



Gallagher Benefit Services, Inc.

A Subsidiary of Arthur J. Gallagher & Co

070617

September 28, 2007

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

Re: City of Gainesville
Proposed Renewal Date: January 1, 2008
Proposal Valid to: January 1, 2008

Dear Steve:

Below are the renewal terms for Specific Stop Loss coverage.

Specific Stop Loss

Current rate at \$160K: \$15.85
Renewal rate at \$160K: \$16.64 +5%

- The 5% increase is due to medical trend. YTD there have been two Specific claims for reimbursements of \$140,068

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 '07.
- 3 We assume 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
- 5 The stop loss rates contain no commissions. Gallagher Benefits Services is compensated by a fee for Services bases as outlined in the attached disclosure statement.

This proposal is valid to January 1, 2008.

Please notify me which renewal option has been elected via email so I can notify the carrier and feel free to call if you have any questions

Sincerely,

Rick Capizzi, Area Assistant Vice President
Gallagher Benefit Services
RC/lt

Enclosures

One Boca Place
2255 Glades Road, Suite 400 E
Boca Raton FL 33431
561.995.6706
Fax 561.995.6708
www.ajg.com



Gallagher Benefit Services
Proposal for Stop Loss Insurance
This is not a binder or contract of insurance.

Excess Loss Carrier:	Symetra Life Insurance Company
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Proposed Coverage for: **City of Gainesville**
Effective From: **1/1/08 to 12/31/08**

		<u>Billed</u>	<u>Contract</u>
Assumed Enrollment	Composite	2,568	2,568

Specific Excess Loss Insurance

Reimbursement Percentage	100%		
Covered Benefits:	Medical Only		
Commissions Payable on Specific Premium:	0%		
Lifetime Maximum (per person)		\$4,840,000	\$4,840,000
Specific Deductible:		<u>\$160,000</u>	<u>\$160,000</u>
Monthly Rates:	Composite	<u>11.65</u>	<u>16.64</u>
Estimated Annual Premium		\$358,945	\$512,778
Claims Basis		PAID	PAID

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