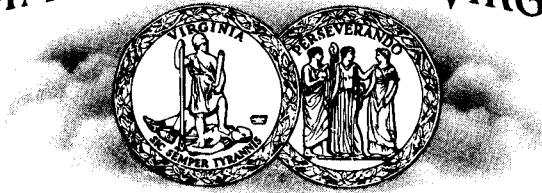


EXAMINATION REPORT
of
PRINCE WILLIAM SELF-INSURANCE GROUP
WORKERS' COMPENSATION ASSOCIATION
PRINCE WILLIAM, VIRGINIA
as of
DECEMBER 31, 2008

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

COMMONWEALTH OF VIRGINIA

ALFRED W. GROSS
COMMISSIONER OF INSURANCE



P.O. BOX 1157
RICHMOND, VIRGINIA 23218
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STATE CORPORATION COMMISSION BUREAU OF INSURANCE

I, Alfred W. Gross, Commissioner of Insurance of the Commonwealth of Virginia, do hereby certify that the annexed copy of the Examination Report of Prince William Self-Insurance Group Workers' Compensation Association as of December 31, 2008, is a true copy of the original report on file with this Bureau.

IN WITNESS WHEREOF, I have hereunto set my hand
and affixed to the original the seal of the Bureau at the City
of Richmond, Virginia this 5th day of March, 2010

A handwritten signature in cursive script that reads "Alfred W. Gross".

Alfred W. Gross
Commissioner of Insurance

(SEAL)

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Richmond, Virginia
December 4, 2009

Honorable Alfred W. Gross
Commissioner of Insurance
Richmond, Virginia

Dear Sir:

Pursuant to your instructions and by authority of Section 38.2-1317 of the Code of Virginia, an examination of the records and affairs of:

**PRINCE WILLIAM SELF-INSURANCE GROUP
WORKERS' COMPENSATION ASSOCIATION**

Prince William, Virginia

hereinafter referred to as the Association, has been completed. The report is hereby submitted for your consideration.

DESCRIPTION

The Association is a group self-insurance association licensed to provide workers' compensation coverage and employers' liability coverage to its members pursuant to Section 65.2-802 of the Code of Virginia and 14 VAC 5-370-10 et seq. (Rules Governing Group Self-Insurers of Liability Under the Virginia Workers' Compensation Act) promulgated by the State Corporation Commission (the "Commission").

The Association was last examined by representatives of the Commission's Bureau of Insurance (the "Bureau") as of December 31, 2005. This examination covers the period from January 1, 2006 through December 31, 2008.

HISTORY

The Association was licensed by the Bureau effective July 1, 1989. On July 1, 1990, the Bureau revised the Association's license to authorize employers' liability coverage. According to the member's indemnity agreement, the Association was formed to allow members to join together to provide for joint and cooperative action to self-insure and to pool their separate liabilities arising pursuant to the terms of the Virginia Workers' Compensation Act.

MANAGEMENT AND CONTROL

Control of the Association is vested in a Members' Supervisory Board (the "Board") elected by the members of the Association. The by-laws provide for no less than five nor more than eleven board members, three-fourths of whom shall be elected or appointed officials of political subdivisions that are members of the Association. Board members serve three year terms or until their successors are elected. The terms are staggered to provide that one-third of the Board is elected each year.

The Board and officers were as follows at December 31, 2008:

<u>Representative</u>	<u>Member</u>
Lori J. Gray	Risk Manager Prince William County Prince William, Virginia
John E. Henry	Director of Financial Services Prince William Manassas Regional Adult Detention Center Prince William, Virginia
William B. Hoffman	Deputy Director of Finance Prince William County Prince William, Virginia
Edward J. Lanham	Captain Prince William County Police Prince William, Virginia
Michael L. Liedel	Director of Finance Prince William County Park Authority Prince William, Virginia
Christopher E. Martino	Director of Finance Prince William County Prince William, Virginia

Carol A. Moye

Information Technology Manager
 Prince William Manassas Regional Adult
 Detention Center
 Prince William, Virginia

Kathy T. Pierce

Administrative Director
 Prince William County Park Authority
 Prince William, Virginia

Officers

Christopher E. Martino
 William B. Hoffman

Chairman
 Secretary

TERRITORY AND PLAN OF OPERATION

The operation of the Association is confined to Virginia where it is licensed to transact the business of workers' compensation and employers' liability group self-insurance. Membership in the Association is available to political subdivisions of the Commonwealth of Virginia or agencies thereof, upon the approval of the Board and the Bureau.

All members are required to enter into an indemnity agreement in which each member jointly and severally agrees to assume and discharge members' employers' liabilities and any and all members' liabilities covered under the Virginia Workers' Compensation Act. No formal insurance policy is issued to the members.

The Association has a contractual agreement with an administrator who shall administer and manage the affairs of the Association in accordance with the policies adopted and established by the Board. Claims are processed and paid by a service agent under a contractual agreement with the Association. Additionally, the Association has an insurance broker/agent services agreement with AON Risk Services, Inc. ("AON"). The Association's operations are conducted on a fiscal year basis ending June 30.

ADMINISTRATIVE AGREEMENT

Effective August 15, 2003, the Association entered into an administrative agreement with Self Insurance Services, LLC ("SIS"). The amended term of this agreement was for a one-year period, August 25, 2007 through August 24, 2008, with the Association having the option to extend the agreement for three additional one-year periods. Either party may terminate this agreement upon written notice.

According to the agreement, SIS shall provide administrator services to the Association. These services include coordinating the activities of all service providers; reviewing and authorizing all regulatory filings with the Bureau and coordinating all Bureau examinations; coordinating and reviewing the compilation of all data for actuarial studies, contribution calculations, and insurance policy renewals; preparing, coordinating and distributing all forms required for administrative activities; maintaining member records; and preparing and presenting an annual management report for the Association.

As compensation for its services, SIS shall receive \$18,600 annually, payable in quarterly installments.

CLAIMS SERVICE AGREEMENT

On October 15, 2007, the Association entered into a claims administration agreement with PMA Management Corporation ("PMA"). The initial term of this agreement is for three years, effective July 1, 2007, and the Association has the option to extend the agreement for three additional one-year periods. Either party may terminate this agreement upon written notice.

Under the terms of the agreement, PMA shall provide full claims handling and adjusting for all claims incurred during the period of the agreement until their conclusion; provide computerized claim loss/experience reports on a quarterly basis and at other reporting intervals as requested; assist the Association in establishing and maintaining a variety of safety and loss prevention programs; and notifying excess insurers of all qualified claims which may exceed the Association's retention.

As compensation for its services, PMA shall receive \$68,200 annually for years one and two of the agreement and \$71,300 for year three. Additionally, PMA shall receive \$600 per case for telephonic medical case management and \$95 per hour for on-site medical case management. For cost containment services, the Association pays \$8.25 per bill reviewed and PMA receives 35% of the savings generated.

ACTUARIAL AND ACCOUNTING SERVICES AGREEMENT

Effective May 6, 2003, the Association entered into an Actuarial and Accounting Services Agreement with AON. The initial term of this agreement is for three years and the Association has the option to extend the agreement for five additional one-year periods. Either party may terminate this agreement upon written notice.

According to this agreement, AON shall provide actuarial and accounting services to the Association, including performing annual actuarial valuations to determine the appropriate level of loss reserves; conducting annual actuarial studies to determine the appropriate level of member contributions; establishing and maintaining a general ledger financial and accounting system; recording all cash receipts and cash disbursements; preparing all checks for signature; performing monthly account reconciliations; preparing annual budgets; and preparing quarterly financial statements to the Board and annual statements for statutory filing with the Bureau.

As compensation for its services, AON shall receive \$53,290 annually. AON subcontracted the accounting function to Adams, Jenkins, & Cheatham, PC, an accounting firm located in Richmond, Virginia.

INSURANCE BROKER/AGENT SERVICES AGREEMENT

Effective July 1, 2004, the Association entered into an agreement with AON to serve as its insurance broker. The initial term of this agreement is for five years, and the Association has the option to extend the contract for five additional one-year periods. Either party may terminate this agreement upon written notice.

AON's responsibilities shall include, but not be limited to, the following: review of the Association's exposures to accidental loss and recommend enhancements to existing and proposed insurance coverages; solicit bids based on insurance specifications from qualified insurance companies; prepare a working summary of each policy including key terms, conditions and endorsements; assist in the negotiation for other insurance coverages, as requested; submit an annual report to the Association to include detailed losses for each policy, the status of major losses incurred during the year, assessment of current conditions in insurance markets and recommendations regarding risk controls.

As compensation for its services, AON shall receive \$34,200 annually, payable in quarterly installments.

DIVIDENDS TO MEMBERS

Any surplus assets accumulated within a fiscal year may be declared refundable by the Board. Payment of this surplus in the form of dividends, however, may not be made until the Association has received approval from the Bureau. During the examination period, the Bureau approved the following dividend:

<u>Fiscal Year</u>	<u>April 30, 2008</u>
1989/1990	\$ 52,746
1991/1992	3,942
1993/1994	7,815
1994/1995	182,594
1995/1996	249,224
1996/1997	32,012
1998/1999	168,318
1999/2000	38,559
2000/2001	<u>260,918</u>
Totals	<u>\$ 996,128</u>

The Board elected to use the \$996,128 dividend to offset reported deficits in the 2003/2004 and 2005/2006 fiscal years.

FIDELITY BOND COVERAGE

At December 31, 2008, the Association was listed as a named insured on a fidelity bond with a \$500,000 limit of liability to insure against losses arising from dishonest acts of its administrator and employees.

SPECIAL RESERVES AND DEPOSITS

At December 31, 2008, the Association had a U.S. Government Agency Bond with a par value of \$1,000,000 on deposit with the Treasurer of Virginia. Pursuant to 14 VAC 5-370-60 A, each group self-insurance association licensed by the Bureau shall maintain a security deposit of \$250,000. The additional deposit was required in lieu of carrying aggregate excess insurance.

EXCESS INSURANCE COVERAGE

The Association had a specific excess insurance agreement in force at December 31, 2008, with the following limits:

	<u>Association's Retention</u>	<u>Excess Insurer's Limits</u>
Specific Excess	\$1,000,000 for each accident and each employee for disease	Workers' Compensation Statutory Employers' Liability \$1,000,000

The Association does not carry aggregate excess insurance because it has satisfied the requirement set forth in 14 VAC 5-370-90, which states, in part, that the Commission may release the Association from the excess insurance requirement if the contingency reserve established by the Association is in an amount determined by the Commission to be adequate.

SCOPE

This is a full scope financial condition examination initiated and conducted under the provisions of Article 4, Chapter 13 of Title 38.2 of the Code of Virginia. It covers the period January 1, 2006 through December 31, 2008. Assets were verified and liabilities were established at December 31, 2008. A review of income and disbursements for the period was made to the extent deemed necessary.

The items comprising the Balance Sheet had a medium or low risk assessment as determined from the principles of the risk-based examination approach contained in the NAIC Financial Condition Examiners Handbook. Analytical review procedures were applied to non-material items.

In addition, the following matters were reviewed, several of which are discussed separately under their respective captions in the report:

History
Management and Control
Territory and Plan of Operation
Administrative Agreement
Claims Service Agreement
Insurance Broker/Agent Services Agreement
Dividend To Members
Fidelity Bond Coverage
Special Reserves and Deposits
Excess Insurance Coverage
Financial Statements

FINANCIAL STATEMENTS

There follows a statement reflecting the financial condition of the Association at December 31, 2008, a statement of income for the year ended December 31, 2008, a reconciliation of members' equity for the period under review, a statement of members' account by fiscal year inception to date and a statement of Examiners' changes in members' equity.

BALANCE SHEET
DECEMBER 31, 2008

ASSETS

Bonds, long-term	\$10,222,362
Other invested assets	7,951,437
Cash on deposit	3,474,614
Deposit with service agent	197,617
Interest due and accrued	116,274
Amounts recoverable on paid losses	18,577
Other assets	95,923
Prepaid excess insurance premiums	102,422
Prepaid service agent's fees	17,050
Prepaid administrative fees	<u>2,217</u>
 Total assets	 <u><u>\$22,198,493</u></u>

LIABILITIES AND MEMBERS' EQUITY

Losses unpaid	\$9,429,290
Loss adjustment expenses unpaid	742,109
Contingency reserve	1,162,667
Unearned premiums	2,427,294
Excess insurance premiums payable	15,426
Premium refunds payable	52,620
Taxes, licenses and fees payable	82,124
Other expenses payable	5,500
Audit fees payable	13,928
Investment fees payable	<u>977</u>
 Total liabilities	 \$13,931,935
 Restricted members' equity	 \$1,096,210
Unrestricted members' equity	<u>7,170,348</u>
 Total liabilities and members' equity	 <u><u>\$22,198,493</u></u>

STATEMENT OF INCOME
FOR YEAR ENDED DECEMBER 31, 2008

UNDERWRITING INCOME

Premiums earned	<u>\$5,018,667</u>
Deductions:	
Losses incurred	\$75,272
Loss expenses incurred	386,095
Other underwriting expenses incurred	460,617
Contingency reserve	<u>162,443</u>
Total underwriting deductions	<u>\$1,084,427</u>
Net underwriting gain	<u>\$3,934,240</u>

INVESTMENT INCOME

Net investment income earned	\$564,134
Net realized capital gains	<u>23,594</u>
Net investment gain	<u>\$587,728</u>

OTHER INCOME

Other income	\$150
Paid dividends applied to deficit fiscal years	<u>996,128</u>
Total other income	<u>\$996,278</u>
Net income before federal income taxes	\$5,518,246
Federal income taxes incurred	<u>0</u>
Net income	<u><u>\$5,518,246</u></u>

RECONCILIATION OF MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Members' equity, previous year before undistributed dividends	\$3,023,495	\$910,507	\$3,703,608
Adjustment for previous examination changes	292,136		
Net income	(2,414,954)	2,753,571	5,518,246
Net unrealized capital gains	9,830	39,530	40,832
Dividends paid to members			<u>(996,128)</u>
Restricted and unrestricted members' equity, end of year	\$910,507	\$3,703,608	\$8,266,558
Less: Restricted members' equity, end of year	<u>805,699</u>	<u>810,000</u>	<u>1,096,210</u>
Unrestricted members' equity, end of year before undistributed dividends	\$104,808	\$2,893,608	\$7,170,348
Less: Dividends declared but unpaid	<u>0</u>	<u>0</u>	<u>0</u>
Unrestricted members' equity, end of year	<u>\$104,808</u>	<u>\$2,893,608</u>	<u>\$7,170,348</u>

Members' Account By Fiscal Year Inception to Date December 31, 2008

	All Other Fiscal Years Preceding 1989-2005	Third Fiscal Year Preceding 2005-2006	Second Fiscal Year Preceding 2006-2007	First Fiscal Year Preceding 2007-2008	Partial Current Fiscal Year 7/1/08-12/31/08	Total Inception to Date (1989-2008)
<u>Income Received</u>						
Premiums written	\$23,168,701	\$3,318,551	\$3,988,277	\$5,873,520	\$4,773,220	\$41,122,269
Less: Excess insurance	1,313,204	245,081	221,516	346,380	216,610	2,342,791
Net premiums written	\$21,855,497	\$3,073,470	\$3,766,761	\$5,527,140	\$4,556,610	\$38,779,478
Investment income	5,008,340	214,628	223,938	127,055	515,082	6,089,043
Allocation between years	221,156	39,113	70,419	129,253	(459,941)	0
Other	4,233,902	400,857	14,433	8,882	73,326	4,731,400
Total income collected	\$31,318,895	\$3,728,068	\$4,075,551	\$5,792,330	\$4,685,077	\$49,599,921
<u>Less: Expenses Paid</u>						
Losses paid	\$11,761,401	\$1,557,873	\$786,848	\$482,919	\$208,507	\$14,797,548
Allocated loss adjustment expenses paid	476,093	143,440	96,838	98,156	27,764	842,291
Administrative fees	803,961	18,600	18,600	18,600	11,593	871,354
Service agent's fees	1,019,622	112,593	104,600	68,200	51,150	1,356,165
Taxes, licenses, and fees	421,358	44,189	55,733	30,967	0	552,247
Other expenses	1,783,346	298,459	279,696	277,926	225,062	2,864,489
Total expenses	\$16,265,781	\$2,175,154	\$1,342,315	\$976,768	\$524,076	\$21,284,094
Net cash income	\$15,053,114	\$1,552,914	\$2,733,236	\$4,815,562	\$4,161,001	\$28,315,827
<u>Add: Receivables</u>						
Interest due and accrued Amounts recoverable on paid losses	\$49,925	\$8,829	\$15,896	\$29,177	\$12,447	\$116,274
Other	18,577	0	0	0	0	18,577
Other	0	0	0	0	217,612	217,612
Total	\$68,502	\$8,829	\$15,896	\$29,177	\$230,059	\$352,463
<u>Deduct: Liabilities</u>						
Losses unpaid	\$2,420,656	\$1,169,786	\$1,485,474	\$2,290,023	\$2,063,351	\$9,429,290
Loss adjustment expenses	283,697	128,900	102,093	188,803	38,616	742,109
Contingency reserve	695,658	99,557	119,648	176,206	71,598	1,162,667
Unearned premiums	0	0	0	0	2,427,294	2,427,294
Excess insurance premiums payable	0	0	0	15,426	0	15,426
Premium refunds payable	0	0	0	0	52,620	52,620
Taxes, licenses and fees payable	0	0	0	0	82,124	82,124
Other expenses payable	0	0	0	0	20,405	20,405
Total	\$3,400,011	\$1,398,243	\$1,707,215	\$2,670,458	\$4,756,008	\$13,931,935

Members' Account By Fiscal Year Inception to Date December 31, 2008

	<u>All Other Fiscal Years Preceding 1989-2005</u>	<u>Third Fiscal Year Preceding 2005-2006</u>	<u>Second Fiscal Year Preceding 2006-2007</u>	<u>First Fiscal Year Preceding 2007-2008</u>	<u>Partial Current Fiscal Year 7/1/08-12/31/08</u>	<u>Total Inception to Date (1989-2008)</u>
Restricted and Unrestricted Members' Equity to date by fiscal year before dividends	\$11,721,605	\$163,500	\$1,041,917	\$2,174,281	(\$364,948)	\$14,736,355
Less: Dividends paid inception to date by fiscal year	6,469,797	0	0	0	0	6,469,797
Less: Restricted Members' Equity by fiscal year	<u>219,242</u>	<u>219,242</u>	<u>219,242</u>	<u>219,242</u>	<u>219,242</u>	<u>1,096,210</u>
Unrestricted Members' Equity undistributed by fiscal year	\$5,032,566	(\$55,742)	\$822,675	\$1,955,039	(\$584,190)	\$7,170,348
Less: Dividends declared but unpaid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unrestricted Members' Equity 12/31/08	<u><u>\$5,032,566</u></u>	<u><u>(\$55,742)</u></u>	<u><u>\$822,675</u></u>	<u><u>\$1,955,039</u></u>	<u><u>(\$584,190)</u></u>	<u><u>\$7,170,348</u></u>

STATEMENT OF EXAMINERS' CHANGES IN MEMBERS' EQUITY
DECEMBER 31, 2008

	<u>Amount Per Association</u>	<u>Amount Per Examiner</u>	<u>Increase (Decrease) Members' Equity</u>
<u>Assets:</u>			
Prepaid excess insurance premiums	\$108,305	\$102,422	(\$5,883)
<u>Liabilities:</u>			
Loss adjustment expenses unpaid	424,501	742,109	(317,608)
Unearned premiums	2,386,610	2,427,294	(40,684)
Excess insurance premiums payable	14,295	15,426	(1,131)
Premium refunds payable	0	52,620	(52,620)
Taxes, licenses and fees payable	50,000	82,124	(32,124)
Examiners' changes in members' equity			<u>(\$450,050)</u>
Restricted and unrestricted members' equity per Association			\$8,716,608
Restricted and unrestricted members' equity per Examiners			<u>8,266,558</u>
Increase in unrestricted members' equity			<u>(\$450,050)</u>

RECOMMENDATIONS FOR CORRECTIVE ACTION

Management and Control

1. The results of this examination reflected members' equity deficits for the 2005/2006 fiscal year and the 2008/2009 partial current fiscal year of \$55,742 and \$584,190, respectively. The Board is reminded of its responsibility to assure that the Association is financially sound and able to fulfill its obligations under the Virginia Workers' Compensation Act.

Accounts and Records

2. Prepaid excess insurance premiums \$102,422

The above asset is \$5,883 less than the amount reported by the Association in its 2008 Annual Statement. The Examiners' amount is based on subsequent 2008/2009 payroll audits and compares excess insurance premiums paid at December 31, 2008 to the excess insurance premiums owed, prorated for the period July 1, 2008 through December 31, 2008.

3. Loss adjustment expenses unpaid \$742,109

The above liability is \$317,608 more than the amount reported by the Association in its 2008 Annual Statement. The increase in loss adjustment expenses unpaid by fiscal year is as follows:

<u>Fiscal Year</u>	<u>Association</u>	<u>Examiners</u>	<u>Increase</u>
1990/91	\$18,293	\$87,704	\$69,411
1992/93	0	57	57
1995/96	0	71	71
1998/99	21,895	21,904	9
1999/00	0	174	174
2002/03	10,748	11,747	999
2003/04	56,153	56,202	49
2006/07	30,839	102,093	71,254
2007/08	28,907	188,803	159,896
2008/09	22,928	38,616	15,688
Total			<u>\$317,608</u>

The Examiners' increase results from a development of loss adjustment expenses paid and reserve changes occurring during the period January 1, 2009 through September 30, 2009 on claims incurred December 31, 2008 and prior. The Association should review its methodologies to ensure sufficient loss adjustment expense reserves are established in future filings with the Bureau.

4. Unearned premiums \$2,427,294

The above liability is \$40,684 more than the amount reported by the Association in its 2008 Annual Statement. The Examiners' amount reflects the estimated premiums received to date at December 31, 2008, less the amount earned at December 31, 2008 based on subsequent payroll audits.

5. Excess insurance premiums payable \$15,426

The above liability is \$1,131 more than the amount reported by the Association in its 2008 Annual Statement. The Examiner's amount is based on a review of invoices paid in 2009 for excess insurance premiums pertaining to the 2007/2008 fiscal year.

6. Premiums refunds payable \$52,620

The above amount has been established by the Examiners. The Examiner's amount is based on subsequent 2008/2009 payroll audits and reflects the difference between audited contributions and contributions prorated for the period July 1, 2008 through December 31, 2008.

7. Taxes, licenses & fees payable \$82,124

The above liability is \$32,124 more than the amount reported by the Association in its 2008 Annual Statement. The Examiner's amount is based on a review of invoices paid in 2009 for taxes pertaining to 2008.

SUBSEQUENT EVENT

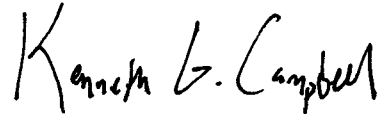
On March 12, 2009, the Bureau approved dividends for the Association totaling \$983,338.

CONCLUSION

The courteous cooperation extended by the Association's administrator and service agent during the course of the examination is gratefully acknowledged.

In addition to the undersigned, Cliff Lewis, CFE and Milton Parker participated in the work of the examination.

Respectfully submitted,

A handwritten signature in black ink that reads "Kenneth G. Campbell". The signature is written in a cursive style with a large initial "K" and a distinct "G" and "C".

Kenneth G. Campbell, CFE
Assistant Chief Examiner

**PRINCE WILLIAM SELF INSURANCE GROUP WORKERS' COMPENSATION
ASSOCIATION**

Administered By
SELF INSURANCE SERVICES, LLC
COST CONTROL THROUGH SERVICE

February 16, 2010

Mr. David H. Smith, CFE, CPA, CPCU
Chief Examiner
State Corporation Commission
Bureau of Insurance
P. O. Box 1157
Richmond, VA 23218

Dear Mr. Smith:

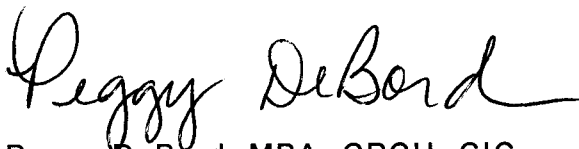
Enclosed are the responses to your recommendations for corrective action for Prince William Self Insurance Group Workers' Compensation Association during the examination period January 1, 2006 through December 31, 2008.

Please let me know if you have any questions concerning our responses.

Sincerely,



Christopher E. Martino
Chairman
Members' Supervisory Board
Prince William Self Insurance Group
Workers' Compensation



Peggy DeBord, MBA, CPCU, CIC
President
Self Insurance Services, LLC

Enclosures

Prince William Self Insurance Group Workers' Compensation Association

Responses to Recommendations for Corrective Action

Management and Control

1. The Association is aware of and will make every effort to assure that the Association is financially sound and able to fulfill its obligations under the Virginia Workers' Compensation Act.

Accounts and Records

2. The Association agrees with this adjustment. The adjustment was made with the benefit of subsequent payroll audit information not available at the time the financial statement was filed.
3. The Association agrees with this adjustment. The adjustment was made with the benefit of subsequent audit information not available at the time the financial statement was filed. The IBNR number is unpredictable based on claims that change. The Association makes every effort to set reserves sufficiently.
4. The Association agrees with this adjustment. The adjustment was made with the benefit of subsequent payroll audit information not available at the time the financial statement was filed.
5. The Association agrees with this adjustment. The adjustment was made with the benefit of subsequent audit information not available at the time the financial statement was filed.
6. The Association agrees with this adjustment. The adjustment was made with the benefit of subsequent payroll audit information not available at the time the financial statement was filed.
7. The Association agrees with this adjustment. The adjustment was made with the benefit of subsequent audit information not available at the time the financial statement was filed.