September 16, 2011

Ms. Jackie Beauzil

Human Resource Manager

City of Dania Beach

100 W. Dania Beach Boulevard

Dania Beach, FL 33004

Re: 2011 AvMed Health Plan Administration & Symetra Reinsurance Renewal

Dear Jackie,

The City of Dania Beach has utilized a self-funded mechanism for underwriting the employee and retiree health benefits since the 1990s. This has proven to be cost-effective, particularly since the implementation of AvMed as the City’s third party administrator and managed care network in 2005. As you know, we reviewed the possibility of offering a fully-insured health plan to City employees and retirees. However, due to the large percentage of retirees covered under the current plan we received quotes only from AvMed and Coventry. This strategy proved to not be a viable option based on the premiums proposed and the benefit differentials.

We have received renewals from AvMed, the City's administrator for the self-funded health plan, and Symetra, the plan's specific and aggregate reinsurance carrier.

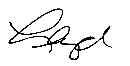
AvMed has proposed an administration fee of $45.45 per employee per month for the 2011-2012 plan year, a 5.31% increase. This equates to $4,342 in additional fees based on the current enrollment.

Symetra has proposed an 18% increase in the specific reinsurance rates effective October 1, 2011, for an estimated additional annual premium of $61,181. The renewal is based on continuation of the specific stop loss level of $75,000 per member per year. The reinsurance contract covers any amounts above the stop loss with no lifetime plan maximum. There will be no change in the aggregate reinsurance premium. The reinsurance proposals are also based on current enrollment, which does not include the previously enrolled firefighters. Five companies declined to offer proposals due to the large percentage of retirees covered under the plan.

The estimated combined annual increase in the City's administration fees and reinsurance premium is $63,627.

The Rhodes Insurance Group recommends that the City of Dania Beach accept the AvMed and Symetra renewals effective October 1, 2011 through September 30, 2012. Please let me know if you have any questions regarding this information or recommendation.

Sincerely,



Lloyd F. Rhodes