

President
Tommy Ricketts

July 2, 2007

Vice President
Don King

Steve Miller, Benefits Administrator
City of Las Vegas
Department of Human Resources
Insurance Services Division
400 Stewart Ave
Las Vegas, NV 89101

Secretary
Vicki Ozuna

Treasurer
Lon Grasmick

Attn: Steve Miller, Benefits Administrator

Trustee
Ken Falline

Dear Steve:

Trustee
Val Sharp

During the past couple of months your office has been going through the bidding process to determine who the City of Las Vegas will utilize as our Third Party Administrator (TPA) for our Medical and Dental programs effective Jan 1, 2008. The Insurance Committee met about a month ago to review proposals and to determine which potential TPA would be the best for the City. The field was reduced to three companies, CenBen, CIGNA, and Fiserv.

Trustee
Nenad Mirkovic

CIGNA, the first presenter had a power house presentation. However, the committee did not select CIGNA because they were the highest in cost, they did not utilize the networks of medical and dental providers as the City currently utilizes. The change in network providers could result in higher medical bills and the potential that some doctors or dentist currently utilized by city employees would not be covered under CIGNA's plan.

General Counsel
Bruce Snyder

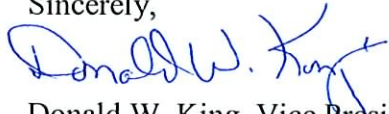
General Manager
Karen Frei

CenBen, the second presenter was not selected by because their presentation was the weakest; they did not have Nevada clients, they talked about a local office presence, when that office has been or was planned to be closed; and they did not have experience with re-pricing or processing Hospital Coalition claims.

Fiserv, the third and final presenter had a very strong presentation. They were not the lowest bidder in relation to cost. However, they utilize the same medical provider network that the City currently utilizes; they have a fairly strong presence in the local market; and they appear to have the flexibility that the City of Las Vegas needs in a TPA.

Based upon the above information the Insurance Committee is pleased to announce that Fiserv was unanimously selected as the TPA that would be recommended to the City Council to become City's new TPA effective January 1, 2008.

Sincerely,

A handwritten signature in blue ink that reads "Donald W. King". The signature is written in a cursive style with a prominent initial "D" and "K".

Donald W. King, Vice President
Chair, Insurance Committee