

City of Milwaukee
Rates if Your HMO is the Only Option Offered
Rates Effective January 1st 2008
Drug benefit is both carved in & out

Rate	Assumed Enrollment	UnitedHealthcare Medical Only Rates	UnitedHealthcare Medical & Pharmacy Rates
Active Rates			
Single	1,586	\$403.75	\$504.48
Family	3,560	\$1,102.49	\$1,377.55
Retiree Rates			
Single without Medicare	276	\$410.22	\$512.56
Family without Medicare	391	\$1,119.86	\$1,399.26
One with Medicare	353	\$330.48	\$412.93
Two with Medicare	182	\$660.92	\$825.81
One with Medicare & One without Medicare	78	\$750.51	\$937.75
One with Medicare, One without Medicare & Dependent children	7	\$1,058.38	\$1,322.44
Two with Medicare & Dependent children	4	\$968.79	\$1,210.49
One without Medicare & Dependent children	8	\$1,146.76	\$1,432.86
One with Medicare & Dependent children	2	\$1,058.38	\$1,322.44

“With Medicare” means having both parts of Medicare, Hospital (Part A) and Medical (Part B)

Quote Assumptions

- Rates are guaranteed for 12 months for the contract period of 1/1/08 through 12/31/08.
- UnitedHealthcare is the only carrier offered for the HMO coverage.
- UnitedHealthcare reserves the right to adjust the rates if the enrollment at issue varies by +/- 10% from the submitted census.
- Employer contributions will retain the same as current for the HMO and PPO plans.
- Requires a minimum participation level of 75%.
- COBRA continues make up 10% or less of covered employees.
- Quote is subject to final underwriting which may have conditions. Additional paperwork and/or information may be required.
- Final rates contingent upon receipt and review of current carrier's renewal rates.
- UnitedHealthcare only offers a Broad network product, which the rates above reflect.

Describe any caps you are willing to offer on rate increases in 2009 or 2010.

Please refer to the 2009 and 2010 Benefit Care Ratio Guarantee exhibits shown separately.

City of Milwaukee
Rates if Your HMO Options are offered Along Side another HMO
Rates Effective January 1st 2008
Drug Benefits are carved out

Rate	Broad Network	Narrow Network
Active Rates	Not Available	Not Available
Single	Not Available	Not Available
Family	Not Available	Not Available
Retiree Rates	Not Available	Not Available
Single without Medicare	Not Available	Not Available
Family without Medicare	Not Available	Not Available
One with Medicare	Not Available	Not Available
Two with Medicare	Not Available	Not Available
One with Medicare & One without Medicare	Not Available	Not Available
One with Medicare, One without Medicare & Dependent children	Not Available	Not Available
Two with Medicare & Dependent children	Not Available	Not Available
One without Medicare & Dependent children	Not Available	Not Available
One with Medicare & Dependent children	Not Available	Not Available

Note – UnitedHealthcare is unwilling to offer a quote where we are not the only HMO offered to the City of Milwaukee

“With Medicare” means having both parts of Medicare, Hospital (Part A) and Medical (Part B)

Describe any caps you are willing to offer on rate increases in 2009 or 2010

UNITED HEALTHCARE FINANCIAL EXHIBITS - MEDICAL

City of Milwaukee
Effective Date: January 1, 2008

<p>PLAN OFFERED Plan Name Product Locations Plan Offering</p>	<p align="center">NRA (NEM001) Choice * National - Excl. OOA Single Option</p>																										
<p>Single Family</p> <p>Single without Medicare Family Without Medicare One with Medicare Two With Medicare One with Medicare & One without Medicare One with Medicare, One without Medicare & Dependent Child(ren) Two with Medicare & Dependent Child(ren) One Without Medicare & Dependent Child(ren) One with Medicare & Dependent Child(ren)</p>	<table border="0"> <tr> <td>ACTIVE RATES</td> <td>ENROLLMENT</td> </tr> <tr> <td>\$403.75</td> <td align="right">1,586</td> </tr> <tr> <td>\$1,102.49</td> <td align="right">3,560</td> </tr> <tr> <td>RETIREE RATES</td> <td>ENROLLMENT</td> </tr> <tr> <td>\$410.22</td> <td align="right">276</td> </tr> <tr> <td>\$1,119.86</td> <td align="right">391</td> </tr> <tr> <td>\$330.48</td> <td align="right">353</td> </tr> <tr> <td>\$660.92</td> <td align="right">182</td> </tr> <tr> <td>\$750.51</td> <td align="right">78</td> </tr> <tr> <td>\$1,058.38</td> <td align="right">7</td> </tr> <tr> <td>\$968.79</td> <td align="right">4</td> </tr> <tr> <td>\$1,146.76</td> <td align="right">8</td> </tr> <tr> <td>\$1,058.38</td> <td align="right">2</td> </tr> </table>	ACTIVE RATES	ENROLLMENT	\$403.75	1,586	\$1,102.49	3,560	RETIREE RATES	ENROLLMENT	\$410.22	276	\$1,119.86	391	\$330.48	353	\$660.92	182	\$750.51	78	\$1,058.38	7	\$968.79	4	\$1,146.76	8	\$1,058.38	2
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<p>Monthly Premium Annual Premium</p>	<p align="right">\$5,434,341 \$65,212,092</p>																										
<p>BENEFITS* In-Network: Office Copay (PCP/SPC) Other Copays (PI/ER/UC) Deductible (Individual/Family) Coinsurance Out-of-Pocket (Individual/Family) Pharmacy</p> <p>Out of Network: Deductible Coinsurance Out of Pocket</p>	<p align="center">N/A Per Visit N/A/\$25/\$10 N/A 100% N/A Carved Out</p> <p align="center">N/A N/A N/A</p>																										

*High level benefit summary. Please see your plan summary for more detailed benefit description.

City of Milwaukee

Effective Date: January 1, 2008

Medical Quote Assumptions

The rates quoted here are based on the following assumptions. Changes to these assumptions may result in an adjustment to rates or revocation of the quote.

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- Requires a minimum participation level of 75%.
- COBRA continuees make up 10% or less of covered employees.
- Quote is subject to final underwriting which may have conditions. Additional paperwork and/or information may be required.
- Final rates contingent upon receipt and review of current carrier's renewal rates.

This proposal includes 0.00% commissions.

Agents may receive commissions and other compensation for selling the products in this proposal, and this cost may be directly or indirectly reflected in the premium or fees. Agent compensation is subject to disclosure on Form 5500 for customers governed by ERISA. It is our policy to exclude from bonus payments any case in which the agent is receiving a consulting fee from a customer. Contact your agent if you have questions on their compensation for the products in this proposal.

Medicare Part D regulations require employers to provide creditable coverage notification to Medicare eligible participants of their prescription drug plan as well as to Centers for Medicare & Medicaid Services (CMS) at least once a year at specified times. Please contact your Strategic Account Executive for information on the support and services UnitedHealthcare can provide employers to help them meet these requirements and take advantage of the potential financial opportunities as a result of Medicare Part D.

UNITED HEALTHCARE FINANCIAL EXHIBITS - MEDICAL

City of Milwaukee

Effective Date: January 1, 2008

<p>PLAN OFFERED Plan Name Product Locations Plan Offering</p>	<p align="center">NRA (NEM001) Choice * National - Excl. OOA Single Option</p>
<p>Employee Family</p> <p>Single without Medicare Family Without Medicare One with Medicare Two With Medicare One with Medicare & One without Medicare One with Medicare, One without Medicare & Dependent Child(ren) Two with Medicare & Dependent Child(ren) One Without Medicare & Dependent Child(ren) One with Medicare & Dependent Child(ren)</p>	<p>ACTIVE RATES: \$504.48 \$1,377.55</p> <p>RETIREE RATES: \$512.56 \$1,399.26 \$412.93 \$825.81 \$937.75 \$1,322.44 \$1,210.49 \$1,432.86 \$1,322.44</p> <p>ACTIVE RATES: 1,586 3,560</p> <p>RETIREE RATES: 276 391 353 182 78 7 4 8 2</p>
<p>Monthly Premium Annual Premium</p>	<p align="center">\$6,790,172 \$81,482,064</p>
<p>BENEFITS* In-Network: Office Copay (PCP/SPC) Other Copays (IP/ER/UC) Deductible (Individual/Family) Coinsurance Out-of-Pocket (Individual/Family) Pharmacy</p> <p>Out of Network: Deductible Coinsurance Out of Pocket</p>	<p align="center">N/A Per Visit N/A/\$25/\$10 N/A 100% N/A \$48/8; 2.0x for M.O.</p> <p align="center">N/A N/A N/A</p>

*High level benefit summary. Please see your plan summary for more detailed benefit description.

UNITED HEALTHCARE FINANCIAL EXHIBITS - MEDICAL

City of Milwaukee

Effective Date: January 1, 2008

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Medicare Part D regulations require employers to provide creditable coverage notification to Medicare eligible participants of their prescription drug plan as well as to Centers for Medicare & Medicaid Services (CMS) at least once a year at specified times. Please contact your Strategic Account Executive for information on the support and services UnitedHealthcare can provide employers to help them meet these requirements and take advantage of the potential financial opportunities as a result of Medicare Part D.

**City of Milwaukee
1/1/2009 United Healthcare Renewal Guarantee**

The 1/1/2009 renewal will be calculated based on the claims paid from 5/1/2007 through 4/30/2008. Paid claims for this period will be a combination of claims paid under UHC from 1/1/2008 through 4/30/2008, plus claims paid under Humana for the period 5/1/2007 through 12/31/2007 as well as the Humana runout for 1/1/2008 through 4/30/2008. Total claims paid for 5/1/2007 through 4/30/2008 will be divided by the total incurred member months for the 3/1/2007 through 2/28/2008 period to determine the PMPM Claim Cost. The Incurred Benefit Care Ratio will be determined by dividing the PMPM Claim Cost by the UHC Current Premium PMPM which will be calculated based on rates and enrollment in effect as of 5/1/2008.

Current Incurred Benefit Care Ratio	Maximum Rate Increase 1/1/2009
Less Than 75.0%	0.0%
75.0% up to 79.9%	3.5%
80.0% up to 84.9%	10.0%
85.0% up to 89.9%	16.0%
90.0% up to 94.9%	22.5%
95.0% or higher	N/A

Assumptions/Requirements

- City of Milwaukee will be responsible for providing Humana paid claims data for 5/1/2007 through 4/30/2008, as well as, enrollment data for 3/1/2007 through 12/31/2007.
- Paid claims defined as Fee for Service claims plus capitations.
- Administrative costs exclude commissions.
- This Guarantee is null and void if the enrollment varies by more than 10%.
- If the Incurred BCR for the claim period above is 95.0% or higher, no Maximum rate increase cap applies.
- Renewal will be weighted 100% to experience.
- Pooling level is set at \$500,000.
- Maximum increase represents full rate increase and includes UHC's trend, retention and pooling charge costs.

**City of Milwaukee
1/1/2010 United Healthcare Renewal Guarantee**

The 1/1/2010 renewal will be calculated based on the claims paid from 5/1/2008 through 4/30/2009. Paid claims will include all Fee For Service claims as well as all capitations. The Benefit Care Ratio will be determined by dividing paid claim costs by premium earned during the same time period.

Paid Claims Benefit Care Ratio	Maximum Rate Increase 1/1/2010
Less Than 75.0%	0.0%
75.0% up to 79.9%	6.5%
80.0% up to 84.9%	13.0%
85.0% up to 89.9%	19.5%
90.0% up to 94.9%	26.0%
95.0% or higher	N/A

Assumptions

- Paid claims include capitations.
- Rate increase will include 0% for commissions and 2.0% for Premium Taxes.
- This Guarantee is null and void if UHC not the sole carrier for all medical coverages.
- BCR based guarantee is applicable to 1/1/2010 renewal only.
- If the BCR for the claim period above is 95.0% or higher, no Maximum rate increase cap applies.
- Renewal will be weighted 100% to experience.
- Pooling level is set at \$500,000.
- Table is subject to revision if enrollment varies by more than 10%.
- Assumes current plan of benefits (NRA -Mod). This table will need to change if plan changes are made during the plan year.