



Nevada Public Agency Insurance Pool
Public Agency Compensation Trust
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Carson City, NV 89701-4779
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Telephone (775) 885-7475
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**Notice of Meetings and Agendas for the Meeting of
the Board of Directors and of the Executive Committee of
Public Agency Compensation Trust**

Place: John Ascuaga's Nugget, Sparks, Nevada

Time: 10:00 a.m. or

Upon adjournment of Joint Board Meeting

Date: April 27, 2012

AGENDA

April 27, 2012

Notices:

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

- 1. Introductions and Roll**
- 2. Public Comment**
- 3. For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From
Consent Agenda**
 - Approval of Minutes of Board Meetings:
Board Meeting April 28-29, 2011**
 - Acceptance of Interim Financial Statements for February 29, 2012**
- 4. For Possible Action: Acceptance of Audit for June 30, 2011**
- 5. For Possible Action: Acceptance of Reports**
 - a. Claims Review Report**
 - b. Large Loss Report**
 - c. Actuarial Update**

d. Claims Services Audit Report

6. **For Possible Action: Acceptance of Budget for 2012-2013**
7. **For Possible Action: Approval of Contracts**
 - a. Alternative Service Concepts – Claims Management Services
 - b. SpecialtyHealth - Managed Care Organization Services
8. **For Possible Action: Cardiac Wellness Program Status Report**
9. **For Possible Action: Acceptance of Renewal Reinsurance Proposals and Options**
10. **For Possible Action: Approval of Renewal Risk Retention Options**
11. **For Possible Action: Action regarding these topics as required by Nevada Administrative Code:**
 - a. Review of financial condition of each member and prompt notification to the Members of any Member determined to be operating in a hazardous financial condition
 - b. Review of the loss experience of each Member of the association - Claims Experience Report Summary
 - c. Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition
12. **For Possible Action: Election of Executive Committee for Two Year Terms from 2012-2014**
 - a. One Representative from Counties and/or Cities with less than 35,000 Population
 - b. One Representative from Hospitals
 - c. One Representative of School Districts
13. **For Possible Action: Election of Chair and Vice Chair**
14. **Public Comment**
15. **For Possible Action: Adjournment**

ANNUAL MEETING OF THE MEMBERS OF PUBLIC COMPENSATION MUTUAL

Time: Upon Adjournment of the Meeting of Public Agency Compensation Trust

Agenda: See separate agenda for Public Compensation Mutual

This Agenda was posted at the following locations:

**N.P.A.I.P. / P.A.C.T.
201 S. Roop Street, Suite 102
Carson City, NV 89701**

**Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701**

**Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316**

**Churchill County Administrative Complex
155 North Taylor Street
Fallon, NV 89406**

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Nevada Public Agency Insurance Pool or Public Agency Compensation Trust in writing at 201 S. Roop Street, Suite 102, Carson City, NV 89701, or by calling (775) 885-7475 at least three working days prior to the meeting.



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**DRAFT Minutes of the Meeting of
the Board of Directors and of the Executive Committee of
Public Agency Compensation Trust
Place: John Ascuaga's Nugget, Sparks, Nevada
Time: 10:00 a.m. or
Upon adjournment of Joint Board Meeting
Date: April 29, 2011**

April 29, 2011

1. Introductions and Roll

Based upon the sign-in sheet a quorum was present and Alan Kalt, Board Chair, called the meeting to order at 11:15 a.m.

Action Item: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda

- **Approval of Minutes of Board Meetings:
Board Meeting April 26-27, 2010**

On motion and second to approve the consent agenda items, the motion carried.

3. Action Item: Acceptance of Audit for June 30, 2010

On motion and second to accept the audit, the motion carried.

4. Action Item: Acceptance of Reports

- a. Claims Review Report**
- b. Large Loss Report**
- c. Actuarial Update**
- d. Claims Services Audit Report**

a., b., c. Wayne Carlson commented on the claims review report in the board packet materials, noting that it was a regulatory requirement for the members to review the experience of all members annually. He noted that there was a large loss report showing losses over \$100,000. Doug Smith then reviewed the large losses and the actuarial update, highlighting key exhibits from the actuarial report. He noted that the claims trends would result in a 6.5% loss fund increase which, coupled with reallocation of expenses to a smaller base due to the departure of a couple of larger PACT members that yielded an additional 3% expense load, the overall increase would be 9.5% in the base rates. For the public safety class, the increase would be 10% as previously approved by the board. He also noted that the experience rating formula had been changed to help smooth out increases to a plus or minus 10% change year over year. That will help modify the rate change for members. They

responded to questions from the board regarding the rates. Doug indicated that for PACT, the loss fund was the largest component of costs since the retention was quite high. Excess insurance costs likely would be relatively flat as would the expense component, although spread over a smaller base. On motion and second to accept the report, the motion carried.

5. Action Item: Acceptance of Budget for 2011-2012

Wayne Carlson noted that the budget for all administrative expenses was fairly flat. He also indicated that the loss fund amount shown was set prior to receipt the actuary report previously discussed by Doug thus that figure would increase. On motion and second to accept the budget, the motion carried.

6. Action Item: Cardiac Wellness Program Status Report

Jackie Cox of SpecialtyHealth provided an overview of the status of the Cardiac Wellness Program and highlighted some success stories. She noted the difficulty in getting participants to enroll and stay enrolled in the CWP effort for various reasons. He provided information about the effect of insulin resistance and other key risk factors for heart disease and the predictive nature of certain tests for heart disease risks to develop in the future. On motion and second to accept the report, the motion carried.

7. Action Item: Acceptance of Renewal Reinsurance Proposals and Options

Bob Lombard handed out the renewal options spreadsheet and discussed the renewal negotiations process. He said that Midwest Employers Casualty Company (MECC), the incumbent excess insurer, had given an early indicated of a rate increase of up to 40%. As a result, he began marketing the program for options from other providers. He approached County Reinsurance, Ltd. (CRL) to utilize their relationship with Safety National Casualty Company (SNCC) to replace MECC. Wayne Carlson noted that PACT presently has an equity position with CRL in the amount of \$311,012.

He showed the 2010-2011 rates applied to the current exposures yielded a premium of \$776,683 for the current insurers CRL, Public Compensation Mutual (PCM), and MECC. The renewal quote utilizing these same insurers/reinsurers was \$851,800.

He then reviewed Option 1 that replaced MECC with SNCC through CRL at a premium of \$882,056. This included an increase in CRL's costs due to its increase share of losses within the higher layers with SNCC.

Option 2 is the same as Option 1 except that PCM would take 50% of the Aggregate Excess limit and the program costs would come down to \$842,011. The board then discussed the options and Bob, Wayne and Doug added explanations. Wayne noted that MECC had been renewed the prior year even though they were \$20,000 higher so we questioned their long-term relationship in light of their initial rate increase indication this year in spite of a positive loss ratio. Bob added that there is a ceding commission in the CRL/SNCC quote that would come back to PACT in an amount of about \$7,000. On motion and second to accept Option 2, the motion carried.

8. Action Item: Approval of Renewal Risk Retention Options

a. Authorize Additional Capitalization to Public Compensation Mutual

Wayne Carlson noted that board policy allowed the board in its discretion to transfer up to 50% of any net asset gains in a fiscal year to its captive, PCM and that for fiscal year ending June 30, 2010, the audit showed net asset gains of \$2,812,928. The purpose would be to further enable the captive to grow its capacity to bear risks as was accepted in the renewal option selected. On motion and second to transfer 50% of the gain to PCM, the motion carried.

9. Action Item: Action regarding these topics as required by Nevada Administrative Code:

- a. Review of financial condition of each member and prompt notification to the Members of any Member determined to be operating in a hazardous financial condition**
- b. Review of the loss experience of each Member of the association - Claims Experience Report Summary**
- c. Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition**

Alan Kalt commented that he is a member of the Committee on Local Government Finance and that Pershing General Hospital was being overseen by the Department of Taxation and working its way out of financial difficulties. They were the only PACT member under watch at this time and are paying their bills to PACT. He then noted that the board previously reviewed the loss experience of the members as required and that it did not appear any member should be removed unless the board saw a problem. On motion and second to accept the current members and not to remove any member, the motion carried.

10. Action Item: Election of Executive Committee for Two Year Terms from 2011-2013

- a. One Representative from Counties and/or Cities with less than 35,000 Population**
- b. Two Representatives from Counties and/or Cities with 35,000 or more Population**
- c. One Representative of Special Districts**

Alan Kalt noted that as respects item b, Claudette Springmeyer was vacating the position so a new board member was needed. He indicated that there were two candidates identified: Josh Foli of Lyon County and Darcy Worms of Douglas County. Claudette explained that Darcy was a strong HR person, but that she felt that since most of the Executive Committee work involved a financial background, she deferred to Josh Foli as the preferred candidate. Josh Foli indicated willingness to serve. All other positions were held by incumbents who had expressed interest in continuing to serve. Wayne Carlson noted that since the Town of Tonopah had been granted voting status, their voting representative also would be eligible to serve if interested. James Eason indicated that he appreciated the opportunity, but would decline for now. Chair Kalt called for further nominations and seeing none called for a motion. On motion and second to reelect the incumbents and Josh Foli and to elect Alan Kalt as Chair and Cash Minor as Vice Chair, the motion carried.

11. Action Item: Election of Chair and Vice Chair

Chair Kalt stated that this item was handled simultaneously with item 10.

12. Public Comment

None was received.

15. Action Item: Adjournment

On motion and second to adjourn, the meeting adjourned at 12:43 p.m.

The Agenda was posted at the following locations:

**N.P.A.I.P. / P.A.C.T.
201 S. Roop Street, Suite 102
Carson City, NV 89701**

**Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316**

**Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701**

**Churchill County Administrative Complex
155 North Taylor Street
Fallon, NV 89406**

PUBLIC AGENCY COMPENSATION TRUST
Statement of Assets, Liabilities and Equity
February 29, 2012

	Operating Fund (Unrestricted)	Trust Fund (Restricted)	TOTAL FUNDS
ASSETS			
Cash and Equivalents	1,325,442.71	3,412,416.46	4,737,859.17
Investments	15,155,423.63	31,567,469.38	46,722,893.01
Investments - State of Nevada		4,245,804.00	4,245,804.00
Investments Interest Receivable	84,237.71	203,139.89	287,377.60
Member Assessments Receivable	122,617.26	367,852.28	490,469.54
Heart/Lung Fund Receivable		51,903.86	51,903.86
Interfund Account	(56,399.76)	56,399.76	-
Interfund Account - Heart/Lung Fund	26.00	(26.00)	-
Accrued Assessments	464,830.00	1,394,672.00	1,859,502.00
Accrued Assessments - Heart/Lung Fund		236,426.00	236,426.00
Accrued Agent Compensation	40,752.00		40,752.00
Public Compensation Mutual Investment	2,000,000.00	25,023,839.00	27,023,839.00
PCM Amortization	(521,103.56)	(6,611,478.35)	(7,132,581.91)
Prepaid Expenses	137,954.00	362,783.13	500,737.13
Specific Recoverable		69,530.82	69,530.82
	18,753,779.99	60,380,732.23	79,134,512.22
TOTAL ASSETS			
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Specific Recoverable		69,530.82	69,530.82
Loss Reserves		69,612,859.95	69,612,859.95
Loss Reserves - Heart/Lung		10,704,594.26	10,704,594.26
Claims Payments		(51,306,290.43)	(51,306,290.43)
Fund Balances:			
Fund Balance	18,753,779.99	31,300,037.63	50,053,817.62
	18,753,779.99	60,380,732.23	79,134,512.22
TOTAL LIABILITIES AND FUND BALANCES			

Unaudited Report for Management and Insurance Division Use Only

PUBLIC AGENCY COMPENSATION TRUST

Income Statement

For the Eight Months Ending February 29, 2012

	<u>Operating Fund (Unrestricted)</u>	<u>Trust Fund (Restricted)</u>	<u>TOTAL FUNDS</u>
REVENUES			
Assessments	1,587,006.83	4,872,194.43	6,459,201.26
Heart Lung Fund		852,468.95	852,468.95
Accrued Assessments	464,830.00	1,394,672.00	1,859,502.00
Accrued Assessments - Heart/Lung Fund		125,252.00	125,252.00
Accrued Agent Compensation	40,752.00		40,752.00
Agent Compensation	178,584.25		178,584.25
Investment Interest Income	303,448.25	783,196.09	1,086,644.34
Bank Interest Income		639.89	639.89
Investment Realized Gains/(Losses)	(7,050.70)	(363.35)	(7,414.05)
Investment Unrealized Gains/(Losses)	286,614.33	717,031.68	1,003,646.01
	<u>2,854,184.96</u>	<u>8,745,091.69</u>	<u>11,599,276.65</u>
LOSS RESERVES EXPENSES			
Claims and Adjustment Expenses	-	4,210,730.57	4,210,730.57
Heart Lung Loss Reserves Expenses	-	852,468.95	852,468.95
	<u>-</u>	<u>5,063,199.52</u>	<u>5,063,199.52</u>
PROGRAM EXPENSES			
Excess Insurance Premiums	-	439,347.00	439,347.00
Reinsurance Premium (PCM)	-	162,664.00	162,664.00
Claims TPA Fees (ASC)	-	391,750.58	391,750.58
Underwriting Fees (Willis Pooling)	-	20,000.00	20,000.00
Nevada Insolvency Fund	-	13,755.00	13,755.00
Security Bond/Regulatory Assessments	-	192,373.68	192,373.68
Specialty Health MCO Contract	-	28,000.00	28,000.00
Amortization Expense	-	1,644,776.00	1,644,776.00
	<u>-</u>	<u>2,892,666.26</u>	<u>2,892,666.26</u>
ADMINISTRATION EXPENSES			
Management Services	269,473.75	-	269,473.75
Sponsorship Fees	2,182.50	-	2,182.50
Outside Services		-	-
Travel	14,298.14	-	14,298.14
Casualty Insurance	20,920.00	-	20,920.00
Due and Seminar Fees	9,905.92	-	9,905.92
Audit Expense	24,455.10	-	24,455.10
Printing & Copying Expense	1,748.66	-	1,748.66
Postage	647.33	-	647.33
Office Supplies	2,290.04	-	2,290.04
Telephone Expense	1,204.78	-	1,204.78
Legal Expense	975.00	-	975.00
Miscellaneous Expenses		-	-
Board & Committee Meetings	2,279.74	-	2,279.74
Actuary Expense	14,500.00	-	14,500.00
Member Education and Services	53,777.64	-	53,777.64
Bank Service Charges	3,168.83	-	3,168.83
PRI Contract Services	340,375.00	-	340,375.00
Agent Compensation	178,747.50	-	178,747.50
Insurance Division Fees	250,586.20	-	250,586.20
Loss Control Expense	270,763.41	-	270,763.41
SMEP Awards	3,500.00	-	3,500.00
Specialty Health - Cardiac Wellness	45,493.36	-	45,493.36
Amortization Expense	131,104.00	-	131,104.00
Investment Expenses	107,029.23	-	107,029.23
	<u>1,749,426.13</u>	<u>-</u>	<u>1,749,426.13</u>
REVENUES OVER EXPENSES	<u>1,104,758.83</u>	<u>789,225.91</u>	<u>1,893,984.74</u>

Unaudited Report for Management and Insurance Division Use Only

PUBLIC AGENCY COMPENSATION TRUST

FINANCIAL STATEMENTS

June 30, 2011 and 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Public Agency Compensation Trust

We have audited the accompanying statement of net assets of the Public Agency Compensation Trust as of June 30, 2011 and 2010, and the related statements of revenues, expenses and changes in net assets, and the statements of cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of the Public Agency Compensation Trust as of June 30, 2011 and 2010 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the supplemental section, which includes the 10 Year Claims Development schedule, are not a required part of the basic financial statement, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedure, which consisted principally of inquires of management regarding the methods of measurements and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The supplemental schedule on unpaid loss liabilities for the Worker's compensation and Heart & Lung funds, Comparative Schedule of Claim Development for Workers Comp and Heart & Lung, the statutory Schedule P requirements and investment schedules prepared in NAIC format is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion those schedules.



October 19, 2011
Carson City, Nevada

Management's Discussion and Analysis

Purpose:

To further understanding of significant financial issues, this Public Agency Compensation Trust management's discussion and analysis a) provides an overview of PACT's financial activities, b) identifies significant changes in the PACT's financial position and its ability to address subsequent year financial challenges and c) provides insights into the long-term financial viability of PACT.

Background:

As a result of changes in the Governmental Accounting Standards Board (GASB) requirements set forth in GASB Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government*, PACT's financial information must be accompanied by enhanced analysis, both short and long term, and explanations of significant financial statement elements. Since Public Agency Compensation Trust operates as an enterprise created pursuant to NRS 277, the Interlocal Cooperation Act, its financial statements will be presented in a manner that reflects its operations much like a private company.

Using this Annual Report:

Since the financial statements report information about PACT using accounting methods similar to those used by private sector organizations, these statements offer short and long term financial information about PACT's activity. The financial statements show a comparison of two audited years ending June 30, 2011 and June 30, 2010 to facilitate understanding of changes in the financial position over time.

The Statement of Net Assets includes all of PACT's assets and liabilities and information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluation of the capital structure and for assessing the liquidity and financial flexibility of PACT.

Current year revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Assets. This statement measures the success of PACT's operations for the fiscal year compared to the previous year and can be used as a measure of PACT's credit worthiness and whether PACT successfully recovers its costs through its sources of revenue.

The Statement of Cash Flows serves to provide information about PACT's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments and net changes in cash resulting from operations and investments. It also discloses from where cash comes, for what it was used and the change in cash balance during the reporting period. Since PACT incurs financial obligations to pay for claims that occurred in the past from current year resources and at the same time receives revenue that it must retain for payment of future claims from future resources, cash flow may vary significantly from year to year.

Financial Highlights:

Statutory requirements and board policy require PACT to be audited each year by an independent auditor. Since its inception on April 1, 1996 and continuing through this fiscal year, the independent auditor's report offers an unqualified opinion on the financial statements. Such an opinion reflects the highest opinion that can be obtained from an independent auditor.

Changes in net assets:

Fiscal year ended June 30, 2011: \$48,159,833

Fiscal year ended June 30, 2010: \$47,888,678

Net increase: \$251,155 or 0.6%.

PACT's primary revenue source comes from Member contributions to the PACT's Loss Fund, administrative budget and reinsurance and excess insurance costs. Interest income on investments constitutes the secondary revenue source.

Total assessments revenues:

Fiscal year ended June 30, 2011: \$12,778,111

Fiscal year ended June 30, 2010: \$14,043,571

Net decrease: \$1,265,460 or 9.9%.

The decrease resulted from reduced payrolls due to the economy and the withdrawal of one large member.

Total expenses:

Fiscal year ended June 30, 2011: \$13,916,733

Fiscal year ended June 30, 2010: \$14,639,429

Net decrease: \$(722,696) or 4.9%.

The most significant factors in this change are attributable to increased amortization expense and the reduction in claims reserves. The amortization expense is attributable to PACT's further contribution of surplus to Public Compensation Mutual (PCM), its captive insurance company. The development schedule included in the financial statement provides the history of the claims reserve changes each year over 10 years.

Operating net assets:

Fiscal year ended June 30, 2011: \$(1,138,622)

Fiscal year ended June 30, 2010: \$(595,858)

Net decrease: \$(543,037)

Increases in amortization expenses contributed \$704,477 or 62% of the decrease in operating net assets. Increased amortization expense reflects the board's decision to increase contributions to surplus to PCM consistent with its long-term strategy. The 2011 Insurance Division Fees contributed \$283,825 of the increased expenses due to higher regulatory budgets and a substantial increase in the subsequent injury fund assessment.

Net investment income:

Fiscal year ended June 30, 2011: \$1,409,777

Fiscal year ended June 30, 2010: \$2,812,928

Net decrease: \$(1,403,151)

Investments are marked to market value at the time of the financial statements, which may result in a negative or positive overall result. Maintaining positive returns under the difficult economic conditions during this fiscal year speaks to the conservative investment strategies employed by PACT. The investment portfolio consists of governmental type investments which, if held to maturity, will yield the respective coupon rates although interim performance may lag. Most of PACT's investments are anticipated to be held to maturity.

Financial Analysis:

In order to enhance analysis, comparative information is provided for assets, liabilities, net equity, revenues and expenses as shown in the chart at the end of this narrative. The benchmarks shown in the chart resulted from a pooling and captives' industry study conducted a few years ago by Tillinghast and provides a useful tool to facilitate management's analysis and understanding of the financial results. Other performance indicators may be used by insurance companies but are not necessarily useful comparative indicators for risk pools.

Assets:

In fiscal year ended June 30, 2011, net assets grew by 0.6% or \$271,155. This result substantially is less than the gains of the previous fiscal year largely due to the increased amortization of PCM and the regulatory fee increase. On the positive side, claim reserves decrease substantially. An explanation about how these results were achieved was provided in the financial highlights. Continuing to grow the asset base is critical to the long term viability and stability of PACT due to the volatility of workers compensation claims and the level of retention taken by PACT. A strong base enables PACT to withstand a substantial reversal in incurred claims costs due to catastrophes or substantially increased high cost claims frequency. PACT's Board policies require a strong, sustainable and durable financial condition to avoid adversity. Workers compensation is a volatile business, thus attention to long term strategies to maintain net assets is critical to success.

Revenues, Expenses and Changes in Assets:

Gross revenues (assessments plus net investment income) declined by 4.9% for fiscal year ended June 30, 2011 as a result of declining payrolls, loss of a large member and reduced investment income.

Actuarial

The actuarial analysis for the current fiscal year revealed a decrease in case reserves and IBNR reserves over prior years' estimated incurred losses. Refer to Note 13 for the details of Unpaid Loss Liabilities.

Other factors also apply: 1) ASC's (PACT's claims administrator) experienced adjusters have been able to manage claims efficiently and effectively and have maintained quality as evidenced by external claims audits, 2) SpecialtyHealth, the managed care organization and bill reviewer for PACT has greatly helped the adjusters manage claims effectively, 3) loss control efforts have proven effective, and 4) the continuing roll-out of the Cardiac Wellness Program that should help reduce potential heart claims, although implementation impediments have slowed down the program. It is important to continue to strengthen these approaches to assure continued success for PACT.

Workers compensation self-funded programs experience significant volatility particularly when the retention levels per loss are high. Because PACT retains a substantial portion of the risk in all classifications, it is important to the long term viability of PACT and to assure its ability to meet its obligations to injured workers that PACT grow its net assets. We continue to face pressure to increase our retentions in light of medical and wage inflation trends as well as market pressures, which suggests that volatility will further increase and will need to be cushioned strongly. By growing net assets strongly, PACT is better positioned to respond to these demands while maintaining financial stability. PACT management, consistent with board policy, selected a 75% actuarial confidence level as a prudent level to develop a strong financial position in keeping with the PACT Board's goals of creating and sustaining a durable financial position.

Capital Assets and Debt Administration:

PACT has no physical assets and no debt. It did have a letter of credit with Wells Fargo Bank in favor of the Insurance Commissioner to secure its solvency as required by regulation, but replaced the LOC in May 2010 with pledged investments to satisfy that security requirement at lower cost.

Economic Factors:

For fiscal year ending June 30, 2011, economic conditions remained uncertain with some elements of weak economic growth beginning to appear for the nation and Nevada. Medical inflation moderated nationally but still exceeds the general inflation rate and this affects the underlying costs of claims payable by PACT. While Nevada retains a fee schedule to limit cost increases, recent reviews of the fee schedule components resulted in increases in the last few years. Wage inflation generally is low in the public sector, which keeps disability costs down. A legislative change in 2003 resulted in adoption of the 5th Edition of the AMA guide to rating impairments, which increased costs overall. The 2009 Legislature fixed the 5th Edition into statute rather than having the most current edition be implemented by regulation.

The 6th edition would have reduced costs in several key ratings of impairments due to recognition of improved medical outcomes.

The Nevada Supreme Court reached a decision in 1998 interpreting the special provisions for heart and lung coverage for qualifying police officers and firefighters that concluded that once these persons meet the five years of continuous service eligibility for benefits, those benefits are available for life regardless of any connection to actual work at the time the claims is made. Staff immediately implemented a judgment loading in the rates for this new interpretation of the statute, pending legislative action. PACT unsuccessfully attempted to have the Legislature modify this court interpretation to require that the claim must manifest within a reasonable time frame from leaving the workplace. As a result of that failed effort, PACT undertook an actuarial study to estimate the lifetime cost of risk associated with this decision. That study was concluded and the results indicated that the present value of the future benefits for former employees was estimated to range from \$5,668,000 to \$22,258,000, depending upon the interpretation as to which legal theory may be applicable.

These figures were presented to a task force who recommended to the board that they eliminate the judgment loading and implement a funding plan based on the actuarial study effective with the subsequent fiscal year. The board adopted the funding plan for implementation effective July 1, 2002. By taking this action, the board began its mitigation plan for the long-term adverse financial impact of the risk of former police officers and firefighters filing workers compensation claims long after employment. Subsequently, the board authorized acceleration of the funding rate. The rate set in 2002 was increased by 10% as a result of an actuarial rate study that confirmed the range of potential losses from prior studies and demonstrated the need to accelerate needed assessments in future fiscal years as demographic factors begin to influence the post-employment risks.

The heart/lung assessments collected for fiscal year ended June 30, 2011 were \$1,503,026 compared to June 30, 2010 at \$1,532,836 even though PACT had one large member withdraw on July 1, 2010.

PACT sought relief before the United States Supreme Court to address the question of the constitutionality of the post employment conclusive presumption of eligibility for workers compensation for police officers and firefighters, but was denied review.

We continue to experience adverse rulings at hearing and appeal levels regarding heart-lung cases. Political actions to increase benefits continues each legislative session, particularly by law enforcement and firefighter lobbyists, and that could cause potential pressure by excess insurers to increase PACT's retention or cause increased costs or both, which would require rate increases or weaken the financial position. Demographically, there is an emerging and accelerating likelihood of additional heart-lung claims from both current and post-employment eligible law enforcement officers and firefighters. PACT supported a bill brought forth by Sen. Rhoades on behalf of the Nevada Taxpayers Association that would have capped post-employment eligibility, but the bill died in the Assembly.

Subsequent Events:

There were no subsequent events that would affect the financial statements for the current fiscal year.

Requests for Information:

While the purpose of this discussion and financial report is to provide a general overview of PACT's financial position, requests for additional financial information should be addressed to Wayne Carlson, Executive Director, 201 S. Roop St., Suite 102, Carson City, NV 89701-4790.

Wayne Carlson
Executive Director, Public Agency Compensation Trust

Financial Ratios	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Total Revenue	15,594,000	15,746,515	14,978,027	14,043,571	12,778,111
Revenue over (under) Expenses	10,653,739	8,961,327	4,473,424	2,217,070	271,155
Net Operating Income	8,718,995	5,496,340	1,069,234	(595,508)	(1,138,622)
Net Investment Income	1,934,744	3,467,687	3,404,190	2,812,928	1,409,777
Total Assets	49,199,714	60,092,890	67,664,744	73,829,771	76,488,418
Total Liabilities	16,962,857	18,894,706	21,993,136	25,941,093	28,328,585
Net Assets	32,236,857	41,198,184	45,671,608	47,888,678	48,159,833
Net Assets to SIR (Board Target 12:1); Benchmark >5:1	63.21	82.40	91.34	95.78	96.32
SIR to Net Assets (Benchmark: captives <.10; group captives <.25)	0.02	0.01	0.01	0.01	0.01
% Assets attributable to Net Assets	65.5%	68.6%	67.5%	64.9%	63.0%
Total assets/total liabilities	2.90	3.18	3.08	2.85	2.70
Revenues to Net Assets (Benchmark: <2.5:1 and >0	0.48	0.38	0.33	0.29	0.27
Loss Reserves to Net Assets (discounted): Benchmark <3:1 and >0	0.11	0.31	0.33	0.35	0.37
Total liabilities to liquid assets: Benchmark <100%	43%	40%	43%	47%	50%
Change in members' Net Assets: >-10%	49.4%	27.8%	10.9%	4.9%	0.6%
Return on Net Assets: Net Operating Income/Net Assets	27.0%	13.3%	2.3%	-1.2%	-2.4%
Return on Net Assets: Total Income/Net Assets	33.0%	21.8%	9.8%	4.6%	0.6%

PUBLIC AGENCY COMPENSATION TRUST
STATEMENTS OF NET ASSETS
June 30, 2011 and 2010

ASSETS	<u>2011</u>	<u>2010</u>
Current assets:		
Cash & equivalents – Note 2	\$3,207,550	\$4,445,265
Investment securities – Note 3	45,316,985	46,631,550
Member assessments receivable – Note 4	3,369,665	3,552,337
Specific recoverable	68,570	65,418
Prepaid expenses	81,366	24,274
Other assets:		
Pledged investments	4,183,609	4,132,452
Contributed surplus Public Compensation Mutual – Note 14	25,617,375	18,100,000
Less amortization	(5,356,702)	(3,121,525)
Total Assets	<u><u>\$76,488,418</u></u>	<u><u>\$73,829,771</u></u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 44,889	\$ 303,550
Specific recoverable	68,571	65,418
Current portion of reserve for losses and loss adjustment expenses	5,798,385	5,016,821
	<u>5,911,845</u>	<u>5,385,789</u>
Non-current liabilities:		
Reserve for losses and loss adjustment expenses – Note 13	12,564,615	12,206,179
Heart & Lung expense reserve – Note 9	9,852,125	8,349,125
	<u>22,416,740</u>	<u>20,555,304</u>
Net assets - unrestricted	48,159,833	47,888,678
Total Liabilities and Net Assets	<u><u>\$76,488,418</u></u>	<u><u>\$73,829,771</u></u>

See accompanying notes

PUBLIC AGENCY COMPENSATION TRUST
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Assessments for workers compensation	\$11,275,085	\$12,510,735
Assessments for heart & lung	1,503,026	1,532,836
Total revenues	<u>12,778,111</u>	<u>14,043,571</u>
Loss fund and program expenses:		
Claims and adjustment expenses	6,312,209	7,714,414
Heart and Lung loss expenses	1,503,026	1,532,904
Excess insurance premium	537,039	800,745
Re-insurance premium	223,667	219,000
Underwriting and claims processing	642,021	628,858
Total loss fund and program expenses	<u>9,217,962</u>	<u>10,895,921</u>
Administration expenses:		
Management fees	471,955	461,666
Professional services	77,240	102,516
Administrative and overhead	239,216	257,147
Member education and services	677,099	674,402
Insurance Division fees	572,784	289,159
Insolvency fund & related expenses	15,800	26,918
Loss control expenses	409,500	401,000
Amortization expense	2,235,177	1,530,700
Total administrative expenses	<u>4,698,771</u>	<u>3,743,508</u>
Increase (decrease) in operating net assets	<u>(1,138,622)</u>	<u>(595,858)</u>
Increase in non-operating net investment income	1,409,777	2,812,928
Increase in net assets	<u>\$271,155</u>	<u>\$2,217,070</u>
Net assets, beginning of year	47,888,678	45,671,608
Net assets, end of year	<u><u>\$48,159,833</u></u>	<u><u>\$47,888,678</u></u>

See accompanying notes

PUBLIC AGENCY COMPENSATION TRUST
STATEMENTS OF CASH FLOWS
For Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Assessments and other revenues	\$12,960,783	\$ 14,326,934
Payment for claims	(5,172,234)	(5,611,414)
Payment to vendors	(4,182,074)	(3,544,884)
Purchase of pledged assets	-	(3,961,500)
Net Cash Provided from Operating Activities	<u>3,606,475</u>	<u>1,209,136</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed Surplus of Public Compensation Mutual	(7,517,375)	(4,500,000)
Net Cash Used for Capital and Related Financing Activities	<u>(7,517,375)</u>	<u>(4,500,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and net realized investment income	2,151,013	2,252,104
Purchases of investments	(2,374,578)	(2,455,749)
Sale of investments	2,896,750	4,115,100
Net Cash Provided (Used) for Investing Activities	<u>2,673,185</u>	<u>3,911,455</u>
Increase (Decrease) in Cash and Cash Equivalents	(1,237,715)	620,591
Cash and Cash Equivalents, beginning of fiscal year	4,445,265	3,824,674
Cash and Cash Equivalents, year ended June 30	<u><u>\$3,207,550</u></u>	<u><u>\$4,445,265</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating net income (loss)	\$(1,138,622)	\$(595,858)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Member assessments receivable	182,672	283,364
Specific recoverable	(3,153)	(8,503)
Prepaid expenses	(57,092)	12,976
Accounts payable	(258,660)	303,550
Specific recoverable	3,153	8,503
Amortization of contributed surplus	2,235,177	1,530,700
Loss reserves	2,643,000	3,635,904
Purchase of pledged assets	-	(3,961,500)
Net cash provided by operating activities	<u><u>\$3,606,475</u></u>	<u><u>\$1,209,136</u></u>

See accompanying notes

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of program

Public Agency Compensation Trust (PACT) was formed by local governments for the purpose of organizing a self-insured workers' compensation group. The Trust began operations April 1, 1996. The trust's objective is to provide members with a lower cost alternative achieved through enhanced claims management, program administration, and member services that will reduce the cost of claims.

PACT provides workers' compensation coverage to member governmental entities and hospitals pursuant to state statutes. The program is fully funded by member entities and is governed by a Board of Trustees comprised of representatives of each member. Any member may withdraw from the program by giving 120 days notice. PACT's independent actuary, who is an approved Rate Service Organization, develops PACT rates.

Principles of presentation

PACT has prepared its financial statements in accordance with accounting principles generally accepted in the United States of America. PACT prepares its financial statements on the accrual method of accounting recognizing income when earned and expenses when incurred. PACT has implemented Governmental Accounting Standards Board (GASB) Statements No. 34 and No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments and GASB Statement 38, Certain Financial Statement Note Disclosures*.

The financial statements have been prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises, where applicable, which may differ from the basis of accounting followed in statutory reporting.

Accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and cash equivalents

The Operating Fund has a checking account, money market investment account, and an investment account for long-term investments. For the purposes of the Statement of Cash Flows, the PACT considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

The Claims Fund has two checking accounts, one for payment of claims and the other for claims related expenses as required by Nevada Revised Statute 616B.368.

Investments and investment income

Investments consist predominately of government and government backed securities and are reported at their fair value in the statement of position. Fair value is determined utilizing the market value of the investments as reflected on the applicable brokerage statements. Net increases and decreases in the fair value are included in the statement of activities and changes in fund balances.

PACT is authorized to make investments in bonds and debentures of the United States, bills and notes of the U.S. Treasury, and in high-grade equity securities. PACT also is authorized to purchase negotiable certificates of deposit issued by commercial banks or insured savings and loan associations. PACT's investments have been restricted by policy of the Board to those allowable for local governments.

Credit Risk:

Credit risk is the risk that the issuer of a security will default on principal and interest of the security. PACT's policy is to invest in corporate debt issues with a minimum of an "AA" rating from Moody's or Standard and Poor's rating services or U.S. Government and government backed securities. In addition, PACT's policy is to diversify the investment portfolio so that the impact of potential losses from any one type of security or from any one issuer will be minimized.

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk: PACT limits investments in fixed income securities to 10% of the total fixed income portfolio to any one issuer. No more than 15% of the total investment pool will be invested in any one class of security, industry or company. PACT will not directly invest in securities maturing more than ten (10) years from the date of purchase, except as permitted by law. The policy does not place a limit on the purchase of U.S. Government and government backed securities.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. PACT will, to the extent possible, minimize this risk by matching investment maturities to liability due dates. This allows PACT to hold investments to maturity thus mitigating losses from the sale of investments prior to their maturity date. Additionally, exposure to fair value losses arising from decreasing interest rates is minimized by investing predominantly in investments with short to mid-term maturities that perform in line with the return of a managed fund comprised of 1 – 3 year Treasury Bonds.

Member Assessments

Member assessments and reports are due 20 days after the end of the quarter. Assessment rates are based on independent actuarial estimates that are reviewed and approved by the Insurance Commissioner.

Losses and loss adjustment expense

Reserves for losses and allocated loss adjustment expenses are provided based on case-based estimates for losses reported and PACT's historical loss experience for claims incurred but not reported (IBNR). The liability for unpaid losses and loss adjustment expenses includes the estimated cost of investigating and settling all claims incurred as of the balance sheet date. Such amounts are determined based on an evaluation prepared by management and an independent consulting actuary. Although such estimates are best estimates of the expected values, the actual results may vary from these values.

The liability represents the estimated ultimate cost of settling claims, including the effects of inflation and other societal and economic factors. The liability also includes unallocated costs which are estimated by management. Any adjustments resulting from the settlement of losses will be reflected in earnings at the time the adjustments are determined. The loss reserve estimates are discounted at 3% in 2011 and 2010, the expected investment rate, to show the present value of those reserves.

Income Taxes

In accordance with Internal Revenue Service code Section 115, organizations formed, operated and funded by political subdivisions may exclude income from those activities that qualify for exclusion. Accordingly, no provision for income taxes has been provided in the accompanying financial statements.

Insurance Division Annual Fees

The Insurance Division annually assesses fees to the Trust based on prior year's claims expenditures. It is the policy of management to record the invoice received each year as the expense for that year as these invoices cannot be reasonably estimated and therefore accrued.

Supplementary development schedule - Unaudited

The statements and development schedule reports claims paid on a reported year basis. Loss reserves shown on the financial statements are discounted; however, the development schedule reflects undiscounted loss reserves.

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 2 – CASH & EQUIVALENTS

The carrying amount of PACT's deposits with financial institutions at June 30, 2011 and 2010 are \$3,207,549 and \$4,445,265 respectively. The financial institution balances were \$3,384,389 and \$4,565,568 respectively. The difference between the carrying amounts and financial institution balances results from outstanding checks and deposits not yet reflected in the bank's records.

	<u>2011</u>	<u>2010</u>
Amounts insured by FDIC	\$250,000	\$250,000
Amounts collateralized	1,176,896	2,597,197
Cash equivalents at brokerage firm	1,957,493	1,718,371
 Total deposits at financial institutions	 <u>\$3,384,389</u>	 <u>\$4,565,568</u>

PACT maintains its cash, cash equivalents and investments in a commercial bank and a brokerage institution. All amounts in the commercial bank are insured by the FDIC or collateralized. Amounts at the brokerage firm up to the SPIC insurance limit are insured through SPIC and additional amounts are insured by the broker through an insurance policy.

NOTE 3 – INVESTMENT SECURITIES

A summary of investments as of June 30, 2011 is as follows:

	<u>1 year or</u> <u>Fair value</u>	<u>Investment Maturities in Years</u>			
		<u>Less</u>	<u>1 – 5</u>	<u>5-10</u>	<u>Over 10</u>
U.S. Treasuries	\$15,966,377	\$1,295,832	\$1,791,020	\$12,879,525	-
U.S Government & agencies	8,979,299	762,799	5,644,666	2,284,891	\$286,943
U.S. Mortgaged backed securities	2,746,405	10,159	443,661	61,038	2,231,547
U.S Government backed securities	21,808,413	8,432,747	9,732,939	3,056,486	586,241
 Total cash and investments	 <u>\$49,500,494</u>	 <u>\$10,501,537</u>	 <u>\$17,612,286</u>	 <u>\$18,281,940</u>	 <u>\$3,104,731</u>

A summary of investments as of June 30, 2010 is as follows:

	<u>1 year or</u> <u>Fair value</u>	<u>Investment Maturities in Years</u>			
		<u>Less</u>	<u>1 – 5</u>	<u>5-10</u>	<u>Over 10</u>
U.S. Treasuries	\$9,478,972	-	-	\$9,478,972	-
U.S Government & agency	25,945,945	-	19,901,191	6,044,754	-
U.S. Mortgaged backed securities	3,815,493	-	758,181	699,064	\$2,358,248
U.S Government backed securities	7,291,140	-	7,291,140	-	-
Certificates of deposit	100,000	100,000	-	-	-
 Total cash and investments	 <u>\$46,631,550</u>	 <u>\$100,000</u>	 <u>\$27,950,512</u>	 <u>\$16,222,790</u>	 <u>\$2,358,248</u>

Actual maturities may differ from contractual maturities as some borrows have the right to call or prepay with or without call or prepayment penalties. Investments are reported at fair value by the investment broker as determined by an outside pricing firm. All securities are U.S Government or government backed.

**PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010**

NOTE 4 – MEMBER ASSESSMENTS RECEIVABLE

Member assessments receivable were \$3,369,665 and \$3,552,337 for the years ended June 30, 2011 and 2010. Amounts receivable at both years' end are primarily assessments for the last quarter of the fiscal year and are determined based on the annual payroll audits.

NOTE 5 – LIABILITY OF MEMBERSHIP

Members of PACT are jointly and severally liable to pay benefits to injured workers as required by law. Workers compensation pools can be subject to assessments by the Insurance Commissioner should other self-insured workers compensation pools encounter financial difficulties.

NOTE 6 – REINSURANCE & EXCESS INSURANCE

In the ordinary course of business, PACT maintains an excess insurance contract with an insurance carrier through their broker company, Willis Pooling. This excess insurance provides both a specific and an aggregate limit of liability to protect PACT against potentially large losses or an accumulation of losses. This provides coverage in excess of PACT's self-insured retention. The limits provided by this excess insurance contract, including PACT's self-insurance retention, are as follows:

- 1) The specific limit of liability per accident is statutory excess of a self-insured retention per accident of \$2,500,000.
- 2) A limit of liability of \$3,000,000 excess of an aggregate retention of 2.7412% of payroll, subject to a minimum aggregate retention of \$8,032,576 and \$8,397,190 for years ended June 30, 2011 and 2010.

PACT reinsures a portion of PACT's limit of indemnity of \$2,500,000 through Public Compensation Mutual, which bears 25% of \$2,000,000 excess of PACT's \$500,000 retention, and through County Reinsurance, LTD., which bears 75% of \$2,000,000 excess of PACT's \$500,000 retention. Both reinsurances are captive insurance companies in which PACT has a financial interest.

NOTE 7 - RELATED PARTY TRANSACTIONS

Public Agency Risk Management Services, Inc. (PARMS) is presently contracted to provide management services. PARMS serves both PACT and the Nevada Public Agency Insurance Pool (POOL) as the Executive Director/Administrator. PARMS is a service corporation wholly owned by Mr. Wayne Carlson. Management fee paid under the contract for years ended June 30, 2011 and 2010 was \$471,955 and \$461,666 respectively.

A new agreement was entered into with PARMS commencing July 1, 2011 and terminating on July 1, 2014 with an option to extend with the same terms and conditions for an additional two years. A 3% annual increase for management fees is included in the contract.

Many of the board members of the Nevada Public Agency Insurance Pool (POOL) are also members of PACT as they share a common membership. The board of Public Compensation Mutual comprises of several PACT board members. Nevada Association of Counties (NACO) is a member of PACT and was a tenant until January 1, 2011.

Effective July 1, 2006, NPAIP jointly with PACT provided a grant with Pooling Resources, Inc. (PRI), a nonprofit organization formed by the executive director of NPAIP, Wayne Carlson, and whose directors are Wayne Carlson, Alan Kalt and Michael Rebaleati. PRI provides human resources management services to PACT members. PRI pays PARMS a management fee to provide operational and financial oversight of PRI.

**PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010**

NOTE 8 – PLEDGED INVESTMENTS & UNUSED LETTER OF CREDIT

According to NRS 616B.353.1(d) and (e) and related regulations, an association of self-insured employers must deposit with the Commissioner a bond or other authorized security, payable to reasonably secure payment of the workers compensation benefits to employees

PACT has obtained a letter of credit from Wells Fargo Bank with the named beneficiary being the State of Nevada Division of Insurance. In April of 2010, PACT decided to not renew the letter of credit and instead pledged certain investments to secure payment. The amounts pledged at June 30, 2011 were \$4,183,609 and \$4,132,452. In the event that PACT becomes delinquent in its payment of workers compensation benefits, the proceeds will be used to satisfy losses, costs or expenses incurred by the Insurance Division.

NOTE 9 – HEART AND LUNG LOSS FUND

The Heart and Lung Loss Fund reflects special reserves set aside for the purpose of covering post-employment heart or lung disease claims that may be the responsibility of PACT members pursuant to the Last Injurious Exposure Rule interpretation of the law and court cases that determined that coverage for such claims applies to former employees who meet the statutory eligibility requirements for the heart and lung disease benefit

Post-employment claims historically have not been reflected in rate classifications for the appropriate police officer and firefighter classifications. The actuarial projections of loss and loss adjustment expense are intended to be fully funded, thus assessments for this fund are offset 100% by claims reserves. Management followed this conservative approach because of the uncertainty and volatility inherent in this specific risk. The reserve for 2011 and 2010 is \$9,852,125 and \$8,349,125 respectively.

NOTE 10 – ALLOCATION OF ASSESSMENTS REVENUES

The Nevada Revised Statute 616B.368 requires that 75% of assessment revenues collected be placed in a separate account and that disbursements from this account be limited to paying claims, claims related expenses, excess insurance costs, assessments, payments and penalties related to the subsequent injury fund and the uninsured employer's claim fund. Initially, all funds collected for member assessments and prepayments of assessments and deposits are deposited into the operating account. Periodically, 75% of the assessments are transferred to a separate bank or investment account to comply with this statute.

NOTE 11 – POOLING RESOURCES INC.

Pooling Resources Inc. is required to provide status reports and quarterly financial statements to the POOL and PACT Executive Committees according to the grant document. A renewal of this contract was made for three years beginning July 1, 2009. PACT's share of the cost is for the first year is \$550,000, \$566,500 for the second year and \$583,500 for the third year.

NOTE 12 –SUBSEQUENT EVENTS

Management has evaluated the activities and transactions subsequent to June 30, 2011 to determine the need for any adjustments to, and disclosure within the financial statements for the year ended June 30, 2011. Management has evaluated subsequent events through October 19, 2011 which is the date the financial statements were available for issue.

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 13 – UNPAID LOSS LIABILITIES

PACT establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related loss adjustment expenses. The following represents changes in those aggregate liabilities during the years ended June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Unpaid losses and loss adjustment expenses at beginning of year or period	\$ 25,572,125	\$ 21,936,221
	_____	_____
Incurring losses and loss adjustment expenses:		
Provision for insured events of current year	7,643,209	8,009,318
Increase in provision for insured events of prior fiscal years	172,000	1,238,000
	_____	_____
Total incurred losses and loss adjustment	7,815,209	9,247,318
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year/period	(1,627,000)	(1,576,000)
Claims and claims adjustment expenses attributable to insured events of prior period	(3,545,209)	(4,035,414)
	_____	_____
Total Payments	(5,172,209)	(5,611,414)
Unpaid claims and claims adjustment expenses		
At end of fiscal year	<u><u>\$28,215,125</u></u>	<u><u>\$ 25,572,125</u></u>

The current portion of the long term loss reserve for 2011 and 2010 is \$5,798,385 and \$5,016,821 with the long term portion for 2011 and 2010 being \$12,564,615 and \$20,555,304.

Incurring losses and loss adjustment expenses are comprised of two significant factors. Provisions for events of the current year increased from \$7,612,000 for 2010 to \$8,009,318 for 2011. The increase and decrease in the provision for insured events of prior fiscal years for 2011 and 2010 reflects changes in case reserves and actuarial reserve calculations for all prior years cumulatively.

Individual case reserves may increase or decrease as the case develops over time for various reasons. This may affect actuarial projections for past and future years since the various actuarial methodologies are based both on individual case reserve changes and long term trends in reserves. The effect of both the individual case reserve changes over time and the actuarial projections combined may result in a significant increase or decrease that is reflected in the current year's audited net assets. In other words, a decrease in reserves results in an increase in net assets, while an increase in reserves reduces net assets.

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 14 – SURPLUS CONTRIBUTION TO PUBLIC COMPENSATION MUTUAL COMPANY

In May of 2007, PACT's board of directors authorized the start up of a member-owned nonprofit captive mutual insurance company and contributed surplus to the company in the amount of \$5,000,000 and subsequent additional surplus contributions have been added. Capitalization at June 30, 2011 and 2010 was \$25,617,375 and \$18,100,000 respectively. Accumulated amortization at June 30, 2011 and 2010 was \$5,240,449 and \$3,121,525. The company, named Public Compensation Mutual, ("PCM") is domiciled in Nevada and as of July 1, 2007, became one of the workers compensation reinsurers for PACT. Some of the Public Compensation Mutual's board members also serve as board members of PACT.

Public Compensation Mutual was formed by members of PACT to reduce the costs of insurance, to obtain direct access to reinsurance, to provide broader coverage for policyholders, to broaden investment opportunities and to build equity to enable providing coverage not obtainable elsewhere.

As a condition of contributed surplus, but without any expectation that the funds will be returned, PACT required that prior to any distributions such as dividends, the contributed surplus must be repaid to PACT.

Management considers the contributed surplus costs a development cost that can provide lower operating costs in the future and estimates that the savings in reinsurance costs to PACT will recoup the start up capital. Therefore, the PACT's contributed surplus to PCM will be amortized over 10 years.

BERTRAND & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH NEVADA ADMINISTRATIVE CODE 694C.210

To the Board of Directors
Public Agency Compensation Trust

In planning and performing our audit of the GAAP basis financial statements of Public Agency Compensation Trust (PACT) as of and for the year ended June 30, 2011 in accordance with auditing standards generally accepted in the United States of America we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PACT's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies that adversely effects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be detected or prevented by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Additionally, this report is being prepared consistent with the guidance in the NAIC/AICPA Working Group letter to regulators on the interpretation of Section 11 of the NAIC Model Audit Rule dated March 9, 2005. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above as of June 30, 2011.

This communication is intended solely for the information and use of the Board of Directors, management, others within the organization and state insurance departments to whose jurisdiction PACT is subject and is not intended to be and should not be used by anyone other than these specified parties.

October 19, 2011
Carson City, Nevada

PUBLIC AGENCY COMPENSATION TRUST
Supplemental Schedule on Unpaid Loss Liabilities for Workers Compensation and Heart and Lung

PACT establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related loss adjustment expenses. The following represents changes in those aggregate liabilities for the workers compensation and heart and lung converges during the years ended June 30, 2011 and 2010:

	<u>2011</u>			<u>2010</u>		
	<u>Workers Comp</u>	<u>Heart & Lung</u>	<u>Total</u>	<u>Workers Comp</u>	<u>Heart & Lung</u>	<u>Total</u>
Unpaid losses and loss adjustment expenses at beginning of year or period	\$17,223,000	\$8,349,125	\$25,572,125	\$15,120,000	\$6,816,221	\$21,936,221
Incurring losses and loss adjustment expenses:						
Provision for insured events of current year	6,140,209	1,503,000	7,643,209	6,476,414	1,532,904	8,009,318
Increase (decrease) in provision for insured events of prior fiscal years	172,000	-	172,000	1,238,000	-	1,238,000
Total incurred losses and loss adjustment	<u>6,312,209</u>	<u>1,503,000</u>	<u>7,815,209</u>	<u>7,714,414</u>	<u>1,532,904</u>	<u>9,247,318</u>
Payments:						
Claims and claim adjustment expenses attributable to insured events of current fiscal year/period	(1,627,000)	-	(1,627,000)	(1,576,000)	-	(1,576,000)
Claims and claims adjustment expenses attributable to insured events of prior period	(3,545,209)	-	(3,545,209)	(4,035,414)	-	(4,035,414)
Total Payments	<u>(5,172,209)</u>	<u>-</u>	<u>(5,172,209)</u>	<u>(5,611,414)</u>	<u>-</u>	<u>(5,611,414)</u>
Unpaid claims and claims adjustment expenses at end of fiscal year	<u><u>\$18,363,000</u></u>	<u><u>\$9,852,125</u></u>	<u><u>\$28,215,125</u></u>	<u><u>\$17,223,000</u></u>	<u><u>\$8,349,125</u></u>	<u><u>\$25,572,125</u></u>

PUBLIC AGENCY COMPENSATION TRUST
COMPARATIVE SCHEDULE OF CLAIM DEVELOPMENT FOR WORKERS COMP AND HEART & LUNG – UNDISCOUNTED - (UNAUDITED)
EARNED ASSESSMENTS AND ALLOCATED EXPENSES FOR TEN-YEAR PERIOD
For years ended June 30,

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Required Contributions & Investment Revenue:										
Earned	\$7,710,499	\$9,290,486	\$11,609,553	\$12,638,430	\$14,150,771	\$ 17,528,899	\$19,214,202	\$18,382,217	\$16,856,499	\$14,187,888
Ceded	(498,469)	(481,095)	(551,944)	(789,791)	(626,266)	(673,485)	(711,236)	(999,595)	(1,019,746)	(760,706)
Net Earned	7,212,030	8,809,391	11,057,609	11,848,639	13,524,505	16,855,414	18,502,966	17,382,622	15,836,753	13,427,182
Unallocated Expenses	1,302,793	2,378,840	2,753,420	2,280,908	2,401,410	2,644,815	3,467,687	3,888,708	4,372,365	5,340,792
Estimated incurred Claims & Expenses End of Policy Year:										
Incurred	5,400,000	5,721,353	7,611,959	7,694,786	7,221,184	6,932,261	6,211,000	6,699,000	7,604,904	7,226,000
Ceded	(86,000)	-	-	-	-	-	-	-	-	-
Net Incurred	5,314,000	5,721,353	7,611,959	7,694,786	7,221,184	6,932,261	6,211,000	6,699,000	7,604,904	7,226,000
Paid (cumulative) as of:										
End of policy year	1,121,886	1,059,764	815,018	1,153,042	903,024	955,534	1,396,400	1,813,443	1,576,283	1,627,122
One year later	2,775,572	2,242,826	1,833,437	2,466,279	1,863,166	2,333,923	3,334,645	3,630,752	3,121,442	
Two years later	3,315,137	2,581,248	2,286,157	2,774,180	2,317,418	3,332,247	4,312,797	4,050,129		
Three years later	3,424,176	2,780,197	2,624,047	3,033,660	2,626,506	3,930,487	4,768,994			
Four years later	3,391,046	2,898,113	2,864,122	3,323,358	2,872,958	4,102,622				
Five years later	3,393,215	2,892,851	2,995,578	3,399,607	3,226,213					
Six years later	3,429,442	2,979,779	3,209,246	3,454,799						
Seven years later	3,503,152	2,966,483	3,533,041							
Eight years later	3,470,101	2,997,581								
Nine years later	3,476,146									
Re-estimated ceded claims & expenses		-	-	-	-	-	-	-	-	-
Re-estimated Incurred Claims & Expenses										
End of policy year	5,315,000	5,721,353	7,611,959	7,964,786	7,221,184	6,932,261	6,211,000	6,699,000	7,604,904	7,226,026
One year later	5,100,000	5,823,353	6,558,041	5,783,000	5,100,000	6,163,261	7,066,000	7,100,000	7,767,000	
Two years later	4,950,000	5,006,353	4,952,041	5,147,000	4,117,000	7,269,261	7,695,000	6,892,000		
Three years later	4,050,000	4,285,353	4,645,041	5,230,000	4,388,000	7,555,261	7,612,000			
Four years later	3,951,000	4,114,353	4,941,041	5,287,000	4,574,184	7,453,261				
Five years later	3,719,000	4,093,353	4,870,041	5,238,899	4,729,000					
Six years later	3,617,000	3,617,000	5,260,041	5,235,000						
Seven years later	3,648,000	4,061,353	5,887,041							
Eight years later	3,632,000	4,059,353								
Nine years later	3,636,000									
Increase (Decrease) in Estimated Incurred Claims & Expenses from End of Policy Year:										
	(1,678,000)	(1,662,000)	(1,724,918)	(2,729,786)	(2,492,184)	521,000	1,401,000	193,000	162,096	-

PACT Counties

Member Name	Claims		Claims		Claims		Claims		Claims		TOTAL	TOTAL	Average	Average
	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Claims	Claims	Annual Cost 5	Annual Cost
	7/1/06- 6/30/07	7/1/06- 6/30/07	7/1/07- 6/30/08	7/1/07- 6/30/08	7/1/08- 6/30/09	7/1/08- 6/30/09	7/1/09- 6/30/10	7/1/09- 6/30/10	7/1/10- 6/30/11	7/1/10- 6/30/11	Frequency 2006/2007- 2010/2011	Costs 2006/2007- 2010/2011	years 2006/2007- 2010/2011	3 years 2008/2009- 2010/2011
CARSON CITY (No Longer Member)	235	\$ 295,931	117	\$ 635,113	129	\$ 432,232	131	\$ 1,694,801	0	\$ -	845	\$ 3,058,076	\$ 611,615	\$ 709,011
CHURCHILL COUNTY	10	\$ 5,520	19	\$ 94,548	8	\$ 14,764	14	\$ 30,741	12	\$ 82,722	79	\$ 228,296	\$ 45,659	\$ 42,742
DOUGLAS COUNTY	115	\$ 293,647	156	\$ 294,151	159	\$ 179,612	148	\$ 222,759	148	\$ 252,613	823	\$ 1,242,783	\$ 248,557	\$ 218,328
ELKO COUNTY	23	\$ 113,239	27	\$ 239,759	40	\$ 136,105	29	\$ 72,428	25	\$ 341,636	163	\$ 903,167	\$ 180,633	\$ 183,390
ESMERALDA COUNTY	2	\$ 4,444	4	\$ 2,238	3	\$ 5,008	4	\$ 3,128	4	\$ 17,243	21	\$ 32,060	\$ 6,412	\$ 8,459
EUREKA COUNTY	7	\$ 8,138	6	\$ 20,895	4	\$ 186,755	8	\$ 20,827	6	\$ 8,636	41	\$ 245,251	\$ 49,050	\$ 72,073
HUMBOLDT COUNTY	15	\$ 99,962	9	\$ 26,119	20	\$ 89,129	7	\$ 3,255	14	\$ 26,774	74	\$ 245,239	\$ 49,048	\$ 39,719
LANDER COUNTY	11	\$ 9,399	11	\$ 52,550	8	\$ 45,599	11	\$ 16,058	20	\$ 95,306	71	\$ 218,914	\$ 43,783	\$ 52,321
LINCOLN COUNTY	12	\$ 29,121	10	\$ 7,717	11	\$ 33,187	6	\$ 47,132	11	\$ 49,893	60	\$ 167,050	\$ 33,410	\$ 43,404
LYON COUNTY	45	\$ 183,767	34	\$ 972,070	41	\$ 389,989	36	\$ 59,904	34	\$ 149,175	235	\$ 1,754,905	\$ 350,981	\$ 199,689
MINERAL COUNTY	39	\$ 36,153	12	\$ 15,646	14	\$ 52,982	21	\$ 182,681	27	\$ 59,737	132	\$ 347,200	\$ 69,440	\$ 98,467
NYE COUNTY	49	\$ 306,118	41	\$ 280,517	43	\$ 122,050	61	\$ 1,825,483	58	\$ 302,722	321	\$ 2,836,891	\$ 567,378	\$ 750,085
PERSHING COUNTY	9	\$ 18,029	13	\$ 8,063	4	\$ 5,282	4	\$ 2,833	5	\$ 2,809	39	\$ 37,016	\$ 7,403	\$ 3,641
STOREY COUNTY	13	\$ 135,224	23	\$ 27,418	15	\$ 161,366	24	\$ 99,854	12	\$ 21,188	97	\$ 445,049	\$ 89,010	\$ 94,136
WHITE PINE COUNTY	24	\$ 1,219,908	7	\$ 4,162	13	\$ 21,096	26	\$ 207,223	20	\$ 11,885	105	\$ 1,464,274	\$ 292,855	\$ 80,068
TOTAL	609	\$ 2,758,601	489	\$ 2,680,967	512	\$ 1,875,156	530	\$ 4,489,108	396	\$ 1,422,339	3,106	\$ 13,226,170	\$ 2,645,234	\$ 3,105,089

PACT Cities

Member Name	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	TOTAL	TOTAL	Average	Average
	Frequency	Costs	Frequency	Claims Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Claims	Claims Costs	5 years	3 years
	7/1/06- 6/30/07	7/1/06- 6/30/07	7/1/07- 6/30/08	7/1/07- 6/30/08	7/1/08- 6/30/09	7/1/08- 6/30/09	7/1/09- 6/30/10	7/1/09- 6/30/10	7/1/10- 6/30/11	7/1/10- 6/30/11	2006/2007- 2010/2011	2006/2007- 2010/2011	2006/2007- 2010/2011	2008/2009- 2010/2011
BOULDER CITY	14	\$ 54,266	25	\$ 109,688	28	\$ 150,913	20	\$ 14,557	28	\$ 76,552	144	\$ 405,976	\$ 81,195	\$ 80,674
CALIENTE	2	\$ 2,066	1	\$ 120	1	\$ 1,337	5	\$ 35,721	2	\$ 1,220	13	\$ 40,464	\$ 8,093	\$ 12,759
CARLIN CITY	4	\$ 1,210	7	\$ 8,457	5	\$ 5,644	5	\$ 6,138	5	\$ 3,855	28	\$ 25,304	\$ 5,061	\$ 5,212
CITY OF ELKO	0	\$ -	22	\$ 166,057	40	\$ 77,735	36	\$ 88,515	40	\$ 94,466	138	\$ 426,773	\$ 85,355	\$ 86,906
ELY CITY	7	\$ 3,602	3	\$ 1,162	3	\$ 10,386	2	\$ 62,396	9	\$ 33,232	26	\$ 110,778	\$ 22,156	\$ 35,338
CITY OF FALLON	15	\$ 96,391	23	\$ 535,696	12	\$ 32,568	18	\$ 71,363	11	\$ 33,429	99	\$ 769,448	\$ 153,890	\$ 45,787
CITY OF FERNLEY	7	\$ 50,725	6	\$ 3,010	7	\$ 5,919	4	\$ 10,763	3	\$ 88,139	31	\$ 158,556	\$ 31,711	\$ 34,940
CITY OF LOVELOCK	5	\$ 22,459	3	\$ 2,086	7	\$ 6,755	3	\$ 360	5	\$ 3,103	26	\$ 34,762	\$ 6,952	\$ 3,406
MESQUITE CITY	24	\$ 79,482	21	\$ 257,030	41	\$ 42,194	31	\$ 145,055	33	\$ 36,615	175	\$ 560,375	\$ 112,075	\$ 74,621
WELLS CITY	4	\$ 520	2	\$ 1,764	2	\$ 113	1	\$ 319	6	\$ -	20	\$ 2,716	\$ 543	\$ 144
CITY OF WEST WENDOVER	8	\$ 78,823	5	\$ 2,616	13	\$ 182,991	2	\$ 312	5	\$ 3,698	41	\$ 268,440	\$ 53,688	\$ 62,334
CITY OF WINNEMUCCA	6	\$ 4,349	7	\$ 3,025	6	\$ 6,261	8	\$ 72,763	6	\$ 6,436	41	\$ 92,833	\$ 18,567	\$ 28,486
CITY OF YERINGTON	7	\$ 1,042	5	\$ 643	6	\$ 2,421	7	\$ 39,005	2	\$ 425	31	\$ 43,536	\$ 8,707	\$ 13,950
TOTAL	103	\$ 394,937	130	\$ 1,091,354	171	\$ 525,237	142	\$ 547,267	155	\$ 381,168	813	\$ 2,939,962	\$ 587,992	\$ 335,272

PACT Schools

Member Name	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	TOTAL	TOTAL	Average	Average
	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Claims Frequency	Claims Costs	Annual Cost 5 years	Annual Cost 3 years
	7/1/06-6/30/07	7/1/06-6/30/07	7/1/07-6/30/08	7/1/07-6/30/08	7/1/08-6/30/09	7/1/08-6/30/09	7/1/09-6/30/10	7/1/09-6/30/10	7/1/10-6/30/11	7/1/10-6/30/11	2006/2007-2010/2011	2006/2007-2010/2011	2006/2007-2010/2011	2008/2009-2010/2011
ESMERALDA COUNTY SCHOOL DISTRICT	6	\$ 1,394	4	\$ 103,766	9	\$ 171,450	5	\$ 2,047	3	\$ -	29	\$ 278,657	\$ 55,731	\$ 57,832
EUREKA COUNTY SCHOOL DISTRICT	4	\$ 206	4	\$ 45,691	6	\$ 9,834	1	\$ 81	1	\$ 351	16	\$ 56,164	\$ 11,233	\$ 3,422
HUMBOLDT COUNTY SCHOOL DISTRICT	11	\$ 51,235	17	\$ 71,501	19	\$ 306,480	16	\$ 72,254	10	\$ 9,061	94	\$ 510,530	\$ 102,106	\$ 129,265
LANDER COUNTY SCHOOL DISTRICT	4	\$ 844	3	\$ 6,780	4	\$ 2,937	4	\$ 15,948	10	\$ 13,368	30	\$ 39,877	\$ 7,975	\$ 10,751
LINCOLN COUNTY SCHOOL DISTRICT	23	\$ 477,526	15	\$ 248,226	23	\$ 177,578	12	\$ 55,258	7	\$ 16,544	94	\$ 975,132	\$ 195,026	\$ 83,127
MINERAL COUNTY SCHOOL DISTRICT	8	\$ 9,399	5	\$ 1,923	5	\$ 72,034	10	\$ 188,563	25	\$ 38,989	57	\$ 310,909	\$ 62,182	\$ 99,862
NYE COUNTY SCHOOL DIST (No longer member)	52	\$ 272,549	54	\$ 454,215	0	\$ -	0	\$ -	0	\$ -	163	\$ 726,764	\$ 145,353	\$ -
PERSHING COUNTY SCHOOL DISTRICT	5	\$ 1,271	5	\$ 5,107	5	\$ 9,208	6	\$ 19,090	5	\$ 22,568	29	\$ 57,244	\$ 11,449	\$ 16,955
WHITE PINE COUNTY SCHOOL DISTRICT	30	\$ 48,494	29	\$ 102,296	25	\$ 89,536	25	\$ 53,795	17	\$ 44,852	143	\$ 338,972	\$ 67,794	\$ 62,728
TOTAL	143	\$ 862,919	136	\$ 1,039,505	96	\$ 839,058	79	\$ 407,035	78	\$ 145,732	655	\$ 3,294,249	\$ 658,850	\$ 521,099

PACT Hospitals

Member Name	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	TOTAL Claims	TOTAL	Average	Average
	Frequency 7/1/06- 6/30/07	Costs 7/1/06- 6/30/07	Frequency 7/1/07- 6/30/08	Costs 7/1/07- 6/30/08	Frequency 7/1/08- 6/30/09	Costs 7/1/08- 6/30/09	Frequency 7/1/09- 6/30/10	Costs 7/1/09- 6/30/10	Frequency 7/1/10- 6/30/11	Costs 7/1/10- 6/30/11	Frequency 2006/2007- 2010/2011	Claims Costs 2006/2007- 2010/2011	Annual Cost 5 years 2006/2007- 2010/2011	Annual Cost 3 years 2008/2009- 2010/2011
BATTLE MOUNTAIN GENERAL HOSPITAL	8	\$ 4,667	3	\$ 1,216	9	\$ 1,646	14	\$ 2,018	1	\$ 1,617	44	\$ 11,163	\$ 2,233	\$ 1,760
BOULDER CITY HOSPITAL	25	\$ 64,671	17	\$ 10,798	20	\$ 22,646	14	\$ 9,269	16	\$ 11,728	118	\$ 119,111	\$ 23,822	\$ 14,548
CARSON TAHOE HOSPITAL (No longer member)	83	\$ 454,854	95	\$ 528,587	30	\$ 156,108	0	\$ -	0	\$ -	305	\$ 1,139,548	\$ 227,910	\$ 52,036
GROVER C. DILS MEDICAL CENTER	8	\$ 3,439	6	\$ 6,616	12	\$ 15,137	7	\$ 11,769	3	\$ 348	43	\$ 37,309	\$ 7,462	\$ 9,085
HUMBOLDT GENERAL HOSPITAL	9	\$ 3,907	13	\$ 60,806	11	\$ 59,960	9	\$ 109,943	12	\$ 54,121	66	\$ 288,737	\$ 57,747	\$ 74,675
MT. GRANT GENERAL HOSPITAL	7	\$ 31,168	10	\$ 17,949	13	\$ 19,795	8	\$ 31,722	14	\$ 9,997	56	\$ 110,630	\$ 22,126	\$ 20,504
PERSHING GENERAL HOSPITAL	19	\$ 139,028	10	\$ 33,487	15	\$ 9,897	10	\$ 41,486	6	\$ 37,285	77	\$ 261,183	\$ 52,237	\$ 29,556
SO. LYON MEDICAL CENTER	33	\$ 47,231	33	\$ 52,718	32	\$ 38,525	25	\$ 83,356	34	\$ 49,597	195	\$ 271,428	\$ 54,286	\$ 57,159
TOTAL	192	\$ 748,965	187	\$ 712,177	142	\$ 323,713	87	\$ 289,563	86	\$ 164,692	904	\$ 2,239,110	\$ 447,822	\$ 654,415

PACT Special Districts and Towns

Member Name	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	TOTAL	TOTAL	Average	Average
	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Claims Frequency	Claims Costs	Annual Cost	Annual Cost
	7/1/06-6/30/07	7/1/06-6/30/07	7/1/07-6/30/08	7/1/07-6/30/08	7/1/08-6/30/09	7/1/08-6/30/09	7/1/09-6/30/10	7/1/09-6/30/10	7/1/10-6/30/11	7/1/10-6/30/11	2006/2007-2010/2011	2006/2007-2010/2011	2006/2007-2010/2011	2008/2009-2010/2011
CARSON CITY:														
NEVADA ASSOCIATION OF COUNTIES	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NEVADA LEAGUE OF CITIES	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NEVADA RURAL HOUSING AUTHORITY	0	\$ -	3	\$ 1,030	1	\$ 3,112	2	\$ 2,845	0	\$ -	10	\$ 6,987	\$ 1,397	\$ 1,986
CLARK COUNTY:														
VIRGIN VALLEY WATER DISTRICT	0	\$ -	0	\$ -	0	\$ -	1	\$ 904	1	\$ 149	2	\$ 1,053	\$ 211	\$ 351
CHURCHILL COUNTY:														
CHURCHILL CO COMMUNICATIONS	7	\$ 84,535	5	\$ 6,529	2	\$ 7,029	3	\$ 7,487	0	\$ -	20	\$ 105,579	\$ 21,116	\$ 4,839
CHURCHILL COUNTY MOSQUITO & ABATEMENT DISTRICT	2	\$ 9,066	1	\$ 276	2	\$ 20,582	2	\$ 1,983	0	\$ -	8	\$ 31,907	\$ 6,381	\$ 7,522
DOUGLAS COUNTY:														
DOUGLAS CO. MOSQUITO CONTROL DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
EAST FOR FIRE & PARAMEDIC DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
EAST FORK SWIMMING POOL DISTRICT	1	\$ -	0	\$ -	4	\$ 3,487	1	\$ 1,032	1	\$ 289	7	\$ 4,809	\$ 962	\$ 1,603
GARDNERVILLE, TOWN OF	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
GENOA, TOWN OF	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
MARLA BAY GID	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
MINDEN, TOWN OF	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NV TAHOE CONSERVATION DISTRICT	1	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ -	\$ -	\$ -
TAHOE DOUGLAS FIRE PROTECTION DISTRICT	23	\$ 45,565	21	\$ 83,885	26	\$ 38,059	18	\$ 89,306	18	\$ 72,270	130	\$ 329,085	\$ 65,817	\$ 66,545
ELKO COUNTY:														
ELKO CENTRAL DISPATCH	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 2,332	1	\$ 2,332	\$ 466	\$ 777
ELKO CONVENTION & VISITORS AUTHORITY	0	\$ -	0	\$ -	3	\$ 17,264	0	\$ -	2	\$ 700	5	\$ 17,964	\$ 3,593	\$ 5,988
ELKO TELEVISION DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
JACKPOT TOWN	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
ESMERALDA COUNTY:														
GOLDFIELD TOWN	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
SILVER PEAK TOWN	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
LANDER COUNTY:														
AUSTIN, TOWN OF	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
AUSTIN VOL AMBULANCE	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
AUSTIN VOL FIRE DEPT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
BATTLE MOUNTAIN, TOWN OF	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
BATTLE MOUNTAIN VOL. AMBULANCE	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
BATTLE MOUNTAIN VOL FIRE	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
KINGSTON TOWN	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
KINGSTON VOL FIRE DEPT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
LINCOLN COUNTY:														
ALAMO SEWER & WATER GID	0	\$ -	0	\$ -	0	\$ -	1	\$ 16,050	0	\$ -	1	\$ 16,050	\$ 3,210	\$ 5,350
LINCOLN COUNTY WATER DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
PAHRANAGAT VALLEY FIRE DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
PANACA VOLUNTEER FIRE DEPT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
PIOCHE, TOWN OF	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
PIOCHE VOLUNTEER FIRE DEPT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
LYON COUNTY:														
CENTRAL LYON COUNTY FIRE PROTECT	7	\$ 3,236	8	\$ 8,395	3	\$ 9,811	0	\$ -	5	\$ 14,957	27	\$ 36,399	\$ 7,280	\$ 8,256
MASON VALLEY FIRE PROTECTION DISTRICT	1	\$ 3,066	1	\$ 344	1	\$ 2,428	2	\$ 1,338	0	\$ -	6	\$ 7,176	\$ 1,435	\$ 1,255
NORTH LYON COUNTY FIRE PROTECTION DISTRICT	1	\$ 303	3	\$ 1,807	3	\$ 4,880	4	\$ 59,180	4	\$ 3,332	16	\$ 69,502	\$ 13,900	\$ 22,464
SMITH VALLEY FIRE PROTECTION DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ -	\$ -	\$ -
MINERAL COUNTY:														
HAWTHORNE FIRE & VOL FIRE	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
HAWTHORNE UTILITIES	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
MINA VOL FIRE DEPT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
MINERAL CO. CARE & SHARE	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NYE COUNTY:														
PAHRUMP, TOWN OF	15	\$ 15,973	16	\$ 66,578	16	\$ 243,351	5	\$ 7,316	17	\$ 118,208	78	\$ 451,426	\$ 90,285	\$ 122,958
ROUND MOUNTAIN, TOWN OF	0	\$ -	1	\$ -	0	\$ -	0	\$ -	0	\$ -	2	\$ -	\$ -	\$ -
TONOPAH, TOWN OF	1	\$ 2,245	0	\$ -	1	\$ 252	0	\$ -	0	\$ -	2	\$ 2,497	\$ 499	\$ 84
TONOPAH PUBLIC UTILITIES	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
PERSHING COUNTY:														
PERSHING COUNTY WATER CONSERVATION DISTRICT	3	\$ 14,203	0	\$ -	0	\$ -	2	\$ 23,386	1	\$ 381	7	\$ 37,970	\$ 7,594	\$ 7,922
STOREY COUNTY:														
CANYON GENERAL IMPROVEMENT DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ -	\$ -	\$ -
WASHOE COUNTY:														
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	18	\$ 20,489	24	\$ 203,981	36	\$ 75,037	32	\$ 209,964	36	\$ 91,098	178	\$ 600,569	\$ 120,114	\$ 125,366
SIERRA FIRE PROTECTION DISTRICT	19	\$ 1,376,327	41	\$ 10,747	16	\$ 467,106	16	\$ 39,765	24	\$ 35,636	116	\$ 1,929,580	\$ 385,916	\$ 180,836
SUN VALLEY GENERAL IMPROVEMENT DIST (No longer member)	3	\$ 2,400	0	\$ -	1	\$ 915	2	\$ 2,086	1	\$ 412	7	\$ 5,813	\$ 1,163	\$ 1,138

PACT Special Districts and Towns

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT	3	\$ 53	2	\$ 5,742	0	\$ -	2	\$ 1,798	5	\$ 66,573	15	\$ 74,167	\$ 14,833	\$ 22,790
TRUCKEE MEADOWS REGIONAL PLANNING AUTHORITY	0	\$ -	0	\$ -	2	\$ 176	0	\$ -	0		2	\$ 176	\$ 35	\$ 59
WHITE PINE COUNTY:														
ELY MUNICIPAL WATER DEPT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0		0	\$ -	\$ -	\$ -
MCGILL RUTH CONSOLIDATED SEWER & WATER GID	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0		0	\$ -	\$ -	\$ -
WHITE PINE COUNTY FIRE PROTECTION DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0		0	\$ -	\$ -	\$ -
WHITE PINE COUNTY TOURISM & RECREATION BOARD	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0		0	\$ -	\$ -	\$ -
WHITE PINE HISTORICAL RAILROAD FOUNDATION	4	\$ 4,787	2	\$ 829	4	\$ 1,095	1	\$ 327	1	\$ 280	19	\$ 7,318	\$ 1,464	\$ 567
TOTAL	109	\$ 1,582,249	128	\$ 390,143	121	\$ 894,583	94	\$ 464,766	117	\$ 406,616	662	\$ 3,738,358	\$ 747,672	\$ 776,597

PACT Summary of All Claims
as of 6/30/11

Claims		Claims		Claims		Claims		Claims		TOTAL Claims	TOTAL Claims	Average	Average
Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Costs	Annual Cost 5	Annual Cost 3
7/1/06- 6/30/07	7/1/06- 6/30/07	7/1/07- 6/30/08	7/1/07- 6/30/08	7/1/08- 6/30/09	7/1/08- 6/30/09	7/1/09- 6/30/10	7/1/09- 6/30/10	7/1/10- 6/30/11	7/1/10- 6/30/11	2006/2007- 2010/2011	2006/2007- 2010/2011	2006/2007- 2010/2011	2008/2009- 2010/2011
1,156	\$ 6,347,670	1,070	\$ 5,914,146	1,042	\$ 4,457,747	932	\$ 6,197,739	832	\$ 2,520,548	5,032	\$ 25,437,850	\$ 5,087,570	\$ 4,297,480

PACT
Open Workers' Compensation Losses Over \$100,000

DATE OF LOSS	LOSS DESCRIPTION	TOTAL INCURRED
9/9/1996	ARTERIAL FLUTTER; STRESS RELATED; INCREASED HEARTBEAT; HOSPITALIZED (Police)	104,551.67
1/16/1998	HEAD-ON COLLISION RESULTING IN CLOSED HEAD INJURY-RIGHT WRIST FRACTURE AND LOWER LEFT LEG LACERATION (Police)	111,879.40
5/5/1998	RIGHT ELBOW FELL AND TRIED TO BREAK FALL	178,857.86
5/24/1998	BOAT CAPSIZED-DROWNED (Police)	528,407.80
2/4/2000	HEART-REFERRED TO DOCTOR AS RESULT OF PHYSICAL. (Police)	275,114.83
7/25/2000	STRUCK BY LIGHTNING	1,543,186.59
11/4/2000	ATRIAL FIBRILLATION (Police)	935,591.67
12/29/2000	MAKING "U" TURN ATTEMPTING TO MAKE TRAFFIC STOP STRUCK BY OTHER VEHICLE (Police)	363,247.79
3/13/2001	HEART--CHEST PAIN WHILE DRIVING PATROL VEHICLE (Police)	129,131.80
9/19/2002	RIGHT KNEE PAIN/POSSIBLE TORN MENISCUS--LANDING AFTER SLIDING DOWN FIRE POLE. ENGINEER (Fire/Ambulance)	202,759.41
10/11/2002	LOWER BACK & RIGHT LEG PAIN--UNLOADING GURNEY CARRYING LARGE PATIENT; FIREFIGHTER/PARAMEDIC (Fire/Ambulance)	285,294.21
5/5/2003	LUMBAR SPRAIN/STRAIN--SHOVELING DIRT; EQUIPMENT OPERATOR	165,420.72
8/27/2003	LEFT & RIGHT HANDS/CARPAL TUNNEL SYNDROME--DOING COMPUTER WORK; PROPERTY MANAGER	383,777.55
9/16/2003	BACK STRAIN & LEFT THUMB CRUSHING INJURY--EXTRICATING OBESE PT FROM VEHICLE; CAPTAIN (Fire/Ambulance)	283,570.83
10/27/2003	HEART/CHEST PAIN--SEVERAL EPISODES OF ANGINA AT WORK; DEPUTY SHERIFF (Police)	362,285.80
2/20/2004	WHILE TRANSPORTING A PRISONER (Police)	927,674.20
4/11/2004	LUNGS FILLED WITH WATER, HEART UNABLE TO PUMP IT OFF (Fire/Ambulance)	334,700.17
38146	HEART ATTACK WHILE WATCHING TV IN CLASS (Police)	990,296.52
7/29/2004	EXTRICATING PT FROM VEH (Fire/Ambulance)	134,072.06
12/15/2004	MOVING WORK BENCH	151,626.18
3/3/2005	ROUTINE ANNUAL HEART STRESS TEST- FAILED (Fire/Ambulance)	1,087,004.25
4/2/2005	HAND RECEIVED GUNSHOT WOUND (Police)	206,950.49
4/17/2005	FOOT SLIPPED OUT FROM UNDER CLMT WHILE LIFTING PATIENT FROM FLOOR (Fire/Ambulance)	198,436.92
11/5/2005	NECK & SHOULDER SNAPPED WHILE SHOTING SHOTGUN & FELT DIZZY (Police)	155,139.96
7/28/2006	HEART; ONGOING CHEST PAIN AND WEAKNESS (Police)	1,159,313.26
8/23/2006	LIFTING BLOCKS TO MAKE A RETAINING WALL	371,081.42
3/16/2007	CHEST PAIN, SOB WHILE DRIVING (Police)	249,342.96
4/25/2007	ANNUAL PHYSICAL 4-25-07 ABNORMAL TEST (Fire/Ambulance)	1,193,036.46
5/16/2007	FELL 12 FEET DOWN OFF A RETAINING WALL WHILE FIGHTING A FIRE (Fire/Ambulance)	353,457.90
7/28/2007	HIT BUMP WHILE DRIVING EQUIPMENT	675,645.09
7/19/2007	MOVING COPIERS WITHIN POLICE BUILDING	100,008.18
9/17/2007	TWISTED KNEE LIFTING A PATIENT	499,144.05
11/30/2007	CARRYING PERSON IN A STAIR CHAIR (Fire/Ambulance)	246,717.40
2/4/2008	HEART DISEASE (Fire/Ambulance)	1,068,109.91
9/18/2008	UNLOADING A FLOOR CLEANER AND BACK TWINGED	151,794.11
1/2/2009	WALKING DOWN STEPS AT RECREATION BASIN, MY BOOT HEEL CAUGHT EDGE OF STEP CAUSING ME TO STUMBLE AND FALL	200,744.42
3/9/2009	EXITED BOYS P.E. LOCKER ROOM, SLIPPED ON ICE, FELL ON CONCRETE AND INJURED BACK AND RIGHT LEG.	114,168.54
4/3/2009	WALKING INTO THE BUILDING, SLIPPED ON STEPS AND FELL BACKWARDS (Police)	183,999.37
10/23/2009	MOVING ROCK AND CUTTING WOOD	102,097.16
11/17/2009	ATTEMPTING TO SUBDUE SUSPECT, FELL TO GROUND STRIKING LEFT SIDE ON GROUND (Police)	820,023.56
11/18/2009	EXPOSURE TO COMBUSTIVE MATERIALS AND OTHER HAZARDOUS CHEMICALS DURING NORMAL COURSE OF JOB DUTIES (Fire/Ambulance)	1,246,092.26
9/16/2009	LIFTING A BOTTLE OF CHLORINE INTO THE BACK OF A TRUCK, WHEN R HIP POPPED CAUSING A LOT OF LOWER BACK AND HIP PAIN	249,247.91
11/12/2009	ASTHMA ATTACK WHILE ON VACATION IN FLORIDA. RETURNED TO SEE DR. IN RENO (Fire/Ambulance)	108,283.90
4/26/2010	RESPONDING TO A CALL AT A CASINO, GUN SHOTS WERE FIRED. (Police)	1,544,054.28
3/1/2010	WHEN LIFTING HEAVY OBJECT, FELT A SLIGHT SNAP THAT WENT THROUGH BACK AND RIGHT SIDE OF NECK, SHOULDER	247,358.50
5/15/2010	PULLING 1" CHARGED HOSE UP A SMALL SLOPE. THE HOSE SNAGGED ON A PIECE OF BURNT BRUSH CAUSING THE HILLSIDE TO GIVE WAY CAUSING ME TO FALL FACE FIRST. R WRIST HIT A ROCK AS I CAUGHT MY FALL. (Fire/Ambulance)	117,588.30
9/6/2010	WHILE LINING UP FOR PARADE, SEARCH & RESCUE HORSE GOT SPOOKED AND THREW ME OFF (Police)	190,946.19
9/16/2010	WALKING DOWN THE FIRE STATION HALLWAY AND HAD A SEIZURE/STROKE (Fire/Ambulance)	227,528.56
2/24/2011	SHOT DURING DOMESTIC VIOLENCE CALL (Police)	394,137.46
3/8/2011	WHILE STANDING ON THE FRAME BENDING OVER ENGINE, FELT PAIN IN LOWER BACK	156,613.95
3/11/2012	HEART ATTACK (Police)	107,353.02
TOTAL ALL CLAIMS		\$ 22,116,866.80

Report Data As of 3/31/12

**PUBLIC AGENCY COMPENSATION TRUST
CLAIMS OVER \$100,000 - HISTORICAL**

Entity	Date of Loss	Policy Period	SIR	Total Incurred	Total Paid	Description
Boulder City	9/9/1996	96-97	300,000	104,551.67	74,318.85	ARTERIAL FLUTTER; STRESS RELATED; INCREASED HEARTBEAT; HOSPITALIZED (Police)
Elko General Hospital	2/1/1997	96-97	300,000	159,321.13	159,321.13	CLMT STRAINED BACK WHEN SHE TURNED AROUND WHILE DRAWING BLOOD FROM A PATIENT.
Pershing General Hospital	8/23/1997	97-98	300,000	129,723.05	129,723.05	COCCYX BRUISED--SLIP AND FALL
Nye County	1/16/1998	97-98	300,000	111,879.40	108,923.22	HEAD-ON COLLISION RESULTING IN CLOSED HEAD INJURY-RIGHT WRIST FRACTURE AND LOWER LEFT LEG LACERATION (Police)
Elko General Hospital	5/5/1998	97-98	300,000	178,857.86	177,289.94	RIGHT ELBOW FELL AND TRIED TO BREAK FALL
Douglas County	5/24/1998	97-98	300,000	528,407.80	111,474.47	BOAT CAPSIZED-DROWNED (Police)
Yerington, City of	6/28/1998	97-98	300,000	122,125.35	122,125.35	SUBDUING SUSPECT DURING ARREST SUFFERED ASTHMA ATTACK AND NOW LUNG CONDITIONGETTING WORSE WITH FREQUENT ASTHMA ATTACKS AND STILL REQUIRING TREATMENT. (Police)
Elko County	9/5/1998	98-99	300,000	129,206.34	129,206.34	HEART--ON DUTY AT SCENE OF ACCIDENT; CHEST BEGAN TO TIGHTEN (Police)
Douglas County	12/2/1998	98-99	300,000	151,585.92	151,585.92	LUMBAR STRAIN--THROWN TO MAT DURING DEFENSIVE TACTICS TRAINING (Police)
South Lyon Medical Center	3/16/1999	98-99	300,000	129,846.85	129,846.85	LUMBAR/SPINE STRAIN--REPOSITIONING PATIENT
Douglas County	2/4/2000	99-00	300,000	275,114.83	140,610.12	HEART-REFERRED TO DOCTOR AS RESULT OF PHYSICAL. (Police)
Churchill County	3/2/2000	99-00	300,000	177,726.31	177,726.31	LUMBAR STRAIN STEPPING OFF OF THE BACK OF A TRUCK AND TWISTED BACK.
White Pine County	7/25/2000	00-01	300,000	1,543,186.59	362,237.97	STRUCK BY LIGHTNING
Storey County	11/4/2000	00-01	500,000	935,591.67	403,675.26	ATRIAL FIBRILLATION (Police)
Lander County	12/2/2000	00-01	500,000	128,965.57	128,965.57	LEFT SHOULDER MUSCLE STRAIN DEMONSTRATING DEFENSIVE TACTICS MANUEVER TO THEBATTLE MOUNTAIN HIGH SCHOOL (Police)
Nye County	12/29/2000	00-01	500,000	363,247.79	265,335.85	MAKING "U" TURN ATTEMPTING TO MAKE TRAFFIC STOP STRUCK BY OTHER VEHICLE (Police)
Elko County	1/12/2001	00-01	300,000	177,998.24	177,998.24	LOWER BACK/LEGS--SHOVELING SNOW OFF OF SIDEWALKS
White Pine County	2/7/2001	00-01	300,000	147,722.51	147,722.51	CERVICAL STRAIN--REAR-ENDED AT STOP LIGHT
Town of Pahump	2/20/2001	00-01	300,000	114,581.13	114,581.13	HEAD/NECK/BACK-ON-COMING CAR EXECUTED U-TURN; AMBULANCE UNABLE TO ADVOID (Fire/Ambulance)
Nye County	3/13/2001	00-01	500,000	129,131.80	36,427.42	HEART--CHEST PAIN WHILE DRIVING PATROL VEHICLE (Police)
White Pine Co School District	5/23/2001	00-01	300,000	167,713.92	167,713.92	LUMBAR STRAIN (RIGHT) LIFTING HEAVY GARBAGE INTO DUMPSTER
White Pine County	7/28/2001	01-02	300,000	119,884.16	119,884.16	ACUTE HEAD TRAUMA/RIGHT SHOULDER--FELL FROM HORSE
Douglas County	8/21/2001	01-02	300,000	102,392.36	102,392.36	UNKNOWN--TURNING LEFT, HIT BY ON-COMING VEHICLE.CARE FLIGHTED
Nye County	9/20/2001	01-02	500,000	288,634.74	288,634.74	LT-KNEE & MULTIPLE INJURIES IN LATER MVA STEPPED INTO HOLE BETWEEN MATSDURING DEFENSIVE TACTICS TRAINING ROLLOVER MVA ENROUTE TO PHYSICAL THERAPY11-28-01. MULTIPLE INJURIES. HEAD, NECK, BACK, HIPS, SPLEEN, LIVER, ETC. (Police)
Boulder City Hospital	10/3/2001	01-02	300,000	242,978.61	242,978.61	LOW BACK STRAIN--KICK BY RESIDENT
Lander Co School District	2/26/2002	01-02	300,000	110,918.53	110,918.53	BACK PAIN/MUSCLE SPASM--BENDING OVER; BACK POPPED TEACHER
Nye County	3/21/2002	01-02	300,000	226,281.64	226,281.64	CERVICAL/THORACIC/LUMBAR SPRAIN--MVA; REARENDED AT TRAFFIC LIGHTINVESTIGATOR/DISTRICT ATTORNEY'S OFFICE
Douglas County	6/26/2002	01-02	300,000	131,067.85	131,067.85	BACK STRAIN/STRAIN - ROLLING UP BALLFIELD DRAG AFTER PREPARING IN FIELD FORPLAY.
Tahoe Douglas Fire Prot District	9/19/2002	02-03	500,000	202,759.41	131,495.97	RIGHT KNEE PAIN/POSSIBLE TORN MENISCUS--LANDING AFTER SLIDING DOWN FIRE POLE. ENGINEER (Fire/Ambulance)
Lander County	9/30/2002	02-03	300,000	158,482.19	158,482.19	NECK & LEFT SHOULDER & ARM STRAIN--AFTER LIFTING THE BUFFER FM TABLE TO FLOOR; POOL MANAGER
Tahoe Douglas Fire Prot District	10/11/2002	02-03	500,000	285,294.21	184,594.23	LOWER BACK & RIGHT LEG PAIN--UNLOADING GURNEY CARRYING LARGE PATIENT; FIREFIGHTER/PARAMEDIC (Fire/Ambulance)
Town of Pahump	12/28/2002	02-03	300,000	140,113.22	140,113.22	LUMBAR STRAIN--PICKING UP DEAD TREE TO PUT IN DUMPSTER; MAINT I
Nye County	2/20/2003	02-03	500,000	120,398.91	120,398.91	WORKINGON GARAGE DOOR SYSTEM WHEN IT CAME APART AND CRUSHED CLMT'S HANDS; FIREFIGHTER (Fire/Ambulance)
Pershing County	5/5/2003	02-03	300,000	165,420.72	118,399.45	LUMBAR SPRAIN/STRAIN--SHOVELING DIRT; EQUIPMENT OPERATOR
Carson Tahoe Hospital	8/27/2003	03-04	350,000	383,777.55	361,618.90	LEFT & RIGHT HANDS/CARPAL TUNNEL SYNDROME--DOING COMPUTER WORK; PROPERTY MANAGER
Carson City	9/16/2003	03-04	600,000	283,570.83	244,027.65	BACK STRAIN & LEFT THUMB CRUSHING INJURY--EXTRICATING OBESE PT FROM VEHICLE; CAPTAIN (Fire/Ambulance)
Nye County	10/27/2003	03-04	600,000	362,285.80	148,241.69	HEART/CHEST PAIN--SEVERAL EPISODES OF ANGINA AT WORK; DEPUTY SHERIFF (Police)
Lyon County	2/20/2004	03-04	600,000	927,674.20	293,942.08	WHILE TRANSPORTING A PRISONER (Police)
Elko County	4/11/2004	03-04	600,000	334,700.17	221,406.99	LUNGS FILLED WITH WATER, HEART UNABLE TO PUMP IT OFF (Fire/Ambulance)
Lander County	5/31/2004	03-04	600,000	135,000.17	135,000.17	HAD HEART ATTACK WHILE SLEEPING (Police)
Mineral County	6/8/2004	03-04	600,000	990,296.52	150,388.93	HEART ATTACK WHILE WATCHING TV IN CLASS (Police)
Tahoe Douglas Fire Prot District	7/29/2004	04-05	750,000	134,072.06	132,496.06	EXTRICATING PT FROM VEH (Fire/Ambulance)
Nye Co School District	12/15/2004	04-05	350,000	151,626.18	117,432.73	MOVING WORK BENCH

**PUBLIC AGENCY COMPENSATION TRUST
CLAIMS OVER \$100,000 - HISTORICAL**

Entity	Date of Loss	Policy Period	SIR	Total Incurred	Total Paid	Description
Lyon County	12/29/2004	04-05	350,000	120,669.79	120,669.79	STRUCK BY DEBRIS FROM PIPE EXPLOSION
Elko County	2/8/2005	04-05	750,000	100,606.46	100,606.46	S/F ON ICE WHILE DOING SECURITY CHECKS (Police)
North Lake Tahoe Fire Prot Dist	3/3/2005	04-05	750,000	1,087,004.25	281,553.11	ROUTINE ANNUAL HEART STRESS TEST- FAILED (Fire/Ambulance)
Douglas County	4/2/2005	04-05	750,000	206,950.49	185,650.07	HAND RECEIVED GUNSHOT WOUND (Police)
Tahoe Douglas Fire Prot District	4/17/2005	04-05	750,000	198,436.92	141,139.88	FOOT SLIPPED OUT FROM UNDER CLMT WHILE LIFTING PATIENT FROM FLOOR (Fire/Ambulance)
Douglas County	5/18/2005	04-05	750,000	103,908.65	103,908.65	CORONARY HEART DISEASE; UNKNOW CAUSE; DETECTED DURING EMPLOYEE DEPARTMENT PHYSICAL (Police)
Tahoe Douglas Fire Prot District	9/6/2005	05-06	750,000	133,476.76	133,476.76	FELT CHEST PAINS AFTER WORKOUT ON STAIR STEPPER (Fire/Ambulance)
Boulder City Hospital	10/18/2005	05-06	350,000	545,951.97	545,951.97	S/F ON SLIPPERY FLOOR
Douglas County	11/5/2005	05-06	750,000	155,139.96	105,490.50	NECK & SHOULDER SNAPPED WHILE SHOTING SHOTGUN & FELT DIZZY (Police)
Carson Tahoe Hospital	11/21/2005	05-06	350,000	144,091.09	144,091.09	SLIPPED & FELL; WALKING INTO PATIENT'S ROOM
White Pine Co School District	6/28/2006	05-06	350,000	182,034.73	182,034.73	S/F BACKWARDS OFF SINK WHILE STANDING ON SINK COUNTER CLEANING WALLS.
White Pine County	7/28/2006	06-07	750,000	1,159,313.26	297,724.54	HEART; ONGOING CHEST PAIN AND WEAKNESS (Police)
Lincoln Co School District	8/23/2006	06-07	350,000	371,081.42	265,879.98	LIFTING BLOCKS TO MAKE A RETAINING WALL
Pershing General Hospital	1/8/2007	06-07	350,000	121,806.31	121,806.31	T/F ON ALARM WIRE WHILE MAKING BED, LANDING ON ARM
Lyon County	2/27/2007	06-07	350,000	106,857.50	106,857.50	THROWN INTO WINDSHIELD AFTER STOPPING SNOWPLOW ON PATCH OF SNOW
Nye County	3/16/2007	06-07	750,000	249,342.96	188,455.12	CHEST PAIN, SOB WHILE DRIVING (Police)
Sierra Fire Protection District	4/25/2007	06-07	750,000	1,193,036.46	232,113.89	ANNUAL PHYSICAL 4-25-07 ABNORMAL TEST (Fire/Ambulance)
Sierra Fire Protection District	5/16/2007	06-07	750,000	353,457.90	214,162.25	FELL 12 FEET DOWN OFF A RETAINING WALL WHILE FIGHTING A FIRE (Fire/Ambulance)
Carson Tahoe Hospital	5/25/2007	06-07	350,000	214,933.55	214,933.55	HELPING LIFT A PATIENT IN BED
Fallon, City of	7/28/2007	07-08	500,000	675,645.09	335,401.81	HIT BUMP WHILE DRIVING EQUIPMENT
Boulder, City of	7/19/2007	07-08	500,000	100,008.18	100,008.18	MOVING COPIERS WITHIN POLICE BUILDING
Carson City	7/30/2007	07-08	500,000	234,096.74	234,096.74	STEPPED IN HOLE & FELL IN STROM DRAIN DITCH
Carson Tahoe Hospital	9/17/2007	07-08	500,000	499,144.05	258,443.19	TWISTED KNEE LIFTING A PATIENT
Lincoln Co School District	12/7/2007	07-08	500,000	210,560.44	210,560.44	S/F ON BACK WHILE CARRYING PLATFORM FOR CHRISTMAS PLAY
North Lake Tahoe Fire Prot Dist	11/30/2007	07-08	500,000	246,717.40	169,446.70	CARRYING PERSON IN A STAIR CHAIR (Fire/Ambulance)
Carson City	12/25/2007	07-08	500,000	161,361.43	161,361.43	S/F WHILE CHECKING WATER FLOW AT POND
Lyon County	2/4/2008	07-08	500,000	1,068,109.91	276,377.77	HEART DISEASE (Fire/Ambulance)
Nye Co School District	5/1/2008	07-08	500,000	133,969.69	133,969.69	FELL WHILE CLOSING ROOF DOOR
Esmeralda Co. School District	7/21/2008	08-09	500,000	151,794.11	145,242.68	UNLOADING A FLOOR CLEANER AND BACK TWINGED
Sierra Fire Protection District	9/18/2008	08-09	500,000	112,041.11	112,041.11	EXTRACTING A COMBATIVE PT FROM VEHICLE AND GOT CAUGHT BETWEEN PT AND CAR. LANDED ON KNEE. (Fire/Ambulance)
Lyon County	1/2/2009	08-09	500,000	200,744.42	190,410.62	WALKING DOWN STEPS AT RECREATION BASIN, MY BOOT HEEL CAUGHT EDGE OF STEP CAUSING ME TO STUMBLE AND FALL
Sierra Fire Protection District	1/11/2009	08-09	500,000	153,882.13	153,882.13	RENDERING MEDICAL AID AND FELL ON ICE (Fire/Ambulance)
Sierra Fire Protection District	2/24/2009	08-09	500,000	128,988.83	128,988.83	LIFTING HEAVY OBJECT AND TWISTED BACK (Fire/Ambulance)
West Wendover, City of	3/5/2009	08-09	500,000	166,484.19	166,484.19	WHILE TRYING TO PRY HEAVY TRUCK TIRE OFF WHEEL BY HAND WITH TIRE IRONS, EXPERIENCED PAIN IN THE NECK
Humboldt Co. School District	3/9/2009	08-09	500,000	114,168.54	23,612.39	EXITED BOYS P.E. LOCKER ROOM, SLIPPED ON ICE, FELL ON CONCRETE AND INJURED BACK AND RIGHT LEG.
Storey County	4/3/2009	08-09	500,000	183,999.37	178,483.75	WALKING INTO THE BUILDING, SLIPPED ON STEPS AND FELL BACKWARDS (Police)
Eureka County	4/30/2009	08-09	500,000	199,031.87	199,031.87	WHILE RINSING THE FLOOR WITH THE HOSE, STEPPED BACK INTO THE ROOM AND SLIPPED ON THE WET CONCRETE. HIT KNEE ON THE GROUND
Nye County	10/23/2009	09-10	500,000	102,097.16	61,720.13	MOVING ROCK AND CUTTING WOOD
Douglas County	11/17/2009	09-10	500,000	820,023.56	49,933.65	ATTEMPTING TO SUBDUE SUSPECT, FELL TO GROUND STRIKING LEFT SIDE ON GROUND (Police)
Carson City	11/18/2009	09-10	500,000	1,246,092.26	114,710.86	EXPOSURE TO COMBUSTIVE MATERIALS AND OTHER HAZARDOUS CHEMICALS DURING NORMAL COURSE OF JOB DUTIES (Fire/Ambulance)
Carson City	12/1/2009	09-10	500,000	117,316.61	117,316.61	FILE CABINET FELL FORWARD PINNING ME ON FLOOR
Mineral County School District	12/14/2009	09-10	500,000	118,189.53	118,189.53	WALKING OUT OF THE DOOR AT THE END OF THE DAY, SLIPPED ON ICE.
Carson City	12/4/2009	09-10	500,000	103,948.15	103,948.15	WHILE RAISING FLAGS, SLIPPED AND FELL
Winnemucca, City of	9/16/2009	09-10	500,000	249,247.91	126,643.20	LIFTING A BOTTLE OF CHLORINE INTO THE BACK OF A TRUCK, WHEN R HIP POPPED CAUSING A LOT OF LOWER BACK AND HIP PAIN
North Lake Tahoe Fire Prot Dist	11/12/2009	09-10	500,000	108,283.90	13,414.04	ASTHMA ATTACK WHILE ON VACATION IN FLORIDA. RETURNED TO SEE DR. IN RENO (Fire/Ambulance)
Nye County	4/26/2010	09-10	500,000	1,544,054.28	108,228.54	RESPONDING TO A CALL AT A CASINO, GUN SHOTS WERE FIRED. (Police)
White Pine County	4/27/2010	09-10	500,000	127,095.54	127,095.54	LOADING PANELS WHICH SLIPPED OFF FORKS, HITTING LEG

**PUBLIC AGENCY COMPENSATION TRUST
CLAIMS OVER \$100,000 - HISTORICAL**

Entity	Date of Loss	Policy Period	SIR	Total Incurred	Total Paid	Description
Mineral County School District	3/1/2010	09-10	500,000	247,358.50	63,614.80	WHEN LIFTING HEAVY OBJECT, FELT A SLIGHT SNAP THAT WENT THROUGH BACK AND RIGHT SIDE OF NECK, SHOULDER
Humboldt General Hospital	5/2/2010	09-10	500,000	107,236.58	107,236.58	GETTING PATIENT LEMONAIDE FROM FRIDGE IN DINING ROOM, SLIPPED ON WATER ON FLOOR AND HIT L KNEE
North Lyon Co. Fire Protection District	5/15/2010	09-10	500,000	117,588.30	92,986.32	PULLING 1" CHARGED HOSE UP A SMALL SLOPE. THE HOSE SNAGGED ON A PIECE OF BURNT BRUSH CAUSING THE HILLSIDE TO GIVE WAY CAUSING ME TO FALL FACE FIRST. R WRIST HIT A ROCK AS I CAUGHT MY FALL. (Fire/Ambulance)
Mineral County School District	6/23/2010	09-10	500,000	150,871.55	150,871.55	CLIMBING OUT OF THE WATER VALVE PIT, HURT LOW BACK AND LEG
Fernley, City of	7/28/2010	10-11	500,000	112,418.39	112,418.39	WHILE DESCENDING LADDER, FOOT SLIPPED OFF OF LADDER RUNG AND FELL TO FLOOR
Churchill County	9/6/2010	10-11	500,000	190,946.19	96,864.61	WHILE LINING UP FOR PARADE, SEARCH & RESCUE HORSE GOT SPOOKED AND THREW ME OFF (Police)
Boulder City	9/16/2010	10-11	500,000	227,528.56	34,583.00	WALKING DOWN THE FIRE STATION HALLWAY AND HAD A SEIZURE/STROKE (Fire/Ambulance)
North Lake Tahoe Fire Prot Dist	2/13/2011	10-11	500,000	119,246.27	119,246.27	WHILE WASHING STAIRS IN APPARATUS FLOOR OF STATION 13, SLIPPED ON 3RD STEP FROM BOTTOM, LANDING FLAT ON BACK (Fire/Ambulance)
Elko County	2/24/2011	10-11	500,000	394,137.46	219,799.48	SHOT DURING DOMESTIC VIOLENCE CALL (Police)
Lyon County	3/8/2011	10-11	500,000	156,613.95	97,610.91	WHILE STANDING ON THE FRAME BENDING OVER ENGINE, FELT PAIN IN LOWER BACK
Nye County	3/11/2012	11-12	500,000	107,353.02	0.00	HEART ATTACK (Police)

Totals All Claims

Report Data As of 3/31/12

29,860,611.36 16,197,788.31

**PUBLIC AGENCY COMPENSATION TRUST
CLAIMS OVER \$100,000 - HISTORICAL by Member**

Entity	Date of Loss	Policy Period	SIR	Total Incurred	Total Paid	Description
Boulder, City of	9/9/1996	96-97	300,000	104,551.67	74,318.85	ARTERIAL FLUTTER; STRESS RELATED; INCREASED HEARTBEAT; HOSPITALIZED (Police)
Boulder, City of	7/19/2007	07-08	500,000	100,008.18	100,008.18	MOVING COPIERS WITHIN POLICE BUILDING
Boulder, City of	9/16/2010	10-11	500,000	227,528.56	34,583.00	WALKING DOWN THE FIRE STATION HALLWAY AND HAD A SEIZURE/STROKE (Fire/Ambulance)
Boulder, City of Total				432,088.41	208,910.03	1 Fire Claim and 1 Police Claim
Boulder City Hospital	10/3/2001	01-02	300,000	242,978.61	242,978.61	LOW BACK STRAIN--KICK BY RESIDENT
Boulder City Hospital	10/18/2005	05-06	350,000	545,951.97	545,951.97	S/F ON SLIPPERY FLOOR
Boulder City Hospital Total				788,930.58	788,930.58	
Carson City	9/16/2003	03-04	600,000	283,570.83	244,027.65	BACK STRAIN & LEFT THUMB CRUSHING INJURY--EXTRICATING OBESE PT FROM VEHICLE; CAPTAIN (Fire/Ambulance)
Carson City	7/30/2007	07-08	500,000	234,096.74	234,096.74	STEPPED IN HOLE & FELL IN STROM DRAIN DITCH
Carson City	12/25/2007	07-08	500,000	161,361.43	161,361.43	S/F WHILE CHECKING WATER FLOW AT POND
Carson City	11/18/2009	09-10	500,000	1,246,092.26	114,710.86	EXPOSURE TO COMBUSTIVE MATERIALS AND OTHER HAZARDOUS CHEMICALS DURING NORMAL COURSE OF JOB DUTIES (Fire/Ambulance)
Carson City	12/1/2009	09-10	500,000	117,316.61	117,316.61	FILE CABINET FELL FORWARD PINNING ME ON FLOOR
Carson City	12/4/2009	09-10	500,000	103,948.15	103,948.15	WHILE RAISING FLAGS, SLIPPED AND FELL
Carson City Total				2,146,386.02	975,461.44	2 Fire Claims
Carson Tahoe Hospital	8/27/2003	03-04	350,000	383,777.55	361,618.90	LEFT & RIGHT HANDS/CARPAL TUNNEL SYNDROME--DOING COMPUTER WORK; PROPERTY MANAGER
Carson Tahoe Hospital	11/21/2005	05-06	350,000	144,091.09	144,091.09	SLIPPED & FELL; WALKING INTO PATIENT'S ROOM
Carson Tahoe Hospital	5/25/2007	06-07	350,000	214,933.55	214,933.55	HELPING LIFT A PATIENT IN BED
Carson Tahoe Hospital	9/17/2007	07-08	500,000	499,144.05	258,443.19	TWISTED KNEE LIFTING A PATIENT
Carson Tahoe Hospital Total				1,241,946.24	979,086.73	
Churchill County	3/2/2000	99-00	300,000	177,726.31	177,726.31	LUMBAR STRAIN STEPPING OFF OF THE BACK OF A TRUCK AND TWISTED BACK.
Churchill County	9/6/2010	10-11	500,000	190,946.19	96,864.61	WHILE LINING UP FOR PARADE, SEARCH & RESCUE HORSE GOT SPOOKED AND THREW ME OFF (Police)
Churchill County Total				368,672.50	274,590.92	1 Police Claim
Douglas County	5/24/1998	97-98	300,000	528,407.80	111,474.47	BOAT CAPSIZED--DROWNED (Police)
Douglas County	12/2/1998	98-99	300,000	151,585.92	151,585.92	LUMBAR STRAIN--THROWN TO MAT DURING DEFENSIVE TACTICS TRAINING (Police)
Douglas County	2/4/2000	99-00	300,000	275,114.83	140,610.12	HEART--REFERRED TO DOCTOR AS RESULT OF PHYSICAL. (Police)
Douglas County	8/21/2001	01-02	300,000	102,392.36	102,392.36	UNKNOWN--TURNING LEFT, HIT BY ON-COMING VEHICLE.CARE FLIGHTED
Douglas County	6/26/2002	01-02	300,000	131,067.85	131,067.85	BACK STRAIN/STRAIN - ROLLING UP BALLFIELD DRAG AFTER PREPARING IN FIELD FORPLAY.
Douglas County	4/2/2005	04-05	750,000	206,950.49	185,650.07	HAND RECEIVED GUNSHOT WOUND (Police)
Douglas County	5/18/2005	04-05	750,000	103,908.65	103,908.65	CORONARY HEART DISEASE; UNKNOWN CAUSE; DETECTED DURING EMPLOYEE DEPARTMENT PHYSICAL (Police)
Douglas County	11/5/2005	05-06	750,000	155,139.96	105,490.50	NECK & SHOULDER SNAPPED WHILE SHOTING SHOTGUN & FELT DIZZY (Police)
Douglas County	11/17/2009	09-10	500,000	820,023.56	49,933.65	ATTEMPTING TO SUBDUE SUSPECT, FELL TO GROUND STRIKING LEFT SIDE ON GROUND (Police)
Douglas County Total				2,474,591.42	1,082,113.59	7 Police Claims
Elko County	9/5/1998	98-99	300,000	129,206.34	129,206.34	HEART--ON DUTY AT SCENE OF ACCIDENT; CHEST BEGAN TO TIGHTEN (Police)
Elko County	1/12/2001	00-01	300,000	177,998.24	177,998.24	LOWER BACK/LEGS--SHOVELING SNOW OFF OF SIDEWALKS
Elko County	4/11/2004	03-04	600,000	334,700.17	221,406.99	LUNGS FILLED WITH WATER, HEART UNABLE TO PUMP IT OFF (Fire/Ambulance)
Elko County	2/8/2005	04-05	750,000	100,606.46	100,606.46	S/F ON ICE WHILE DOING SECURITY CHECKS (Police)
Elko County	2/24/2011	10-11	500,000	394,137.46	219,799.48	SHOT DURING DOMESTIC VIOLENCE CALL (Police)
Elko County Total				1,136,648.67	849,017.51	1 Fire Claims and 3 Police Claims
Elko General Hospital	2/1/1997	96-97	300,000	159,321.13	159,321.13	CLMT STRAINED BACK WHEN SHE TURNED AROUND WHILE DRAWING BLOOD FROM A PATIENT.
Elko General Hospital	5/5/1998	97-98	300,000	178,857.86	177,289.94	RIGHT ELBOW FELL AND TRIED TO BREAK FALL
Elko General Hospital Total				338,178.99	336,611.07	
Esmeralda Co. School District	7/21/2008	08-09	500,000	151,794.11	145,242.68	UNLOADING A FLOOR CLEANER AND BACK TWINGED

**PUBLIC AGENCY COMPENSATION TRUST
CLAIMS OVER \$100,000 - HISTORICAL by Member**

Entity	Date of Loss	Policy Period	SIR	Total Incurred	Total Paid	Description
Eureka County	4/30/2009	08-09	500,000	199,031.87	199,031.87	WHILE RINSING THE FLOOR WITH THE HOSE, STEPPED BACK INTO THE ROOM AND SLIPPED ON THE WET CONCRETE. HIT KNEE ON THE GROUND
Fallon, City of	7/28/2007	07-08	500,000	675,645.09	335,401.81	HIT BUMP WHILE DRIVING EQUIPMENT
Fernley, City of	7/28/2010	10-11	500,000	112,418.39	112,418.39	WHILE DESCENDING LADDER, FOOT SLIPPED OFF OF LADDER RUNG AND FELL TO FLOOR
Humboldt Co. School District	3/9/2009	08-09	500,000	114,168.54	23,612.39	EXITED BOYS P.E. LOCKER ROOM, SLIPPED ON ICE, FELL ON CONCRETE AND INJURED BACK AND RIGHT LEG.
Lander County	12/2/2000	00-01	500,000	128,965.57	128,965.57	LEFT SHOULDER MUSCLE STRAIN DEMONSTRATING DEFENSIVE TACTICS MANUEVER TO THEBATTLE MOUNTAIN HIGH SCHOOL (Police)
Lander County	9/30/2002	02-03	300,000	158,482.19	158,482.19	NECK & LEFT SHOULDER & ARM STRAIN--AFTER LIFTING THE BUFFER FM TABLE TO FLOOR; POOL MANAGER
Lander County	5/31/2004	03-04	600,000	135,000.17	135,000.17	HAD HEART ATTACK WHILE SLEEPING (Police)
Lander County Total				422,447.93	422,447.93	2 Police Claims
Lander Co School District	2/26/2002	01-02	300,000	110,918.53	110,918.53	BACK PAIN/MUSCLE SPASM--BENDING OVER; BACK POPPED TEACHER
Lincoln Co School District	8/23/2006	06-07	350,000	371,081.42	265,879.98	LIFTING BLOCKS TO MAKE A RETAINING WALL
Lincoln Co School District	12/7/2007	07-08	500,000	210,560.44	210,560.44	S/F ON BACK WHILE CARRYING PLATFORM FOR CHRISTMAS PLAY
Lincoln Co School District Total				581,641.86	476,440.42	
Lyon County	2/20/2004	03-04	600,000	927,674.20	293,942.08	WHILE TRANSPORTING A PRISONER (Police)
Lyon County	12/29/2004	04-05	350,000	120,669.79	120,669.79	STRUCK BY DEBRIS FROM PIPE EXPLOSION
Lyon County	2/27/2007	06-07	350,000	106,857.50	106,857.50	THROWN INTO WINDSHIELD AFTER STOPPING SNOWPLOW ON PATCH OF SNOW
Lyon County	2/4/2008	07-08	500,000	1,068,109.91	276,377.77	HEART DISEASE (Fire/Ambulance)
Lyon County	1/2/2009	08-09	500,000	200,744.42	190,410.62	WALKING DOWN STEPS AT RECREATION BASIN, MY BOOT HEEL CAUGHT EDGE OF STEP CAUSING ME TO STUMBLE AND FALL
Lyon County	3/8/2011	10-11	500,000	156,613.95	97,610.91	WHILE STANDING ON THE FRAME BENDING OVER ENGINE, FELT PAIN IN LOWER BACK
Lyon County Total				2,580,669.77	1,085,868.67	1 Fire Claim and 1 Police Claim
Mineral County	6/8/2004	03-04	600,000	990,296.52	150,388.93	HEART ATTACK WHILE WATCHING TV IN CLASS (Police) 1 Police Claim
Mineral County School District	12/14/2009	09-10	500,000	118,189.53	118,189.53	WALKING OUT OF THE DOOR AT THE END OF THE DAY, SLIPPED ON ICE.
Mineral County School District	3/1/2010	09-10	500,000	247,358.50	63,614.80	WHEN LIFTING HEAVY OBJECT, FELT A SLIGHT SNAP THAT WENT THROUGH BACK AND RIGHT SIDE OF NECK, SHOULDER
Mineral County School District	6/23/2010	09-10	500,000	150,871.55	150,871.55	CLIMBING OUT OF THE WATER VALVE PIT, HURT LOW BACK AND LEG
Mineral County School District Total				516,419.58	332,675.88	
North Lake Tahoe Fire Prot Dist	3/3/2005	04-05	750,000	1,087,004.25	281,553.11	ROUTINE ANNUAL HEART STRESS TEST- FAILED (Fire/Ambulance)
North Lake Tahoe Fire Prot Dist	11/30/2007	07-08	500,000	246,717.40	169,446.70	CARRYING PERSON IN A STAIR CHAIR (Fire/Ambulance)
North Lake Tahoe Fire Prot Dist	11/12/2009	09-10	500,000	108,283.90	13,414.04	ASTHMA ATTACK WHILE ON VACATION IN FLORIDA. RETURNED TO SEE DR. IN RENO (Fire/Ambulance)
North Lake Tahoe Fire Prot Dist	2/13/2011	10-11	500,000	119,246.27	119,246.27	WHILE WASHING STAIRS IN APPARATUS FLOOR OF STATION 13, SLIPPED ON 3RD STEP FROM BOTTOM, LANDING FLAT ON BACK (Fire/Ambulance)
North Lake Tahoe Fire Prot Dist Total				1,561,251.82	583,660.12	4 Fire Claims
North Lyon Co. Fire Protection District	5/15/2010	09-10	500,000	117,588.30	92,986.32	PULLING 1" CHARGED HOSE UP A SMALL SLOPE. THE HOSE SNAGGED ON A PIECE OF BURNT BRUSH CAUSING THE HILLSIDE TO GIVE WAY CAUSING ME TO FALL FACE FIRST. R WRIST HIT A ROCK AS I CAUGHT MY FALL. (Fire/Ambulance) 1 Fire Claim
Nye County	1/16/1998	97-98	300,000	111,879.40	108,923.22	HEAD-ON COLLISION RESULTING IN CLOSED HEAD INJURY-RIGHT WRIST FRACTURE AND LOWER LEFT LEG LACERATION (Police)
Nye County	12/29/2000	00-01	500,000	363,247.79	265,335.85	MAKING "U" TURN ATTEMPTING TO MAKE TRAFFIC STOP STRUCK BY OTHER VEHICLE (Police)

**PUBLIC AGENCY COMPENSATION TRUST
CLAIMS OVER \$100,000 - HISTORICAL by Member**

Entity	Date of Loss	Policy Period	SIR	Total Incurred	Total Paid	Description
Nye County	3/13/2001	00-01	500,000	129,131.80	36,427.42	HEART--CHEST PAIN WHILE DRIVING PATROL VEHICLE (Police)
Nye County	9/20/2001	01-02	500,000	288,634.74	288,634.74	LT-KNEE & MULTIPLE INJURIES IN LATER MVA STEPPED INTO HOLE BETWEEN MATSDURING DEFENSIVE TACTICS TRAINING ROLLOVER MVA ENROUTE TO PHYSICAL THERAPY11-28-01. MULTIPLE INJURIES. HEAD, NECK, BACK, HIPS, SPLEEN, LIVER, ETC. (Police)
Nye County	3/21/2002	01-02	300,000	226,281.64	226,281.64	CERVICAL/THORACIC/LUMBAR SPRAIN--MVA; REARENDED AT TRAFFIC LIGHTINVESTIGATOR/DISTRICT ATTORNEY'S OFFICE
Nye County	2/20/2003	02-03	500,000	120,398.91	120,398.91	WORKINGON GARAGE DOOR SYSTEM WHEN IT CAME APART AND CRUSHED CLMT'S HANDS; FIREFIGHTER (Fire/Ambulance)
Nye County	10/27/2003	03-04	600,000	362,285.80	148,241.69	HEART/CHEST PAIN--SEVERAL EPISODES OF ANGINA AT WORK; DEPUTY SHERIFF (Police)
Nye County	3/16/2007	06-07	750,000	249,342.96	188,455.12	CHEST PAIN, SOB WHILE DRIVING (Police)
Nye County	10/23/2009	09-10	500,000	102,097.16	61,720.13	MOVING ROCK AND CUTTING WOOD
Nye County	4/26/2010	09-10	500,000	1,544,054.28	108,228.54	RESPONDING TO A CALL AT A CASINO, GUN SHOTS WERE FIRED. (Police)
Nye County	3/11/2012	11-12	500,000	107,353.02	0.00	HEART ATTACK (Police)
Nye County Total				3,604,707.50	1,552,647.26	1 Fire Claim and 8 Police Claims
Nye Co School District	12/15/2004	04-05	350,000	151,626.18	117,432.73	MOVING WORK BENCH
Nye Co School District	5/1/2008	07-08	500,000	133,969.69	133,969.69	FELL WHILE CLOSING ROOF DOOR
Nye Co School District Total				285,595.87	251,402.42	
Town of Pahrump	2/20/2001	00-01	300,000	114,581.13	114,581.13	HEAD/NECK/BACK-ON-COMING CAR EXECUTED U-TURN; AMBULANCE UNABLE TO AVOID
Town of Pahrump	12/28/2002	02-03	300,000	140,113.22	140,113.22	LUMBAR STRAIN--PICKING UP DEAD TREE TO PUT IN DUMPSTER; MAINT I
Town of Pahrump Total				254,694.35	254,694.35	
Pershing County	5/5/2003	02-03	300,000	165,420.72	118,399.45	LUMBAR SPRAIN/STRAIN--SHOVELING DIRT; EQUIPMENT OPERATOR
Pershing General Hospital	8/23/1997	97-98	300,000	129,723.05	129,723.05	COCCYX BRUISED--SLIP AND FALL
Pershing General Hospital	1/8/2007	06-07	350,000	121,806.31	121,806.31	T/F ON ALARM WIRE WHILE MAKING BED, LANDING ON ARM
Pershing General Hospital Total				251,529.36	251,529.36	
Sierra Fire Protection District	4/25/2007	06-07	750,000	1,193,036.46	232,113.89	ANNUAL PHYSICAL 4-25-07 ABNORMAL TEST (Fire/Ambulance)
Sierra Fire Protection District	5/16/2007	06-07	750,000	353,457.90	214,162.25	FELL 12 FEET DOWN OFF A RETAINING WALL WHILE FIGHTING A FIRE (Fire/Ambulance)
Sierra Fire Protection District	9/18/2008	08-09	500,000	112,041.11	112,041.11	EXTRACTING A COMBATIVE PT FROM VEHICLE AND GOT CAUGHT BETWEEN PT AND CAR. LANDED ON KNEE. (Fire/Ambulance)
Sierra Fire Protection District	1/11/2009	08-09	500,000	153,882.13	153,882.13	RENDERING MEDICAL AID AND FELL ON ICE (Fire/Ambulance)
Sierra Fire Protection District	2/24/2009	08-09	500,000	128,988.83	128,988.83	LIFTING HEAVY OBJECT AND TWISTED BACK (Fire/Ambulance)
Sierra Fire Protection District Total				1,941,406.43	841,188.21	5 Fire Claims
South Lyon Medical Center	3/16/1999	98-99	300,000	129,846.85	129,846.85	LUMBAR/SPINE STRAIN--REPOSITIONING PATIENT
Storey County	11/4/2000	00-01	500,000	935,591.67	403,675.26	ATRIAL FIBRILLATION (Police)
Storey County	4/3/2009	08-09	500,000	183,999.37	178,483.75	WALKING INTO THE BUILDING, SLIPPED ON STEPS AND FELL BACKWARDS (Police)
Storey County Total				1,119,591.04	582,159.01	2 Police Claims
Tahoe Douglas Fire Prot District	9/19/2002	02-03	500,000	202,759.41	131,495.97	RIGHT KNEE PAIN/POSSIBLE TORN MENISCUS--LANDING AFTER SLIDING DOWN FIRE POLE. ENGINEER (Fire/Ambulance)
Tahoe Douglas Fire Prot District	10/11/2002	02-03	500,000	285,294.21	184,594.23	LOWER BACK & RIGHT LEG PAIN--UNLOADING GURNEY CARRYING LARGE PATIENT; FIREFIGHTER/PARAMEDIC (Fire/Ambulance)
Tahoe Douglas Fire Prot District	7/29/2004	04-05	750,000	134,072.06	132,496.06	EXTRICATING PT FROM VEH (Fire/Ambulance)
Tahoe Douglas Fire Prot District	4/17/2005	04-05	750,000	198,436.92	141,139.88	FOOT SLIPPED OUT FROM UNDER CLMT WHILE LIFTING PATIENT FROM FLOOR (Fire/Ambulance)
Tahoe Douglas Fire Prot District	9/6/2005	05-06	750,000	133,476.76	133,476.76	FELT CHEST PAINS AFTER WORKOUT ON STAIR STEPPER (Fire/Ambulance)
Tahoe Douglas Fire Prot District Total				954,039.36	723,202.90	5 Fire Claims
Town of Pahrump	2/20/2001	00-01	300,000	114,581.13	114,581.13	HEAD/NECK/BACK-ON-COMING CAR EXECUTED U-TURN; AMBULANCE UNABLE TO AVOID (Fire/Ambulance)
Town of Pahrump	12/28/2002	02-03	300,000	140,113.22	140,113.22	LUMBAR STRAIN--PICKING UP DEAD TREE TO PUT IN DUMPSTER; MAINT I
Town of Pahrump Total				254,694.35	254,694.35	

**PUBLIC AGENCY COMPENSATION TRUST
CLAIMS OVER \$100,000 - HISTORICAL by Member**

Entity	Date of Loss	Policy Period	SIR	Total Incurred	Total Paid	Description
West Wendover, City of	3/5/2009	08-09	500,000	166,484.19	166,484.19	WHILE TRYING TO PRY HEAVY TRUCK TIRE OFF WHEEL BY HAND WITH TIRE IRONS, EXPERIENCED PAIN IN THE NECK
White Pine County	7/25/2000	00-01	300,000	1,543,186.59	362,237.97	STRUCK BY LIGHTNING
White Pine County	2/7/2001	00-01	300,000	147,722.51	147,722.51	CERVICAL STRAIN--REAR-ENDED AT STOP LIGHT
White Pine County	7/28/2001	01-02	300,000	119,884.16	119,884.16	ACUTE HEAD TRAUMA/RIGHT SHOULDER--FELL FROM HORSE
White Pine County	7/28/2006	06-07	750,000	1,159,313.26	297,724.54	HEART; ONGOING CHEST PAIN AND WEAKNESS (Police)
White Pine County	4/27/2010	09-10	500,000	127,095.54	127,095.54	LOADING PANELS WHICH SLIPPED OFF FORKS, HITTING LEG
White Pine County Total				3,097,202.06	1,054,664.72	1 Police Claim
White Pine Co School District	5/23/2001	00-01	300,000	167,713.92	167,713.92	LUMBAR STRAIN (RIGHT) LIFTING HEAVY GARBAGE INTO DUMPSTER
White Pine Co School District	6/28/2006	05-06	350,000	182,034.73	182,034.73	S/F BACKWARDS OFF SINK WHILE STANDING ON SINK COUNTER CLEANING WALLS.
White Pine Co School District Total				349,748.65	349,748.65	
Winnemucca, City of	9/16/2009	09-10	500,000	249,247.91	126,643.20	LIFTING A BOTTLE OF CHLORINE INTO THE BACK OF A TRUCK, WHEN R HIP POPPED CAUSING A LOT OF LOWER BACK AND HIP PAIN
Yerington, City of	6/28/1998	97-98	300,000	122,125.35	122,125.35	SUBDUING SUSPECT DURING ARREST SUFFERED ASTHMA ATTACK AND NOW LUNG CONDITION GETTING WORSE WITH FREQUENT ASTHMA ATTACKS AND STILL REQUIRING TREATMENT. (Police) 1 Police Claim

Report Data As of 3/31/12

Actuarial Report – PACT – April, 2012

Each year we receive at least two primary PACT actuarial reports from Bickmore and Associates, one which estimates reserve liabilities for end-of-year financials, and one which forecasts rates for the coming year. The first report which follows contains selected pages from the reserve study. However, heart-lung retiree reserves are not included in this study due to their extreme volatility and long potential duration. Those reserves are reflected separately in the audited financial statements, and are a function of the separate rate we charge for those exposures. This report was used for the audited financial statements.

The second report is a draft (cover letter dated March 23, 2012) of the PACT rate study, which was not yet finalized (as of our printing deadline for board packets), so may be subject to change. We will have the final results by the time of the Board Meeting, however, and will update the results at that time if necessary.

The preliminary forecast is for a 10.8% percentage increase in rates, but please remember this does not reflect your individual modification factor (“mod”) or changes in your entity’s payroll. In past years, the Executive Committee considered the use of net assets to offset certain increases, and the Committee will meet and discuss the rate forecasts prior to the Board Meeting again this year.

As last year, staff is recommending a minimum of a 10% increase in heart-lung retiree rates per the independent study which was done a few years ago, which is intended to fund for the retiree benefits beyond the normal work comp fire/police losses. The normal losses (non-retiree) are contemplated and included in the base rates.

Additionally, each member of PACT can see their rates fluctuate by as much as 10% each year (up or down) as a result of changes in their experience modification factor, or “mod.” The mods have been calculated, and you should receive your indication of pricing and mod prior to the Board Meeting. Please remember that the insurance world does not cap mod changes, and that this was done by PACT in order to stabilize changes in work comp rates for members some time ago.



Bickmore Risk Services

Thursday, September 1, 2011

Mr. Wayne Carlson
Executive Director
Public Agency Compensation Trust (PACT)
201 S. Roop St. Suite 102
Carson City, NV 89701-4790

Re: Actuarial Review of the Self-Insured PACT Program

Dear Mr. Carlson:

As you requested, we have completed our review of PACT's self-insured workers' compensation program. We estimate the program's liability for outstanding claims at the 75% confidence level to be \$28,215,000 as of June 30, 2011, which includes \$9,852,081 liability for retirees with heart-lung claims. This amount also includes allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE) and a discount for anticipated investment income. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The amount also includes a discount for investment income which is calculated based on the likely payout pattern of PACT's claims, assuming a 3.0% return on investments per year.

The estimated program liability at the expected confidence level is \$26,002,000 and is the minimum liability to be booked at June 30, 2011 for PACT's workers' compensation program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires PACT to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

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We estimate the program's expected discounted liability for outstanding claims to be \$26,002,000 as of June 30, 2011. Again, these amounts include ALAE and ULAE. The information presented in Graph 1 is also summarized in tabular form below.

Liability for Outstanding Claims at June 30, 2011					
Confidence Levels	<u>Expected</u>	<u>70%</u>	<u>75%</u>	<u>85%</u>	<u>90%</u>
Discounted	\$26,002,000	\$27,552,000	\$28,215,000	\$29,991,000	\$31,299,000
Undiscounted	28,018,268	29,762,000	30,507,000	32,505,000	33,977,000

GASB #10 does not address an actual funding requirement for the program, but only speaks to the liability to be recorded on PACT's financial statements. Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the discounted expected loss costs be set aside as a margin for contingencies. Generally, the amount should be sufficient to bring funding to the 75% to 85% confidence level. We consider funding to the 70% level to be marginally acceptable and funding to the 90% confidence level conservative.

The table below displays a breakdown of the program's outstanding loss and ALAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2011, before recognition of investment income.

PACT
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and ALAE at June 30, 2011

Year	Case Reserves	IBNR Reserves	Total Outstanding
1996-1997	\$29,116	\$9,928	\$39,044
1997-1998	210,706	65,783	276,489
1998-1999	18,430	73,898	92,328
1999-2000	153,291	59,539	212,830
2000-2001	329,138	107,067	436,205
2001-2002	53,390	106,386	159,776
2002-2003	254,719	84,282	339,001
2003-2004	1,296,256	139,774	1,436,030
2004-2005	668,199	164,896	833,095
2005-2006	39,717	323,345	363,062
2006-2007	1,458,870	110,755	1,569,625
2007-2008	748,479	558,302	1,306,781
2008-2009	411,027	1,037,253	1,448,280
2009-2010	1,292,334	1,326,408	2,618,742
2010-2011	893,696	2,767,452	3,661,148
Loss and ALAE	\$7,857,368	\$6,935,068	\$14,792,436
Corridor Deductible	1,752,021	790,690	2,542,711
ULAE		831,138	831,138
Heart-Lung		9,852,081	9,852,081
Total	\$9,609,389	\$18,408,977	\$28,018,366

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

As self-insurance programs have proliferated among public entities, it has become apparent that there is a large measure of inconsistency in the way in which these programs recognize and account for their claims costs. This is the result of the fact that there have been several different sources of guidance available, none of which has been completely relevant to public entity self-insurance programs.

According to the Governmental Accounting Standards Board (GASB), the most relevant source of guidance on the subject is Financial Accounting Standards Board Statement #60. A liability for unpaid claim costs, including all loss adjustment expenses, should be accrued at the time the self-insured events occur. This liability should include an allowance for incurred but not reported claims. It may be discounted for investment income at an appropriate rate of return, provided the discounting is disclosed. The regulations detailing the way in which this must be done are outlined in GASB's statements #10 and #30. These regulations are required to be applied by PACT.

GASB #10 and #30 do not address funding requirements. They do, however, allow a range of funded amounts to be recognized for accounting purposes, specifically GASB #10 and #30 allow recognition of a funding margin for unexpectedly adverse loss experience. Thus, it is possible to formulate a funding policy from a range of alternatives all acceptable for accounting purposes. The uncertainty in any estimate of the program's liability for outstanding claims should be taken into consideration in determining funding policy, but it may be offset by recognizing anticipated investment income earnings. This usually means developing a funding program based on discounted claims costs with some margin for unexpected adverse loss experience.

The amount of the margin should be a question of long-term funding policy. We recommend that the margin be determined by thinking in terms of the probability that a given level of funding will prove to be adequate. For example, a reasonable goal might be to maintain a fund at the 85% confidence level.

A key factor to consider in determining funding policy is the degree to which stability is required in the level of contributions to the program from year to year. If you elect to fund at a low confidence level, the chances are much greater that future events will prove that additional contributions should have been made for current claims. The additional contributions for years by that time long past may be required at the same time that costs are increasing dramatically on then-current claims. The additional burden of funding increases on past years as well as current years may well be prohibitive.

We generally recommend maintaining program funding at the 80% confidence level, after recognition of investment income, with a recommended range of the 75% to 85% confidence levels. We tend to think of the 70% confidence level as marginally acceptable and of the 90% confidence level as conservative. We recommend the 75% to 85% confidence level range because the probabilities are reasonably high that resulting funding will be sufficient to meet claim liabilities, yet the required margins are not so large that they will cause most self-insured entities to experience undue financial hardship. In addition, within this range, anticipated investment income generally pretty much offsets the required margin, which means that it is also reasonable to think of the liabilities as being stated on an undiscounted basis.

We also strongly believe, however, that the confidence level to which any future year is funded should be evaluated in light of the relative certainty of the assumptions underlying the actuarial analysis, PACT's other budgetary constraints, and the relative level of risk it is believed appropriate to assume. This means formulating both short- and long-term funding goals, which may be the same in some years, but different in others.

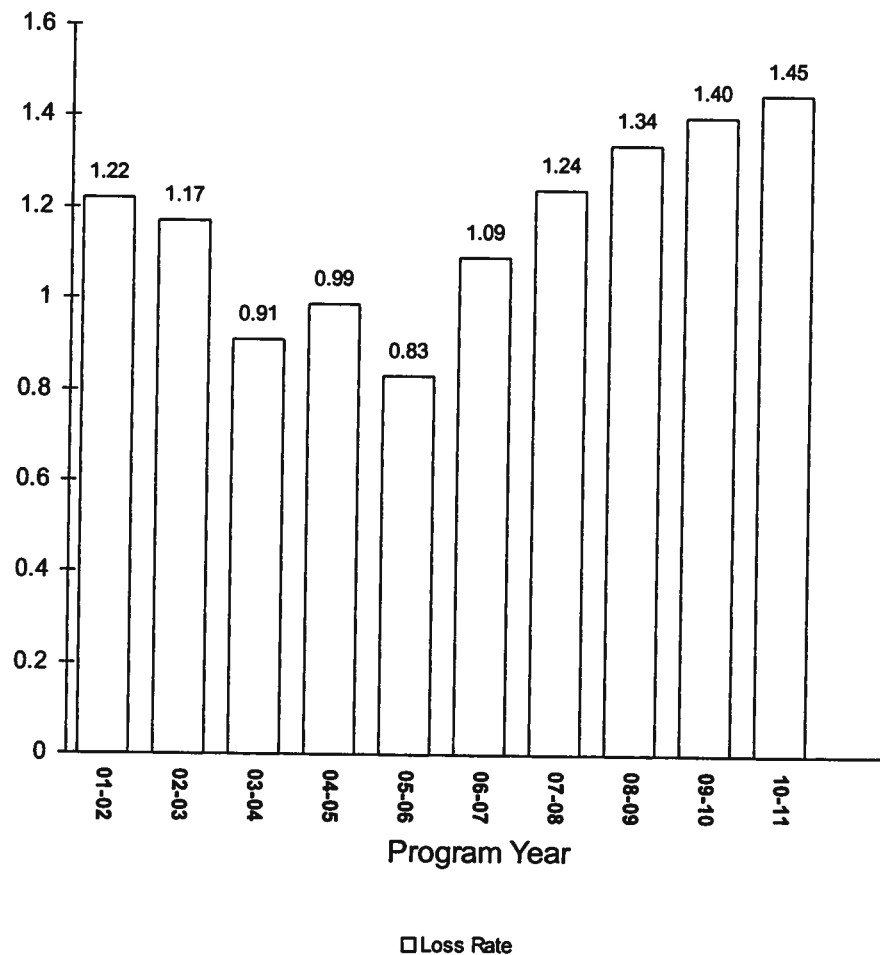
In general, we recommend that you fund each year's claims costs in that year. When surpluses or deficiencies have developed and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. We also recommend that you reduce surplus funding more slowly than you would accumulate funding to make up a deficiency.

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

The dollars of loss per \$100 of payroll, or loss rate, for PACT generally decreased from 2001-02 to 2005-06, but has steadily increased since then. For the purposes of this graph, all losses have been limited to \$100,000 per occurrence.

Graph 2

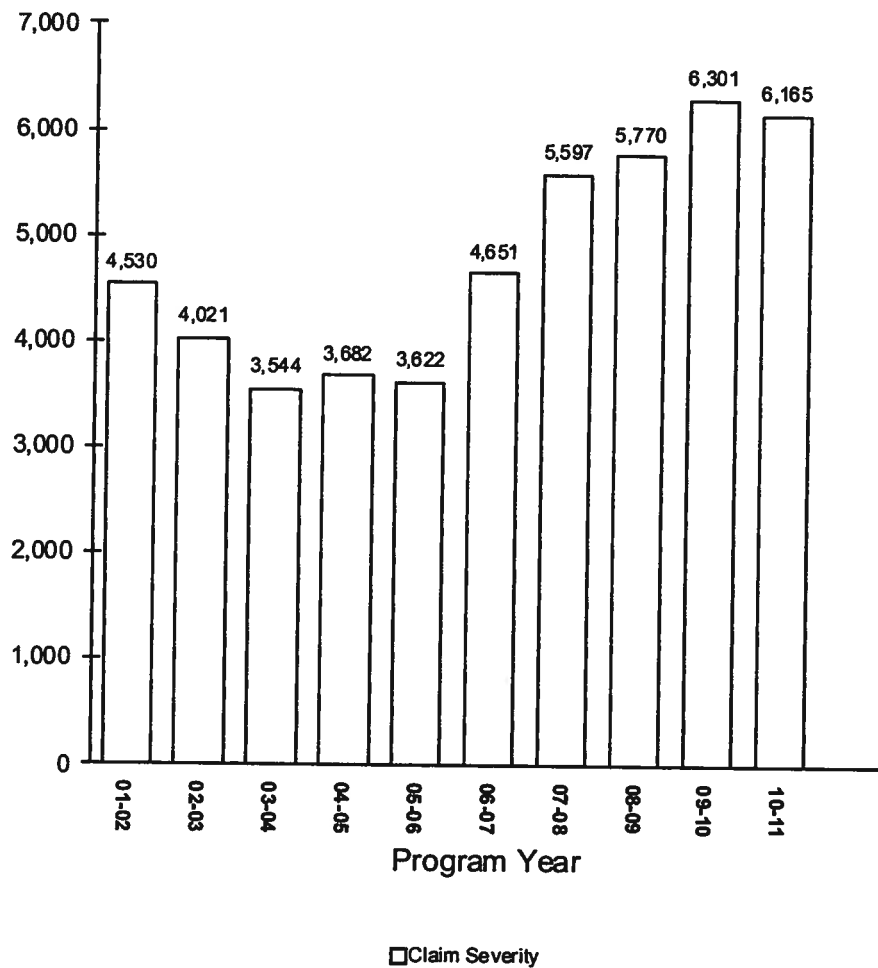
NV PACT - Workers' Compensation
Dollars of Loss per
\$100 of Payroll



Similar to the graph above, the average dollars of loss per claim, or severity, appeared to decrease through 2005-06. However, the severity for years after 2005-06 has generally increased. Again, for the purposes of this graph, all losses have been limited to \$100,000 per occurrence.

Graph 3

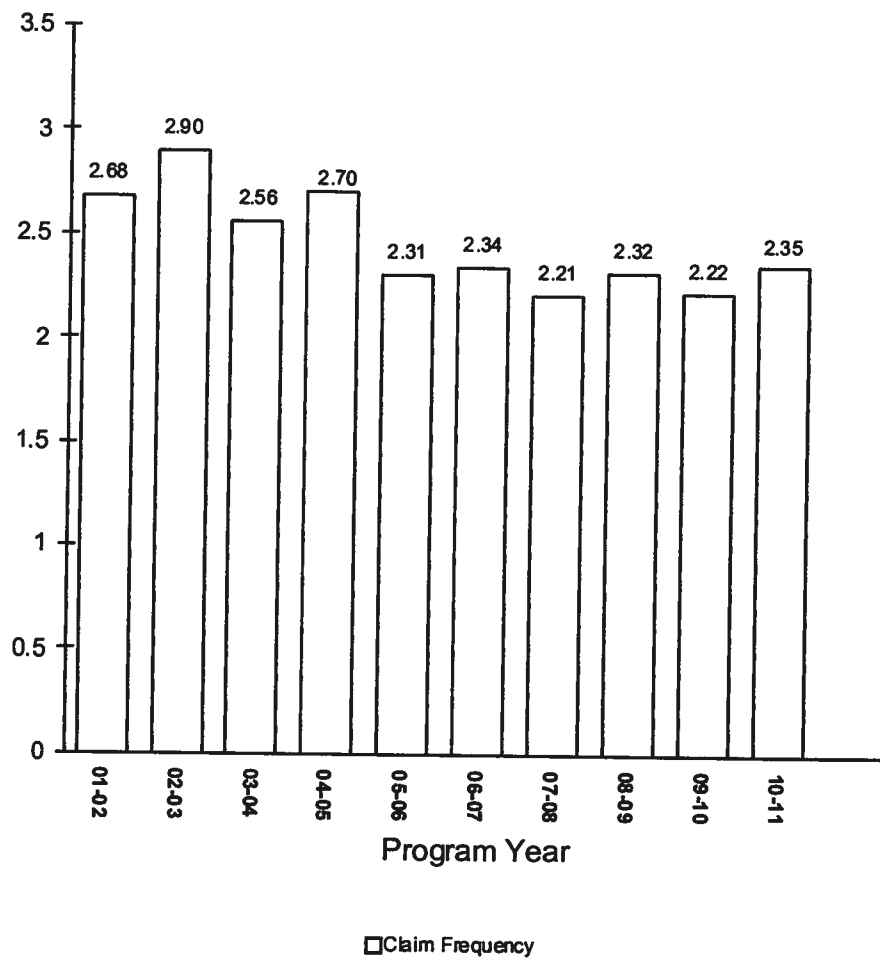
NV PACT - Workers' Compensation
Dollars of Loss per Claim



PACT's frequency trend has decreased from its high of 2.90 in 2002-03. Since 2005-06, however, the number of claims per \$1 million of payroll has remained fairly stable.

Graph 4

NV PACT - Workers' Compensation
Number of Claims per
\$1 Million of Payroll



In the table below we display the change in our estimates of the program's ultimate losses and ALAE by accident year since our prior report.

Change in Ultimate Loss and ALAE

Accident Year	Prior Report	Current Report	Change In Ultimate
1995-1996	\$177,641	\$177,641	\$0
1996-1997	947,000	952,000	5,000
1997-1998	2,694,000	2,701,000	7,000
1998-1999	3,042,000	3,064,000	22,000
1999-2000	2,408,000	2,430,000	22,000
2000-2001	4,402,000	4,387,000	(15,000)
2001-2002	3,632,000	3,636,000	4,000
2002-2003	3,338,000	3,336,000	(2,000)
2003-2004	4,345,000	4,972,000	627,000
2004-2005	4,302,000	4,298,000	(4,000)
2005-2006	3,512,000	3,529,000	17,000
2006-2007	5,774,000	5,672,000	(102,000)
2007-2008	6,152,000	6,076,000	(76,000)
2008-2009	5,672,000	5,501,000	(171,000)
2009-2010	5,572,000	5,734,000	162,000
2010-2011	5,882,000	5,288,000	(594,000)
Total	\$61,851,641	\$61,753,641	(\$98,000)

As shown, overall we have decreased our estimated ultimates by \$98,000 since our prior report. For program years 2000-01, 2002-03, 2004-05, 2006-07 through 2008-09 and 2010-11 we have decreased our estimated ultimates. However, these decreases are largely offset by an increase in our estimated ultimate for the remaining program years, particularly program year 2003-04. The estimates listed above exclude loss amounts subject to corridor deductibles.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2010 to be \$23,522,000 at the discounted expected level. Our current estimate as of June 30, 2011 is \$26,002,000, reflecting an increase in our assessment of PACT's outstanding liabilities, as shown below:

Outstanding Claim Liabilities for Loss and LAE

	Prior Report at June 30, 2010	Current Report at June 30, 2011	Change
(A) Case Reserves:	\$7,464,851	\$7,857,267	\$392,416
(B) IBNR Reserves:	6,623,735	6,935,068	311,333
(C) Corridor Deductible Reserves:	2,074,116	2,542,852	468,736
(D) Heart and Lung Reserves:	8,349,055	9,852,081	1,503,026
(E) Claims Administration Reserves:	855,000	831,000	(24,000)
(F) Total Reserves:	\$25,366,757	\$28,018,268	\$2,651,511
(G) Offset for Investment Income:	(1,844,757)	(2,016,268)	(171,511)
(H) Total Outstanding Claim Liabilities:	\$23,522,000	\$26,002,000	\$2,480,000

As shown, our estimate of outstanding claims liabilities at the discounted expected level has increased between June 30, 2010 and June 30, 2011, as reflected in our prior and current reports, respectively.

Since our prior report, case reserves limited to the SIR and IBNR reserves have both increased. Reserves for losses subject to the corridor deductible have increased due to the inclusion of the 2010-11 year. The Heart and Lung reserves have increased as we continue to reflect the contributions to date. Reserves for future claims administration, based in part on the current year's annual fee, are slightly lower due to a decrease in our estimated ULAE per claim cost. Finally, after considering the offset for investment income, the net change due to the above factors is an overall increase of \$2,480,000 in our estimate of outstanding claim liabilities for Loss and LAE.

IV. GLOSSARY OF ACTUARIAL TERMS

Accident Year - Year during which the accidents that generate a group of claims occurs, regardless of when the claims are reported, payments are made, or reserves are established.

Allocated Loss Adjustment Expenses (ALAE) - Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, etc.)

Case Reserve - The amount left to be paid on a claim, as estimated by the claims administrator.

Claim Count Development Factor - A factor that is applied to the number of claims reported in a particular accident period in order to estimate the number of claims that will ultimately be reported.

Claim Frequency - Number of claims per \$1 million payroll.

Confidence Level - An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

Discount Factor - A factor to adjust estimated loss costs to reflect anticipated investment income from assets held prior to actual claim payout.

Expected Losses - The best estimate of the full, ultimate value of loss costs.

Incurred but not Reported (IBNR) Losses - Losses for which the accident has occurred but the claim has not yet been reported. This is the ultimate value of losses, less any amount that has been set up as reported losses by the claims adjuster. It includes both amounts for claims incurred but not yet received by the administrator and loss development on already reported claims.

Loss Development Factor - A factor applied to losses for a particular accident period to reflect the fact that reported and paid losses do not reflect final values until all claims are settled (see Section IV).

Loss Rate - Ultimate losses per \$100 payroll.

Outstanding Losses - Losses that have been incurred but not paid. This is the ultimate value of losses less any amount that has been paid.

Paid Losses - Losses actually paid on all reported claims.

Program Losses - Losses, including ALAE, limited to PACT's SIR for each occurrence.

Reported Losses - The total expected value of losses as estimated by the claims administrator. This is the sum of paid losses and case reserves.

Self-Insured Retention (SIR) - The level at which an excess insurance policy is triggered to begin payments on a claim. Financially, this is similar to an insurance deductible.

Severity - Average claim cost.

Ultimate Losses - The value of claim costs at the time when all claims have been settled. This amount must be estimated until all claims are actually settled.

Unallocated Loss Adjustment Expenses (ULAE) – Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims adjusters' salaries, taxes, etc.)

PACT - Total - Workers' Compensation
Municipalities, Medical Facilities, & School Districts Combined
Funding Guidelines for Outstanding Liabilities at
June 30, 2011

(A) Estimated Ultimate Losses Incurred through 6/30/11:	\$64,356,268
(B) Estimated Paid Losses through 6/30/11:	47,021,000
(C) Estimated Liability for Claims Outstanding at 6/30/11:	<u>\$17,335,268</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/11: (From Appendix F)	\$831,000
(E) Total Outstanding Liability for Claims at 6/30/11: ((C) + (D))	<u>\$18,166,268</u>
(F) Reserve Discount Factor	0.889
(G) Discounted Outstanding Liability for Claims at 6/30/11 (ex Heart-Lung Retiree): ((E) x (F))	<u>\$16,150,000</u>
(H) Heart-Lung Retiree Liability	9,852,081
(I) Discounted Outstanding Liability for Claims at 6/30/11: ((G) + (H))	<u>\$26,002,000</u>

Confidence Level of Adequacy:	<u>Marginally Acceptable</u> 70%	75%	<u>Recommended</u> 80%	85%	<u>Conservative</u> 90%
(J) Confidence Level Factor:	1.096	1.137	1.186	1.247	1.328
(K) Margin for Adverse Experience (ex Heart-Lung Retiree): ((G) x ((J) - 1))	1,550,000	2,213,000	3,004,000	3,989,000	5,297,000
(L) Total Required Available Funding at 6/30/11: ((I) + (K))	<u>\$27,552,000</u>	<u>\$28,215,000</u>	<u>\$29,006,000</u>	<u>\$29,991,000</u>	<u>\$31,299,000</u>

DRAFT



Friday, March 23, 2012

Mr. Wayne Carlson
Executive Director
Nevada Public Agency Compensation Trust
201 S. Roop St. Suite 102
Carson City, NV 89701-4790

Re: Actuarial Review of the Self-Insured PACT Program

Dear Mr. Carlson:

As you requested, we have completed our review of the Nevada Public Agency Compensation Trust (PACT) self-insured workers' compensation program for all members combined. Assuming an SIR of \$500,000, we estimate the ultimate cost of claims and expenses for claims incurred during the 2012-13 program year to be \$6,429,000. This amount includes allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). Unallocated loss adjustment expenses (ULAE) are not included. Please also note that this amount includes a provision for the one-time \$500,000 corridor deductible which applies to losses above the SIR.

The table on the following page shows our funding recommendations for PACT for the 2012-13 fiscal year.

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PACT – All Members Combined
Self-Insured Workers' Compensation Program
Loss and ALAE Funding Guidelines for 2012-13
Self-Insured Retention (SIR) of \$500,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$6,592,000					
Corridor Deductible	500,000					
Investment Income Offset	(663,000)					
Discounted Loss and ALAE	\$6,429,000	\$7,059,000	\$7,310,000	\$7,606,000	\$7,959,000	\$8,435,000

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2012. They are for losses and allocated loss adjustment expenses only, and do not include a provision for claims administration, loss control, overhead, excess insurance premiums, and other expenses associated with the program.

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D. COMPARISON WITH OUR PREVIOUS RESULTS

The prior report for PACT was dated April 13, 2011. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the 9/30/10 evaluation date of the prior report and the 12/31/11 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
1996-1997	\$0	\$3,607	\$3,607
1997-1998	0	7,976	7,976
1998-1999	0	31,198	31,198
1999-2000	2,000	64,714	62,714
2000-2001	9,000	(9,431)	(18,431)
2001-2002	14,000	(17,639)	(31,639)
2002-2003	9,000	13,803	4,803
2003-2004	36,000	386,329	350,329
2004-2005	39,000	54,286	15,286
2005-2006	153,000	154,598	1,598
2006-2007	296,000	24,496	(271,504)
2007-2008	486,000	644,734	158,734
2008-2009	886,000	462,170	(423,830)
2009-2010	1,144,000	1,420,539	276,539
2010-2011	2,694,000	3,328,911	634,911
Total	\$5,768,000	\$6,570,291	\$802,291

As shown, total actual incurred development was greater than anticipated since the prior report.

DRAFT

At the time of the prior report our funding estimate for the 2011-12 year was \$6,003,000 at the discounted expected level. That amount included allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income. Our current estimate for the 2012-13 year is \$6,429,000 at the discounted expected level, as shown in the table below:

Comparison of Funding for Loss and LAE

	Prior Report 2011-12 SIR = \$500,000	Current Report 2012-13 SIR = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$5,935,000	\$6,592,000	\$657,000
(B) Corridor Deductible:	500,000	500,000	0
(C) Total Claim Costs:	\$6,435,000	\$7,092,000	\$657,000
(D) Offset for Investment Income:	(432,000)	(663,000)	(231,000)
(E) Total Recommended Funding:	\$6,003,000	\$6,429,000	\$426,000
(F) Funding per \$100 of Payroll:	\$2.14	\$2.37	\$0.23

Our estimates of total claim costs have increased by \$657,000. This is primarily due to the greater than expected development, particularly from the two most recent program years, as shown on the previous page. Investment income is expected to be greater. The net change due to the above factors is an overall increase of \$426,000 in our annual funding estimate for loss and LAE. The funding rate per \$100 of payroll has increased from \$2.14 to \$2.37.

DRAFT

E. DATA ISSUES

We were provided with the following information for the report:

- We received loss data evaluated as of December 31, 2011. Overall, the data utilized in preparing this report appears to be accurate as of the date of the current evaluation.
- We have assumed that the 2010-11 payroll will be \$268,933,345 based on information provided to us by PACT. We have also assumed that the change in payroll in 2011-12 and 2012-13 will be minimal.
- Based on PACT's experience, we expect that the entire \$500,000 corridor deductible for 2012-13 will eventually be incurred and paid by PACT. This amount has been included in the 2012-13 funding projected in this report.

DRAFT

III. ASSUMPTIONS AND LIMITATIONS

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining a self-insurance program. Our assumptions, and some observations about them, are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by PACT. We have accepted all of this information without audit.
- We relied on statistics and historic loss development patterns derived from PACT's own historical experience.
- We have assumed that there is a continuing relationship between past and future loss costs.
- It is not possible to predict future claim costs precisely. Most of the cost of liability claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on liability claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.
- We have assumed that costs associated with workers' compensation claims are increasing 6% annually. We have assumed that the average claim size increases at 6% per year, and that the average frequency for the most part remains flat.
- Our funding recommendations do not include provision for catastrophic events not in PACT's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than PACT's excess coverage.

PACT - Combined - Workers' Compensation
 Funding Options for Program Year 2012-2013 (SIR = \$500,000)
 One-Year Funding Plan

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2012-2013: (From Appendix F)	\$6,592,000	\$2.427			
(B) Corridor Deductible (Total of \$500,000 among three entity types)	500,000	0.184			
(C) Total Claims Costs Incurred in Accident Year 2012-2013: ((A) + (B))	<u>\$7,092,000</u>	<u>\$2.611</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 3.50%. (Appendix G, , (F)))	0.906				
(E) Discounted Total Claims Costs Incurred in Accident Year 2012-2013: ((C) x (D))	<u>\$6,429,000</u>	<u>\$2.367</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
(F) Confidence Level Factor: (From Appendix H)	70%	75%	80%	85%	90%
	1.098	1.137	1.183	1.238	1.312
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	630,000	881,000	1,177,000	1,530,000	2,006,000
(H) Recommended Funding in 2012-2013 for Claims Costs and Other Expenses ((E) + (G))	<u>\$7,059,000</u>	<u>\$7,310,000</u>	<u>\$7,606,000</u>	<u>\$7,959,000</u>	<u>\$8,435,000</u>
(I) Rate per \$100 of Payroll: (/ \$2,716,227)	\$2.599	\$2.691	\$2.800	\$2.930	\$3.105

Payroll rates are per hundred dollars of 2012-2013 payroll of \$271,622,700.

PACT - Combined - Workers' Compensation

Estimated Ultimate Program Losses

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Estimate of Ultimate Losses (F)
1995-1996	181,194	181,904	181,895	182,533	212,660	177,641
1996-1997	964,443	940,734	965,799	943,230	1,047,604	960,000
1997-1998	2,701,894	2,506,107	2,702,499	2,512,897	2,780,166	2,663,000
1998-1999	3,076,651	3,073,234	3,085,866	3,085,530	3,513,480	3,076,000
1999-2000	2,474,488	2,301,293	2,476,813	2,310,894	2,611,352	2,440,000
2000-2001	4,392,463	4,125,084	4,377,786	4,116,570	3,853,854	4,339,000
2001-2002	3,589,272	3,590,533	3,590,070	3,595,281	3,679,291	3,590,000
2002-2003	3,340,951	3,153,680	3,343,105	3,168,938	3,484,816	3,303,000
2003-2004	4,989,348	3,927,486	4,955,126	3,915,507	3,731,840	4,883,000
2004-2005	4,324,641	3,797,822	4,319,246	3,828,739	4,142,520	4,219,000
2005-2006	3,459,639	3,648,786	3,473,375	3,664,434	3,771,348	3,532,000
2006-2007	6,124,071	5,135,268	6,091,085	5,227,201	5,492,124	5,902,000
2007-2008	6,537,199	6,427,568	6,513,318	6,401,088	6,043,651	6,482,000
2008-2009	5,482,477	6,429,216	5,590,630	6,336,400	6,282,343	5,537,000
2009-2010	6,547,392	6,522,225	6,427,615	6,299,448	6,015,100	6,342,000
2010-2011	6,254,783	7,571,904	6,045,884	6,384,031	6,256,020	6,320,000
Totals						\$63,765,641
			Projected Losses for the Year 2011-2012 (G)			\$6,081,000
			Projected Losses for the Year 2012-2013 (H)			\$6,592,000

Notes:

- (A) From Appendix A, Page 1, Column (G).
- (B) From Appendix B, Page 1, Column (G).
- (C) From Appendix C, Page 1, Column (G).
- (D) From Appendix C, Page 2, Column (G).
- (E) From Appendix D, Page 1, Column (C).
- (F) Selected averages of (A), (B), (C), (D), and (E).
- (G) From Exhibit 3, Page 1, Line (K).
- (H) From Exhibit 3, Page 1, Line (K).

This exhibit summarizes the results of the actuarial methods we have applied to estimate ultimate losses for each year. It is important to apply a number of estimation methods because each one relies on specific assumptions about the claims process that tend to hold generally true, but that may be violated in specific situations. Thus, the more estimation methods that can be applied, the better.

3/16/2012 Executive Committee Recommended 70% Confidence Level to Board Approved by Board 4--2012	Budget Amount 2011/2012	% of Total Revenue (Budget Basis)
Revenues		
Assessments	11,940,586	82%
Assessments For Heart & Lung	1,774,328	12%
Other Revenues	902,000	6%
Total Revenues	<u>14,616,915</u>	
Loss Fund Expenses:		
Claims and Adjustment Expenses	6,760,325	46%
Heart and Lung Loss Expenses	1,785,328	12%
Total Loss Fund Expenses:	<u>8,545,654</u>	58%
Program Expenses:		
Reinsurance Premium	912,928	6%
Underwriting And Claims Processing	668,219	5%
MCO Fees	50,000	0%
Insolvency Fund and Related Expenses	352,000	2%
Total Program Expenses	<u>1,983,147</u>	14%
Administration Expenses		
Management Fees	475,860	3%
Professional Services	91,000	1%
Administrative And Overhead	102,700	1%
Member Education And Services	120,000	1%
PRI Grant	525,000	4%
Insurance Division Fees	260,000	2%
Loss Control Expenses	406,000	3%
Total Administrative Expenses	<u>1,980,560</u>	14%
Revenues Over (Under) Expenses	2,107,554	14%

OTHER BUDGET ITEMS (paid from net assets):
Risk management grant program up to 1% of net assets:
\$100,000 minimum

Physicals review and consultation services - preliminary
estimate \$427,000 - up to 1000 officers @ \$150 physicals
review; \$100 NMR; \$250 for case mgmt for 380 officers

CLAIMS SERVICE CONTRACT

THIS AGREEMENT is made and entered into with an effective date of July 1, 2012 between **ALTERNATIVE SERVICE CONCEPTS, LLC**, a Delaware Corporation, with principal offices at 2501 McGavock Pike, Suite 802, P.O. Box 305148 Nashville, Tennessee 37214-1213, hereinafter referred to as "ASC", and the **PUBLIC AGENCY COMPENSATION TRUST** with principal offices at 201 S. Roop Street, Suite 102, Carson City, Nevada, hereinafter referred to as "Client".

WITNESS:

WHEREAS, "ASC" is in the claims service business; and

WHEREAS, "Client" desires to contract with "ASC" as its claims service company to provide Claim Administration Services related to a self-insurance program for workers' compensation.

NOW, THEREFORE, "ASC" and "Client" contract as follows:

"ASC" AGREES:

1. (a) To review all claims and/or losses reported during the term of this Contract which involve Workers' Compensation claims against any member of "Client".
(b) To investigate, adjust, settle or resist all such losses and/or claims only with specific prior approval of "Client".
2. To furnish all claim forms necessary for proper claims administration.
3. To establish claim and/or loss files for each reported claim and/or loss. Such files shall be the exclusive property of "Client". Such files are available for review by "Client" at any reasonable time, with notice.
4. To furnish reports as outlined in the attached Schedule of Reports.
5. To maintain General Liability, Automobile Liability, and Errors and Omissions insurance coverage in an amount not less than Five Million Dollars (\$5,000,000) per occurrence and to maintain Workers' Compensation and Fidelity Bond insurance coverage as required by Nevada law.

6. To indemnify and hold "Client" harmless from any and all liability, costs, claims and expenses, including reasonable attorneys' fees and related costs and expenses, which "Client" may incur or sustain by reason of any negligent act or negligent failure to act or intentional wrongful act or intentional wrongful failure to act by "ASC", its officers, employees and agents, in or relating to the performance of this Agreement.
7. To pay on behalf of "Client" Allocated Claims Expenses including the fees of attorneys and paralegals who appear in any Workers' Compensation related administrative proceedings, including but not limited to, Department of Administration, Hearings Division, and Appeals Office, and in proceedings before the courts of the State of Nevada, on behalf of any member of "Client" on account of injuries to employees or members of "Client". Said attorneys and paralegals shall be selected by the Executive Director of "Client" and employed by "Client".
8. To maintain and staff its offices with employees who are trained, experienced, and competent in the administration of Workers' Compensation claims. "ASC" further agrees to assign work to any organization for managed care or provider of health care with whom "Client" has entered into a contract in accordance with the provisions of Nevada Revised Statutes 616.297.
9. To notify the Executive Director of "Client" when an employee of any member of "Client" receives an injury for which compensation is payable pursuant to the provisions of Chapter 616 or 617 of the Nevada Revised Statutes and which was caused under circumstances creating a legal liability or the potential for same in some person, other than the employer or a person in the same employ, to pay damages in respect thereof.
10. To notify the Executive Director of "Client" when an injured employee of a member of "Client" initiates a legal proceeding or action to recover damages, in connection with an injury which is compensable under the provisions of Chapter 616 or 617 of the Nevada Revised Statutes, against some person, other than the employer or a person in the same employ.

11. To report excess claims to "Client's" excess carrier only if "Client" fulfills its obligations under "Client Agrees" Section, 4(c).
12. "ASC" agrees that at no time during the term of this Agreement or for a period of one year immediately following the termination of this Agreement will it engage in the provision of any of the services set forth in this Agreement in a manner which competes with "Client" and the services provided to "Client" by its current service providers. "ASC" further agrees it will not directly or indirectly, solicit or attempt to solicit business or patronage of any public entity in Nevada which is a member of "Client" for the purpose of selling pooling, association risk sharing or similar insurers' group products or providing similar services.
13. "ASC" agrees all records resulting from services under this Agreement and held by "ASC" on behalf of "Client" shall be maintained and preserved in accordance with the provision of NRS 239.005 et seq. and shall remain the property of "Client" at all times and will be surrendered to "Client" upon termination or expiration of this Agreement. "ASC" shall be permitted to copy, at its own expenses, such portions of the files as may be necessary.
14. This Agreement is one for personal services to be rendered by "ASC" and may not be assigned by "ASC" without the prior written consent of "Client".
15. Conflicts of Interest. "ASC" shall conform with Nevada laws regarding ethics and conflicts of interest and shall disclose any conflicts of interest.
16. Add: "ASC" agrees to provide copies of operating statements on a quarterly basis.

"CLIENT" AGREES:

1. To make funds available that "ASC" may draw from at any time and from time to time for claim and/or loss payments and for associated allocated expense.
2. To pay "ASC" fees in accordance with the Fee Schedule attached to this Contract.
3. To pay "ASC" within thirty (30) days of the effective date of all invoices. All past due invoices are subject to an interest penalty of one and one-half percent (1 1/2%) per month. In the event "ASC" brings any action or proceeding to recover any part or all of an outstanding indebtedness, "ASC" shall be entitled to recover as additional damages reasonable attorney fees not to exceed twenty percent (20%) of the outstanding indebtedness.

4. (a) To pay all Allocated Loss Expenses in addition to the claim service fee to be paid to "ASC" as prescribed in this Contract.
- (b) "Allocated Loss Expenses" shall include but not be limited to attorneys' fees and paralegal fees; commercial photographers' fees; experts' fees (i.e. engineering, physicians, chemists, etc.); fees for independent medical examinations; witnesses' travel expenses; extraordinary travel expenses incurred by "ASC" at the request of "Client"; court reporters' fees; transcript fees; the cost of obtaining public records; witness fees; medical cost containment services, such as utilization review, preadmission authorization, hospital bill audit, provider bill audit and medical case management; all outside expense items; and any other similar fees, cost or expenses associated with the investigation, negotiation, settlement or defense of any claim hereunder or as required for the collection of subrogation on behalf of "Client".
- (c) To provide "ASC" with complete copies of all excess policies which apply to the claims reported during the Contract period.
5. To indemnify and hold "ASC" harmless from any and all liability, costs, claims and expenses, including reasonable attorneys' fees and related costs and expenses, which "ASC" may incur or sustain by reason of any negligent act or negligent failure to act or intentional wrongful act or intentional wrongful failure to act by "Client", its officers, employees and agent, in or relating to the performance of this Agreement.

"ASC" AND "CLIENT" MUTUALLY AGREE AS FOLLOWS:

1. The term of this Contract is continuous from its effective date for five (5) years. This Contract may be terminated by either "ASC" or "Client" with cause by providing ninety (90) days' prior written notice by certified mail.
2. This Contract covers Claim Service for "Client" in the United States of America.
3. In the event any one or more of the provisions of this Contract shall be determined to be invalid or unenforceable by any court or other appropriate authority, the remainder of this Contract shall continue in full force and effect, as if said invalid and unenforceable portion had not been included in this Contract.

4. This Contract shall be construed and interpreted in accordance with the laws of the state of Nevada.
5. This Contract represents the entire understanding of "ASC" and "Client" and supersedes all prior oral and written communications between "ASC" and "Client" as to the subject matter. Neither this Contract nor any provisions of it may be amended, modified or waived except in writing signed by a duly authorized representative of "ASC" and "Client".
6. The failure or delay of either "ASC" or "Client" to take action with respect to any failure of the other party to observe or perform any of the terms or provisions of this Contract, or with respect to any default hereunder by such other party, shall not be construed as a waiver or operate as a waiver of any rights or remedies of either "ASC" or "Client" or operate to deprive either "ASC" or "Client" of its right to institute and maintain any action or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies.
7. To not employ a person who has been employed by the other party at any time during the term of this Contract, unless the person to be employed shall not have been employed by the other party during the immediately preceding six (6) months or unless the hiring party shall have the other party's prior written consent, such consent shall not be withheld unreasonably. This provision shall survive the termination of this Contract for a period of three (3) years.
8. During the term of this Contract, "ASC" will store, at its expense, closed files for a period of three (3) years from the date of closure or the date of the last compensation, whichever is latest. After this period, files will either be returned to "Client" or stored by "ASC" at "Client's" option and expense. If stored by "ASC", "Client" will be charged a one-time inventory fee and monthly storage fees at "ASC's" outside vendor's then prevailing rates.
9. "ASC" will query and transmit information under MMSEA requirements to CMS.

10. This Contract is binding on any and all successors to the parties and assignable, in whole or any part, only with the written consent of the non-assigning party.

IN WITNESS WHEREOF, "ASC" and "Client" have caused this Contract to be executed by the person authorized to act in their respective names.

ALTERNATIVE SERVICE CONCEPTS, LLC

WITNESS: _____

BY: _____

TITLE: _____

DATE: _____

PUBLIC AGENCY COMPENSATION TRUST

WITNESS: _____

BY: _____

TITLE: _____

DATE: _____

**Public Agency Compensation Trust
Pricing Quotation and Terms
Cost Plus Program
07/01/2012 – 06/30/2017**

"Client" agrees to pay an amount equal to actual expenses at cost, plus a mark up to create a 15% profit margin for "ASC" for years 1 through 3. The profit margin will decrease to 13% for years 4 through 5.

"ASC" will invoice the "Client" quarterly based on the expense estimates below and the suggested quarterly deposit. Actual costs will be reconciled quarterly.

Fees are payable upon receipt of the invoice. ASC reserves the right to charge 1 1/2% per month or the maximum legal rate on unpaid invoice balances after 30 days.

**Nevada
PACT
Estimated Expenses**

(Estimated Claim Load at 42.31%)

	<u>Estimated 7/1/12 - 6/30/13</u>
Operating Expenses Alloc by Claim Load	\$204,888
Expenses Allocated to Funds by Other Methods:	
Salaries, Bonuses, etc	\$266,210
Benefits/Taxes	\$71,388
Subcontracting: NV	\$0
Total Expenses Allocated by Other Methods	<u>\$337,599</u>
Total Estimated Expenses	<u><u>\$542,486</u></u>
Revenue Needed for 15% Margin	\$638,219
Maximum Quarterly Cost Plus Deposit	\$159,600
Suggested Quarterly Cost Plus Deposit (95% of amount above)	\$151,620
MMSEA-Annual Transmission Fees (includes quarterly query & submissions)	\$ 1,050
<u>Medical Cost Management</u>	
Fee Scheduling.....	\$5.50/Bill

ALTERNATIVE SERVICE CONCEPTS, LLC

WITNESS: _____

BY: _____
TITLE: _____
DATE: _____

PUBLIC AGENCY COMPENSATION TRUST

WITNESS: _____

BY: _____
TITLE: _____
DATE: _____

NEVADA ADDENDUM

NRS 683A.087 Advertising. An administrator may advertise the insurance which he administers only after he received the approval of the insurer who underwrites the business involved.

(Added to NRS by 1977, 731; A 1999, 2795)

NRS 683A.0873 Records of administrators: Retention: examination by commissioner and insurer.

1. Each administrator shall maintain at his principal office adequate books and records of all transactions between himself, the insurer and the insured. The books and records must be maintained in accordance with prudent standards of record keeping for insurance and with regulations of the commissioner for a period of 5 years after the transaction to which they respectively relate. After the 5-year period, the administrator may remove the books and records from the state, store their contents on microfilm or return them to the appropriate insurer.
2. The commissioner may examine, audit and inspect books and records maintained by an administrator under the provisions of this section to carry out the provisions of NRS 679B.230 to 679B.300, inclusive.
3. The names and addresses of insured persons and any other material which is in the books and records of an administrator are confidential except when used in proceedings against administrator.
4. The insurer may inspect and examine all books and records to the extent necessary to fulfill all contractual obligations to insured person, subject to restrictions in the written agreement between the insurer and administrator.

(Added to NRS by 1977, 730; A 1983, 462; 1999, 2795)

NRS 683a.0877 Fiduciary accounts: Deposits; records; withdrawals.

1. All insurance charges and premiums collected by an administrator on behalf of an insurer and return premiums received from an insurer are held by the administrator in a fiduciary capacity.

2. Money must be remitted within 15 days to the person or persons entitled to it, or to be deposited within 15 days in one or more fiduciary accounts established and maintained by the administrator in a bank, credit union, or other financial institution in this state. The fiduciary accounts must be separate from the personal or business accounts of the administrator.
3. If charges or premiums deposited in an account have been collected for or on behalf of more than one insurer, the administrator shall cause the bank, credit union or other financial institution where the fiduciary account is maintained to record clearly the deposits and withdrawals from the account on behalf of each insurer.
4. The administrator shall promptly obtain and keep copies of the records of each fiduciary account and shall furnish any insurer with copies of the records which pertain to him upon demand of the insurer.
5. The administrator shall not pay any claim by withdrawing money from his fiduciary account in which premiums or charges are placed.
6. Withdrawals must be made as provided in the agreement between the insurer and the administrator for:
 - (a) Remittance to the insurer.
 - (b) Deposit in an account maintained in the name of the insurer.
 - (c) Transfer to and deposit in an account for the payment of claims.
 - (d) Payment to a group policyholder for remittance to the insurer entitled to the money.
 - (e) Payment to the administrator of his commissions, fees, or charges.
 - (f) Remittance of return premiums to persons entitled to them.
7. The administrator shall maintain copies of all records relating to deposits or withdrawals and, upon the request of an insurer, provide the insurer with copies of those records.

(Added to NRS by 1977, 731; A 1999, 1549, 2795)

NRS 683A.0879 Approval or denial of claims; payment of claims and interest; requests for additional information; award of costs and attorney's fees; compliance with requirements.

1. Except as otherwise provided in subsection 2, an administrator shall approve or deny a claim relating to health insurance coverage within 30 days after the administrator receives the claim. If the claim is approved, the administrator shall pay the claim within 30 days after it is approved. Except as otherwise provided in this section, if the approved claim is not paid within that period, the administrator shall pay interest on the claim at a rate equal to the prime rate at the largest bank in Nevada, as ascertained by the commissioner of financial institutions, on January 1 or July 1, as the case may be, immediately preceding the date on which the payment was due, plus 6 percent. The interest must be calculated from 30 days after the date on which the claim is approved until the date on which the claim is paid.
2. If the administrator requires information to determine whether to approve or deny the claim, he shall notify the claimant of his request for the additional information within 20 days after he receives the claim. The administrator shall notify the provider of health care of all specific reasons for the delay in approving or denying the claim. The administrator shall approve or deny the claim within 30 days after receiving the additional information. If the claim is approved, the administrator shall pay the claim within 30 days after he received the additional information. If the approved claim is not paid within that period, the administrator shall pay interest on the claim in the manner prescribed in subsection 1.
3. An administrator shall not request a claimant to resubmit information that the claimant has already provided to the administrator, unless the administrator provides a legitimate reason for the request and the purpose of the request is not to delay the payment of the claim, harass the claimant or discourage the filing of claims.
4. An administrator shall not pay only part of a claim that has been approved and is fully payable.

5. A court shall award costs and reasonable attorney's fees to the prevailing party in an action brought pursuant to this section.
6. The payment of interest provided for in this section for the late payment of an approved claim may be waived only if the payment was delayed because of an Act of God or another cause beyond the control of the administrator.
7. The commissioner may require an administrator to provide evidence which demonstrates that the administrator has substantially complied with the requirements set forth in this section, including, without limitation, payment within 30 days of at least 95 percent of approved claims or at least 90 percent of the total dollar amount for approved claims. If the commissioner determines that an administrator is not in substantial compliance with the requirements set forth in this section, the commissioner may require the administrator to pay an administrative fine in an amount to be determined by the commissioner.

(Added to NRS by 1999, 1646; A 2001, 2796)

NRS 683A.088 Payment on claims by check or draft. Each claim paid by the administrator from money collected for or on behalf of an insurer must be paid by a check or draft upon and as authorized by the insurer.

(Added to NRS by 1977, 791; A 1999, 2796)

NRS 683A.0883 Basics for compensation of administrator.

1. The compensation paid to an administrator for his services may be based upon premiums or charges collected, on number of claims paid or processed or on any other basis agreed upon by the administrator and the insurer, except as provided in subsection 2.
2. Compensation paid to an administrator may not be based upon or contingent upon:
 - (a) The claim experience of the policies that he handles; or
 - (b) The savings realized by the administrator by adjusting, settling or paying the losses covered by an insurer.

(Added by NRS by 1977, 731; A 1999, 2796)

“ASC” AND “CLIENT” MUTUALLY AGREE AS FOLLOWS:

1. To adhere to the provisions of NRS 683A.087 to NRS 683A.0883, which are incorporated herein, whether applicable at this signing or in the future.

ALTERNATIVE SERVICE CONCEPTS, LLC

WITNESS: _____

BY: _____

TITLE: _____

DATE: _____

PUBLIC AGENCY COMPENSATION TRUST

WITNESS: _____

BY: _____

TITLE: _____

DATE: _____

SpecialtyHealth MCO, Inc. and PACT

ADDENDUM

THIS ADDENDUM is made and entered into by and between the Public Agency Compensation Trust (PACT) and SpecialtyHealth MCO Services, Inc.

Both parties agree to the extension of the agreement executed May 1, 2009, including attachments A, B, C and D, for a period of _____ years. It is expressly provided that either party may terminate this agreement without cause at any time by providing 60 days written notice of intent to terminate. Notices must be by U.S. certified return receipt mail.

IN WITNESS WHEREOF, the parties have executed this Addendum to be executed on their behalf by the undersigned duly authorized person and will go into effect

SpecialtyHealth MCO, Inc.

Jacqueline C. Cox,
President/Chief of Operations
SpecialtyHealth, Inc.
330 East Liberty, Suite 200
Reno, NV 89501

Date

Public Agency Compensation Trust (PACT)

Wayne Carlson
Executive Director
201 South Roop Street, Suite 102
Carson City, NV 89701

Date

PACT Executive Committee

	Re-election Term	Entity	Chair and Vice Chair	Counties/Cities With Less Than 35,000 Population (Total 2)	Counties/Cities With 35,000 or More Population (Total 2)	School Districts (Total 1)	Special Districts (Total 1)	Hospitals (Total 1)
Alan Kalt	2011-2013	Churchill County	Chair					
Cash Minor	2011-2013	Elko County	Vice Chair		X			
Roger Mancebo	2011-2013	Pershing County		X				
Josh Foli	2011-2013	Lyon County			X			
Bill Kohbarger	2011-2013	Town of Pahrump					X	
Toni Inserra	2010-2012	Hospitals						X
Steve West	2010-2012	City of Winnemucca		X				
Paul Johnson	2010-2012	White Pine Co. School District				X		

Eligible Special Districts:

Town of Pahrump
Town of Tonopah

x
x