UNITED HEALTHCARE	A	
BLUE CROSS DENTAL	NOT FORMALLY FOLLOWED	(NR-5)
DELTA DENTAL OF RI	NOT FORMALLY FOLLOWED	(NR-5)
UNITED HEALTHCARE DENTAL	A	
MUTUAL OF OMAHA	A+	

The financial strength and security of the insurance companies that underwrite your business is of paramount importance. With this in mind, you will note that we have provided the A.M. Best's rating of the insurance company in your insurance proposal. For more information on this important topic, we suggest that you visit their website at www.ambest.com.



Starkweather & Shepley Insurance Brokerage, Inc.
Telephone (401) 435-3600 Toll Free (800) 854-4625

The following are your direct contacts with our agency:

Kimberly Muldoon - APR, CLTC - Account Executive **Ext. 1251**

Provides complete and full service as your personal agent for any of your insurance needs.

Email: kmuldoon@starshep.com Direct Fax: (401) 431-9667

Lynn Barbosa - Account Manager **Ext. 1382**

An assistant to Kim, Lynn will provide any of your insurance needs.

Email: lbarbosa@starshep.com Direct Fax: (401) 431-9675

Donna Mercurio - Account Manager **Ext. 1248**

In the absence of Kim or Lynn, Donna is available to service any of your insurance needs.

Email: dmercurio@starshep.com Direct Fax: (401) 431-9669



Rhode Island Small Employer Health Insurance Renewal Explanation Form

Insurer Name: **Blue Cross and Blue Shield of Rhode Island** Group Name: **KENT COUNTY WATER AUTHORITY**
 Renewal Date: **07/01/2011 to 06/30/2012** Group Number: **269**

Factors that Changed Your Rate:

Note: In accordance with RI law, the rate change for your small employer plan can only be based on the following factors:

	V10080	
A. Change in Community Base Rate:	4.1%	
B. Change in Age, Gender	-0.9%	
C. Elimination of Health Status Factor	0.0%	
D. Impact of 4:1 Rate Cap	0.0%	
E. Change in Riders	0.0%	
F. Total Change in Premium per Subscriber	3.1%	
Overall Change in Total Premium		3.1%

Broker/Agent: Starkweather & Shepley Inc

Note: Broker payments are included in premiums for all small employers. Broker payments average 2.7% of total small employer premiums. ⁶

Explanations:

- A. This change covers the insurer's cost for all small employers. It is based on components approved annually by the Health Insurance Commissioner, is included in all small employer rates for this period, and is not specific to your group.
- B. This change is a result of any changes in the age or gender of enrolled employees within your specific group.
- C. In accordance with RI law, effective January 1, 2009, insurers may no longer adjust small employer rates based on health status of the employer. The change reflected in this line results from the elimination of health status as a rating factor to bring your group to the community rate.
- D. By law, no rate for any small employer in a set time period can be more than four times the lowest rate for any other small employer, for the same plan of benefits. The resulting change (if any) is listed here.
- E. Riders are benefits that are purchased separately, such as acupuncture, vision or dental.
- F. The total change in premium per subscriber is the combined effect of any changes in A through E above. The final cost increase to your group will be based on the above change in premium, and your enrollment by family type as shown below.
- G. Insurance brokers/agents assist and advise small employers in the selection of health insurance policies and provide account servicing. Brokers/agents are not employees of any particular health insurance carrier, but may receive commissions from health insurance carriers. In accordance with RI law, these payments are charged evenly across all small employers, and are included in the base rate. The decision to utilize the services of a broker/agent will not affect the amount of your premium.

Family Composition Factors Used to Develop Total Premiums

Changes in Family Composition may affect your overall premium. The pricing relationships used in developing your renewal rates are as follows:

Pricing Relationship	Individual	Individual/Spouse	Individual/Child(ren)	Family
	1.0	2.4	1.6	2.7

Enrollment Used to Develop Total Premiums

Changes in Family Composition may affect your overall premium. Here is the enrollment used to develop your health plan renewal rates:

Pricing Relationship	Individual	Individual/Spouse	Individual/Child(ren)	Family
V10080	2	8	4	18

Questions? Call the broker listed above, or Celina A. Krupski at Blue Cross and Blue Shield of Rhode Island at 1-800-637-3718.



This form was designed on behalf of small employers by the Office of the Health Insurance Commissioner (OHIC) pursuant to RI Gen Law 27-50-12.1. For more information, please contact OHIC at (401) 462-9517; or visit www.ohic.ri.gov/renewalexplanationform.php

FINANCIAL

Kent County Water Authority
Financial Analysis
Rates Effective July 01, 2011 - June 30, 2012

			Single 4	Emp. & Sp. 5	Emp. & Ch. 4	Family 19	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)
CARRIER:			Contracts	Contracts	Contracts	Contracts			
Blue Cross Blue Shield									
Company Sponsored	HMC2C 15/25 (R1) \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$30, \$50, \$75 Rx. 100% Hospital	Current Rates Current Enrollment	\$549.11 4	\$1,317.87 5	\$878.58 4	\$1,482.60 19	\$485,634	N/A	N/A
Company Sponsored Plan	VantageBlue 100/80 \$250 Ded New Rx \$15 / \$25 Office Visit, \$100 Emergency Room, \$10, \$35, \$60, \$100 Rx., \$250 / \$500 Deductible. Hybrid Deductible applies to: 100% In Patient / Out Patient Hospital, Diagnostic Lab & X-rays, 80% Physical / Speech / Occupational Therapy & DME.	Renewal Rates Current Enrollment	\$566.11 4	\$1,358.65 5	\$905.76 4	\$1,528.48 19	\$500,662	3.1%	\$15,028

Kent County Water Authority
Financial Analysis
Rates Effective July 01, 2011 - June 30, 2012

		Single 4	Emp. & Sp. 5	Emp. & Ch. 4	Family 19	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)
CARRIER:		Contracts	Contracts	Contracts	Contracts			
	Blue Cross Blue Shield							
Option Number	VantageBlue 100/80 \$500 Ded New Rx \$15 / \$25 Office Visit, \$100 Emergency Room, \$10, \$35, \$60, \$100 Rx., \$500 / \$1,000 Deductible. Hybrid Deductible applies to: 100% In Patient / Out Patient Hospital, Diagnostic Lab & X-rays, 80% Physical / Speech / Occupational Therapy & DME.	\$532.02	\$1,276.85	\$851.23	\$1,436.46	\$470,520	-3.1%	(\$15,114)
2	VantageBlue 100/80 \$1,000 Ded New Rx \$15 / \$30 Office Visit, \$100 Emergency Room, \$10, \$35, \$60, \$100 Rx. \$1,000 / \$2,000 Deductible. Hybrid. Deductible applies to: 100% In Patient / Out Patient Hospital, Diagnostic Lab & X-rays, 80% Physical / Speech / Occupational Therapy & DME.	\$483.85	\$1,161.24	\$774.15	\$1,306.39	\$427,915	-11.9%	(\$57,719)
3	\$2,000 / \$4,000 Ded Preventative Care Service (annual exams, well child visits, immunizations, PAP smears, screening mammograms and PSA tests) covered at 100% \$2,000 / \$4,000 Family Deductible, For all other services excluding prescriptions, Rx \$10, \$35, \$60, \$100. Coverage for all services is 100% after Deductible is met.	\$413.66	\$992.78	\$661.85	\$1,116.87	\$365,838	-24.7%	(\$119,796)
4	BlueSolutions for HSA 100/60 (\$1,500/\$3,000) Preventative Care Service (annual exams, well child visits, immunizations, PAP smears, screening mammograms and PSA tests) covered at 100% \$1,500 / \$3,000 Family Deductible, For all other services including prescriptions, \$10/\$35/\$60/\$100 Rx Coverage for all services is 100% after Deductible is met.	\$446.92	\$1,072.60	\$715.07	\$1,206.68	\$395,255	-18.6%	(\$90,380)

Kent County Water Authority
Financial Analysis
Rates Effective July 01, 2011 - June 30, 2012

		Single 4	Emp. & Sp. 5	Emp. & Ch. 4	Family 19	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)
CARRIER:		Contracts	Contracts	Contracts	Contracts			
	United Healthcare							
Option Number								
5	U8T (H9) \$10 Office Visit, \$100 Emergency Room, \$10, \$30, \$50 Rx No Deductible, 100% Coverage	\$586.96	\$1,261.96	\$1,203.27	\$1,614.12	\$529,668	9.1%	\$44,034
6	U8V (H9) \$20 / \$30 Office Visit, \$125 Emergency Room, \$10, \$30, \$50 Rx No Deductible, 100% Coverage	\$545.64	\$1,173.13	\$1,118.57	\$1,500.50	\$492,384	1.4%	\$6,750
7	U8U (H9) \$15 Office Visit, \$100 Emergency Room, \$10, \$30, \$50 Rx \$300 / \$600 Ded, 100% Coverage Deductible applies to: Inpatient / Outpatient Hospital Services, MRIs, MRAs, Pet Scans, Cat Scans, Nuclear Testing and DME	\$543.27	\$1,168.03	\$1,113.71	\$1,493.98	\$490,244	0.9%	\$4,610
8	U8W (H9) \$20 Office Visit, \$100 Emergency Room, \$10, \$30, \$50 Rx \$500 / \$1,000 Ded, 100% Coverage Deductible applies to: Inpatient / Outpatient Hospital Services, MRIs, MRAs, Pet Scans, Cat Scans, Nuclear Testing and DME	\$516.81	\$1,111.14	\$1,059.46	\$1,421.21	\$466,365	-4.0%	(\$19,269)
9	1RB (H9) \$10, \$30, \$50 Rx \$2,000 / \$4,000 Ded, 100% Coverage Deductible applies to all services except preventive care	\$393.32	\$845.64	\$806.31	\$1,081.63	\$354,932	-26.9%	(\$130,702)
10	HSA - U1G (H9) No Co-payment for annual preventive exam & related tests \$1,500 / \$3,000 Deductible for all other services including prescriptions 100% Coverage \$10, \$30, \$50 Rx after the deductible	\$396.04	\$851.49	\$811.88	\$1,089.10	\$357,384	-26.4%	(\$128,250)

Kent County Water Authority
Financial Analysis
Rates Effective July 01, 2011 - June 30, 2012

		Single 4	Emp. & Sp. 5	Emp. & Ch. 4	Family 19	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)
CARRIER:		Contracts	Contracts	Contracts	Contracts			
	Tufts							
Option Number								
11	PPO Choice 15/25 \$15/\$25 Office Visit, \$100 Emergency Room, \$10, \$25, \$45 Rx. 100% Hospital.	\$644.66	\$1,547.18	\$1,031.46	\$1,740.58	\$570,137	17.4%	\$84,503
12	Advantage PPO 250 (100/80) \$15 / \$25 Office Visit, \$100 Emergency Room, \$10, \$30, \$45 Rx. \$250 / \$500 Deductible, 100% Deductible applies to: In Patient / Out Patient, Spinal Manipulation, Diagnostic X-rays and lab tests, Physical Speech / Occupational Therapy & Ambulance.	\$610.33	\$1,464.79	\$976.53	\$1,647.89	\$539,776	11.1%	\$54,141
13	Advantage PPO 500 (100/80) \$20/\$30 Office Visit, \$100 Emergency Room, \$10, \$30, \$45 Rx. \$500 / \$1,000 Deductible, 100% Deductible applies to: In Patient / Out Patient, Spinal Manipulation, Diagnostic X-rays and lab tests, Physical Speech / Occupational Therapy & Ambulance.	\$575.45	\$1,381.08	\$920.72	\$1,553.72	\$508,929	4.8%	\$23,295
14	Advantage PPO 1000 (80/60) \$15/\$25 Office Visit, \$100 Emergency Room, \$10, \$30, \$45 Rx. \$1,000 / \$2,000 Deductible, 80% Deductible applies to: In Patient / Out Patient, Spinal Manipulation, Diagnostic X-rays and lab tests, Physical Speech / Occupational Therapy & Ambulance.	\$491.16	\$1,178.78	\$785.86	\$1,326.13	\$434,381	-10.6%	(\$51,253)
15	Advantage PPO Saver (1500/3000) HSA \$1,500 / \$3,000 Deductible, 100%, Deductible Applies to: All services except routine annual preventative services. \$10, \$30, \$45 Rx. Co-payment after deductible.	\$460.85	\$1,106.04	\$737.36	\$1,244.30	\$407,577	-16.1%	(\$78,057)

Medicare Summary of Rates

Effective: July 1, 2011- June 30, 2012

CURRENT PLAN:

Carrier: Blue Cross Blue Shield RI

Plan 65 Rates with Prescription Drug Rider \$7 / \$30 / \$50 = **\$465.15**

RENEWAL PLAN:

Carrier: Blue Cross Blue Shield RI

Plan 65 Rates with Prescription Drug Rider \$7 / \$30 / \$50 = **\$552.03**

- Plan Options -

OPTION #1:

Carrier: Blue Cross Blue Shield RI

Plan 65 Rates with Prescription Drug Rider 20% = **\$519.39**

OPTION #2:

Carrier: Blue Cross Blue Shield RI

Plan 65 Rates with Prescription Drug Rider \$5 / \$15 / \$30 / \$30 = **\$643.27**

COMPARISON

Health Plan Comparison	Blue Cross Blue Shield		Blue Cross Blue Shield
	HMC2C 15/25 (R1)		VantageBlue 100/80 \$250 Ded New Rx
	Company Plan		Company Renewal Plan
	Current	Renewal	
Estimated Annual Premium	\$485,634	N/A	\$500,662
% Renewal Increase (Decrease)	N/A	N/A	3.1%
\$ Renewal Increase (Decrease)	N/A	N/A	\$15,028
Calendar Year Deductible	None		\$250 / \$500
Out of Pocket Maximum	None		\$750 / \$1,500
Primary Care Provider Necessary	No		No
In Network Services			
HOSPITAL SERVICES:			
Inpatient Semi-private room, related services & supplies	\$0		\$0 After Deductible
Outpatient Procedures & Surgery	\$0		\$0 After Deductible
Emergency Room Services	\$100 Co-payment		\$100 Co-payment
URGENT CARE CENTERS:			
Walk-In Treatment Centers	\$50 Co-payment		\$50 Co-payment
OFFICE VISITS:			
Well Visits	\$0		\$0
Primary Care Physician	\$15 Co-payment		\$15 Co-payment
Specialty Physician	\$25 Co-payment		\$30 Co-payment
Chiropractic / Spinal Manipulation	\$25 Co-payment		\$30 Co-payment
Routine Eye Exam	\$25 Co-payment		\$30 Co-payment
Physical / Speech / Occupational Therapy	20% Co-payment		20% After Deductible
Outpatient Behavioral health / Chemical dependency	\$25 Co-payment		\$30 Co-payment
INDEPENDENT LAB, X-RAY, CLINICS			
Lab and X-Ray Services (Preventative)	\$0		\$0
Lab and X-Ray Services (Diagnostic)	\$0		\$0 After Deductible
Machine Tests (MRI, MRAS, Pet Scans, CT Scans & Nuclear)	\$0		\$0 After Deductible
PHARMACY SERVICES:			
Prescription Drugs (30 Day Supply) Tier 1	\$7		\$10
Prescription Drugs (30 Day Supply) Tier 2	\$30		\$35
Prescription Drugs (30 Day Supply) Tier 3	\$50		\$60
Prescription Drugs (30 Day Supply) Tier 4	\$75		\$100
Mail Order (90 Day Supply)	\$17.50 / \$75 / \$125 / \$125		\$25 / \$87.50 / \$150 / \$150
OTHER SERVICES:			
Durable Medical Equipment	20% Co-payment		20% After Deductible
Ambulance (Land)	\$50 Co-payment		\$50 Co-payment
OUT OF NETWORK SERVICES:			
Annual Deductible	\$200 / \$600		\$1,000 / \$2,000
Copayment After Deductible	\$15 / \$25 Co-payment Plus 20%		\$15 / \$30 Co-payment Plus 20%
Out of Pocket Limit	\$3,000 / \$9,000		\$3,000 / \$6,000
Maximum Benefit	Unlimited		Unlimited

Health Plan Comparison	Blue Cross Blue Shield HMC2C 15/25 (R1) Company Plan		Blue Cross Blue Shield VantageBlue 100/80 \$500 Ded New Rx Option 1	Blue Cross Blue Shield VantageBlue 100/80 \$1,000 Ded New Rx Option 2	Blue Cross Blue Shield \$2,000 / \$4,000 Ded Option 3
	Current \$485,634 N/A N/A	Renewal N/A N/A N/A			
Estimated Annual Premium			\$470,520	\$427,915	\$365,838
% Renewal Increase (Decrease)			-3.1%	-11.9%	-24.7%
\$ Renewal Increase (Decrease)			(\$15,114)	(\$57,719)	(\$119,796)
Calendar Year Deductible	None		\$500 / \$1,000	\$1,000 / \$2,000	\$2,000 / \$4,000
Out of Pocket Maximum	None		\$1,500 / \$3,000	\$3,000 / \$6,000	\$2,000 / \$4,000
Primary Care Provider Necessary	No		No	No	No
In Network Services					
HOSPITAL SERVICES:					
Inpatient Semi-private room, related services & supplies	\$0		\$0 After Deductible	\$0 After Deductible	\$0 After Deductible
Outpatient Procedures & Surgery	\$0		\$0 After Deductible	\$0 After Deductible	\$0 After Deductible
Emergency Room Services	\$100 Co-payment		\$100 Co-payment	\$100 Co-payment	\$0 After Deductible
URGENT CARE CENTERS:					
Walk-In Treatment Centers	\$50 Co-payment		\$50 Co-payment	\$50 Co-payment	\$0 After Deductible
OFFICE VISITS:					
Well Visits	\$0		\$0	\$0	\$0
Primary Care Physician	\$15 Co-payment		\$15 Co-payment	\$15 Co-payment	\$0 After Deductible
Specialty Physician	\$25 Co-payment		\$30 Co-payment	\$30 Co-payment	\$0 After Deductible
Chiropractic / Spinal Manipulation	\$25 Co-payment		\$30 Co-payment	\$30 Co-payment	\$0 After Deductible
Routine Eye Exam	\$25 Co-payment		\$30 Co-payment	\$30 Co-payment	\$0 After Deductible
Physical / Speech / Occupational Therapy	20% Co-payment		20% After Deductible	20% After Deductible	\$0 After Deductible
Outpatient Behavioral health / Chemical dependency	\$25 Co-payment		\$30 Co-payment	\$30 Co-payment	\$0 After Deductible
INDEPENDENT LAB, X-RAY, CLINICS					
Lab and X-Ray Services (Preventative)	\$0		\$0	\$0	\$0
Lab and X-Ray Services (Diagnostic)	\$0		\$0 After Deductible	\$0 After Deductible	\$0 After Deductible
Machine Tests (MRI, MRA'S, Pet Scans, CT Scans & Nuclear)	\$0		\$0 After Deductible	\$0 After Deductible	\$0 After Deductible
PHARMACY SERVICES:					
Prescription Drugs (30 Day Supply) Tier 1	\$7		\$10	\$10	\$7
Prescription Drugs (30 Day Supply) Tier 2	\$30		\$35	\$35	\$30
Prescription Drugs (30 Day Supply) Tier 3	\$50		\$60	\$60	\$50
Prescription Drugs (30 Day Supply) Tier 4	\$75		\$100	\$100	\$75
Mail Order (90 Day Supply)	\$17.50 / \$75 / \$125 / \$125		\$25 / \$87.50 / \$150 / \$150	\$25 / \$87.50 / \$150 / \$150	\$17.50 / \$75 / \$125 / \$125
OTHER SERVICES:					
Durable Medical Equipment	20% Co-payment		20% After Deductible	20% After Deductible	\$0 After Deductible
Ambulance (Land)	\$50 Co-payment		\$50 Co-payment	\$50 Co-payment	\$0 After Deductible
OUT OF NETWORK SERVICES:					
Annual Deductible	\$200 / \$600		\$1,000 / \$2,000	\$2,000 / \$4,000	\$4,000 / \$8,000
Copayment After Deductible	\$15 / \$25 Co-payment Plus 20%		\$15 / \$30 Co-payment Plus 20%	\$15 / \$30 Co-payment Plus 20%	20%
Out of Pocket Limit	\$3,000 / \$9,000		\$3,000 / \$6,000	\$6,000 / \$12,000	\$8,000 / \$16,000
Maximum Benefit	Unlimited		Unlimited	Unlimited	Unlimited

Health Plan Comparison	Blue Cross Blue Shield		Blue Cross Blue Shield
	HMC2C 15/25 (R1)		BlueSolutions for HSA 100/60
	Company Plan		(\$1,500/\$3,000) Option 4
	Current	Renewal	
Estimated Annual Premium	\$485,634	N/A	\$395,255
% Renewal Increase (Decrease)	N/A	N/A	-18.6%
\$ Renewal Increase (Decrease)	N/A	N/A	(\$90,380)
Calendar Year Deductible	None		\$1,500 / \$3,000
Out of Pocket Maximum	None		\$3,000 / \$6,000
Primary Care Provider Necessary	No		No
In Network Services			
HOSPITAL SERVICES:			
Inpatient Semi-private room, related services & supplies	\$0		\$0 After Deductible
Outpatient Procedures & Surgery	\$0		\$0 After Deductible
Emergency Room Services	\$100 Co-payment		\$0 After Deductible
URGENT CARE CENTERS:			
Walk-In Treatment Centers	\$50 Co-payment		\$0 After Deductible
OFFICE VISITS:			
Well Visits	\$0		\$0
Primary Care Physician	\$15 Co-payment		\$0 After Deductible
Specialty Physician	\$25 Co-payment		\$0 After Deductible
Chiropractic / Spinal Manipulation	\$25 Co-payment		\$0 After Deductible
Routine Eye Exam	\$25 Co-payment		\$0 After Deductible
Physical / Speech / Occupational Therapy	20% Co-payment		\$0 After Deductible
Outpatient Behavioral health / Chemical dependency	\$25 Co-payment		\$0 After Deductible
INDEPENDENT LAB, X-RAY, CLINICS			
Lab and X-Ray Services (Preventative)	\$0		\$0
Lab and X-Ray Services (Diagnostic)	\$0		\$0 After Deductible
Machine Tests (MRI, MRA'S, Pet Scans, CT Scans & Nuclear)	\$0		\$0 After Deductible
PHARMACY SERVICES:			
Prescription Drugs (30 Day Supply) Tier 1	\$7		\$10 After Deductible
Prescription Drugs (30 Day Supply) Tier 2	\$30		\$35 After Deductible
Prescription Drugs (30 Day Supply) Tier 3	\$50		\$60 After Deductible
Prescription Drugs (30 Day Supply) Tier 4	\$75		\$100 After Deductible
Mail Order (90 Day Supply)	\$17.50 / \$75 / \$125 / \$125		\$25 / \$87.50 / \$150 After Deductible
OTHER SERVICES:			
Durable Medical Equipment	20% Co-payment		\$0 After Deductible
Ambulance (Land)	\$50 Co-payment		\$0 After Deductible
OUT OF NETWORK SERVICES:			
Annual Deductible	\$200 / \$600		\$1,500 / \$3,000
Copayment After Deductible	\$15 / \$25 Co-payment Plus 20%		40% After Deductible
Out of Pocket Limit	\$3,000 / \$9,000		\$3,000 / \$6,000
Maximum Benefit	Unlimited		Unlimited

Health Plan Comparison	Blue Cross Blue Shield		United Healthcare	United Healthcare	United Healthcare
	HMC2C 15/25 (R1)		U8T (H9)	U8V (H9)	U8U (H9)
	Company Plan		Option 5	Option 6	Option 7
	Current	Renewal			
Estimated Annual Premium	\$485,634	N/A	\$529,668	\$492,384	\$490,244
% Renewal Increase (Decrease)	N/A	N/A	9.1%	1.4%	0.9%
\$ Renewal Increase (Decrease)	N/A	N/A	\$44,034	\$6,750	\$4,610
Calendar Year Deductible	None		None	None	\$300 / \$600
Out of Pocket Maximum	None		None	None	\$300 / \$600
Primary Care Provider Necessary	No		No	No	No
In Network Services					
HOSPITAL SERVICES:					
Inpatient Semi-private room,related services & supplies	\$0		\$0	\$0	\$0 After Deductible
Outpatient Procedures & Surgery	\$0		\$0	\$0	\$0 After Deductible
Emergency Room Services	\$100 Co-payment		\$100 Co-payment	\$125 Co-payment	\$100 Co-payment
URGENT CARE CENTERS:					
Walk-In Treatment Centers	\$50 Co-payment		\$25 Co-payment	\$50 Co-payment	\$25 Co-payment
OFFICE VISITS:					
Well Visits	\$0		\$0	\$0	\$0
Primary Care Physician	\$15 Co-payment		\$10 Co-payment	\$20 Co-payment	\$15 Co-payment
Specialty Physician	\$25 Co-payment		\$10 Co-payment	\$30 Co-payment	\$15 Co-payment
Chiropractic / Spinal Manipulation	\$25 Co-payment		\$10 Co-payment	\$20 Co-payment	\$15 Co-payment
Routine Eye Exam	\$25 Co-payment		\$10 Co-payment	\$20 Co-payment	\$15 Co-payment
Physical / Speech / Occupational Therapy	20% Co-payment		\$10 Co-payment	\$20 Co-payment	\$15 Co-payment
Outpatient Behavioral health / Chemical dependency	\$25 Co-payment		\$10 Co-payment	\$30 Co-payment	\$15 Co-payment
INDEPENDENT LAB, X-RAY, CLINICS					
Lab and X-Ray Services (Preventative)	\$0		\$0	\$0	\$0
Lab and X-Ray Services (Diagnostic)	\$0		\$0	\$0	\$0
Machine Tests (MRI,MRA'S,Pet Scans,CT Scans & Nuclear)	\$0		\$0	\$500 Co-payment	\$0 After Deductible
PHARMACY SERVICES:					
Prescription Drugs (30 Day Supply) Tier 1	\$7		\$10	\$10	\$10
Prescription Drugs (30 Day Supply) Tier 2	\$30		\$30	\$30	\$30
Prescription Drugs (30 Day Supply) Tier 3	\$50		\$50	\$50	\$50
Prescription Drugs (30 Day Supply) Tier 4	\$75		None	None	None
Mail Order (90 Day Supply)	\$17.50 / \$75 / \$125 / \$125		\$25 / \$75 / \$125	\$25 / \$75 / \$125	\$25 / \$75 / \$125
OTHER SERVICES:					
Durable Medical Equipment	20% Co-payment		\$0	\$0	\$0 After Deductible
Ambulance (Land)	\$50 Co-payment		\$0	\$50 Co-payment	\$50 Co-payment
OUT OF NETWORK SERVICES:					
Annual Deductible	\$200 / \$600		\$350 / \$700	\$350 / \$700	\$350 / \$700
Copayment After Deductible	\$15 / \$25 Co-payment Plus 20%		20% After Deductible	20% After Deductible	30% After Deductible
Out of Pocket Limit	\$3,000 / \$9,000		\$2,850 / \$5,700	\$2,850 / \$5,700	\$4,350 / \$8,700
Maximum Benefit	Unlimited		Unlimited	Unlimited	Unlimited

Health Plan Comparison	Blue Cross Blue Shield		United Healthcare	United Healthcare	United Healthcare
	HMC2C 15/25 (R1)		UBW (H9)	1RB (H9)	HSA - U1G (H9)
	Company Plan		Option 8	Option 9	Option 10
	Current	Renewal			
Estimated Annual Premium	\$485,634	N/A	\$466,365	\$354,932	\$357,384
% Renewal Increase (Decrease)	N/A	N/A	-4.0%	-26.9%	-26.4%
\$ Renewal Increase (Decrease)	N/A	N/A	(\$19,269)	(\$130,702)	(\$128,250)
Calendar Year Deductible	None		\$500 / \$1,000	\$2,000 / \$4,000	\$1,500 / \$3,000
Out of Pocket Maximum	None		\$500 / \$1,000	\$2,000 / \$4,000	\$3,000 / \$6,000
Primary Care Provider Necessary	No		No	No	No
In Network Services					
HOSPITAL SERVICES:					
Inpatient Semi-private room,related services & supplies	\$0		\$0 After Deductible	\$0 After Deductible	\$0 After Deductible
Outpatient Procedures & Surgery	\$0		\$0 After Deductible	\$0 After Deductible	\$0 After Deductible
Emergency Room Services	\$100 Co-payment		\$100 Co-payment	\$0 After Deductible	\$0 After Deductible
URGENT CARE CENTERS:					
Walk-In Treatment Centers	\$50 Co-payment		\$50 Co-payment	\$0 After Deductible	\$0 After Deductible
OFFICE VISITS:					
Well Visits	\$0		\$0	\$0	\$0
Primary Care Physician	\$15 Co-payment		\$20 Co-payment	\$0 After Deductible	\$0 After Deductible
Specialty Physician	\$25 Co-payment		\$20 Co-payment	\$0 After Deductible	\$0 After Deductible
Chiropractic / Spinal Manipulation	\$25 Co-payment		\$20 Co-payment	\$0 After Deductible	\$0 After Deductible
Routine Eye Exam	\$25 Co-payment		\$20 Co-payment	\$0 After Deductible	\$0 After Deductible
Physical / Speech / Occupational Therapy	20% Co-payment		\$20 Co-payment	\$0 After Deductible	\$0 After Deductible
Outpatient Behavioral health / Chemical dependency	\$25 Co-payment		\$20 Co-payment	\$0 After Deductible	\$0 After Deductible
INDEPENDENT LAB, X-RAY, CLINICS					
Lab and X-Ray Services (Preventative)	\$0		\$0	\$0	\$0
Lab and X-Ray Services (Diagnostic)	\$0		\$0	\$0 After Deductible	\$0 After Deductible
Machine Tests (MRI,MRA'S,Pet Scans,CT Scans & Nuclear)	\$0		\$0 After Deductible	\$0 After Deductible	\$0 After Deductible
PHARMACY SERVICES:					
Prescription Drugs (30 Day Supply) Tier 1	\$7		\$10	\$10	\$10
Prescription Drugs (30 Day Supply) Tier 2	\$30		\$30	\$30	\$30
Prescription Drugs (30 Day Supply) Tier 3	\$50		\$50	\$50	\$50
Prescription Drugs (30 Day Supply) Tier 4	\$75		None	None	None
Mail Order (90 Day Supply)	\$17.50 / \$75 / \$125 / \$125		\$25 / \$75 / \$125	\$25 / \$75 / \$125	\$25 / \$75 / \$125
OTHER SERVICES:					
Durable Medical Equipment	20% Co-payment		\$0 After Deductible	\$0 After Deductible	\$0 After Deductible
Ambulance (Land)	\$50 Co-payment		\$50 Co-payment	\$50 Co-payment	\$0 After Deductible
OUT OF NETWORK SERVICES:					
Annual Deductible	\$200 / \$600		\$1,000 / \$2,000	\$4,000 / \$8,000	\$3,000 / \$6,000
Copayment After Deductible	\$15 / \$25 Co-payment Plus 20%		20% After Deductible	20% After Deductible	20% After Deductible
Out of Pocket Limit	\$3,000 / \$9,000		\$4,000 / \$8,000	\$8,000 / \$16,000	\$6,000 / \$12,000
Maximum Benefit	Unlimited		Unlimited	Unlimited	Unlimited

Health Plan Comparison	Blue Cross Blue Shield		Tufts	Tufts	Tufts
	HMC2C 15/25 (R1)		PPO Choice 15/25	Advantage PPO 250 (100/80)	Advantage PPO 500 (100/80)
	Company Plan		Option 11	Option 12	Option 13
	Current	Renewal			
Estimated Annual Premium	\$485,634	N/A	\$570,137	\$539,776	\$508,929
% Renewal Increase (Decrease)	N/A	N/A	17.4%	11.1%	4.8%
\$ Renewal Increase (Decrease)	N/A	N/A	\$84,503	\$54,141	\$23,295
Calendar Year Deductible	None	None	None	\$250 / \$500	\$500 / \$1,000
Out of Pocket Maximum	None	None	None	\$1,250 / \$2,500	\$1,500 / \$3,000
Primary Care Provider Necessary	No	No	No	No	No
In Network Services					
HOSPITAL SERVICES:					
Inpatient Semi-private room, related services & supplies	\$0	\$0	\$0	\$0 After Deductible	\$0 After Deductible
Outpatient Procedures & Surgery	\$0	\$0	\$0	\$0 After Deductible	\$0 After Deductible
Emergency Room Services	\$100 Co-payment	\$100 Co-payment	\$100 Co-payment	\$100 Co-payment	\$100 Co-payment
URGENT CARE CENTERS:					
Walk-In Treatment Centers	\$50 Co-payment	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment	\$30 Co-payment
OFFICE VISITS:					
Well Visits	\$0	\$0	\$0	\$0	\$0
Primary Care Physician	\$15 Co-payment	\$15 Co-payment	\$15 Co-payment	\$15 Co-payment	\$20 Co-payment
Specialty Physician	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment	\$30 Co-payment
Chiropractic / Spinal Manipulation	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment	\$0 After Deductible	\$0 After Deductible
Routine Eye Exam	\$25 Co-payment	\$15 Co-payment	\$15 Co-payment	\$15 Co-payment	\$20 Co-payment
Physical / Speech / Occupational Therapy	20% Co-payment	\$25 Co-payment	\$25 Co-payment	\$0 After Deductible	\$0 After Deductible
Outpatient Behavioral health / Chemical dependency	\$25 Co-payment	\$15 Co-payment	\$15 Co-payment	\$15 Co-payment	\$20 Co-payment
INDEPENDENT LAB, X-RAY, CLINICS					
Lab and X-Ray Services (Preventative)	\$0	\$0	\$0	\$0	\$0
Lab and X-Ray Services (Diagnostic)	\$0	\$0	\$0	\$0 After Deductible	\$0 After Deductible
Machine Tests (MRI, MRA'S, Pet Scans, CT Scans & Nuclear)	\$0	\$0	\$0	\$0 After Deductible	\$0 After Deductible
PHARMACY SERVICES:					
Prescription Drugs (30 Day Supply) Tier 1	\$7	\$10	\$10	\$10	\$10
Prescription Drugs (30 Day Supply) Tier 2	\$30	\$25	\$25	\$30	\$30
Prescription Drugs (30 Day Supply) Tier 3	\$50	\$45	\$45	\$45	\$45
Prescription Drugs (30 Day Supply) Tier 4	\$75	None	None	None	None
Mail Order (90 Day Supply)	\$17.50 / \$75 / \$125 / \$125	\$20 / \$50 / \$90	\$20 / \$50 / \$90	\$20 / \$60 / \$90	\$20 / \$60 / \$90
OTHER SERVICES:					
Durable Medical Equipment	20% Co-payment	\$0 (\$1,500 max)	\$0 (\$1,500 max)	\$0 (\$1,500 max)	\$0 (\$1,500 max)
Ambulance (Land)	\$50 Co-payment	\$0	\$0	\$0 After Deductible	\$0 After Deductible
OUT OF NETWORK SERVICES:					
Annual Deductible	\$200 / \$600	\$500 / \$1,000	\$250 / \$500	\$500 / \$1,000	
Copayment After Deductible	\$15 / \$25 Co-payment Plus 20%	20%	20%	20%	
Out of Pocket Limit	\$3,000 / \$9,000	\$2,500 / \$5,000	\$4,000 / \$8,000	\$4,000 / \$8,000	
Maximum Benefit	Unlimited	Unlimited	Unlimited	Unlimited	

Health Plan Comparison	Blue Cross Blue Shield		Tufts	
	HMC2C 15/25 (R1)		Advantage PPO 1000 (80/60)	
	Company Plan		Option 14	
	Current	Renewal		
Estimated Annual Premium	\$485,634	N/A	\$434,381	\$407,577
% Renewal Increase (Decrease)	N/A	N/A	-10.6%	-16.1%
\$ Renewal Increase (Decrease)	N/A	N/A	(\$51,253)	(\$78,057)
Calendar Year Deductible	None		\$1,000 / \$2,000	\$1,500 / \$3,000
Out of Pocket Maximum	None		\$4,000 / \$8,000	\$4,125 / \$8,250
Primary Care Provider Necessary	No		No	No
In Network Services				
HOSPITAL SERVICES:				
Inpatient Semi-private room, related services & supplies	\$0		20% After Deductible	\$0 After Deductible
Outpatient Procedures & Surgery	\$0		20% After Deductible	\$0 After Deductible
Emergency Room Services	\$100 Co-payment		\$100 Co-payment	\$0 After Deductible
URGENT CARE CENTERS:				
Walk-In Treatment Centers	\$50 Co-payment		\$25 Co-payment	\$0 After Deductible
OFFICE VISITS:				
Well Visits	\$0		\$0	\$0
Primary Care Physician	\$15 Co-payment		\$15 Co-payment	\$0 After Deductible
Specialty Physician	\$25 Co-payment		\$25 Co-payment	\$0 After Deductible
Chiropractic / Spinal Manipulation	\$25 Co-payment		20% After Deductible	\$0 After Deductible
Routine Eye Exam	\$25 Co-payment		\$15 Co-payment	\$20 Co-payment
Physical / Speech / Occupational Therapy	20% Co-payment		20% After Deductible	\$0 After Deductible
Outpatient Behavioral health / Chemical dependency	\$25 Co-payment		\$15 Co-payment	\$0 After Deductible
INDEPENDENT LAB, X-RAY, CLINICS				
Lab and X-Ray Services (Preventative)	\$0		\$0	\$0
Lab and X-Ray Services (Diagnostic)	\$0		20% After Deductible	\$0 After Deductible
Machine Tests (MRI, MRA'S, Pet Scans, CT Scans & Nuclear)	\$0		20% After Deductible	\$0 After Deductible
PHARMACY SERVICES:				
Prescription Drugs (30 Day Supply) Tier 1	\$7		\$10	\$10 After Deductible
Prescription Drugs (30 Day Supply) Tier 2	\$30		\$30	\$30 After Deductible
Prescription Drugs (30 Day Supply) Tier 3	\$50		\$45	\$45 After Deductible
Prescription Drugs (30 Day Supply) Tier 4	\$75		None	None
Mail Order (90 Day Supply)	\$17.50 / \$75 / \$125 / \$125		\$20 / \$60 / \$90	\$20 / \$60 / \$90 After Deductible
OTHER SERVICES:				
Durable Medical Equipment	20% Co-payment		\$0 (1,500 max)	\$0 After Deductible (\$1,500 max)
Ambulance (Land)	\$50 Co-payment		20% After Deductible	\$0 After Deductible
OUT OF NETWORK SERVICES:				
Annual Deductible	\$200 / \$600		\$1,000 / \$2,000	\$1,500 / \$3,000
Copayment After Deductible	\$15 / \$25 Co-payment Plus 20%		40%	20%
Out of Pocket Limit	\$3,000 / \$9,000		\$6,000 / \$12,000	\$4,125 / \$8,250
Maximum Benefit	Unlimited		Unlimited	Unlimited

Plan65[®]

Medicare Supplement

Group Plan 65 is a Medicare supplement plan, also known as "Medigap," that picks up where Medicare leaves off, making it easier for you to budget for your healthcare expenses. Group Plan 65 provides flexibility, options, and added discounts—all from a trusted, local company.

You're free to seek care from the Original Medicare-participating providers of your choice, anywhere in the country. Plan 65 pays for Original Medicare's cost-sharing, such as deductibles and coinsurance. If Original Medicare does not cover a service, your supplemental plan will also not cover that service, unless otherwise noted.

PLAN BENEFIT	With Original Medicare you pay:	With Medicare and Group Plan 65 you pay:
Doctor Visits (Inpatient and outpatient)	20% of Medicare-approved amounts after Part B deductible	\$0
Inpatient Hospital Care* (Includes substance abuse, mental health, rehabilitation, and inpatient surgery facility services)		
• First 60 days	An initial deductible of \$1,132**	\$0
• 61 st – 90 th day	\$283 each day**	\$0
• 60 lifetime reserve days	\$566 each lifetime reserve day**	\$0
• Additional lifetime maximum benefit – 365 days	All costs	\$0
Skilled Nursing Facility Care* (In Medicare-certified skilled nursing facility)		
• First 20 days	\$0	\$0
• 21 st – 100 th day	\$141.50 each day**	\$0
• 101 st day and after	All costs	All costs
Outpatient Surgery Services	20% of Medicare-approved amounts after Part B deductible	\$0
Outpatient Rehabilitation Services	20% of Medicare-approved amounts after Part B deductible	\$0
Emergency Room Care (You may go to an emergency room if you believe your health is in serious danger.)	20% of Medicare-approved amounts after Part B deductible	\$0
Urgently Needed Care (This is not emergency care—your health is not in serious danger.)	20% of Medicare-approved amounts after Part B deductible	\$0
Ambulance Services	20% of Medicare-approved amounts after Part B deductible	\$0
Diagnostic Tests, X-rays, and Lab Services	20% of Medicare-approved amounts after Part B deductible for diagnostic tests and X-rays \$0 for Medicare-covered lab services	\$0
Durable Medical Equipment	20% of Medicare-approved amounts after Part B deductible	\$0
Prosthetic Devices	20% of Medicare-approved amounts after Part B deductible	\$0

PLAN BENEFIT	With Original Medicare you pay:	With Medicare and Group Plan 65 you pay:
Home Healthcare	\$0 for Medicare-covered home health visits	\$0
Foreign Travel Care	All costs	20% of charges, after \$250 annual deductible
Non-routine Hearing Services	20% of Medicare-approved amounts after Part B deductible for diagnostic hearing exams	\$0 for Medicare-approved amounts for diagnostic hearing exams
Non-routine Vision Care	20% of Medicare-approved amounts after Part B deductible for diagnosis and treatment of disease and conditions of the eye	\$0
Podiatry Services	20% of Medicare-approved amounts after Part B deductible	\$0
Chiropractic Services	20% of Medicare-approved amounts after Part B deductible	\$0
Immunizations (Flu, hepatitis B vaccine, and, for people with Medicare who are at high risk, pneumonia vaccine)	\$0	\$0
Bone Mass Measurement (For people with Medicare who are at risk)	\$0	\$0
Colorectal Screening Exams	\$0 May be charged 20% of the Medicare approved amount for doctor's visit	\$0
Diabetes Screening (For people with Medicare who are at risk)	\$0 May be charged 20% of the Medicare approved amount for doctor's visit	\$0
Mammography Screening (Diagnostic and radiological mammograms for men and women)	\$0	\$0
Pap Tests and Pelvic Exams (For women with Medicare)	\$0	\$0
Prostate Cancer Screening Exams (For men with Medicare)	20% of Medicare approved amount for digital rectal exam. May be charged 20% of the Medicare approved amount for doctor's visit.	\$0

2011 Part A Deductible = \$1,132 per benefit period.

2011 Part B Deductible = \$162 per calendar year.

All services should be received from an Original Medicare-participating provider, except in emergencies.

To be eligible for Group Plan 65, you must be enrolled in both Part A and Part B of the Original Medicare Program.

* A benefit period begins on the first day you receive services as an inpatient in a hospital, and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 consecutive days.

** These coinsurances and deductibles are current for 2011 and are subject to change on an annual basis.

Your Prescription Drug Plan – Group Plan 65

We are pleased to present you with your prescription drug plan. The following information will help you understand your prescription drug benefits.

How does my prescription drug benefit work?

You can have your prescription filled at any of our participating pharmacies and you will be responsible only for your copayment at the time of purchase.

Some brand name drugs have generic equivalents. If a drug has a generic equivalent, your prescription drug plan covers the retail cost of the generic drug, less your applicable copayment. If you choose to purchase the brand name drug, you will be responsible for the difference in cost between the brand name drug and its generic equivalent. See "Saving money at the pharmacy" for more information about generic equivalents.

What is my copayment?

You can receive up to a 30-day supply of either maintenance or non-maintenance drugs at the pharmacy. Your copayment is **20% of the retail prescription cost**. If you choose a brand name medication over an available generic equivalent, you will be responsible for the difference in cost between the two.

Where can I have my prescriptions filled?

Our extensive national network includes most major chain stores and independent pharmacies. Visit any participating pharmacy at any time to receive maximum coverage under your prescription drug program. For more information about participating pharmacies, visit our Web site at www.BCBSRI.com, or refer to your pharmacy directory.

Out-of-network pharmacies

If you have your prescription filled at a non-participating pharmacy, you must pay for it in full when you have it filled. You will be reimbursed at 50% of our allowance. Remember, using a non-participating pharmacy means a higher out-of-pocket expense to you.

Save money at the pharmacy

You can maximize your pharmacy benefit and substantially lower your out-of-pocket cost by choosing generic drugs. While you may not be familiar with the name, a generic drug is essentially the same drug as its higher priced, heavily advertised, brand name equivalent. It has the same active ingredients and is approved by the Food & Drug Administration (FDA). It has passed rigorous tests to ensure that it's as safe and effective as its brand name equivalent. Discuss your prescription drug options with your doctor to ensure the best possible course of treatment. If a brand name drug is prescribed, ask your doctor or pharmacist if a generic alternative is available.

Have your prescriptions delivered to your door with our mail service

Most drugs that you may take for an extended period of time can be purchased through our mail order program for your convenience. You can order a maximum of up to a 90-day supply of most medications with a 20% copayment of the total retail cost. You should receive your first supply within two weeks of submitting your order. You can order refills 24 hours a day, seven days a week by telephone or on the Internet at www.BCBSRI.com. For additional information, see www.BCBSRI.com or your mail order brochure.

(Continued on back)



Your Plan for Life.™

Infertility and injectable drugs

- Infertility drugs, including oral and injectable drugs, are covered with a 20% copayment.
- Insulin is covered with a 20% copayment.
- Other injectables purchased at the pharmacy are covered with a 20% copayment.

Preferred drug list (formulary)

A formulary is a list of **preferred drugs** that are covered by your plan. A committee of local physicians and pharmacists, established by Blue Cross & Blue Shield of Rhode Island (BCBSRI), developed our drug formulary to ensure that our members have access to a wide range of medically effective, safe, and economical drugs.

Our review committee will consider new drugs for possible inclusion in our preferred drug list (formulary). New drugs will be reviewed within the first six months from the final FDA marketing approval date. A new drug will not be covered by BCBSRI before the committee has the opportunity to review the new drug and make a determination as to whether it is appropriate for inclusion in the preferred drug list.

Additional information about your prescription drug plan

Information is included in your subscriber agreement to help you understand quantity limits that may be applied to “days supply” of medications and to the “forms” in which covered medications may be available (e.g., tablet, capsule).

This insert provides a general summary of your prescription drug program. It is not a contract. For details of your coverage, including any limitations or exclusions not noted here, please refer to your subscriber agreement. If you have any questions about coverage for a specific drug or any other questions related to your prescription drug program, please call Customer Service at **(401) 459-5000** or **1-800-639-2227**.



Your Plan for Life.™

www.BCBSRI.com

444 Westminster Street • Providence, RI 02903-3279

Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association.

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Kent County Water Authority
Financial Analysis
Rates Effective: July 01, 2011 - June 30, 2012

			Single 6 Contracts	Emp. & Sp. 0 Contracts	Emp. & Ch. 0 Contracts	Family 25 Contracts	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)
CARRIER:									
Blue Cross & Blue Shield									
Company Sponsored Plan	Premier Blue Option 2 100% Preventive / Diagnostic, Minor Restorative & Sealants, 50% Major Restorative & Periodontics. \$50 Calendar Year Deductible Per Member, \$1200 Calendar Year Maximum.	Current Rates Current Enrollment	\$33.27 6	\$95.62 0	\$95.62 0	\$95.62 25	\$31,081	N/A	N/A
Company Sponsored Plan	Premier Blue Option 2 100% Preventive / Diagnostic, Minor Restorative & Sealants, 50% Major Restorative & Periodontics. \$50 Calendar Year Deductible Per Member, \$1200 Calendar Year Maximum.	Renewal Rates Current Enrollment	\$34.37 6	\$104.51 0	\$104.00 0	\$104.51 25	\$33,828	8.8%	\$2,746

Rates are based on the census data and employer contributions provided.
All rates are subject to change if significant modifications are made to either upon enrollment.

Kent County Water Authority
Financial Analysis
Rates Effective: July 01, 2011 - June 30, 2012

		Single 6 Contracts	Emp. & Sp. 0 Contracts	Emp. & Ch. 0 Contracts	Family 25 Contracts	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)
CARRIER:								
Option Number	Delta Dental							
1	Level I 100%, 50% Perio 100% Preventive / Diagnostic, Minor & Crowns, 50% Periodontics . \$1200 Calendar Year Maximum, Students to 26.	\$32.63	\$99.21	\$99.21	\$99.21	\$32,112	3.3%	\$1,031
	United Healthcare Dental							
2	P4956 100/100/60, \$50/\$150 Ded., \$1500 100% Preventive / Diagnostic & Sealants, Minor Restorative & Periodontics, 60% Major Restorative, \$50/\$150 Deductible, \$1500 Calendar Year Maximum, Students to 23	\$38.90	\$77.79	\$81.39	\$124.24	\$40,073	28.9%	\$8,991
3	P4953 100/80/50, \$50/\$150 Ded., \$2000 w/Ortho 100% Preventive / Diagnostic & Sealants, 80% Minor Restorative & Periodontics, 50% Major Restorative, Ortho 50%, \$2000 Lifetime Maximum. \$50/\$150 Deductible, \$2000 Calendar Year Maximum, Students to 23	\$39.34	\$78.67	\$82.32	\$125.65	\$40,527	30.4%	\$9,446

Rates are based on the census data and employer contributions provided.
All rates are subject to change if significant modifications are made to either upon enrollment.

DENTAL
COMPARISON

Dental Plan Comparison	Blue Cross & Blue Shield	
	Premier Blue Option 2 Company Plan	
	Current	Renewal
Estimated Annual Premium	\$31,081	\$33,828
% Renewal Increase (Decrease)	N/A	8.8%
\$ Renewal Increase (Decrease)	N/A	\$2,746
PREVENTIVE / DIAGNOSTIC:		
. Cleanings	100% (two per calendar year)	
. Oral Exams	100% (one per calendar year)	
. Fluoride Treatments	100% (under age 19; once per calendar year)	
X-RAYS:		
. Single	100% (as needed)	
. Bitewing	100% (one per calendar year)	
. Full Mouth	100% (once every 36 months)	
MINOR RESTORATIVE SERVICES:		
. Sealants	100% (ages 6-13)	
. Fillings: amalgam (silver); composite (white) on front teeth	100%	
. Simple Extractions	100%	
. Denture Repairs	100%	
. Emergency Treatment	100%	
. Biopsies	100%	
. Single (Anterior) Root Canals	100%	
. Oral Surgery (when not covered by medical)	50%*	
. Anesthesia	50%*	
. Space Maintainers	50%*	
MAJOR RESTORATIVE:		
. Root Canals - Molars and Bicuspids	50%*	
. Crowns over natural teeth	50%*	
. Periodontic Maintenance after active therapy	50%*	
. Root planing / scaling	50%*	
. Osseous (bone) surgery	50%*	
. Gingivectomies	50%*	
. Soft Tissue Grafts	50%*	
. Crown Lengthening	50%*	
. Prosthodontics - bridges, partial and complete dentures	No Coverage	
ORTHODONTIA:		
. Braces for dependents to age 19	No Coverage	
. Orthodontia lifetime maximum	No Coverage	
*CALENDAR YEAR DEDUCTIBLE	\$50 per member	
CALENDAR YEAR MAXIMUM	\$1,200	
DEPENDANT COVERAGE	Age 19	
FULL TIME STUDENT RIDER	Age 26	
PARTICIPATION REQUIREMENTS	75% of eligibles minus waivers	
WAITING PERIOD	N/A	

Dental Plan Comparison	Blue Cross & Blue Shield		Delta Dental
	Premier Blue Option 2		Level I 100%, 50% Perio
	Company Plan		Option 1
	Current	Renewal	
Estimated Annual Premium	\$31,081	\$33,828	\$32,112
% Renewal Increase (Decrease)	N/A	8.8%	3.3%
\$ Renewal Increase (Decrease)	N/A	\$2,746	\$1,031
PREVENTIVE / DIAGNOSTIC:			
. Cleanings	100% (two per calendar year)	100% (two per calendar year)	100% (two per calendar year)
. Oral Exams	100% (one per calendar year)	100% (one per calendar year)	100% (one per calendar year)
. Fluoride Treatments	100% (under age 19; once per calendar year)	100% (under age 19; once per calendar year)	100% (under age 19; once per calendar year)
X-RAYS:			
. Single	100% (as needed)	100% (as needed)	100% (as needed)
. Bitewing	100% (one per calendar year)	100% (one per calendar year)	100% (one per calendar year)
. Full Mouth	100% (once every 36 months)	100% (once every 60 months)	100% (once every 60 months)
MINOR RESTORATIVE SERVICES:			
. Sealants	100% (ages 6-13)	100% (under age 14)	100% (under age 14)
. Fillings: amalgam (silver); composite (white) on front teeth	100%	100%	100%
. Simple Extractions	100%	100%	100%
. Denture Repairs	100%	100%	100%
. Emergency Treatment	100%	100%	100%
. Biopsies	100%	100%	100%
. Single (Anterior) Root Canals	100%	100%	100%
. Oral Surgery (when not covered by medical)	50%*	100%	100%
. Anesthesia	50%*	100%	100%
. Space Maintainers	50%*	100%	100%
MAJOR RESTORATIVE:			
. Root Canals - Molars and Bicuspids	50%*	100%	100%
. Crowns over natural teeth	50%*	100%	100%
. Periodontic Maintenance after active therapy	50%*	50%	50%
. Root planing / scaling	50%*	50%	50%
. Osseous (bone) surgery	50%*	50%	50%
. Gingivectomies	50%*	50%	50%
. Soft Tissue Grafts	50%*	50%	50%
. Crown Lengthening	50%*	50%	50%
. Prosthodontics - bridges, partial and complete dentures	No Coverage	No Coverage	No Coverage
ORTHODONTIA:			
. Braces for dependents to age 19	No Coverage	No Coverage	No Coverage
. Orthodontia lifetime maximum	No Coverage	No Coverage	No Coverage
*CALENDAR YEAR DEDUCTIBLE	\$50 per member	None	None
CALENDAR YEAR MAXIMUM	\$1,200	\$1,200	\$1,200
DEPENDANT COVERAGE	Age 19	Age 19	Age 19
FULL TIME STUDENT RIDER	Age 26	Age 26	Age 26
PARTICIPATION REQUIREMENTS	75% of eligibles minus waivers	100% of eligibles minus waivers	100% of eligibles minus waivers
WAITING PERIOD	N/A	N/A	N/A

Dental Plan Comparison	Blue Cross & Blue Shield		United Healthcare	United Healthcare
	Premier Blue Option 2 Company Plan		P4956 100/100/60, \$50/\$150 Ded., \$1500 Option 2	P4953 100/80/50, \$50/\$150 Ded., \$2000 w/Ortho Option 3
	Current	Renewal		
Estimated Annual Premium	\$31,081	\$33,828	\$40,073	\$40,527
% Renewal Increase (Decrease)	N/A	8.8%	28.9%	30.4%
\$ Renewal Increase (Decrease)	N/A	\$2,746	\$8,991	\$9,446
PREVENTIVE / DIAGNOSTIC:				
. Cleanings	100% (two per calendar year)		100% (two per calendar year)	100% (two per calendar year)
. Oral Exams	100% (one per calendar year)		100% (two per calendar year)	100% (two per calendar year)
. Fluoride Treatments	100% (under age 19; once per calendar year)		100% (under age 16; twice per calendar year)	100% (under age 16; twice per calendar year)
X-RAYS:				
. Single	100% (as needed)		100% (as needed)	100% (as needed)
. Bitewing	100% (one per calendar year)		100% (once per calendar year)	100% (once per calendar year)
. Full Mouth	100% (once every 36 months)		100% (once every 36 months)	100% (once every 36 months)
MINOR RESTORATIVE SERVICES:				
. Sealants	100% (ages 6-13)		100%	100%
. Fillings: amalgam (silver); composite (white) on front teeth	100%		100%	80%*
. Simple Extractions	100%		100%	80%*
. Denture Repairs	100%		60%*	50%*
. Emergency Treatment	100%		100%	80%*
. Biopsies	100%		100%	80%*
. Single (Anterior) Root Canals	100%		100%	80%*
. Oral Surgery (when not covered by medical)	50%*		100%	80%*
. Anesthesia	50%*		100%	80%*
. Space Maintainers	50%*		100%	100%*
MAJOR RESTORATIVE:				
. Root Canals - Molars and Bicuspsids	50%*		100%	80%*
. Crowns over natural teeth	50%*		60%*	50%*
. Periodontic Maintenance after active therapy	50%*		100%	80%*
. Root planing / scaling	50%*		100%	80%*
. Osseous (bone) surgery	50%*		100%	80%*
. Gingivectomies	50%*		100%	80%*
. Soft Tissue Grafts	50%*		100%	80%*
. Crown Lengthening	50%*		100%	80%*
. Prosthodontics - bridges, partial and complete dentures	No Coverage		60%*	50%*
ORTHODONTIA:				
. Braces for dependents to age 19	No Coverage		No Coverage	50%
. Orthodontia lifetime maximum	No Coverage		No Coverage	\$2,000
*CALENDAR YEAR DEDUCTIBLE	\$50 per member		\$50 / \$150	\$50 / \$150
CALENDAR YEAR MAXIMUM	\$1,200		\$1,500	\$2,000
DEPENDANT COVERAGE	Age 19		Age 19	Age 19
FULL TIME STUDENT RIDER	Age 26		Age 23	Age 23
PARTICIPATION REQUIREMENTS	75% of eligibles minus waivers			
WAITING PERIOD	N/A		N/A	N/A



Mutual of Omaha

Patricia Anne Gleavy
Senior Account Executive
18 Tremont Street, Suite 330
Boston, MA 02108-2301
Patty.Gleavy@mutualofomaha.com
Tel: (617) 742-3655, ext. 222
Fax: (617) 742-3744

May 21, 2010

Claire Teitlelman
Starkweather & Shepley
60 Catamore Blvd.
East Providence, RI 02914

Re: Kent County Water Authority, August 1, 2010 Renewal
Group #: G000638C

Dear Claire,

Thank you for choosing Mutual of Omaha as your client's group benefits provider. It has been our pleasure to provide the employees of Kent County Water Authority with Group Life and Long Term Disability coverage and we remain committed to providing unparalleled service that will meet your client's needs.

As you are aware, Mutual of Omaha carefully evaluates claim trends specific to our policyholder's nature of industry and size segment for each renewal. Based upon this information, as well as the policyholder's demographics and plan design, our renewal analysis has determined that the following rate adjustment will apply - these rates will be guaranteed for two years. The next renewal will take place August 1, 2012.

Coverage	Current Rate	Renewal Rate	Guarantee Date
Term Life	\$0.28 Per \$1,000	\$0.32/\$1000	August 1, 2012
AD&D	\$0.03 Per \$1,000	No Change	August 1, 2012
LTD	\$0.40 Per \$100	No Change	August 1, 2012

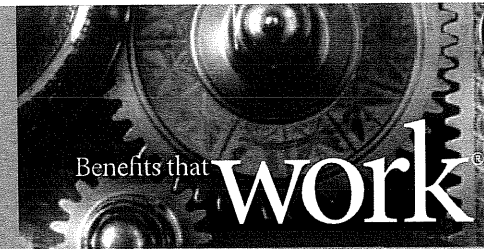
Unfortunately the Life plan has run poorly with a loss ratio of 234% requiring that we seek an increase this year.

We appreciate your confidence in Mutual of Omaha and, as always, hope to continue this relationship. Please feel free to contact me at (617) 742-3655, ext. 222 if you wish to discuss this renewal in more specific detail. Thank you!

Best regards,

Patricia Anne Gleavy
Senior Account Executive

Enjoy your trip – we'll be there if you need us



Travel Assistance can help you avoid unexpected bumps in the road anywhere in the world. For you, your spouse and dependent children on any single trip up to 90 days in length, and more than 100 miles from home.

Pre-trip Assistance*

Minimize travel hassles by calling us pre-departure for:

- Passport, visa or other required documentation for foreign travel
- Travel, health advisories and inoculation requirements for foreign countries
- Domestic and international weather forecasts
- Daily foreign currency exchange rates
- Consulate and embassy locations

Immediate Attention for Emergencies While Traveling

While traveling more than 100 miles from home, call Travel Assistance toll-free 24/7 for immediate help from a multi-lingual professional.

Emergency Travel Support Services

- *Translation and interpreter services* – 24/7 access to translators or interpreters
- *Locating legal services* – referrals for local attorney or consular offices and help maintaining business and family communications until legal counsel is retained (includes coordination of financial assistance for bonds/bail)
- *Baggage* – assistance with lost, stolen or delayed baggage while traveling on a common carrier

- *Emergency payment and cash* – assistance with advance of funds for medical expenses or other travel emergencies by coordinating with your credit card company, bank, employer, or other sources of credit; includes arrangements for emergency cash from a friend, family member, business or credit card
- *Emergency messages* – assistance with recording and retrieving messages between you, your family and/or business associates at any time
- *Document replacement* – coordination of credit card, airline ticket, or other documentation replacement
- *Vehicle return* – if evacuation or repatriation is necessary

Medical Assistance

- Locating medical providers and referrals for local sources of care
- Case communications on your medical status and communications between you and others including family, physicians, employer, travel company and consulate
- Emergency evacuation if adequate medical facilities are not available locally, including payment of covered expenses
- Transportation home for further treatment – in the event of death, we'll assist in the return of mortal remains
- Transportation arrangements for the visit of a family member or friend if your hospitalization is more than seven calendar days
- Return home for dependent children if your hospitalization is more than seven calendar days
- Assistance with hotel arrangements if convalescence is needed prior to, or after, medical treatment

- Coordination of medical insurance (including claims paperwork) and obtaining medical payments
- Assistance obtaining prescription drugs or other necessary personal medical items

Travel Assistance Plan Limitations

AXA Assistance USA will not pay emergency evacuation, medically necessary repatriation, repatriation of remains or other expenses incurred while traveling within 100 miles of participant's place of residence, or for any one of the following reasons:

- Suicide, attempted suicide or self-inflicted injuries
- An act of declared or undeclared war or armed aggression
- While on active duty in the military or international organization
- Piloting, learning to pilot or acting as a member of the crew of any aircraft
- Mental or emotional disorders, unless hospitalized
- Participation in professional athletics
- Your commission or attempt to commit a felonious act
- Pregnancy and childbirth (exception: complications of pregnancy)

Expenses for emergency evacuation, medically necessary repatriation, repatriation of remains, return of dependent children, family or friend transportation arrangement and vehicle return are covered up to \$100,000 per person per event.

Worldwide Travel Assistance

ID Number: 9900MOO2

Services available for business and personal travel.
For inquiries within the U.S. call toll free:

1-800-856-9947

Outside the U.S. call collect:

(312) 935-3658

Worldwide Travel Assistance

ID Number: 9900MOO2

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1-800-856-9947

Outside the U.S. call collect:

(312) 935-3658

*Available at any time, not subject to 100 mile travel radius

CONFIRMATION



RENEWAL NOTICE

Group # 00000269

DIRECT MARKETING REPRESENTATIVE C. Krupski

KENT COUNTY WATER AUTHORITY

REP. TELEPHONE NUMBER 401-459-5736
1-800-637-3718 x 6193

YOUR RENEWAL RATES ARE EFFECTIVE July 01, 2011 THROUGH June 30, 2012
MONTHLY PREMIUM RATES PER SUBSCRIBER ARE BASED ON YOUR CURRENT ENROLLMENT

	<u>Enrollee</u>	<u>Enrollee</u>	<u>Enrollee</u>	<u>Enrollee,</u>
	<u>Only</u>	<u>& Spouse</u>	<u>& Child(ren)</u>	<u>Spouse</u>
Renewal Benefits				<u>& Child(ren)</u>
VantageBlue 100/80 250	\$566.11	\$1,358.65	\$905.76	\$1,528.48

Please refer to the "It's Time to Choose a New Health Plan" section for important prescription plan changes. Your pharmacy benefit is \$10/\$35/\$60/\$100, unless noted *. Other pharmacy options are available. This Renewal Notice sets forth the Monthly Premiums for the Rating Period indicated above and shall constitute an amendment to the Sales Agreement between BCBSRI and Company. **If you have any questions regarding your renewal, please contact your broker or Direct Marketing Representative at the telephone number provided above.**

Thomas D. Cauthorn
Vice President, Blue Cross & Blue Shield of Rhode Island



500 Exchange Street • Providence, Rhode Island, 02903-2699
401-459-1000 • www.BCBSRI.com

All Optional Benefits Available

Group # 00000269

DIRECT MARKETING REPRESENTATIVE C. Krupski

KENT COUNTY WATER AUTHORITY

REP. TELEPHONE NUMBER 401-459-5736
1-800-637-3718 x 6193

YOUR RENEWAL RATES ARE EFFECTIVE July 01, 2011 THROUGH June 30, 2012
MONTHLY PREMIUM RATES PER SUBSCRIBER ARE BASED ON YOUR CURRENT ENROLLMENT

Renewal Benefits	<u>Enrollee Only</u>	<u>Enrollee & Spouse</u>	<u>Enrollee & Child(ren)</u>	<u>Enrollee, Spouse & Child(ren)</u>
VantageBlue 100/80 250	\$566.11	\$1,358.65	\$905.76	\$1,528.48
VantageBlue 100/80 500	\$532.02	\$1,276.85	\$851.23	\$1,436.46
VantageBlue 100/80 1000	\$483.85	\$1,161.24	\$774.15	\$1,306.39
VantageBlue 100/80 2000	\$439.47	\$1,054.72	\$703.14	\$1,186.56
VantageBlue 80/60 1000	\$445.95	\$1,070.27	\$713.51	\$1,204.05
VantageBlue 80/60 2000	\$409.72	\$983.31	\$655.54	\$1,106.23
VantageBlue 100/60 1500	\$450.18	\$1,080.44	\$720.29	\$1,215.49
BlueSolutions for HSA 1500	\$446.92	\$1,072.60	\$715.07	\$1,206.68
BlueSolutions for HSA 3000	\$383.33	\$919.99	\$613.33	\$1,034.99
BlueCHiP for Healthy Options *	\$379.98	\$911.95	\$607.97	\$1,025.95
HealthMate C2C \$2000/\$4000 DED	\$413.66	\$992.78	\$661.85	\$1,116.87

Please refer to the "It's Time to Choose a New Health Plan" section for important prescription plan changes.
Your pharmacy benefit is \$10/\$35/\$60/\$100, unless noted *. Other pharmacy options are available.
BCBSRI reserves the right to impose an enrollment cap of 5,000 members for the BlueCHiP for Healthy Options product.

Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association



Renewal Notice

GROUP
KENT COUNTY WATER AUTHORITY
("Company")

MARKETING REPRESENTATIVE CELINA KRUPSKI
REP. TELEPHONE NUMBER 401-459-5959 EXT. 5736

GROUP NUMBER(S): 269-3
AFFILIATE(S):

YOUR RENEWAL RATES ARE EFFECTIVE JUL. 1, 2011 THROUGH JUN. 30, 2012
MONTHLY PREMIUM RATES PER SUBSCRIBER ARE BASED ON YOUR CURRENT ENROLLMENT

RENEWAL BENEFITS	INDIVIDUAL ONLY
PLAN 65 RATE	\$180.87
RX RATE	\$371.16
TOTAL RATE	\$552.03

This Renewal Notice sets forth the Monthly Premiums for the Rating Period indicated above and shall constitute an amendment to the Sales Agreement between Blue Cross & Blue Shield of Rhode Island and Company. If you have any questions regarding your renewal, please contact your broker or Marketing Representative at the telephone number provided above.

Thomas D. Cauthorn
Vice President, Blue Cross & Blue Shield of Rhode Island

Medical Rates

Company Name: Kent County Water Authority
Company Street Address: 1072 Main St
Broker: KIMBERLY MULDOON
Account Executive: PETER FITZPATRICK
Effective Date: 07/01/2011
UW ID#: D - 043758440

Broker Phone: (401) 435-3600
Account Executive Phone: (401) 732-7234
Quote Number: 9751749

Company City: West Warwick
Zip Code: 02893
Market: RHODE ISLAND
SIC: 4941 - Water Supply
Quote Date: 05/17/2011

		CONS2000/100% 1RB w/H9	HSA1500/100% U1G w/H9	TRAD20/500/100% U8W w/H9	TRAD15/300/100% U8U w/H9	TRAD20/100% U8V w/H9	TRAD10/100% U8T w/H9	BAL10/750/100% 38X w/CO ***
Package Name	Single Plan Options							
Package Number	N/A							
Sequence - Internal Use	N/A							
OI/SA/BIT - Internal Use	01/00/CG							
Class	# of Employees							
Employee	5	\$ 393.32	\$ 396.04	\$ 516.81	\$ 543.27	\$ 545.64	\$ 586.96	\$ 429.29
Employee + Spouse	6	\$ 845.64	\$ 851.49	\$ 1,111.14	\$ 1,168.03	\$ 1,173.13	\$ 1,261.96	\$ 922.97
Employee + Child(ren)	4	\$ 806.31	\$ 811.88	\$ 1,059.46	\$ 1,113.71	\$ 1,118.57	\$ 1,203.27	\$ 880.04
Employee + Family	20	\$ 1,081.63	\$ 1,089.10	\$ 1,421.21	\$ 1,493.98	\$ 1,500.50	\$ 1,614.12	\$ 1,180.52
Premium Totals:								
Employee-Only Monthly Premium		\$ 13,766.20	\$ 13,861.40	\$ 18,088.35	\$ 19,014.45	\$ 19,097.40	\$ 20,543.60	\$ 15,025.15
Dependent-Only Monthly Premium		\$ 18,132.08	\$ 18,257.26	\$ 23,824.58	\$ 25,044.52	\$ 25,153.86	\$ 27,058.44	\$ 19,789.68
Total Monthly Premium Including Rx Benefit		\$ 31,898.28	\$ 32,118.66	\$ 41,912.93	\$ 44,058.97	\$ 44,251.26	\$ 47,602.04	\$ 34,814.83
Employer Contribution Percentage - Employee Only		100%	100%	100%	100%	100%	100%	100%
Employer Contribution Premium/Month - Employee Only		\$ 13,766.20	\$ 13,861.40	\$ 18,088.35	\$ 19,014.45	\$ 19,097.40	\$ 20,543.60	\$ 15,025.15
Total Annual Premium Including Rx Benefit		\$ 382,779.36	\$ 385,423.92	\$ 502,955.16	\$ 528,707.64	\$ 531,015.12	\$ 571,224.48	\$ 417,777.96
Rate Adjustment Percent		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk Factor		1.0	1.0	1.0	1.0	1.0	1.0	1.0
Monthly Administration Fee		\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00
Total Employee Count		35	35	35	35	35	35	35
Total Number of Eligible Employees		32	32	32	32	32	32	32
Total Dependent Count		67	67	67	67	67	67	67
Total Member Count		102	102	102	102	102	102	102

Benefit Overview:

Plan Type		UnitedHealthcare	UnitedHealthcare	UnitedHealthcare	UnitedHealthcare	UnitedHealthcare	UnitedHealthcare	UnitedHealthcare
Product Type		CHOICE PLUS	CHOICE PLUS	CHOICE PLUS	CHOICE PLUS	CHOICE PLUS	CHOICE PLUS	CHOICE
Plan Category		Consumer	Definity HSA	Traditional with Deductible	Traditional with Deductible	Traditional	Traditional	CHOICE
Deductible	- Single (In/Out)	\$ 2000 / \$ 4000	\$ 1500 / \$ 3000	\$ 500 / \$ 1000	\$ 300 / \$ 350	N/A / \$ 350	N/A / \$ 350	\$ 750 / N/A
	- Family (In/Out)	\$ 4000 / \$ 8000	\$ 3000 / \$ 6000	\$ 1000 / \$ 2000	\$ 600 / \$ 700	N/A / \$ 700	N/A / \$ 700	\$ 1500 / N/A
Coinsurance (In/Out)		100% / 80%	100% / 80%	100% / 80%	100% / 70%	100% / 80%	100% / 80%	100% / N/A
Office Visit Copay/Coinsurance		100%	100%	\$ 20	\$ 15	\$ 20 (s)	\$ 10	\$ 10 (s)
Out of Pocket Maximum	- Single (In/Out)	\$ 2000 / \$ 8000	\$ 3000 / \$ 6000	\$ 500 / \$ 4000	\$ 300 / \$ 4350	N/A / \$ 2850	N/A / \$ 2850	\$ 2000 / N/A
	- Family (In/Out)	\$ 4000 / \$ 16000	\$ 6000 / \$ 12000	\$ 1000 / \$ 8000	\$ 600 / \$ 8700	N/A / \$ 5700	N/A / \$ 5700	\$ 4000 / N/A
Med/Rx Ded Combined		No	Yes	No	No	No	No	No
Med/Rx OOP Combined		No	Yes	No	No	No	No	No
Pharmacy Copay/Coinsurance		\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 40 / \$ 75 / N/A
Pharmacy Deductible		N/A	Combined with Med	N/A	N/A	N/A	N/A	N/A

- Agents may receive commissions, bonuses and other compensation for selling the products presented in this proposal. The cost of this compensation may be directly or indirectly reflected in the premium or fees for those products.
- Dual Option is available in this state. Please refer to the unitedeservices.com Product section for a detailed description document.
- The UnitedHealthcare Pledge Plan (SM) (38X and 38Z), a HealthPact plan, is available as required by the State of Rhode Island. For rating purposes as shown on United eServices, the 38Y represents the rate for both the Advantage

The above rates and benefits are for general information and discussion purposes only and not valid unless approved by UnitedHealthcare. This rate quote is not an offer or a guarantee of coverage. The rates quoted are applicable to the plan design selected. We reserve the right to modify your rates in the event your plan design must be modified as a result of any change, modification or clarification in law, including the Patient Protection and Affordable Care Act. This group should not, under any circumstances, cancel its existing coverage unless and until coverage is offered by us and final rates have been accepted by and initial premium paid by the group. Final rates are determined by UnitedHealthcare's underwriting guidelines and final enrollment. The insurance policy, not general rates and descriptions in this Web site or printed output, will form the contract between the insured and UnitedHealthcare, and the Certificate of Coverage issued to the subscriber will provide the legal description of coverage.

Quote Details - Quote #338647

State: Rhode Island
Company Name: **Kent County Water Authority Inc**
Effective Date: **7/1/2011**
Broker Agency: **Starkweather & Shepley Insurance Brokerage, Inc.**

Company Contact:
Sales Rep: **James Jette**
SIC Code: **4941**
Region:

Rates

Plan Description	Subscriber	Subscriber and Spouse	Subscriber and Children	Family
Advantage HMO Saver 1500	\$460.85	\$1,106.04	\$737.36	\$1,244.30
Advantage PPO 1000 (80/60)	\$491.16	\$1,178.78	\$785.86	\$1,326.13
Advantage PPO 250 (100/80)	\$610.33	\$1,464.79	\$976.53	\$1,647.89
Advantage PPO 500 (100/80)	\$575.45	\$1,381.08	\$920.72	\$1,553.72
PPO Choice Copay	\$644.66	\$1,547.18	\$1,031.46	\$1,740.58

Attachment Rates

Plan Description	Subscriber	Subscriber and Spouse	Subscriber and Children	Family
HEALTHpact Advantage	\$434.99	\$1,043.98	\$695.98	\$1,174.47

Census Details

	Subscriber	Subscriber and Spouse	Subscriber and Child	Subscriber and Children	Family
Number Of Subs By Tier	4	6	0	4	19

Last Name	First Name	Gender	DOB	Home Zip	COBRA	Tobacco Usage	Tier	Relation
ANGIOLILLI	ALAN	Male	11/24/1956		No		Family	Policy Holder
AUSTIN	ROBERT	Male	03/21/1955		No		Subscriber and Spouse	Policy Holder
BATE	ELIZABETH	Female	12/01/1952		No		Subscriber and Spouse	Policy Holder
BEAUREGARD	MICHAEL	Male	07/01/1975		No		Subscriber and Spouse	Policy Holder
BOSCO	NICHOLAS	Male	07/05/1967		No		Family	Policy Holder
BROWN	TIMOTHY	Male	01/16/1953		No		Subscriber and Spouse	Policy Holder
BURNS	RICHARD	Male	03/06/1961		No		Family	Policy Holder
BUTLER	JESSE	Male	03/22/1961		No		Family	Policy Holder
CORREIA	ELSO	Male	10/29/1968		No		Subscriber and Spouse	Policy Holder
COYLE	DAVID	Male	09/04/1971		No		Family	Policy Holder
DESSERT	JOSEPH	Male	04/06/1962		No		Family	Policy


DIXON	GLENN	Male	02/19/1967		No		Family	Holder Policy Holder
DUCHESNEAU	JOHN	Male	10/08/1957		No		Family	Policy Holder
DUFF	KEITH	Male	01/17/1962		No		Family	Policy Holder
ENOS	BRIAN	Male	11/29/1962		No		Family	Policy Holder
FOSS	STEVEN	Male	09/05/1959		No		Family	Policy Holder
FOURNIER	DENIS	Male	11/09/1970		No		Family	Policy Holder
GERSHKOFF	JO-ANN	Female	08/07/1967		No		Subscriber and Children	Policy Holder
GLENN	GARY	Male	09/26/1963		No		Family	Policy Holder
GOODRICH	DANIEL	Male	05/13/1985		No		Subscriber	Policy Holder
HEARD	CINDY	Female	03/27/1957		No		Family	Policy Holder
JACQUES	NICOLE	Female	08/08/1981		No		Family	Policy Holder
LARKIN	STEPHEN	Male	07/24/1959		No		Family	Policy Holder
LESNIAK	TAD	Male	01/22/1962		No		Subscriber	Policy Holder
LUKOWICZ	RONALD	Male	10/11/1963		No		Subscriber	Policy Holder
PEIXINHO	RANDY	Male	04/29/1965		No		Subscriber and Children	Policy Holder
PERRY	SCOTT	Male	06/15/1963		No		Subscriber and Children	Policy Holder
SALISBURY	LISA	Female	02/10/1971		No		Subscriber and Children	Policy Holder
SILVA	THOMAS	Male	03/28/1967		No		Family	Policy Holder
SKORSKI	TIMOTHY	Male	04/22/1968		No		Family	Policy Holder
TIFT	ERIC	Male	05/30/1981		No		Family	Policy Holder
WINTON	MATTHEW	Male	07/14/1955		No		Subscriber and Spouse	Policy Holder
CORREIRA	STEPHEN	Male	01/01/1990		No		Subscriber	Policy Holder

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Dental PPO/Indemnity Rates

Company Name: KENT COUNTY WATER AUTHORITY
Company Street Address: 1072 MAIN STREET
Broker: UnitedHealthcare Broker
Account Executive: PETER FITZPATRICK
Effective Date: 07/01/2011
UW ID#: D - 043758440

Broker Phone:
Account Executive Phone: (401) 732-7234
Quote Number: 9720158

Company City: WEST WARWICK
Zip Code: 02893
Market: RHODE ISLAND
SIC: 4941 - Water Supply
Quote Date: 05/10/2011

Class	# of Employees	P2660 01/00/CG	P3177 01/00/CG	P3463 01/00/CG	P4953 01/00/CG	P4956 01/00/CG
Employee	4	\$ 49.85	\$ 46.50	\$ 45.46	\$ 44.70	\$ 44.20
Employee + Spouse	6	\$ 99.70	\$ 93.00	\$ 90.92	\$ 89.40	\$ 88.40
Employee + Child(ren)	4	\$ 104.31	\$ 97.30	\$ 95.13	\$ 93.54	\$ 92.49
Employee + Family	19	\$ 159.22	\$ 148.52	\$ 145.21	\$ 142.78	\$ 141.18
Premium Totals:						
Total Monthly Premium		\$ 4,240.02	\$ 3,955.08	\$ 3,866.87	\$ 3,802.18	\$ 3,759.58
Employer Contribution Percentage - Employee Only		100%	100%	100%	100%	100%
Employer Contribution Premium/Month - Employee Only		\$ 1,645.05	\$ 1,534.50	\$ 1,500.18	\$ 1,475.10	\$ 1,458.60
Total Annual Premium		\$ 50,880.24	\$ 47,460.96	\$ 46,402.44	\$ 45,626.16	\$ 45,114.96
Benefit Overview:						
Plan Type		UnitedHealthcare	UnitedHealthcare	UnitedHealthcare	UnitedHealthcare	UnitedHealthcare
Product Type		PPO	PPO	PPO	PPO	PPO
Deductible (In/Out) - Single		\$ 25 / \$ 25	\$ 50 / \$ 50	\$ 50 / \$ 50	\$ 50 / \$ 50	\$ 50 / \$ 50
- Family		\$ 75 / \$ 75	\$ 150 / \$ 150	\$ 150 / \$ 150	\$ 150 / \$ 150	\$ 150 / \$ 150
Coinsurance		100% / 100%	100% / 100%	100% / 100%	100% / 100%	100% / 100%
- Preventive & Diagnostic (In/Out)		90% / 80%	80% / 80%	90% / 80%	80% / 80%	100% / 80%
- Minor Restorative (In/Out)		90% / 80%	80% / 80%	90% / 80%	80% / 80%	100% / 80%
- Endodontic/Periodontic/Oral Surgery (In/Out)		60% / 50%	50% / 50%	60% / 50%	50% / 50%	60% / 50%
- Major (In/Out)		50% / 50%	50% / 50%	50% / 50%	50% / 50%	N/A / N/A
- Orthodontia (In/Out)		N/A	N/A	12 months	12 months	N/A
Waiting Period		N/A	N/A	12 months	12 months	N/A
- Major		N/A	N/A	12 months	12 months	N/A
- Orthodontia		N/A	N/A	12 months	12 months	N/A
Annual Maximum (In/Out)		\$ 2000 / \$ 2000	\$ 2000 / \$ 2000	\$ 2000 / \$ 2000	\$ 2000 / \$ 2000	\$ 1500 / \$ 1500

All footnotes have been consolidated to a separate page within the proposal output.

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DELTA DENTAL OF RHODE ISLAND

Kent County Water Authority

Summary of Proposed Benefit Plan

Three Year Delta Premier Proposal Effective July 1, 2011 through June 30, 2014

Summary of Covered Services

Preventive/Diagnostic

Cleanings (2/year)	100%
Oral Exam (1/year)	100%
Fluoride Treatment (1/year)	100%
X-Rays	100%

Minor Restorative

Sealants	100%
Fillings	100%
Simple Extractions	100%
Denture Repairs	100%
Palliative Treatment	100%
Biopsies	100%
Single Root Canals	100%
Endodontics	100%
Space Maintainers	100%
Oral Surgery/Anesthesia	100%

Major Restorative

Crowns	100%
Periodontic Cleanings	50%
Periodontic Surgery	50%

Student Coverage Age 26

Calendar Year Maximum \$1,200

7/1/11 - 6/30/12 Year One Proposal Rates (contingent upon multiyear contract)

Individual	\$32.63
Family	\$99.21

Minimum Participation Requirement is 85% of the Benefit Eligible Employees

5/3/2011

Fully Insured Groups

Important: Please be sure to pass this information along to your employees.

Under the federal Patient Protection and Affordable Care Act (PPACA), there are new rules regarding coverage for dependent children. They are as follows:

- The healthcare reform act requires continued coverage of dependent children until the child's 26th birthday, regardless of marital or student status, whether the child lives with or is financially dependent upon the parent, or whether the dependent is eligible for coverage through his/her employer.
- Dependents can be married, but the dependent's spouse is not eligible. Also, coverage is not available to children of covered children (grandchildren).
- All fully insured groups that provide coverage for dependents are required to adopt this mandate.

How does this affect BCBSRI coverage?

BCBSRI has made the following business decisions regarding fully insured groups. The following changes apply to both medical and dental insurance effective 10/1/10:

- Enrolled dependents who turn 26 between 6/1/10 and 10/1/10 will not be disenrolled.
- Dependents can be added 10/1/10 and after if they have a qualifying event (e.g. change of family status or involuntary loss of other group coverage).
- Dependents that do not have a qualifying event can be added at the next open enrollment (e.g. renewal) on or after 10/1/10.
- Dependents will be disenrolled:
 - I. On the first of the month following their 26th birthday beginning 01/01/11
 - II. Dependents that turn 26 during 2010 will be terminated as of 01/01/11
- Dependents who are disabled may apply for continued coverage after age 26 in accordance with the subscriber agreement.
- Fully insured dental coverage will comply with the mandate as set forth above.

Important note:

BCBSRI will no longer conduct the student recertification process.

- Groups must control and verify their dependents' enrollment and disenrollment.
- The process for adding dependents will not change (e.g., electronic enrollment).
- Services that have a specific age limit (i.e. sealants to age 18) will not be changed to age 26.

Ban on Lifetime and Annual Limits for Essential Health Benefits

Important: Please be sure to pass this information along to your employees.

The ban on lifetime and annual limits:

Under the federal healthcare reform law, health plans are no longer allowed to impose lifetime or annual dollar limits on "essential health benefits." The federal ban on these limits took effect for any health plan that began or renewed on or after September 23, 2010.*

The majority of Blue Cross & Blue Shield of Rhode Island (BCBSRI) plans do not have lifetime and annual limits. This reform provision impacts only a small number of plans. To comply with the new law, BCBSRI has removed these limits, including the lifetime limit for the following plan:

- BlueCHIP for Healthy Options and Classic: Lifetime limits have been removed for the basic level of benefits.

BCBSRI will also notify members who have reached the lifetime limit on their plan that they may re-enroll, provided they are still eligible for coverage. This notice must be provided no later than the first day of the plan year, and members must be given 30 days to re-enroll.

Annual limits ban:

The ban on annual limits on essential health benefits will be phased in over three years under the new law, with a full ban taking effect January 1, 2014. The three-year phased approach allows a plan to set annual limits on the dollar value of essential health benefits so long as that limit is not less than:

- \$750,000 for plan years beginning on or after September 23, 2010, but before Sep. 23, 2011
- \$1.25 million for plan years beginning on or after September 23, 2011, but before Sep. 23, 2012
- \$2 million for plan years beginning on or after September 23, 2012, but before Jan. 1, 2014

Essential Health Benefits

The new law identifies essential health benefits as follows:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

These broad categories of benefits have not been defined in detail by HHS at this time.

Preventive Services

Important: Please be sure to pass this information along to your employees.

The federal healthcare reform law, known as the Patient Protection and Affordable Care Act (PPACA), mandates 100 percent coverage—pre-deductible—for many preventive services. Beginning October 1, 2010 upon renewal,* group health plans will be required to cover these designated preventive health services, as outlined by the federal Interim Final Regulations (IFR).

IFR regulations are based on recommendations from the following government organizations:

- U.S. Preventive Services Task Force
- U.S. Centers for Disease Control and Prevention
- Health Resources and Services Administration (HRSA)

Key points of the preventive healthcare services federal mandates:

- Preventive health services are defined as primary healthcare that is aimed at screening for and prevention of disease.
- Coverage must follow ongoing recommendations by the U.S. Preventive Services Task Force, Advisory Committee of Immunization Practices of the Centers for Disease Control and Prevention, and the Health Resources and Services Administration.
- New federal rules go into effect for plans that begin on or after September 23, 2010 as well as plans that renew on or after that date.
- Plans must offer coverage for newly recommended preventive services no later than one year after the recommendation is made by one of the above organizations.
- Cost sharing cannot be imposed on mandated preventive health services when those services are provided by an in-network provider.
- Cost sharing can be imposed on services provided by out-of-network providers.
- Grandfathered plans are exempt from these preventive services coverage requirements.
- When state law is more generous than the federal mandates when it comes to coverage for preventive services, state law takes precedence.

Top line changes in preventive healthcare services. The following services are covered at 100%:

- Annual Preventive Health Exams with associated screenings such as blood pressure, weight, BMI, etc.
- Children up to 30 months receive up to 11 well-baby visits at prescribed intervals.
- Pre-natal visits and women's annual exams including pap smears and mammograms
- Smoking cessation and nutritional counseling
- Immunizations (we already cover these at 100%) including administration
- Colorectal screenings
- Over-the-counter aspirin, folic acid, iron supplements and smoking cessation medications.

Federally mandated preventive services from birth to age 18:

Full coverage for well-baby exams – birth to 30 months:

Well-baby exams at birth, 1, 2, 4, 6, 9, 12, 15, 18, 24 and 30 months (11 visits). Infants discharged less than 48 hours after delivery need a visit two to four days after birth. These typically include advice about the child's safety, health, nutrition, and development. These exams may also include immunizations and the following screenings:

- Hearing: For newborn and as the child's healthcare provider advises
- Weight, length, and head circumference
- Hemoglobin or hematocrit: once between 9 and 12 months
- Lead testing at ages 1 and 2, unless lead exposure can be confidently excluded
- Age-appropriate developmental/behavioral assessments

Full coverage for annual well-child exams – ages 3 to 18 years:

Well-child exam should occur once a year for children ages 3 to 18. Well-child exams may include immunizations, discussions on health and wellness issues (nutrition, physical activity, healthy weight, injury prevention, avoidance of tobacco, alcohol and drugs, sexual behavior, dental health, mental health and second hand smoke) and the following screenings:

- Blood pressure
- Height, weight and Body Mass Index (BMI) percentile-for-age
- Age-appropriate developmental/behavioral assessments
- Vision and hearing: at ages 12, 15 and 18 or as the child's healthcare provider advises
- Chlamydia screening for sexually active females under 25
- Age-appropriate developmental/behavioral assessments

Federally mandated preventive services for adults 19 and older:

- Annual Preventive Health Exams with associated screenings such as blood pressure, weight, BMI, etc.
- Blood pressure screening
- Height, weight, and body mass index (BMI) screening
- Cholesterol screening (every five years from age 20-39) and yearly from age 40
- Counseling on health and wellness issues (nutrition, exercise, injury prevention, misuse of drugs and alcohol, tobacco cessation, second hand smoke, sexual behavior, dental health, and mental health)
- Hearing: as recommended by the healthcare provider

Colorectal cancer screening

Beginning at age 50, screening recommendations include one of these six testing options:

- Fecal Occult Blood Test (FOBT) each year
- Flexible sigmoidoscopy every five years
- Double-contrast barium enema every five years
- Colonoscopy every 10 years
- CT colonography may be an appropriate alternative to colonoscopy

Permissible Limits

Annual limits can be applied to non-essential benefits. BCBSRI covers several services that, in accordance with Rhode Island law, are subject to annual dollar limits. These do not appear to fall within the definition of essential health benefits under PPACA. These limits will continue until additional guidance is issued.

- Early intervention services (EIS) up to \$5,000 per child per year through age 3.
EIS coverage provides coverage for educational, developmental, health, and social services provided to children from birth to 36 months. Such services may include speech therapy, physical therapy, case management, and nutrition services.
- Hearing aid services up to \$1,500 per ear every three years for members under 19 years old and \$700 per ear every three years for members 19 and older.
- Hair prosthetics (wigs) up to \$350 per year for hair loss suffered as a result of cancer treatment.
- Outpatient enteral nutrition up to \$2,500 per year when taken orally for the treatment of malabsorption caused by Crohn's disease, ulcerative colitis, gastroesophageal reflux, chronic intestinal pseudo obstruction, and inherited diseases of amino acids and organic acids.

*Lifetime and annual limits must be removed beginning with the first plan year beginning on or after September 23, 2010. "Plan year" means the date specified in the group health plan's plan document or, if no plan year is specified, the deductible or limit year, or if there is no deductible or limit year, the policy year. Because BCBSRI does not collect plan year information, we assume that each group health plan's plan year coincides with the BCBSRI renewal date.



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09/10 SAL-7924

Federal Healthcare Reform

Women:

- Clinical breast exam by health provider every two to three years.
- Cervical cancer screening beginning within three years of sexual activity or age 21 (whichever comes first). Every two to three years ages 30 and older with three consecutive normal PAP tests.
- Chlamydia test for sexually active women ages 25 and older.
- Osteoporosis: Bone density testing should begin no later than age 65. Earlier screening may be appropriate for some women.

Men:

- Abdominal aortic aneurysm: One time for ages 65 to 75 who have ever smoked
- Prostate cancer**

Preventive services for pregnant women:

Pregnant women will be covered for the following visits, tests, screenings, and immunizations:

- Initial visit with OB/GYN in the first trimester.
- Hematocrit/Hemoglobin
- Syphilis
- HIV
- Rubella immunity to identify women needing rubella vaccine after giving birth
- Rh(D) blood type and antibody testing. If Rh(D)negative, repeat testing at 26 to 28 weeks
- Hepatitis B
- Urinalysis as your healthcare provider advises
- Education regarding diet and activity during pregnancy
- Education and counseling regarding tobacco and other substance avoidance
- Recommended immunizations

For more information on preventive services mandated by healthcare reform, please visit healthcare.gov, Medical Coverage Policies on the Provider section of BCBSRI.com, or contact your BCBSRI Account Representative.

*Coverage for preventive services must be in effect on the first plan year beginning on or after September 23, 2010. "Plan year" means the date specified in the group health plan's plan document or, if no plan year is specified, the deductible or limit year, or if there is no deductible or limit year, the policy year. Because BCBSRI does not collect plan year information, we assume that each group health plan's plan year coincides with the BCBSRI renewal date.

**Not required as part of federal reform but is a Rhode Island state mandate.



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09/10 SAL-7923

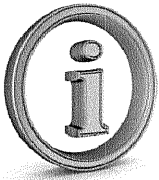
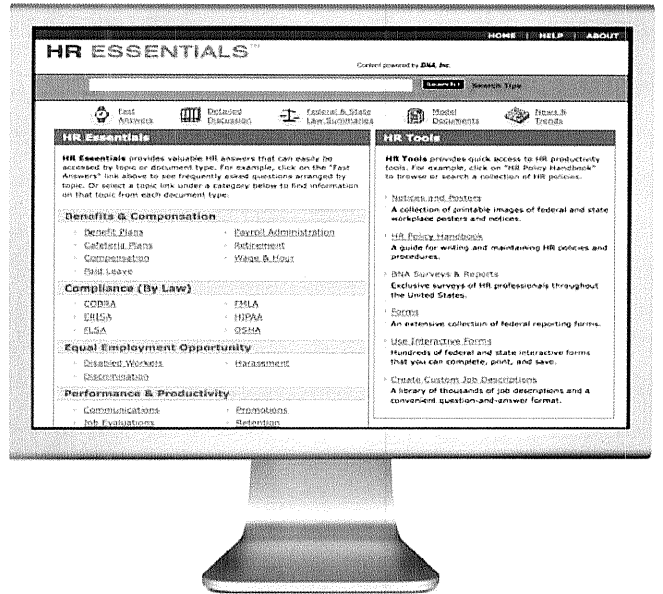


Starkweather & Shepley

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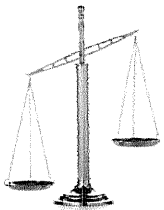
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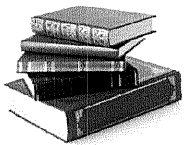
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State Specific Employment Law Updates

Protect your organization from liability for unlawful discrimination and other employment violations with clear, concise analysis of employer obligations and employee rights. Handle employee issues confidently. Quickly locate answers to common questions on hiring, firing, and everything in between.



Find Information on

Topics covered in the HR Essentials library include: Benefits Administration, Communications, Conduct and Discipline, EEO and Non-discrimination, Employee Services, Health and Welfare Benefits, Hiring, HR Administration, Pay Systems, Payroll Administration, Productivity and Performance, Recordkeeping Requirements, Retirement and Pension Benefits, Safety, Security, and Risk Management, Schedules and Leave, and much more.

Groups With 99 Enrolled Employees And Under

<u>Product</u>	<u>Fees</u>
Health Reimbursement Arrangements	
Setup Fee (one-time)	\$350
Monthly Fee (per enrolled employee per month)	\$4.50 pepm
Minimum Monthly Fee	\$60
Debit Cards (one-time per card)	\$1.10
Deductible Reimbursement Card (one-time per card)	\$0.50
Flexible Spending Accounts	
Setup Fee (one-time)	\$350
Monthly Fee (per enrolled employee per month)	\$4.75 pepm
Minimum Monthly Fee	\$60
Debit Cards (one-time per card)	\$1.10
Annual Renewal Fee	\$200
Health Savings Accounts	
Setup Fee (one-time)	\$350
London's Monthly Fee (per enrolled employee per month)	\$3.25 pepm
HSA Bank's Monthly Fee (per enrolled employee per month)	\$2.25 pepm
<i>* HSA Bank fee is waived if member's account balance is \$3,000 or greater</i>	
Debit Cards (one-time per card)	\$1.10

* If two or more Consumer Spending Account (CSA) plans are combined within the same client then a 20% discount off the total monthly fee will be applied. Also, the client will only be charged one account setup fee if they enroll in two or more CSA plans.

Groups With 100 Enrolled Employees And Over

<u>Product</u>	<u>Fees</u>
Health Reimbursement Arrangements	
Setup Fee (one-time)	\$500
Monthly Fee (per enrolled employee per month)	\$4.50 pepm
Minimum Monthly Fee	\$60
Debit Cards (one-time per card)	\$1.10
Deductible Reimbursement Card (one-time per card)	\$0.50
Flexible Spending Accounts	
Setup Fee (one-time)	\$500
Monthly Fee (per enrolled employee per month)	\$4.75 pepm
Minimum Monthly Fee	\$60
Debit Cards (one-time per card)	\$1.10
Annual Renewal Fee	\$200
Health Savings Accounts	
Setup Fee (one-time)	\$500
London's Monthly Fee (per enrolled employee per month)	\$3.25 pepm
HSA Bank's Monthly Fee (per enrolled employee per month)	\$2.25 pepm
<i>* HSA Bank fee is waived if member's account balance is \$3,000 or greater</i>	
Debit Cards (one-time per card)	\$1.10

* If two or more Consumer Spending Account (CSA) plans are combined within the same client then a 20% discount off the total monthly fee will be applied. Also, the client will only be charged one account setup fee if they enroll in two or more CSA plans.

** **Setup Fee:** For groups with over 500 employees, there will be a \$1 additional charge per enrolled employee over 500.

