

MEMORANDUM

To: FTMSA Board Members
From: James C. Brucker, Manager
Date: April 18, 2011
Subject: Municipal Risk Management Pooled Trust (Worker's Compensation and Property & Liability Insurances) - ANNUAL REPORT

WORKER'S COMPENSATION POOLED TRUST

The 1993/2009 dividend was received for \$12,102.07. The 2009 premium was \$29,450.00, so the dividend is a 41% savings. Since we joined this Pooled Trust in 1993 the total premiums were \$452,052.00 (net premium of \$175,994.92) and we have received \$276,057.08 in dividends or a total savings of 61.1%. Please find attached a 10-year spread sheet that shows cost verse dividends.

Another major savings that does not show in the spread sheet is the EXPERIENCE MODIFICATION to the premium. The rates are set each year per class of employee (plant workers, clerical, inspector, etc.) For your premium cost (say a plant worker which is \$5.72 per \$100.00 paid) then times your experience modification factor which for 2009 is .788 or 78.8%. A savings of 21.2% or \$6,431.97 for 2009 in addition to the dividend. These modification factors are set per our loss ratio as to the amount of claims (injuries) that occur each year. The average experience modification over the last 10-year history has been .895 (89.5%) which saved an additional 10.5% of the premium cost. The average experience modification over the last 5-year history has been .838 (84%). The main reason for this very low experience modification is that we have had a very low claim (injury) from 1993 to present.

I would recommend a thank-you to our employees for this great ongoing record of no claims of injuries or accidents.

PROPERTY & LIABILITY POOLED TRUST

The 2006/2009 dividend was received for \$8,732.41. The 2009 premium was \$29,243.00, so the dividend is a 29.9% savings. Since we joined this Pooled Trust in 2006 and total premiums were \$85,740.00 (net premium of \$60,236.76) and we received \$25,503.24 in dividends or a total savings of 29.7%. Please see attached the third annual spread sheet.

**MRM TRUSTEES' REPORT OF APRIL 8th, 2011 -- CALCULATION OF ANNUAL DIVIDENDS
FRANKLIN TWP. MUNICIPAL SANITARY AUTHORITY**

Please provide copies of this 2011 MRM Trustees' Dividend Report to each member of your governing body

*FISCAL YEAR 2011 CALCULATIONS ARE BASED UPON THE MRM TRUST'S POSITIVE INCENTIVE FORMULA AND
THIS YEAR'S ACT 44 AUTHORIZATION OF TOTAL DIVIDEND DISTRIBUTIONS OF \$4,257,954.*

PROGRAM YEAR:	PY 1993 thru PY 2000	PY 2001	PY 2002	PY 2003	PY 2004	PY 2005	PY 2006	PY 2007	PY 2008	PY 2009	Cumulative Totals
A. CONTRIBUTION {PREMIUM}	\$207,644	\$22,829	\$22,631	\$23,294	\$27,588	\$27,312	\$30,785	\$30,513	\$30,006	\$29,450	\$452,052
B. EXPERIENCE MOD		0.957	0.927	0.929	0.911	0.828	0.844	0.817	0.789	0.788	
C. PAID CLAIMS	\$4,170	\$523	\$297	\$626	\$0	\$0	\$0	\$4,830	\$519	\$59,943	\$70,908
D. RESERVES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E. TOTAL INCURRED CLAIMS	\$4,170	\$523	\$297	\$626	\$0	\$0	\$0	\$4,830	\$519	\$59,943	\$70,908
F. LOSS RATIO	99.8%	2.3%	1.3%	2.7%	0.0%	0.0%	0.0%	15.8%	1.7%	203.5%	15.7%
G. INDICATED 2011 DIVIDEND	---	\$0.00	\$128.00	\$0.00	\$2,617.52	\$0.00	\$2,050.04	\$2,302.56	\$5,003.95	\$0.00	\$12,102.07
H. PERCENTAGE SAVINGS	---	0.0%	0.6%	0.0%	9.5%	0.0%	6.7%	7.5%	16.7%	0.0%	2.7%
I. DIV's EARNED TO-DATE:											
1996 thru 2001	\$131,593.40										\$131,593.40
2002	\$26,371.41										\$26,371.41
2003	\$11,911.73	\$304.12									\$12,215.84
2004	\$11,468.08	\$252.08	\$645.65								\$12,365.80
2005	\$9,777.53	\$0.00	\$549.14	\$1,916.50							\$12,243.18
2006	\$6,681.79	\$0.00	\$1,240.70	\$4,098.42	\$68.99						\$12,089.90
2007	\$5,263.02	\$0.00	\$1,919.77	\$4,485.75	\$2,869.23	\$26.10					\$14,563.88
2008	\$3,867.43	\$0.00	\$1,447.89	\$3,994.64	\$1,564.87	\$2,710.61	\$3,608.20				\$17,193.64
2009	\$210.35	\$0.00	\$19.16	\$2,051.50	\$2,629.24	\$2,328.13	\$3,022.93	\$2,118.60			\$12,379.92
2010	\$0.00	\$0.00	\$746.87	\$2,088.39	\$1,559.51	\$79.32	\$1,674.60	\$3,926.39	\$2,862.98		\$12,938.06
2011	\$0.00	\$0.00	\$128.00	\$0.00	\$2,617.52	\$0.00	\$2,050.04	\$2,302.56	\$5,003.95	\$0.00	\$12,102.07
J. AGGREGATE TOTAL DIV's:	\$207,144.74	\$556.19	\$6,697.19	\$18,635.20	\$11,309.35	\$5,144.16	\$10,355.76	\$8,347.56	\$7,866.92	\$0.00	\$276,057.08
K. NET PREM. TO-DATE (A - J)	\$499.26	\$22,272.81	\$15,933.81	\$4,658.80	\$16,278.65	\$22,167.84	\$20,429.24	\$22,165.44	\$22,139.08	\$29,450.00	\$175,994.92
L. % SAVINGS TO-DATE BY FY	99.8%	2.4%	29.6%	80.0%	41.0%	18.8%	33.6%	27.4%	26.2%	0.0%	61.1%

\$36,463.00 = FISCAL YEAR 2011 ANNUAL PREMIUM
\$12,102.07 = FISCAL YEAR 2011 ACTUAL DIVIDEND RECEIVED
\$24,360.93 = NET ANNUAL COST {PREMIUM} THIS YEAR

MRM PROPERTY & LIABILITY TRUST {PLT}

TRUSTEES' REPORT OF APRIL 7th, 2011 -- CALCULATION OF DIVIDENDS FRANKLIN TOWNSHIP MUNICIPAL SANITARY AUTHORITY

Please provide copies of this 2011 PLT Dividend Report to each member of your governing body

*The calculation of your 2011 Dividend is based upon the PLT's Positive Incentive Formula and distributions of the following Dividends declared by the PLT Board of Trustees in February, 2011:
for PY 2006, a fourth S.I.R. Dividend of \$ 400,568; for PY 2007, a third S.I.R. Dividend of \$ 146,248;
for PY 2008 a second S.I.R. Dividend of \$ 158,531; and for PY 2009, a first S.I.R. Dividend of \$ 525,155.*

*THE TOTAL 2011 DIVIDEND AUTHORIZED BY THE BOARD OF TRUSTEES TO
BE PAID TO ALL ELIGIBLE MEMBERS IS \$ 1,230,502.*

	S.I.R. PY2006 Fourth Dividend	S.I.R. PY2007 Third Dividend	S.I.R. PY2008 Second Dividend	S.I.R. PY2009 First Dividend	PLT/S.I.R. TOTALS
A. CONTRIBUTION {PREMIUM}	\$13,566	\$13,826	\$29,105	\$29,243	\$85,740
B. INCURRED LOSSES	\$0	\$15,721	\$42,500	\$0	\$58,221
C. LOSS RATIO	0.0%	113.7%	146.0%	0.0%	67.9%
D. 2011 DIVIDEND EARNED	\$0.00	\$0.00	\$0.00	\$8,732.41	\$8,732.41
E. PERCENTAGE SAVINGS	0.0%	0.0%	0.0%	29.9%	10.2%
F. PRIOR DIVIDENDS PAID	\$10,852.80	\$0.00	\$5,918.03		\$16,770.83
G. CUMULATIVE DIVIDENDS	\$10,852.80	\$0.00	\$5,918.03	\$8,732.41	\$25,503.24
H. NET PREM. TO-DATE {A - G}	\$2,713.20	\$13,826.00	\$23,186.97	\$20,510.59	\$60,236.76
I. % SAVINGS TO-DATE	80.0%	0.0%	20.3%	29.9%	29.7%