AUDIT REPORT

Teacher Group Insurance Fund

For the Year Ended
June 30, 2010

STATE OF TENNESSEE

COMPTROLLER OF THE TREASURY

Department of Audit

Division of State Audit

TENNESSEE COMPTROLLER OF THE TREASURY

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STATE OF TENNESSEE
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June 7, 2011

The Honorable Bill Haslam, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
The Honorable Mark Emkes, Chairman
Local Education Insurance Committee
State Capitol
Nashville, Tennessee 37243

Ladies and Gentlemen:

Transmitted herewith is the financial and compliance audit of the Teacher Group Insurance Fund for the year ended June 30, 2010. You will note from the independent auditor's report that an unqualified opinion was given on the fairness of the presentation of the financial statements.

Consideration of internal control over financial reporting and tests of compliance resulted in no audit findings.

Sincerely,

Arthur A. Hayes, Jr., CPA
Director

AAH/tlk
11/022

State of Tennessee

Audit Highlights

Comptroller of the Treasury | Division of State Audit

Financial and Compliance Audit
Teacher Group Insurance Fund
For the Year Ended June 30, 2010

AUDIT OBJECTIVES

The objectives of the audit were to consider the fund's internal control over financial reporting; to determine compliance with certain provisions of laws, regulations, and contracts; to determine the fairness of the presentation of the financial statements; and to recommend appropriate actions to correct any deficiencies.

AUDIT FINDINGS

The audit report contains no findings.

OPINION ON THE FINANCIAL STATEMENTS

The opinion on the financial statements is unqualified.

Audit Report
Teacher Group Insurance Fund
For the Year Ended June 30, 2010

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Teacher Group Insurance Fund
For the Year Ended June 30, 2010

INTRODUCTION

POST-AUDIT AUTHORITY

This is a report on the financial and compliance audit of the Teacher Group Insurance Fund. The audit was conducted pursuant to Section 4-3-304, *Tennessee Code Annotated*, which authorizes the Department of Audit to "perform currently a post-audit of all accounts and other financial records of the state government, and of any department, institution, office, or agency thereof in accordance with generally accepted auditing standards and in accordance with such procedures as may be established by the comptroller of the treasury."

Section 8-4-109, *Tennessee Code Annotated*, authorizes the Comptroller of the Treasury to audit any books and records of any governmental entity that handles public funds when the Comptroller considers an audit to be necessary or appropriate.

BACKGROUND

The Local Education Insurance Committee was created in 1986 by an act of the General Assembly, codified as Title 8, Chapter 27, Section 301, *Tennessee Code Annotated*. The purpose of the committee is to provide access to health insurance coverage to teachers and other education employees of the political subdivisions of the State of Tennessee.

ORGANIZATION

The Local Education Insurance Committee oversees the administration of the Teacher Group Insurance Fund. The insurance committee is composed of the Commissioner of Finance and Administration, the Comptroller of the Treasury, the State Treasurer, a representative from the Department of Education, the Commissioner of Commerce and Insurance, a representative of local school boards selected by the Tennessee School Boards Association, and three teachers elected by the Tennessee Education Association to represent the three grand divisions.

The Department of Finance and Administration, Division of Insurance Administration, is responsible for processing all payments and cash receipts of the fund through the state's accounting systems.

BlueCross BlueShield of Tennessee, Magellan Health Services, United Healthcare, and Cigna Healthcare are the contractors for the self-insured programs. These contractors process all

participant claims, make all claim payments, provide access to a preferred provider organization, and carry out all utilization management functions.

An organization chart of the fund's administration is on the following page.

AUDIT SCOPE

The audit was limited to the period July 1, 2009, through June 30, 2010, and was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in generally accepted government auditing standards. Financial statements are presented for the year ended June 30, 2010, and for comparative purposes, the year ended June 30, 2009. The Teacher Group Insurance Fund forms an integral part of state government and as such has been included as an enterprise fund in the *Tennessee Comprehensive Annual Financial Report.*

The audit covered fund code 56000 of Edison (business unit 31786).

OBJECTIVES OF THE AUDIT

The objectives of the audit were

1. to consider the fund's internal control over financial reporting as a basis for designing auditing procedures for the purpose of expressing an opinion on the financial statements;

2. to determine compliance with certain provisions of laws, regulations, and contracts;

3. to determine the fairness of the presentation of the financial statements; and

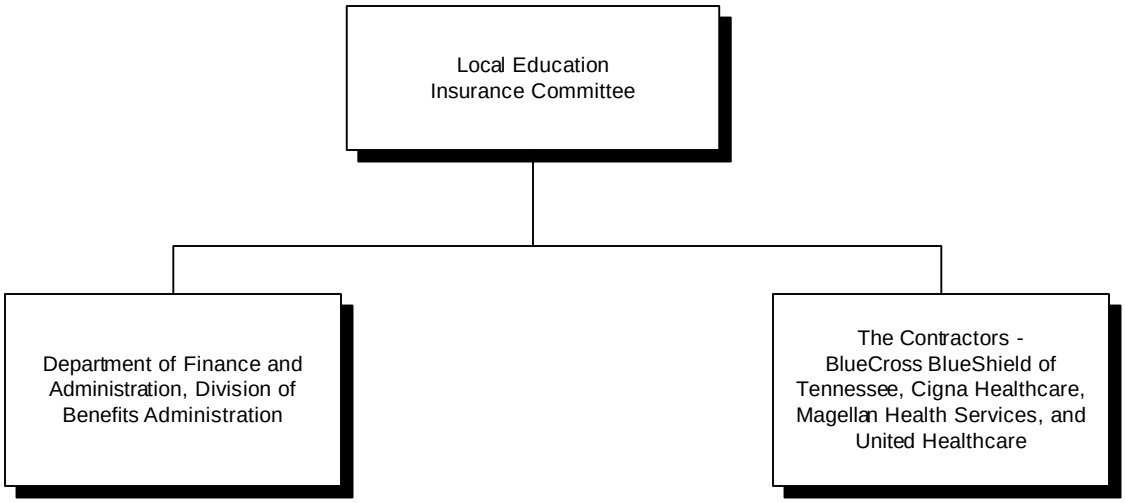
4. to recommend appropriate actions to correct any deficiencies.

PRIOR AUDIT FINDINGS

There were no findings in the prior audit report.

Teacher Group Insurance Fund Administration

Organization Chart



OBSERVATIONS AND COMMENTS

MANAGEMENT'S RESPONSIBILITY FOR RISK ASSESSMENT

Auditors and management are required to assess the risk of fraud in the operations of the entity. The risk assessment is based on a critical review of operations considering what frauds could be perpetrated in the absence of adequate controls. The auditors' risk assessment is limited to the period during which the audit is conducted and is limited to the transactions that the auditors are able to test during that period. The risk assessment by management is the primary method by which the entity is protected from fraud, waste, and abuse. Since new programs may be established at any time by management or older programs may be discontinued, that assessment is ongoing as part of the daily operations of the entity.

Risks of fraud, waste, and abuse are mitigated by effective internal controls. It is management's responsibility to design, implement, and monitor effective controls in the entity. Although internal and external auditors may include testing of controls as part of their audit procedures, these procedures are not a substitute for the ongoing monitoring required of management. After all, the auditor testing is limited and is usually targeted to test the effectiveness of particular controls. Even if controls appear to be operating effectively during the time of the auditor testing, they may be rendered ineffective the next day by management override or by other circumventions that, if left up to the auditor to detect, will not be noted until the next audit engagement and then only if the auditor tests the same transactions and controls. Furthermore, since staff may be seeking to avoid auditor criticisms, they may comply with the controls during the period that the auditors are on site and revert to ignoring or disregarding the control after the auditors have left the field.

The risk assessments and the actions of management in designing, implementing, and monitoring the controls should be adequately documented to provide an audit trail both for auditors and for management, in the event that there is a change in management or staff, and to maintain a record of areas that are particularly problematic. The assessment and the controls should be reviewed and approved by the head of the entity.

FRAUD CONSIDERATIONS

Statement on Auditing Standards No. 99, *Consideration of Fraud in a Financial Statement Audit,* promulgated by the American Institute of Certified Public Accountants requires auditors to specifically assess the risk of material misstatement of an audited entity's financial statements due to fraud. The standard also restates the obvious premise that management, not the auditors, is primarily responsible for preventing and detecting fraud in its own entity. Management's responsibility is fulfilled in part when it takes appropriate steps to assess the risk of fraud within the entity and to implement adequate internal controls to address the results of those risk assessments.

During our audit, we discussed these responsibilities with management and how management might approach meeting them. We also increased the breadth and depth of our inquiries of management and others in the entity as we deemed appropriate. We obtained formal assurances from top management that management had reviewed the entity's policies and procedures to ensure that they are properly designed to prevent and detect fraud and that management had made changes to the policies and procedures where appropriate. Top management further assured us that all staff had been advised to promptly alert management of all allegations of fraud, suspected fraud, or detected fraud and to be totally candid in all communications with the auditors. All levels of management assured us there were no known instances or allegations of fraud that were not disclosed to us.

RESULTS OF THE AUDIT

AUDIT CONCLUSIONS

Internal Control

As part of the audit of the Teacher Group Insurance Fund's financial statements for the year ended June 30, 2010, we considered internal control over financial reporting as a basis for designing auditing procedures for the purpose of expressing an opinion on the financial statements, as required by auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in generally accepted government auditing standards. Consideration of internal control over financial reporting disclosed no material weaknesses.

Compliance and Other Matters

The results of our audit tests disclosed no instances of noncompliance or other matters that are required to be reported under generally accepted government auditing standards.

Fairness of Financial Statement Presentation

The Division of State Audit has rendered an unqualified opinion on the Teacher Group Insurance Fund's financial statements.

STATE OF TENNESSEE
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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

May 11, 2011

The Honorable Bill Haslam, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
The Honorable Mark Emkes, Chairman
Local Education Insurance Committee
State Capitol
Nashville, Tennessee 37243

Ladies and Gentlemen:

We have audited the financial statements of the Teacher Group Insurance Fund, as of and for the year ended June 30, 2010, and have issued our report thereon dated May 11, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in generally accepted government auditing standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Teacher Group Insurance Fund's internal control over financial reporting 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 the fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the fund's internal control over financial reporting.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Teacher Group Insurance Fund's financial statements are free of material misstatement, we performed tests of the fund's compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under generally accepted government auditing standards.

This report is intended solely for the information and use of the General Assembly of the State of Tennessee, the Local Education Insurance Committee, the audit committee, and management, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record.

Sincerely,

Arthur A. Hayes, Jr., CPA
Director

AAH/tlk

STATE OF TENNESSEE
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Independent Auditor's Report

May 11, 2011

The Honorable Bill Haslam, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
The Honorable Mark Emkes, Chairman
Local Education Insurance Committee
State Capitol
Nashville, Tennessee 37243

Ladies and Gentlemen:

We have audited the accompanying statements of net assets of the Teacher Group Insurance Fund, an enterprise fund of the State of Tennessee, as of June 30, 2010, and June 30, 2009, and the related statements of revenues, expenses, and changes in fund net assets and cash flows for the years then ended. These financial statements are the responsibility of the fund's management. Our responsibility is to express an opinion on these financial statements, based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in generally accepted government auditing standards. 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 and disclosures 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 audits provide a reasonable basis for our

opinion. Tennessee statutes, in addition to audit responsibilities, entrust certain other responsibilities to the Comptroller of the Treasury. Those responsibilities include serving as a member of the Local Education Insurance Committee. We do not believe that the Comptroller's service in this capacity affected our ability to conduct an independent audit of the Teacher Group Insurance Fund.

As discussed in Note 1, the financial statements present only the Teacher Group Insurance Fund, an enterprise fund, and do not purport to, and do not, present fairly the financial position of the State of Tennessee, as of June 30, 2010, and June 30, 2009, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Teacher Group Insurance Fund of the State of Tennessee, as of June 30, 2010, and June 30, 2009, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information on pages 16 and 17 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with generally accepted government auditing standards, we have also issued our report dated May 11, 2011, on our consideration of the fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with generally accepted government auditing standards and should be read in conjunction with this report in considering the results of our audit.

Sincerely,

Arthur A. Hayes, Jr., CPA
Director

AAH/tlk

Exhibit A

Teacher Group Insurance Fund
Statements of Net Assets
June 30, 2010, and June 30, 2009

(Expressed in Thousands)

	June 30, 2010	June 30, 2009
Assets:		
Current assets:		
Cash (Note 2)	$ 131,773	$ 153,331
Accounts receivable	1,919	2,962
Total assets	133,692	156,293
Liabilities:		
Current liabilities:		
Accounts payable and accruals (Note 3)	30,703	29,124
Total liabilities	30,703	29,124
Net assets:		
Unrestricted	102,989	127,169
Total net assets	$ 102,989	$ 127,169

The notes to the financial statements are an integral part of this statement.

Exhibit B

Teacher Group Insurance Fund
Statements of Revenues, Expenses, and Changes in Fund Net Assets
For the Years Ended June 30, 2010, and June 30, 2009

(Expressed in Thousands)

	Year Ended June 30, 2010	Year Ended June 30, 2009
Operating revenues:		
Premiums	$ 420,751	$ 401,098
Total operating revenues	420,751	401,098
Operating expenses:		
Contractual services	19,981	19,149
Rentals and insurance	-	57
Benefits	422,228	392,847
Other	3,213	1,812
Total operating expenses	445,422	413,865
Operating loss	(24,671)	(12,767)
Nonoperating revenues:		
Interest income	491	2,528
Total nonoperating revenues	491	2,528
Change in net assets	(24,180)	(10,239)
Net assets, July 1	127,169	137,408
Net assets, June 30	$ 102,989	$ 127,169

The notes to the financial statements are an integral part of this statement.

Exhibit C

Teacher Group Insurance Fund
Statements of Cash Flows
For the Years Ended June 30, 2010, and June 30, 2009

(Expressed in Thousands)

	Year Ended June 30, 2010	Year Ended June 30, 2009
Cash flows from operating activities:		
Receipts from fund members	$ 425,734	$ 403,140
Payments to insurance companies and health care providers	(444,570)	(413,608)
Payments for state services	(3,213)	(1,812)
Net cash used for operating activities	(22,049)	(12,280)
Cash flows from investing activities:		
Interest received	491	2,528
Net cash from investing activities	491	2,528
Net decrease in cash	(21,558)	(9,752)
Cash, July 1	153,331	163,083
Cash, June 30	$ 131,773	$ 153,331
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	$ (24,671)	$ (12,767)
Adjustments to reconcile operating loss to net cash used for operating activities:		
(Increase) decrease in accounts receivable	1,044	(648)
Increase in accounts payable	1,578	1,922
Decrease in unearned revenue	-	(787)
Total adjustments	2,622	487
Net cash used for operating activities	$ (22,049)	$ (12,280)

The notes to the financial statements are an integral part of this statement.

Teacher Group Insurance Fund
Notes to the Financial Statements
June 30, 2010, and June 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Teacher Group Insurance Fund is used to account for revenues received and claims paid on behalf of currently employed teachers in political subdivisions of the state who have elected coverage under a group medical plan similar to that offered to state employees. The fund has been included as an enterprise fund in the *Tennessee Comprehensive Annual Financial Report.* That report is available on the state's website at http://tennessee.gov/finance/act/cafr.html.

B. Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The Teacher Group Insurance Fund follows all applicable GASB pronouncements. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the GASB. Governmental entities also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Teacher Group Insurance Fund has elected not to follow subsequent private-sector guidance.

C. Measurement Focus and Basis of Accounting

The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Operating revenues and expenses are distinguished from nonoperating items in the Teacher Group Insurance Fund. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing insurance operations. Operating expenses include the cost of those services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash

Cash is defined as cash on hand and demand deposits, such as the pooled investment fund.

NOTE 2. DEPOSITS

The Teacher Group Insurance Fund had $131,772,606 and $153,331,114 in the State Treasurer's pooled investment fund at June 30, 2010, and June 30, 2009, respectively. The pooled investment fund, administered by the State Treasurer, is authorized by statute to invest funds in accordance with policy guidelines approved by the State Funding Board. The current resolution of that board gives the Treasurer approval to invest in collateralized certificates of deposit in authorized state depositories, prime commercial paper, prime bankers' acceptances, bonds, notes, and bills of the United States Treasury or other obligations guaranteed as to principal and interest by the United States or any of its agencies, repurchase agreements for obligations of the United States or its agencies, and in securities lending agreements whereby securities may be loaned for a fee. The pooled investment fund's required risks disclosures are presented in the *State of Tennessee Treasurer's Report*. That report is available on the state's website at http://www.tn.gov/treasury/ or by calling (615) 741-2956.

NOTE 3. RISK MANAGEMENT

The Teacher Group Insurance Fund, a public entity risk pool, was established in January 1986 to provide a program of health insurance coverage for the teachers and other education system employees of the political subdivisions of the state. In accordance with Section 8-27-302, *Tennessee Code Annotated*, all local education agencies are eligible to participate. Fund members at June 30, 2010, included 124 local education agencies and two education cooperatives, with 50,550 active teachers and support personnel enrolled in one of three health care options: preferred provider organization plan (PPO), point of service plan (POS), or a health maintenance organization (HMO). The state does not retain any risk for loss by this fund.

The Teacher Group Insurance Fund assumes responsibility for determining plan benefits and eligibility, establishing premiums sufficient to fund plan obligations, recording and reporting financial transactions accurately, reporting enrollment to vendors, processing claims submitted for services provided to plan participants, communicating with plan participants, and complying with appropriate state and federal laws and regulations. Plan participants are required to pay premiums on time, file claims for services received, report changes in eligibility of themselves or their

dependents, and ensure that only eligible expenses are paid by the plan. Individuals who cancel coverage may be required to demonstrate a qualifying event to rejoin the plan. Employers must wait 24 months before rejoining the plan if the employer elects to withdraw from the plan. In the case of the individuals or groups rejoining the plan, a preexisting condition exclusion currently applies.

The Teacher Group Insurance Fund establishes claims liabilities for self-insured options based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Teachers and providers have 13 months to file medical claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using actuarial and statistical techniques to produce current estimates. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made. The Teacher Group Insurance Fund considers investment income in determining if a premium deficiency exists.

As discussed above, the Teacher Group Insurance Fund establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities during the past two years (expressed in thousands):

	2010	2009
Unpaid claims at the beginning of the year	$ 28,257	$ 27,201
Incurred claims:		
Provision for insured events of the current year	383,088	387,693
Increase (decrease) in provision for insured events of prior years	(896)	1,755
Total incurred claims expenses	382,192	389,448
Payments:		
Claims attributable to insured events of the current year	352,408	359,437
Claims attributable to insured events of prior years	27,360	28,955
Total payments	379,768	388,392
Total unpaid claims at the end of the year	$ 30,681	$ 28,257

Teacher Group Insurance Fund
Required Supplementary Information
Ten-Year Claims Development Information
Unaudited

The table below illustrates how the Teacher Group Insurance Fund's earned revenues and investment income compare to related costs of loss and other expenses assumed by the fund for each of the last ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of the fund, including overhead and claims expense not allocable to individual claims. (3) This line shows the fund's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year); some of these amounts are unavailable. (4) This section shows the cumulative amounts paid as of the end of successive years for each policy year; some of these amounts are unavailable. (5) This section shows how each policy year's incurred claims increased or decreased as of the end of successive years; some of these amounts are unavailable. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature fiscal years. The columns of the table show data for successive fiscal and policy years.

Fiscal and Policy Year Ended (expressed in thousands of dollars)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
(1) Required contribution and investment revenue earned (fiscal year)	166,476	203,669	250,090	287,814	323,053	359,963	*356,328	*390,835	*403,627	*421,242
(2) Unallocated expenses (fiscal year)	15,961	19,380	21,271	23,168	23,771	21,584	*17,152	*16,366	*21,019	*23,195
(3) Estimated incurred claims and expenses, end of policy year	185,219	210,650	248,618	263,345	296,509	*320,702	*342,692	*389,270	*373,682	**
(4) Paid (cumulative) as of:										
End of policy year	162,993	189,585	223,756	238,934	268,863	*295,687	*313,376	*359,949	*347,060	**
One year later	182,699	211,337	247,014	263,694	*296,441	*320,503	*342,800	*389,645	**	
Two years later	182,569	211,053	246,969	*263,699	*296,434	*320,454	*342,952	**		
Three years later	182,461	211,041	*246,917	*263,759	*296,405	*320,364	**			
Four years later	182,454	*210,953	*246,888	*263,730	*296,347	**				
Five years later	*182,446	*210,952	*246,880	*263,720	**					
Six years later	*182,444	*210,951	*246,880	**						
Seven years later	*182,441	*210,951	**							
Eight years later	*182,441	**								
Nine years later	**									

Teacher Group Insurance Fund
Required Supplementary Information (Cont.)
Ten-Year Claims Development Information
Unaudited

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
(5) Reestimated incurred claims and expenses:										
End of policy year	185,219	210,650	248,618	263,345	296,509	*320,702	*342,692	*389,270	*373,682	**
One year later	182,581	211,199	247,111	263,738	*296,274	*320,646	*342,865	*389,163	**	
Two years later	182,441	211,044	246,949	*263,670	*296,440	*320,396	*342,969	**		
Three years later	182,455	210,981	*246,917	*263,736	*296,379	*320,352	**			
Four years later	182,449	*210,953	*246,883	*263,728	*296,342	**				
Five years later	*182,446	*210,951	*246,880	*263,708	**					
Six years later	*182,442	*210,951	*246,880	**						
Seven years later	*182,441	*210,951	**							
Eight years later	*182,441	**								
Nine years later	**									
(6) Increase (decrease) in estimated incurred claims and expenses from end of policy year	(2,778)	301	(1,738)	363	(167)	(350)	277	(107)	0	**

* Amounts only represent active employees (due to implementation of Governmental Accounting Standards Board's Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*)

** Data not available