

REQUISITION SHEET MUST BE ATTACHED
(Applies when agenda item requires a specific payment)

OKLAHOMA COUNTY
SPECIAL BUDGET BOARD OF OKLAHOMA COUNTY

AGENDA ITEM REQUEST SHEET

For the: November 12 Agenda
(Day of Meeting) (Date and Year of Meeting)

DEPT.: County Clerk's HR/Benefits Dept. BY: Debra Clark forCarolynn Caudill, County Clerk EXT. 1865
(Department Requesting this item) (Contact person for this Item) (Contact's extension)

NAME OF FUND: Employee Benefits 4010

AGENDA ITEM DESCRIPTION: Discussion and possible action for approval of Resolutions amending Oklahoma County's Contribution, Active Employees, COBRA Participants, Employees on Leave of Absence, and Retirees health and dental insurance premium rates to be effective January 1, 2010. This item is requested by Carolynn Caudill, County Clerk and Secretary to the Board and approved as to form and legality by John M. Jacobsen, Asst. District Attorney.

(ALL NECESSARY DOCUMENTATION MUST BE ATTACHED FOR APPROVAL)

APPROVED BY D.A
(If Applicable)

APPROVED BY PURCHASING
(If Applicable)

Assistant District Attorney

Purchasing Agent

APPROVED BY MIS
(If Applicable)

APPROVED BY ENGINEER
(If Applicable)

MIS Director

County Engineer

Number of ORIGINAL DOCUMENTS you have attached: _____. **NOTE:** The County Clerk will keep one original and will return the remaining originals to you. If you provide only one original, the Board Secretaries will return one photocopy to you. However, if you have special circumstances that require the County Clerk to (check one): ____ keep more than one original; or ____ return all originals to you, please describe them for the County Clerk's consideration: _____

Special Instructions: The County Clerk's Benefits department will provide confidential packets to all elected officials for this agenda item.

3
x1

2010 Monthly Health Insurance Premium Rates

Active Employees

Single	\$114.00
Family	\$273.00

COBRA Participants

Single	\$465.00
Family	\$1,113.00

LWOP (No 2% Admin Fee)

Single	\$456.00
Family	\$1,091.00

Retirees

Retiree Single, with Medicare	\$88.00
Retiree Single	\$217.00
Retiree & Family, both with Medicare	\$193.00
Retiree & Family	\$430.00
Retiree with Medicare, Spouse without Medicare	\$283.00
Retiree without Medicare, Spouse with Medicare	\$322.00
Retiree with Medicare, Family without Medicare *	\$366.00
Retiree, Family without Medicare, Spouse w/Medicare*	\$350.00
Retiree Survivor Spouse, with Medicare	\$88.00
Retiree Survivor Spouse	\$217.00

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13

RESOLUTION NO. _____

A RESOLUTION AMENDING THE OKLAHOMA COUNTY CONTRIBUTION FOR EMPLOYEE HEALTH/DENTAL INSURANCE PREMIUMS

WHEREAS, by previous Resolution the Board of County Commissioners of Oklahoma County has established a Health and Dental Plan for employees and their dependents; and

WHEREAS, by Resolution No. 488-06 dated October 25, 2006 the Oklahoma County Board of County Commissioners approved Oklahoma County employee monthly health and dental insurance premium rates shall equal twenty-five percent (25%) of the health and dental costs; and

WHEREAS, the Oklahoma County COBRA rates are determined annually by a qualified actuary under contract with Oklahoma County, to be effective January 1st of each year upon the approval of the Board of County Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Oklahoma County Board of County Commissioners upon recommendation from the Oklahoma County Budget Board hereby amends the monthly county contribution rates for active employee's health/dental insurance premiums effective January 1, 2010:

Single Medical/Dental Rate	\$342.00
Family Medical/Dental Rate	\$818.00

APPROVED this _____ day of _____, 2009

OKLAHOMA COUNTY BUDGET BOARD OF OKLAHOMA COUNTY, OKLAHOMA

Chairman

Vice Chairman

ATTEST:

County Clerk and Secretary to the Board

**A RESOLUTION AMENDING THE OKLAHOMA COUNTY CONTRIBUTION
FOR EMPLOYEE HEALTH/DENTAL INSURANCE PREMIUMS**

3
x 4

APPROVED this _____ day of _____, 2009

**BOARD OF COUNTY COMMISSIONERS
OF OKLAHOMA COUNTY, OKLAHOMA**

Chairman

Member

Member

ATTEST:

County Clerk and Secretary to the Board

3x5

RESOLUTION NO. _____

A RESOLUTION AMENDING THE MEDICAL/DENTAL PREMIUM RATES FOR COUNTY EMPLOYEES ON LEAVE OF ABSENCE:

WHEREAS, the employee may carry county health insurance coverage during Leave of Absence, and must meet the eligibility criteria as outlined in Oklahoma County's Health and Dental Plan Document, as amended January 1, 2005 and as subsequently amended; and

WHEREAS, those individuals reimbursing the county are required to pay 100% of the below costs.

NOW, THEREFORE, BE IT RESOLVED that the Oklahoma County Board of County Commissioners upon recommendation from the Oklahoma County Budget Board hereby amends the following monthly Leave of Absence rates for medical/dental coverage effective January 1, 2010:

Single Medical/Dental Rate	\$456.00
Family Medical/Dental Rate	\$1,091.00

APPROVED this _____ day of _____, 2009

OKLAHOMA COUNTY BUDGET BOARD OF OKLAHOMA COUNTY, OKLAHOMA

Chairman

Vice Chairman

ATTEST:

Carolynn Caudill, County Clerk
and Secretary to the Board

3x6

**A RESOLUTION AMENDING THE MEDICAL/DENTAL PREMIUM RATES
FOR COUNTY EMPLOYEES ON LEAVE OF ABSENCE**

APPROVED this ____ day of _____, 2009

**BOARD OF COUNTY COMMISSIONERS
OF OKLAHOMA COUNTY, OKLAHOMA**

Chairman

Member

Member

ATTEST:

Carolynn Caudill, County Clerk
and Secretary to the Board

RESOLUTION NO. _____

3 x 7

A RESOLUTION AMENDING THE CONTINUED MEDICAL/DENTAL PREMIUM RATES FOR COUNTY EMPLOYEES WHO TERMINATE:

WHEREAS, under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 certain terminated employees and covered dependents can continue to be covered under the county medical plan; and

WHEREAS, this continued medical/dental coverage must be identical to the coverage which the terminated employee had as a full-time employee; and

WHEREAS, the employee or covered dependent requesting continuation of medical/dental coverage must meet the eligibility criteria as outlined in Oklahoma County's Health and Dental Plan Document, as amended January 1, 2005 and as subsequently amended; and

WHEREAS, an employee must comply with COBRA selection requirements to effect the initiation of this coverage; and

WHEREAS, those individuals wishing to continue coverage are required to pay 102% of the cost of the plan.

NOW, THEREFORE, BE IT RESOLVED that the Oklahoma County Board of County Commissioners upon recommendation from the Oklahoma County Budget Board hereby amends the following monthly rates for continuation of medical/dental coverage effective January 1, 2010:

Single Medical/Dental Rate	\$465.00
Family Medical/Dental Rate	\$1,113.00

APPROVED this ____ day of _____, 2009

**OKLAHOMA COUNTY BUDGET BOARD
OF OKLAHOMA COUNTY, OKLAHOMA**

Chairman

Vice Chairman

ATTEST:

County Clerk and Secretary to the Board

**A RESOLUTION AMENDING THE CONTINUED MEDICAL/DENTAL
PREMIUM RATES FOR COUNTY EMPLOYEES WHO TERMINATE**

3 x 8

APPROVED this _____ day of _____, 2009

**BOARD OF COUNTY COMMISSIONERS
OF OKLAHOMA COUNTY, OKLAHOMA**

Chairman

Member

Member

ATTEST:

Carolynn Caudill, County Clerk
and Secretary to the Board

RESOLUTION NO. _____

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X 9

**A RESOLUTION AMENDING THE OKLAHOMA COUNTY ACTIVE
EMPLOYEE CONTRIBUTION FOR HEALTH/DENTAL INSURANCE
PREMIUMS**

WHEREAS, by previous Resolution the Board of County Commissioners of Oklahoma County has established a Health and Dental Plan for employees and their dependents; and

WHEREAS, by Resolution No. 488-06 dated October 25, 2006 the Oklahoma County Board of County Commissioners approved Oklahoma County employee monthly health and dental insurance premium rates shall equal twenty-five percent (25%) of the health and dental costs; and

WHEREAS, the Oklahoma County COBRA rates are determined annually by a qualified actuary under contract with Oklahoma County, to be effective January 1st of each year upon the approval of the Board of County Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Oklahoma County Board of County Commissioners upon recommendation from the Oklahoma County Budget Board hereby amends the monthly county contribution rates for active employee's health/dental insurance premiums effective January 1, 2010:

Single Medical/Dental Rate	\$114.00
Family Medical/Dental Rate	\$273.00

APPROVED this _____ day of _____, 2009

**OKLAHOMA COUNTY BUDGET BOARD
OF OKLAHOMA COUNTY, OKLAHOMA**

Chairman

Vice Chairman

ATTEST:

County Clerk and Secretary to the Board

3
X 10

**A RESOLUTION AMENDING THE OKLAHOMA COUNTY CONTRIBUTION
FOR EMPLOYEE HEALTH/DENTAL INSURANCE PREMIUMS**

APPROVED this ____ day of _____, 2009

**BOARD OF COUNTY COMMISSIONERS
OF OKLAHOMA COUNTY, OKLAHOMA**

Chairman

Member

Member

ATTEST:

County Clerk and Secretary to the Board

3
XII

RESOLUTION NO. _____

A RESOLUTION SETTING THE OKLAHOMA COUNTY RETIREE HEALTH/DENTAL INSURANCE PREMIUM RATES

WHEREAS, by previous Resolution the Board of County Commissioners of Oklahoma County has established a Health and Dental Plan for Oklahoma County Retirees and their dependents; and

WHEREAS, by Resolution No. 489-06 dated October 25, 2006 the Oklahoma County Board of County Commissioners approved Oklahoma County retiree monthly health and dental insurance premium rates shall equal twenty-five percent (25%) of the health and dental plan costs; and

WHEREAS, Oklahoma County retiree monthly health and dental insurance premium rates shall be adjusted annually to reflect changes in the actuarially determined rates, with rate changes effective each January 1st.

NOW, THEREFORE, BE IT RESOLVED that the Oklahoma County Board of County Commissioners upon recommendation from the Oklahoma County Budget Board hereby sets the following monthly rates for retiree's health insurance premiums effective January 1, 2010:

Retiree Single, with Medicare	\$88.00
Retiree Single	\$217.00
Retiree & Family, Both with Medicare	\$193.00
Retiree & Family	\$430.00
Retiree with Medicare, Spouse without Medicare	\$283.00
Retiree without Medicare, Spouse with Medicare	\$322.00
Retiree, Family without Medicare, Spouse with Medicare	\$350.00
Retiree with Medicare, Family without Medicare	\$366.00
Retiree Survivor Spouse, with Medicare	\$88.00
Retiree Survivor Spouse	\$217.00

APPROVED this ____ day of _____, 2009

OKLAHOMA COUNTY BUDGET BOARD OF OKLAHOMA COUNTY, OKLAHOMA

Chairman

**A RESOLUTION SETTING THE OKLAHOMA COUNTY RETIREE
HEALTH/DENTAL INSURANCE PREMIUM RATES**

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X 12

Vice Chairman

ATTEST:

County Clerk and Secretary to the Board

APPROVED this _____ day of _____, 2009

**BOARD OF COUNTY COMMISSIONERS
OF OKLAHOMA COUNTY, OKLAHOMA**

Chairman

Member

Member

ATTEST:

County Clerk and Secretary to the Board

Oklahoma County Medical Plan
Blended Rates Analysis

Revised 11/09/2009

Enrollment as of 6/30/09

Active & COBRA

Single 660
Family 618

Retired Under 65

Single 75
Family 54

Retired Over 65

Single 156
Family 58

	Actual 2008/2009 Plan Year		Actuarial 2009/2010 Plan Year		Blended 2009/2010 Plan Year		% Change
	Medical	Rx Total	Medical	Rx Total	Medical	Rx Total	
Active Employees (Combined)							
Employee	\$337.00	\$424.00	\$321.00	\$442.00	\$317.00	\$438.00	3.30%
Family	\$808.00	\$1,016.00	\$773.00	\$1,066.00	\$747.00	\$1,040.00	2.36%
Retiree Under 65							
Employee	\$602.00	\$851.00	\$545.00	\$666.00	\$737.00	\$858.00	0.82%
Family	\$1,204.00	\$1,670.00	\$1,309.00	\$1,602.00	\$1,389.00	\$1,682.00	0.72%
Retiree Over 65							
Employee	\$201.00	\$201.00	\$121.00	\$121.00	\$121.00	\$121.00	-39.80%
Family	\$402.00	\$402.00	\$293.00	\$293.00	\$293.00	\$293.00	-27.11%
	\$13,396,860.00		\$13,474,032.00		\$13,474,176.00		0.58%

Oklahoma County Medical Plan Rate Classes

Revised 11/09/2009

Rate Class	2009/2010 COBRA	2009/2010 Funding	75% of Rates	25% of Rates	2009 Actual	2010 Proposed
PPO Single	\$438.00	\$429.00	\$322.00	\$107.00	\$116.00	\$117.00
PPO Family	\$1,040.00	\$1,020.00	\$765.00	\$255.00	\$285.00	\$287.00
Dependent only, without Medicare	\$509.00	\$499.00	\$374.00	\$125.00	\$222.00	\$223.00
Retiree and Family, both without Medicare	\$1,682.00	\$1,649.00	\$1,237.00	\$412.00	\$386.00	\$388.00
Retiree Single, without Medicare	\$858.00	\$841.00	\$631.00	\$210.00	\$158.00	\$159.00
Spouse without Medicare	\$699.00	\$685.00	\$514.00	\$171.00	\$233.00	\$234.00
Family without Medicare	\$1,208.00	\$1,184.00	\$888.00	\$296.00	\$355.00	\$357.00
Retiree and Dependent without Medicare	\$1,144.00	\$1,122.00	\$842.00	\$281.00	\$340.00	\$342.00

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ANNUAL ACTUARIAL REPORT
FOR THE HEALTH CARE PLAN OF
COUNTY COMMISSIONERS OF OKLAHOMA COUNTY
ACTIVES AND COBRAS - MEDICAL ONLY

TO: Mutual Assurance Administrators, Inc.
 3121 Quail Springs Parkway
 Oklahoma City, OK 73134

FROM: Self-Funding Actuarial Services, Inc.
 8025 North Point Blvd, Suite 207W
 Winston-Salem, NC 27106
www.self-fundhealth.com
www.awpse.com
www.actuarialworkproducts.com
 email: harker2@earthlink.net

Contact: Peggy Taylor
 Tel: (405) 607-2677
 Fax: (405) 607-2626

Contact: Carlton Harker, FSA, MAAA
 Tel: (336) 759-2035
 Fax: (336) 896-0392
 Email: harker2@earthlink.net

We respond to your request for actuarial services.

Plan Sponsor: **COUNTY COMMISSIONERS OF OKLAHOMA COUNTY**
Oklahoma City, OK
Reworked 11 - 7- 09
 Plan Year: **July 1, 2009 to July 1, 2010**

The following actuarial computations and attestations are provided herein:

Exhibit I

Part A - Recommended Monthly Factors to fund paid claims for the above-cited plan year.

Part B - Monthly COBRA premiums which comply with the applicable federal laws and regulations for the above-cited plan year.

Part C - Basis of Computations.

Part D - General commentary on COBRA premiums. *

* See www.self-fundhealth.com

Part E - COBRA Premiums by Attained Age (Optional).*

Part F - COBRA Premiums by Geographical Area (Optional) including Table of Area Ratings *

Exhibit II

Liability for Plan Obligations as of the date indicated herein, that were computed on a *claims made basis* as opposed to a *claims paid basis*.

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X16

EXHIBIT I
RECOMMENDED FUNDING FACTORS AND
COBRA PREMIUMS
COUNTY COMMISSIONERS OF OKLAHOMA COUNTY
ACTIVES AND COBRAS - MEDICAL ONLY

Plan Sponsor: COUNTY COMMISSIONERS OF OKLAHOMA COUNTY

DOL/IRS: Plan Number: N/A

Plan Year: July 1, 2010 to July 1, 2011

PART A - MONTHLY FUNDING FACTORS

The Plan Sponsor may anticipate the following funding demands so as to provide for projected plan claims (no allowance for reserve changes or for fixed costs) for the Plan Year shown above:

	<u>Medical</u>			<u>Total</u>
Individual	\$277	-	-	\$277
Family	\$665	-	-	\$665
	-	-	-	-
	-	-	-	-
	-	-	-	-

Plan Sponsor may fund using: (a) qualified trust [IRC § 501 (c) (9)]; (b) a non-qualified trust (IRC § 419A); (c) a designated bank account (using Plan Sponsor's Tax I.D. Number); or (d) internal or memorandum accounts only. Methods (a) and (b) are *funded* and plan assets are created. Methods (b) and (c) are *unfunded* and plan assets are not created.

PART B - MONTHLY COBRA PREMIUMS

Monthly COBRA premiums (2% is included) for the Plan Year shown above:

	<u>Medical</u>			<u>Total</u>
Individual	\$321	-	-	\$321
Family	\$773	-	-	\$773
	-	-	-	-
	-	-	-	-
	-	-	-	-

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X 17

PART C - BASIS OF COMPUTATIONS - COUNTY COMMISSIONERS OF OKLAHOMA COUNTY

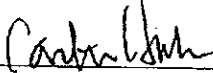
- COBRA premiums are based upon the sum of : (a) projected paid claims; (b) fixed costs (stop-loss premiums, administration fees, employer internal plan costs, outsourced service costs, e.g.); (c) amortizations of plan obligations.
- Projected paid claims (below the specific stop-loss limitation) of \$7,123,300 were determined as follows: (a) retrospectively (actuary relied on past data); (b) prospectively (actuary relied on stop-loss terms of renewal); Monte Carlo simulation; or (c) combination of (a), (b) and (c) as appears to the actuary to be the most reasonable.

Basis of claims is paid, benefits include Medical Only
 Assumed claims run-in from prior plan year: N/A
 Benefit options include: N/A
 Participants include: Actives and Cobras

Census: I	P/C	P/S	P+1		
660					
	P/C/C+	P+2	P+C+	F	Total
				618	1278

P=Participant; C=Child; C+=Children; F=Family

- Items furnished by the Plan Sponsor or Claims Administrator, which were used on the computations, are attached hereto.
- Plan Sponsor's internal costs are assumed to be 3.0% of projected claims or \$213,700 and are treated as plan costs. Such internal plan costs must be shown as such on the Form 5500. The actuary assumed that the Plan Sponsor is able to justify these assumed internal costs.
- Reserves for plan obligations are show in Exhibit II, herein. An amortization charge to create and/or maintain such reserve is assumed to be 3.2% of projected claims plan or \$230,500 .
- Where projected paid claims were determined retrospectively, a monetary inflation factor of 8.0% of such claims or \$527,700 was assumed.
- It is assumed that all participants reside in the Area Index 4 . See Table of Area Ratings attached. This assumption is of concern only if the Plan Sponsor elects to vary COBRA premiums by geographical area. Where the Plan Sponsor does elect to vary COBRA premiums by geographical area, COBRA premiums should be increased or decreased by using the Table shown in Part F. Also, prior to using the Area Index shown above, the exact location of participants by residence should be determined so that the assumed Index is replaced by an exact Index.

11-10-09 By: 

 Date Carlton Harker, FSA, MAA
 Self-Funding Actuarial Services, Inc.

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X 18

EXHIBIT II
ACTUARIAL COMPUTATION FOR THE RESERVE FOR THE
PLAN OBLIGATIONS OF THE HEALTH CARE PLAN OF
COUNTY COMMISSIONERS OF OKLAHOMA COUNTY
ACTIVES AND COBRAS - MEDICAL ONLY
AS OF JUNE 30, 2009

I, Carlton Harker, Consulting Actuary, am a principal of Self-Funding Actuarial Services, Inc., am a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries. My firm has been retained to provide calculations of COBRA premiums for the above-cited health care plan. I have determined, by appropriate actuarial assumptions and methods, the Plan Obligations referred to below. I have relied upon the claims administrator and/or the plan sponsor of the subject health care plan as to the accuracy and completeness of any underlying information provided to me and used in the computation of such plan obligations. In other aspects, my examination included such review of the actuarial assumptions and methods of such tests of calculations as I considered necessary under the circumstances. Enumerative procedures were replaced by statistical modeling techniques, where provided data was below acceptable credibility limits or not provided.

- a. **Estimated Incurred and Unpaid Claims as of June 30, 2009** \$989,300
 (Traditional or Claims Paid Basis)
 This liability includes claims due and unpaid, in the course of settlement and incurred but not reports and includes allowance for claims settlement expenses, but excludes any allowance for pending or ongoing litigations. Allowance is made for claims that may be tardy in settlement (coordinator of benefits and Medicare secondary payments, e.g.). The liability includes a sufficient safety margin.

- b. **Estimated Future Claims That Are Not Yet Incurred** \$1,315,800
 (But Are a Plan Obligation on a Claims Made Basis)
 An example would be surgery for an accident-related injury where the date of the accident pre-date the Valuation Date, but the actual operation post-dated the Valuation Date. Similar logic applied to illness-related claims. Two constraints on such liability are these: (a) estimated participant contribution (COBRA premiums primarily) are used as an offset to such liability and (b) such claims are within the coverage extension period (COBRA, e.g.) provided by the plan.

- c. **Liability for Plan Obligations on a Claims Made Basis** \$2,305,100
 Sum of (a) and (b)

Return

Save

Return - takes you back to make changes
Database - saves the information to a database
Save - saves the information to a file

3 X 19

ANNUAL ACTUARIAL REPORT
FOR THE HEALTH CARE PLAN OF
COUNTY COMMISSIONERS OF OKLAHOMA COUNTY
RETIREES UNDER AGE 65 - MEDICAL ONLY

TO: Mutual Assurance Administrators, Inc.
3121 Quail Springs Parkway
Oklahoma City, OK 73134

FROM: Self-Funding Actuarial Services, Inc.
8025 North Point Blvd, Suite 207W
Winston-Salem, NC 27106
www.self-fundhealth.com
www.awpse.com
www.actuarialworkproducts.com
email: harker2@earthlink.net

Contact: Peggy Taylor
Tel: (405) 607-2677
Fax: (405) 843-1953

Contact: Carlton Harker, FSA, MAAA
Tel: (336) 759-2035
Fax: (336) 896-0392
Email: harker2@earthlink.net

We respond to your request for actuarial services.

Plan Sponsor: **COUNTY COMMISSIONERS OF OKLAHOMA COUNTY**
Oklahoma City, OK

Reworked 11 - 7- 09

Plan Year: **July 1, 2009 to July 1, 2010**

The following actuarial computations and attestations are provided herein:

Exhibit I

Part A - Recommended Monthly Factors to fund paid claims for the above-cited plan year.

Part B - Monthly COBRA premiums which comply with the applicable federal laws and regulations for the above-cited plan year.

Part C - Basis of Computations.

Part D - General commentary on COBRA premiums. *

* See www.self-fundhealth.com

Part E - COBRA Premiums by Attained Age (Optional).*

Part F - COBRA Premiums by Geographical Area (Optional) including Table of Area Ratings *

Exhibit II

Liability for Plan Obligations as of the date indicated herein, that were computed on a *claims made basis* as opposed to a *claims paid basis*.

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EXHIBIT I
RECOMMENDED FUNDING FACTORS AND
COBRA PREMIUMS
COUNTY COMMISSIONERS OF OKLAHOMA COUNTY
RETIREES UNDER AGE 65 - M MEDICAL ONLY

Plan Sponsor: COUNTY COMMISSIONERS OF OKLAHOMA COUNTY

DOL/IRS: Plan Number: N/A

Plan Year: July 1, 2009 to July 1, 2010

PART A - MONTHLY FUNDING FACTORS

The Plan Sponsor may anticipate the following funding demands so as to provide for projected plan claims (no allowance for reserve changes or for fixed costs) for the Plan Year shown above:

	<u>Medical</u>			<u>Total</u>
Individual	\$485	-	-	\$485
Family	\$1,164	-	-	\$1,164
	-	-	-	-
	-	-	-	-
	-	-	-	-

Plan Sponsor may fund using: (a) qualified trust [IRC § 501 (c) (9)]; (b) a non-qualified trust (IRC § 419A); (c) a designated bank account (using Plan Sponsor's Tax I.D. Number); or (d) internal or memorandum accounts only. Methods (a) and (b) are *funded* and plan assets are created. Methods (b) and (c) are *unfunded* and plan assets are not created.

PART B - MONTHLY COBRA PREMIUMS

Monthly COBRA premiums (2% is included) for the Plan Year shown above:

	<u>Medical</u>			<u>Total</u>
Individual	\$545	-	-	\$545
Family	\$1,309	-	-	\$1,309
	-	-	-	-
	-	-	-	-
	-	-	-	-

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X 21

PART C - BASIS OF COMPUTATIONS - COUNTY COMMISSIONERS OF OKLAHOMA COUNTY

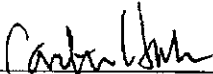
- COBRA premiums are based upon the sum of : (a) projected paid claims; (b) fixed costs (stop-loss premiums, administration fees, employer internal plan costs, outsourced service costs, e.g.); (c) amortizations of plan obligations.
- Projected paid claims (below the specific stop-loss limitation) of \$1,193,100 were determined as follows: (a) retrospectively (actuary relied on past data); (b) prospectively (actuary relied on stop-loss terms of renewal); Monte Carlo simulation; or (c) combination of (a), (b) and (c) as appears to the actuary to be the most reasonable.

Basis of claims is paid, benefits include Medical Only
 Assumed claims run-in from prior plan year: N/A
 Benefit options include: N/A
 Participants include: Actives and Cobras

Census: I	P/C	P/S	P+1		
75					
P/C/C+	P+2	P+C+	F	Total	
			54	129	

P=Participant; C=Child; C+=Children; F=Family

- Items furnished by the Plan Sponsor or Claims Administrator, which were used on the computations, are attached hereto.
- Plan Sponsor's internal costs are assumed to be 3.0% of projected claims or \$35,800 and are treated as plan costs. Such internal plan costs must be shown as such on the Form 5500. The actuary assumed that the Plan Sponsor is able to justify these assumed internal costs.
- Reserves for plan obligations are show in Exhibit II, herein. An amortization charge to create and/or maintain such reserve is assumed to be 3.2% of projected claims plan or \$38,600 .
- Where projected paid claims were determined retrospectively, a monetary inflation factor of 8.0% of such claims or \$88,400 was assumed.
- It is assumed that all participants reside in the Area Index 4 . See Table of Area Ratings attached. This assumption is of concern only if the Plan Sponsor elects to vary COBRA premiums by geographical area. Where the Plan Sponsor does elect to vary COBRA premiums by geographical area, COBRA premiums should be increased or decreased by using the Table shown in Part F. Also, prior to using the Area Index shown above, the exact location of participants by residence should be determined so that the assumed Index is replaced by an exact Index.

11-10-09 By: 
 Date Carlton Harker, FSA, MAA
 Self-Funding Actuarial Services, Inc.

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X 22

EXHIBIT II
ACTUARIAL COMPUTATION FOR THE RESERVE FOR THE
PLAN OBLIGATIONS OF THE HEALTH CARE PLAN OF
COUNTY COMMISSIONERS OF OKLAHOMA COUNTY
RETIREES UNDER AGE 65 - MEDICAL ONLY
AS OF JUNE 30, 2009

I, Carlton Harker, Consulting Actuary, am a principal of Self-Funding Actuarial Services, Inc., am a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries. My firm has been retained to provide calculations of COBRA premiums for the above-cited health care plan. I have determined, by appropriate actuarial assumptions and methods, the Plan Obligations referred to below. I have relied upon the claims administrator and/or the plan sponsor of the subject health care plan as to the accuracy and completeness of any underlying information provided to me and used in the computation of such plan obligations. In other aspects, my examination included such review of the actuarial assumptions and methods of such tests of calculations as I considered necessary under the circumstances. Enumerative procedures were replaced by statistical modeling techniques, where provided data was below acceptable credibility limits or not provided.

- a. **Estimated Incurred and Unpaid Claims as of June 30, 2009** \$165,700
 (Traditional or Claims Paid Basis)
 This Liability includes claims due and unpaid, in the course of settlement and incurred but not reports and includes allowance for claims settlement expenses, but excludes any allowance for pending or ongoing litigations. Allowance is made for claims that may be tardy in settlement (coordinator of benefits and Medicare secondary payments, e.g.). The liability includes a sufficient safety margin.

- b. **Estimated Future Claims That Are Not Yet Incurred** \$220,400
 (But Are a Plan Obligation on a Claims Made Basis)
 An example would be surgery for an accident-related injury where the date of the accident pre-date the Valuation Date, but the actual operation post-dated the Valuation Date. Similar logic applied to illness-related claims. Two constraints on such liability are these: (a) estimated participant contribution (COBRA premiums primarily) are used as an offset to such liability and (b) such claims are within the coverage extension period (COBRA, e.g.) provided by the plan.

- c. **Liability for Plan Obligations on a Claims Made Basis** \$386,100
 Sum of (a) and (b)

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ANNUAL ACTUARIAL REPORT
FOR THE HEALTH CARE PLAN OF
COUNTY COMMISSIONERS OF OKLAHOMA COUNTY
RX ONLY - ALL LIVES

TO: Mutual Assurance Administrators, Inc.
3121 Quail Springs Parkway
Oklahoma City, OK 73134

FROM: Self-Funding Actuarial Services, Inc.
8025 North Point Blvd, Suite 207W
Winston-Salem, NC 27106
www.self-fundhealth.com
www.awpse.com
www.actuarialworkproducts.com
email: harker2@earthlink.net

Contact: Peggy Taylor
Tel: (405) 607-2677
Fax: (405) 843-1953

Contact: Carlton Harker, FSA, MAAA
Tel: (336) 759-2035
Fax: (336) 896-0392
Email: harker2@earthlink.net

We respond to your request for actuarial services.

Plan Sponsor: **COUNTY COMMISSIONERS OF OKLAHOMA COUNTY**
Oklahoma City, OK
Reworked 11 - 7- 09
Plan Year: **July 1, 2009 to July 1, 2010**

The following actuarial computations and attestations are provided herein:

Exhibit I

- Part A - Recommended Monthly Factors to fund paid claims for the above-cited plan year.
- Part B - Monthly COBRA premiums which comply with the applicable federal laws and regulations for the above-cited plan year.
- Part C - Basis of Computations.
- Part D - General commentary on COBRA premiums. * * See www.self-fundhealth.com
- Part E - COBRA Premiums by Attained Age (Optional).*
- Part F - COBRA Premiums by Geographical Area (Optional) including Table of Area Ratings *

Exhibit II

Liability for Plan Obligations as of the date indicated herein, that were computed on a *claims made basis* as opposed to a *claims paid basis*.

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EXHIBIT I
RECOMMENDED FUNDING FACTORS AND
COBRA PREMIUMS
COUNTY COMMISSIONERS OF OKLAHOMA COUNTY
RX ONLY - ALL LIVES

Plan Sponsor: COUNTY COMMISSIONERS OF OKLAHOMA COUNTY

DOL/IRS: Plan Number: N/A

Plan Year: July 1, 2009 to July 1, 2010

PART A - MONTHLY FUNDING FACTORS

The Plan Sponsor may anticipate the following funding demands so as to provide for projected plan claims (no allowance for reserve changes or for fixed costs) for the Plan Year shown above:

	<u>Rx Only</u>			<u>Total</u> ¹
Individual	\$114	-	-	\$114
Family	\$274	-	-	\$274
	-	-	-	-
	-	-	-	-

Plan Sponsor may fund using: (a) qualified trust [IRC § 501 (c) (9)]; (b) a non-qualified trust (IRC § 419A); (c) a designated bank account (using Plan Sponsor's Tax I.D. Number); or (d) internal or memorandum accounts only. Methods (a) and (b) are *funded* and plan assets are created. Methods (b) and (c) are *unfunded* and plan assets are not created.

PART B - MONTHLY COBRA PREMIUMS

Monthly COBRA premiums (2% is included) for the Plan Year shown above:

	<u>Rx Only</u>			<u>Total</u>
Individual	\$121	-	-	\$121
Family	\$293	-	-	\$293
	-	-	-	-
	-	-	-	-

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PART C - BASIS OF COMPUTATIONS - COUNTY COMMISSIONERS OF OKLAHOMA COUNTY

- COBRA premiums are based upon the sum of : (a) projected paid claims; (b) fixed costs (stop-loss premiums, administration fees, employer internal plan costs, outsourced service costs, e.g.); (c) amortizations of plan obligations.
- Projected paid claims (below the specific stop-loss limitation) of \$3,608,000 were determined as follows: (a) retrospectively (actuary relied on past data); (b) prospectively (actuary relied on stop-loss terms of renewal); Monte Carlo simulation; or (c) combination of (a), (b) and (c) as appears to the actuary to be the most reasonable.

Basis of claims is paid, benefits include RX Only
 Assumed claims run-in from prior plan year: N/A
 Benefit options include: N/A
 Participants include: All Lives

Census: I	P/C	P/S	P+1		
891					
	P/C/C+	P+2	P+C+	F	Total
				730	1,621

P=Participant; C=Child; C+=Children; F=Family

- Items furnished by the Plan Sponsor or Claims Administrator, which were used on the computations, are attached hereto.
- Plan Sponsor's internal costs are assumed to be 3.0% of projected claims or \$108,200 and are treated as plan costs. Such internal plan costs must be shown as such on the Form 5500. The actuary assumed that the Plan Sponsor is able to justify these assumed internal costs.
- Reserves for plan obligations are show in Exhibit II, hereir An amortization charge to create and/or maintain such reserve is assumed to be 1.4% of projected claims plan or \$50,100,
- Where projected paid claims were determined retrospectively, a monetary inflation factor of 8.0% of such claims or \$267,600 was assumed.
- It is assumed that all participants reside in the Area Index 4 . See Table of Area Ratings attached. This assumption is of concern only if the Plan Sponsor elects to vary COBRA premiums by geographical area. Where the Plan Sponsor does elect to vary COBRA premiums by geographical area, COBRA premiums should be increased or decreased by using the Table shown in Part F. Also, prior to using the Area Index shown above, the exact location of participants by residence should be determined so that the assumed Index is replaced by an exact Index.

Date

By:

11-16-09

Carlton Harker

Carlton Harker, FSA, MAA

Self-Funding Actuarial Services, Inc.

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EXHIBIT II
ACTUARIAL COMPUTATION FOR THE RESERVE FOR THE
PLAN OBLIGATIONS OF THE HEALTH CARE PLAN OF
COUNTY COMMISSIONERS OF OKLAHOMA COUNTY
RX ONLY - ALL LIVES
AS OF JUNE 30, 2009

I, Carlton Harker, Consulting Actuary, am a principal of Self-Funding Actuarial Services, Inc., am a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries. My firm has been retained to provide calculations of COBRA premiums for the above-cited health care plan. I have determined, by appropriate actuarial assumptions and methods, the Plan Obligations referred to below. I have relied upon the claims administrator and/or the plan sponsor of the subject health care plan as to the accuracy and completeness of any underlying information provided to me and used in the computation of such plan obligations. In other aspects, my examination included such review of the actuarial assumptions and methods of such tests of calculations as I considered necessary under the circumstances. Enumerative procedures were replaced by statistical modeling techniques, where provided data was below acceptable credibility limits or not provided.

- a. **Estimated Incurred and Unpaid Claims as of June 30, 2009** \$501,100
 (Traditional or Claims Paid Basis)
 This Liability includes claims due and unpaid, in the course of settlement and incurred but not reports and includes allowance for claims settlement expenses, but excludes any allowance for pending or ongoing litigations. Allowance is made for claims that may be tardy in settlement (coordinator of benefits and Medicare secondary payments, e.g.). The liability includes a sufficient safety margin.
- b. **Estimated Future Claims That Are Not Yet Incurred**
 (But Are a Plan Obligation on a Claims Made Basis)
 An example would be surgery for an accident-related injury where the date of the accident pre-date the Valuation Date, but the actual operation post-dated the Valuation Date. Similar logic applied to illness-related claims. Two constraints on such liability are these: (a) estimated participant contribution (COBRA premiums primarily) are used as an offset to such liability and (b) such claims are within the coverage extension period (COBRA, e.g.) provided by the plan.
- c. **Liability for Plan Obligations on a Claims Made Basis** \$501,100
 Sum of (a) and (b)

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