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December 9, 2009

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

Subject: Stop Loss Insurance- January 1, 2010 Renewal

Dear Steve:

The annual renewal analysis for the medical stop loss policy has been completed. Quotes were obtained from five carriers: incumbent SunLife, Chartis, Symetra, HCC, Optum/UHC and ING. The attached stop loss analysis shows each carrier's A.M. best rating and rates for a $250,000 specific deductible.

Of the five carriers, HCC, Optum/UHC and ING were basically non-competitive with rate increases ranging from 60% to 100%. Chartis offers the best rates, with a 4% decrease of current rates, resulting in @$20,000 in annual savings. Incumbent SunLife proposes a 5% increase over current rates and Symetra proposes a 12% increase. All three carriers have agreed to include the state-mandated clinical trials coverage in their policies. Although Chartis offers the best rates, it is worth noting that they are a spin off company of AIG, which may raise some concerns regarding their ongoing financial stability. In addition, they have a lower A.M. Best rating than SunLife.

Given that SunLife has an A++ A.M. Best rating, are a known entity and are offering an increase of only 5%, we would recommend placing the City's stop loss coverage with SunLife for 2010.

Please contact me with any questions you may have regarding the stop loss renewal.

Sincerely,

Tanna Prince

Tanna Prince
Vice President