Gallagher Benefit Services, Inc.

A Subsidiary of Arthur J Gallagher & Co

October 9, 2006

OCT 12

Steve Varvel
City of Gainesville
222 E University Avenue, Room 222
Gainesville, FL 32601

Re: City of Gainesville
Proposed Renewal Date: January 1, 2007
Proposal Valid to: January 1, 2007

Dear Steve,

Below are the renewal terms for Specific Stop Loss coverage

Specific Stop Loss

Current rate at $150K:	$15 85
Renewal rate at $150K:	$17 28 +9%
Renewal rate at $160K:	$15.85 No change
Renewal rate at $175K:	$14.37 −9 3%

- The 9% increase is due to medical trend. YTD there has been one Specific claim for reimbursements of $153,424.

Contingencies

1   A census of final enrollment Rates/factors are subject to revision if final enrollment varies more than 15% from proposal assumptions
2   Paid claim and large claim experience for the month of September '06
3. The Proposal assumes the experience reflects a standard claims processing time of approximately two weeks from date of receipt to date paid by the Third Party Administrator. Terms are subject to change on a retrospective basis if subsequent experience demonstrates a significant, undisclosed backlog of claims
4   The proposal assumes continuation of the schedule of benefits.

This proposal is valid to January 1, 2007

Please notify me which renewal option has been elected via email so I can notify the carrier

Please call if you have any questions.

Sincerely,

Rick Capizzi
Benefit Consultant
Gallagher Benefit Services

Excess Loss Carrier:	Symetra Life Insurance Company

Proposed Coverage for: City of Gainesville

Effective From: 1/1/07 to 12/31/07

		Billed	**Contract**
Assumed Enrollment	Composite	2,555	2,555

Specific Excess Loss Insurance

Reimbursement Percentage   100%
Covered Benefits: Medical Only
Commissions Payable on Specific Premium: 0%
Lifetime Maximum (per person)

		$4,850,000	$4,850,000
Specific Deductible:		$150,000	$150,000
Monthly Rates:	Composite	12.10	17.28
Estimated Annual Premium		$370,876	$529,823
Claims Basis		PAID	PAID

These terms assume a retrospective arrangement. Loss ratio for retro call purposes will be 65% of net premium.

Retrospective Premium Rating Option

Policy # 16-009585-00
City of Gainesville
Effective Date: January 1, 2007

In consideration of the *Policyholder's* acceptance of the Retrospective Premium Option and paying premium at the *billed premium rate* as stated on the Schedule, the *Policyholder* agrees to pay an additional premium (the difference between the *billed premium rate* and the *contract premium rate*) at the end of the *policy period* if *specific reimbursements* exceed 70% of the sum total of the *billed premium rate* multiplied by the number of *covered units* during each month of the *policy period.*

Billed premium rate is the dollar amount per *covered unit* that will be paid by the *Policyholder* on a monthly basis throughout the *policy period.*

Contract premium rate is the dollar amount per *covered unit* that the *policyholder* must pay per month for the entire *policy period* if *specific reimbursements* exceed the percentage stated in this amendment.

Specific reimbursements are the *covered expenses paid* by the *policyholder* on behalf of a *covered unit* that exceed the Specific Deductible and are reimbursed by *Symetra* to the *Policyholder* as specified in this *policy.*

Acceptance

This Amendment is deemed to be accepted unless the *Policyholder* objects in writing to this Amendment within thirty (30) days from receipt Written notice thereof must be given to *Symetra* at its office in Miami Florida, or any other place specified by *Symetra*

Upon receiving such written notice, if *Symetra* and the *Policyholder* cannot subsequently agree on revisions to this Amendment, this Amendment is null and void.

City of Gainesville

By _____

Title _____

Date _____