



THE SEGAL COMPANY
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July 29, 2013

Yavapai Combined Trust
c/o Mr. Alan Vigneron
Director Human Resources and Risk Management
Yavapai County Government
1015 Fair Street
Prescott, AZ 86305

**Re: Plan Contribution and Expense Report
July 1, 2012 through June 30, 2013**

Dear Alan:

The following is a brief summary of results Segal has noted for the above reporting period.

- The Plan generated an approximate surplus of \$4,008,658 through June, or 18.7 percent of contributions.
- There are nine claimants with claims in excess of \$125,000 (50 percent of the specific deductible) through June, for a total of \$1,413,470. Through the end of the last plan year, there were eight claimants with claims in excess of \$112,500, for a total of \$1,751,920.
- Comparing the YTD average monthly enrollment to last year's average, this year's enrollment dropped 0.7 percent for Medical, decreased 0.9 percent for Dental, and increased 19.1 percent for Vision.
- The recommended IBNR reserve as of June 30, 2013 is \$2,202,519. This is based on Segal's IBNR standards of 16.0 percent for Medical, 6.0 percent for Prescription Drugs, and 16.0 percent for Dental and Vision plans.

Please contact me directly if you have any questions, or if you wish to discuss the report in more detail.

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron Polkoski".

Aaron Polkoski
Benefits Consultant

5229424v6/01308.001



◆ Yavapai College

◆ Yavapai County

◆ City of Prescott

◆ Town of Chino Valley



Claim Experience Reports

July 01, 2012 - June 30, 2013

**(Experience through June)
(Fund Balance as of June)**

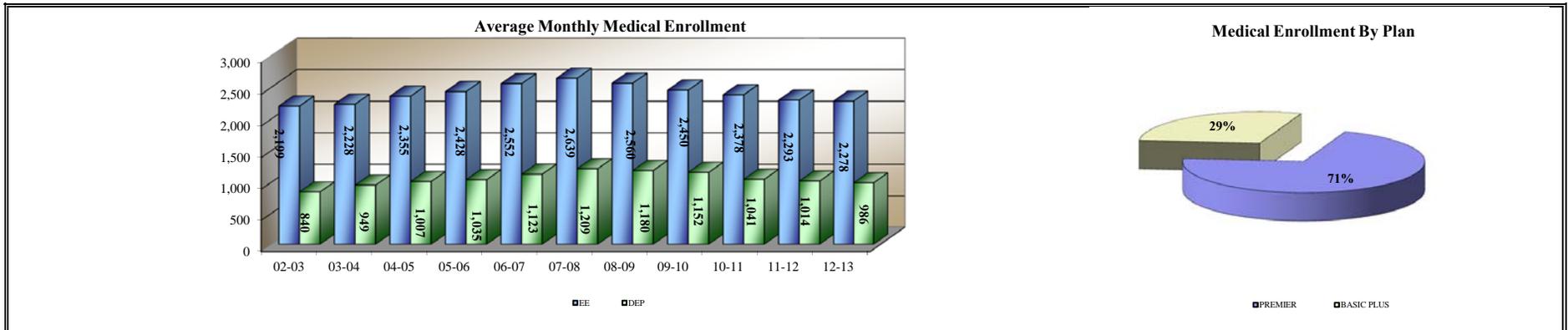
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 **SEGAL**



Yavapai Combined Trust

Enrollment Report 2012 - 2013 Plan Year



MONTH	MEDICAL					DENTAL					VISION	
	PREMIER		BASIC PLUS		TOTAL	COMPREHENSIVE		PREVENTIVE		TOTAL	EE	DEP
	EE	DEP	EE	DEP	EE	EE	DEP	EE	DEP	EE	DEP	
Jul-2012	1,590	347	651	627	2,241	2,098	954	110	92	2,208	1,616	615
Aug-2012	1,587	348	645	622	2,232	2,083	958	113	101	2,196	1,718	701
Sep-2012	1,592	349	655	631	2,247	2,100	966	114	103	2,214	1,796	764
Oct-2012	1,607	347	660	637	2,267	2,116	973	116	103	2,232	1,814	769
Nov-2012	1,611	345	663	641	2,274	2,123	971	114	102	2,237	1,828	771
Dec-2012	1,622	347	667	645	2,289	2,139	981	112	100	2,251	1,843	778
Jan-2013	1,629	344	669	650	2,298	2,146	984	113	101	2,259	1,855	786
Feb-2013	1,622	341	664	645	2,286	2,135	975	111	99	2,246	1,842	778
Mar-2013	1,633	335	667	648	2,300	2,149	975	114	102	2,263	1,856	779
Apr-2013	1,628	341	673	653	2,301	2,143	979	120	108	2,263	1,858	790
May-2013	1,624	341	674	654	2,298	2,139	975	120	109	2,259	1,852	791
Jun-2013	1,623	337	676	653	2,299	2,139	971	119	108	2,258	1,786	722
2012-2013 Total	19,368	4,122	7,964	7,706	27,332	25,510	11,662	1,376	1,228	26,886	21,664	9,044
Mo Average	1,614	344	664	642	2,278	2,126	972	115	102	2,241	1,805	754
2011-2012 Total	19,716	4,615	7,803	7,556	27,519	25,763	12,013	1,381	1,195	27,144	19,787	7,600
Mo Average	1,643	385	650	630	2,293	2,147	1,001	115	100	2,262	1,649	633
Mo. Avg % Change	-1.8%	-10.6%	2.2%	1.9%	-0.7%	-1.0%	-2.9%	0.0%	2.0%	-0.9%	9.5%	19.1%

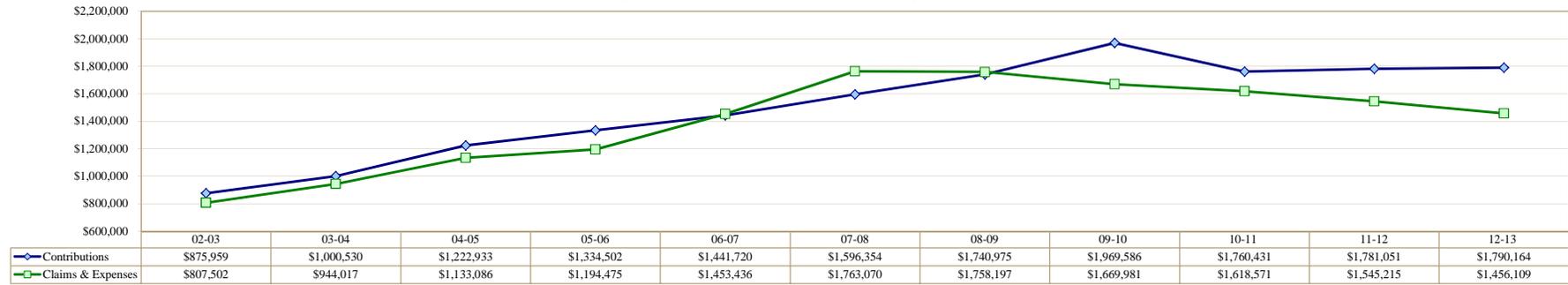


Yavapai Combined Trust

Contribution and Expense Report

2012 - 2013 Plan Year

Average Monthly Contributions vs. Claims & Expenses



Month	Contributions	Medical Paid Claims				Dental Paid Claims			Vision Claims	Rx Claims	STD Claims	Expenses Net Of Refunds	Total Claims & Expenses	Surplus or (Loss)
		Premier	Basic Plus	Est. Stop Loss Refunds	Net Medical Claims	Comprehensive	Preventive							
Jul- 2012	\$1,761,730	\$710,099	\$150,402		\$860,501	\$159,707	\$3,556	\$55,137	\$231,678	\$0	\$119,768	\$1,430,346	\$331,384	
Aug- 2012	\$1,760,097	\$152,478	\$78,232		\$230,710	\$97,314	\$2,799	\$4,539	\$229,388	\$1,291	\$156,290	\$722,330	\$1,037,766	
Sep- 2012	\$1,774,000	\$651,898	\$234,065		\$885,963	\$162,699	\$3,226	\$32,565	\$192,258	\$10,263	\$158,620	\$1,445,595	\$328,405	
Oct- 2012	\$1,785,557	\$948,788	\$335,331		\$1,284,119	\$132,400	\$3,148	\$43,826	\$223,402	\$3,387	\$186,649	\$1,876,932	(\$91,375)	
Nov- 2012	\$1,789,263	\$471,361	\$187,123		\$658,485	\$111,056	\$3,539	\$14,247	\$193,368	\$2,323	\$168,708	\$1,151,724	\$637,538	
Dec- 2012	\$1,801,150	\$793,322	\$277,044		\$1,070,366	\$139,802	\$4,011	\$26,832	\$213,283	\$2,147	\$163,135	\$1,619,575	\$181,575	
Jan- 2013	\$1,806,337	\$554,064	\$227,880		\$781,944	\$94,825	\$3,272	\$22,359	\$214,410	\$3,771	\$166,693	\$1,287,274	\$519,063	
Feb- 2013	\$1,795,368	\$724,131	\$242,243		\$966,374	\$124,464	\$5,261	\$24,379	\$202,509	\$2,077	\$113,662	\$1,438,725	\$356,643	
Mar- 2013	\$1,800,176	\$477,447	\$170,530		\$647,977	\$108,265	\$2,996	\$20,538	\$228,825	\$2,776	\$165,213	\$1,176,590	\$623,586	
Apr- 2013	\$1,806,033	\$744,578	\$223,252		\$967,830	\$142,580	\$2,745	\$25,195	\$286,940	\$3,305	\$229,868	\$1,658,462	\$147,571	
May- 2013	\$1,804,088	\$973,843	\$298,031		\$1,271,874	\$107,138	\$2,933	\$26,096	\$266,667	\$3,656	\$181,365	\$1,859,730	(\$55,643)	
Jun- 2013	\$1,798,175	\$774,398	\$470,667		\$1,245,065	\$133,074	\$4,094	\$31,213	\$217,834	\$2,523	\$172,228	\$1,806,031	(\$7,856)	
Total	\$21,481,971	\$7,976,407	\$2,894,800	\$0	\$10,871,207	\$1,513,321	\$41,581	\$326,925	\$2,700,562	\$37,519	\$1,982,199	\$17,473,314	\$4,008,658	

Contribution Rates	Medical		Dental		Vision	Standard STD	Enhanced STD
	Premier	Basic Plus	Comp	Preventive			
EE	\$549.00	\$306.00	\$42.00	\$15.00	\$15.00	\$2.73	\$9.77
DEP	\$719.00	\$403.00	\$56.00	\$19.00	\$21.00	N/A	N/A

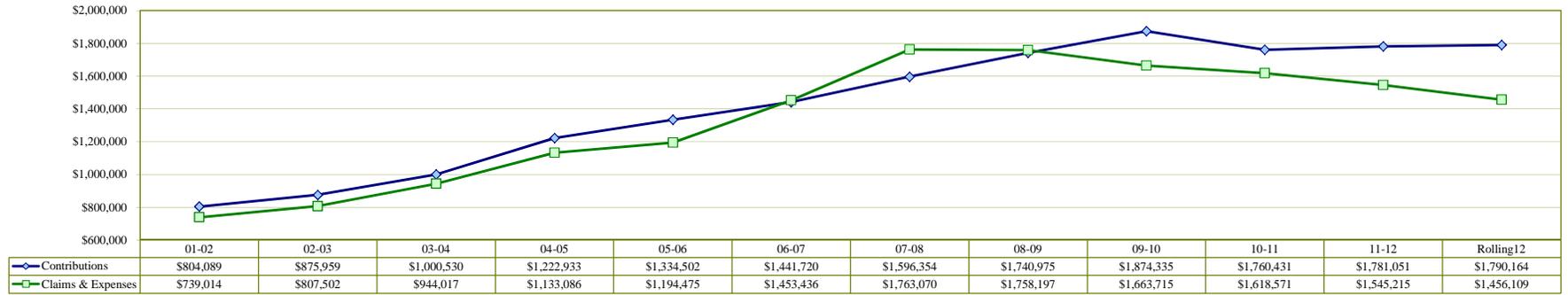


Yavapai Combined Trust

Contribution and Expense Report

Rolling 12 Months

Average Monthly Contributions vs. Claims & Expenses



Month	Contributions	Medical Paid Claims				Dental Paid Claims			Rx Claims	STD Claims	Expenses	Total Claims & Expenses	Surplus or (Loss)
		Premier	Basic Plus	Est. Stop Loss Refunds	Net Medical Claims	Comprehensive	Preventive	Vision Claims					
Jul 2012	\$1,761,730	\$710,099	\$150,402		\$860,501	\$159,707	\$3,556	\$55,137	\$231,678	\$0	\$119,768	\$1,430,346	\$331,384
Aug 2012	\$1,760,097	\$152,478	\$78,232		\$230,710	\$97,314	\$2,799	\$4,539	\$229,388	\$1,291	\$156,290	\$722,330	\$1,037,766
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Oct 2012	\$1,785,557	\$948,788	\$335,331		\$1,284,119	\$132,400	\$3,148	\$43,826	\$223,402	\$3,387	\$186,649	\$1,876,932	(\$91,375)
Nov 2012	\$1,789,263	\$471,361	\$187,123		\$658,485	\$111,056	\$3,539	\$14,247	\$193,368	\$2,323	\$168,708	\$1,151,724	\$637,538
Dec 2012	\$1,801,150	\$793,322	\$277,044		\$1,070,366	\$139,802	\$4,011	\$26,832	\$213,283	\$2,147	\$163,135	\$1,619,575	\$181,575
Jan 2013	\$1,806,337	\$554,064	\$227,880		\$781,944	\$94,825	\$3,272	\$22,359	\$214,410	\$3,771	\$166,693	\$1,287,274	\$519,063
Feb 2013	\$1,795,368	\$724,131	\$242,243		\$966,374	\$124,464	\$5,261	\$24,379	\$202,509	\$2,077	\$113,662	\$1,438,725	\$356,643
Mar 2013	\$1,800,176	\$477,447	\$170,530		\$647,977	\$108,265	\$2,996	\$20,538	\$228,825	\$2,776	\$165,213	\$1,176,590	\$623,586
Apr 2013	\$1,806,033	\$744,578	\$223,252		\$967,830	\$142,580	\$2,745	\$25,195	\$286,940	\$3,305	\$229,868	\$1,658,462	\$147,571
May 2013	\$1,804,088	\$973,843	\$298,031		\$1,271,874	\$107,138	\$2,933	\$26,096	\$266,667	\$3,656	\$181,365	\$1,859,730	(\$55,643)
Jun 2013	\$1,798,175	\$774,398	\$470,667		\$1,245,065	\$133,074	\$4,094	\$31,213	\$217,834	\$2,523	\$172,228	\$1,806,031	(\$7,856)
Total	\$21,481,971	\$7,976,407	\$2,894,800	\$0	\$10,871,207	\$1,513,321	\$41,581	\$326,925	\$2,700,562	\$37,519	\$1,982,199	\$17,473,314	\$4,008,658

(1) Medical and prescription drug eligible claims.



Yavapai Combined Trust

Large Claimant Report (Claims >\$125,000)

2012 - 2013 Plan Year

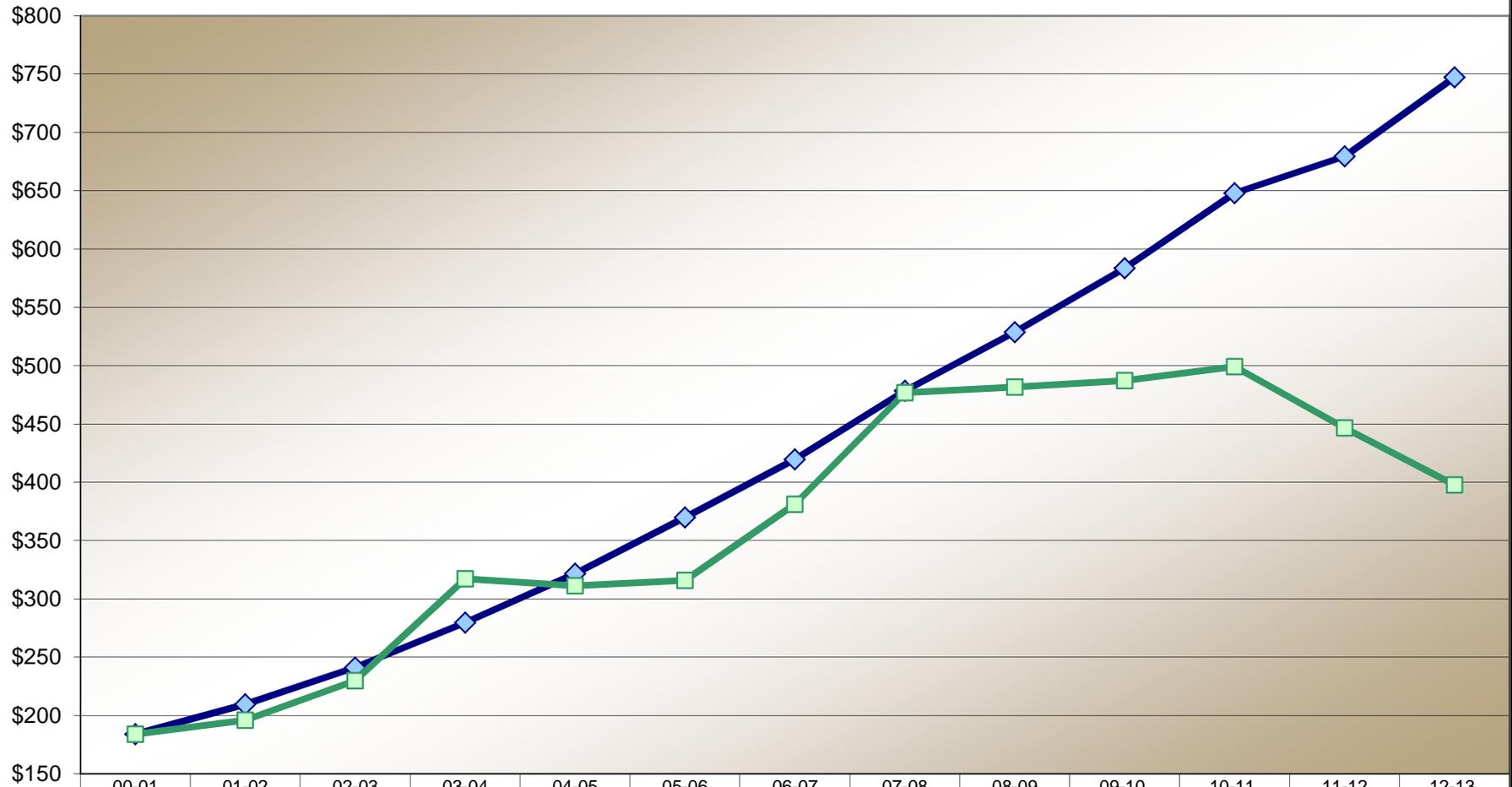
Large Medical Claims (> \$125,000) Thru June 30, 2013					
Claimant	Eligibility	Medical/Rx	Claimant	Eligibility	Medical/Rx
1	EE	\$131,700			
2	EE	\$194,485			
3	EE	\$259,837			
4	Dep	\$140,305			
5	Ee	\$129,119			
6	Ee	\$131,708			
7	Sp	\$144,428			
8	Sp	\$148,400			
9	Ee	\$133,489			
Subtotal		\$1,413,470			\$0
Total		\$1,413,470			
% of Med/Rx Claims		10.4%			

Specific Deductible Level	\$250,000
Aggregating Specific Deductible	\$50,000



Yavapai Combined Trust

Forecast Medical Trend vs. YCT Actual Medical Trend
Base Year = 2000-2001



◆ Medical Trend	\$183.82	\$209.56	\$240.99	\$279.55	\$321.48	\$369.70	\$419.61	\$478.36	\$528.59	\$583.56	\$647.75	\$679.37	\$747.31
■ YCT Actual Trend	\$183.82	\$195.90	\$229.72	\$317.21	\$311.08	\$315.69	\$380.98	\$476.84	\$481.65	\$487.22	\$499.04	\$446.52	\$397.75



Yavapai Combined Trust

Number of Website Hits

Month	Number Of Hits
Jul 2012	166
Aug 2012	204
Sep 2012	180
Oct 2012	233
Nov 2012	171
Dec 2012	164
Jan 2013	220
Feb 2013	181
Mar 2013	182
Apr 2013	216
May 2013	387
Jun 2013	203
Total	2,507



Yavapai Combined Trust

Estimated Fund Balance

Calculation as of 06/30/2013

	Recommended Funding Policy	Actual Fund Balance from Zobel ⁽³⁾
Estimated Expenses/Claims For One Month ⁽¹⁾	\$1,456,109	
Estimated Risk Corridor ⁽²⁾	\$3,865,870	
	=	
Total Estimated Fund Balance	<u>\$5,321,979</u>	
Total Net Assets		<u>\$14,456,241</u>
	+	+
Estimated Recommended Reserve for Incurred But Not Reported (IBNR)	<u>\$2,202,519</u>	
IBNR Liability		<u>\$2,104,000</u>
	=	=
Total Recommended Reserves	<u>\$7,524,499</u>	
Total Liabilities and Net Assets		<u>\$16,560,241</u>
Reserve Surplus/(Shortage)		<u>\$9,035,742</u>

⁽¹⁾ One month average claims and expenses based on most current 12 month period.

⁽²⁾ Based on 25% of total paid claims for the past 12 months (excluding stop loss refunds).

⁽³⁾ Total Net Assets and Total Liabilities & Net Assets from Statement of Net Assets as of 06/30/2013.