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ARTHUR J. GALLAGHER & CO. — BOCA RATON
GALLAGHER BENEFIT SERVICES

December 4, 2000

Mr. Steve Varvel
City of Gainesville
222 E. University Ave., Room 222
Gainesville, FL 32601

RE: Lincoln Re Stop Loss Renewal Adjustment

Dear Steve,

Enclosed is the revised bill and contract rate agreed upon by Lincoln Re. In regard to the City of Gainesville Stop Loss Contract for the January 1, 2001 through December 31, 2001 policy year. As agreed the rate increase will be lowered to 15% from the original proposal of 18% the rates are as follows:

Current Billed	Contract
\$7.71	\$11.03

The retro attachment loss ratio will remain at 65% on a gross basis.

I will send you the policy endorsement as soon as I receive them from Lincoln Re. If you need any further clarification please contact me at your earliest convenience.

Sincerely,

Rick Capizzi
Benefit Consultant



**CITY OF GAINESVILLE
SPECIFIC EXCESS LOSS INSURANCE
RENEWAL 2001**

Effective dates of coverage: 1/1/01 through 12/31/01

		BILLED	MAXIMUM
Assumed Enrollment	Single	963	963
	Family	<u>1399</u>	<u>1399</u>
		2362	2362
Specific Excess Loss Insurance	100%		
Covered Benefits	Medical Only		
Lifetime Maximum (per person)		\$1,350,000	\$1,350,000
Specific Deductible		\$150,000	\$150,000
Monthly Rates	Single	\$7.71	<u>\$11.03</u>
	Family	<u>\$7.71</u>	<u>\$11.03</u>
Estimated Annual Premium Claims Basis		<u>\$218,532</u> PAID	<u>\$312,634</u> PAID

CURRENT YEAR

Monthly Rate	Single	\$6.70	\$9.59
	Family	<u>\$6.70</u>	<u>\$9.59</u>
Estimated Annual Premium Claims Basis		<u>\$189,905</u> PAID	<u>\$271,819</u> PAID
Estimated Cost Increase		\$ 28,672	\$40,815



L N R C H O M E

Press Releases

Lincoln Re closes ARMS employer stop-loss acquisition

FORT WAYNE, Ind., November 1, 1999 - Lincoln Re said today its Lincoln National Health & Casualty Insurance Company (LNH&C) completed the acquisition of Alden Risk Management Services (ARMS), Miami, Fla., from the John Alden Life Insurance Company (JALIC) for \$41.5 million. ARMS is a leading provider of employer medical stop-loss insurance coverage.

The agreement, as announced September 13, 1999, includes the acquisition of a block of group life and accidental death and dismemberment (AD&D) business by Lincoln National Reassurance Company (LNRAC).

The acquisition of ARMS makes Lincoln Re one of the largest providers of employer medical stop-loss insurance in the United States, based on premium income. The acquisition provides Lincoln Re with a large block of employer stop-loss premium and an expanded nationwide distribution system.

JALIC was acquired by Fortis, Inc., in 1998. Fortis, Inc. is a financial services company that, through its operating companies and affiliates, provides specialty insurance and investment products to businesses, associations, financial service organizations and individuals in the U.S.

Lincoln Re, the marketing name for the reinsurance companies of Lincoln Financial Group, is one of the world's leading life, health and financial reinsurance organizations. Lincoln Financial Group is the marketing name for Lincoln National Corporation (NYSE: LNC) and its affiliates. Lincoln Financial Group LNC is a prominent financial services holding company with assets of over \$96 billion and annual revenues of over \$6 billion. Through its wealth accumulation and protection businesses, the company provides annuities, life insurance, 401(k) plans, life-health reinsurance, mutual funds, institutional investment management and financial planning and advisory services.

For more information, contact: Gary Penner, Director
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Ph: 219.455.2833
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