



August 25, 2006

Steve Miller
Employee Benefits Administrator
City of Las Vegas
City Hall
400 Stewart Avenue
Las Vegas, NV 89101

Dear Steve,

Lumenos is pleased to present the renewal rate for Plan Year 2007. Based on our recent negotiations with you and Vicki we are happy to waive the previously communicated rate renewal increase. Therefore the City of Las Vegas 2006 ASO rate of \$38.16 PEPM will remain in effect for the duration of Plan Year 2007. Please let us know in writing, either by letter or by e-mail, your agreement with the 2007 PEPM rate of \$38.16.

Further, we would like to confirm the changes to the Lumenos HRA plan for Plan Year 2007, which will include:

1. Increase the annual HRA allocation to \$2,000 for the employee plus one dependent coverage tier;
2. Increase to \$3,000 the annual HRA allocation for the employee plus family coverage tier;
3. Eliminate any pre-existing condition language and;
4. Eliminate the existing \$500 cap on the preventive care services wellness benefit.

We look forward to hearing from you and to continued success in our 2007 Plan Year and beyond.

Best Regards,

Anne D. Inge
Account Manager

CC: Tanna Prince, Lockton Companies of Colorado