



September 13, 2006

Mr. Steve Miller
Department HR City Hall
400 East Stewart
Las Vegas, NV 89101

Re: Administrative Services Renewal

Dear Steve,

On behalf of Southwest Administrators, Inc, I would like to thank you for the opportunity we have had to serve you and your members for the past four years. We hope that we will continue to have a long future together. As you are aware, our contract is expiring on December 31, 2006.

We are presenting you with a one-year renewal contract for Medical, HIPAA and Dental TPA services. Our fee proposal will still be based on a per capita basis. The extension of the contract will be effective January 1, 2007 through December 31, 2007 and is as follows:

Medical - January 1, 2007 - \$13.06 Per Eligible Per Month

Dental - January 1, 2007 - \$4.72 Per Eligible Per Month

HIPAA - January 1, 2007 - \$0.41 Per Eligible Per Month

If you have any questions, please contact me at 702-253-3302.

Sincerely,

Maryse Peoples
Account Executive
Southwest Administrators

Cc: Tanna Prince, Lockton