



40555 Utica Road • P.O. Box 8009  
Sterling Heights, MI 48311-8009  
TEL 586.446.CITY(2489)  
WEBSITE [www.sterling-heights.net](http://www.sterling-heights.net)  
EMAIL [cityhall@sterling-heights.net](mailto:cityhall@sterling-heights.net)

CITY COUNCIL  
Mayor Richard J. Notte  
Mayor Pro Tem Deanna Koski  
Councilman Richard L. Bracci  
Councilwoman Yvonne D. Kniaz  
Councilman Joseph V. Romano  
Councilwoman Maria G. Schmidt  
Councilwoman Barbara A. Ziarko  
  
CITY MANAGER  
Mark D. Vanderpool

\*\*\*\*\*

## REQUEST FOR PROPOSALS

RFP-SH09-005

The City of Sterling Heights, Michigan is accepting sealed proposals for **EMPLOYEE BENEFITS BROKER/CONSULTING SERVICES** until Friday, July 17, 2009 AT 4:00 P.M. in the Office of the City Clerk, 40555 Utica Road, Sterling Heights, Michigan 48313. Specifications are attached.

A handwritten signature in black ink, appearing to read 'Mark Carufel', is written over a horizontal line.

Mark Carufel  
Purchasing Manager

Office of Purchasing  
586-446-2740

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**ADVERTISEMENT**

**RFP-SH09-005**

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Specifications are available at [www.mitn.info](http://www.mitn.info).

**Office of Purchasing  
586-446-2740**

# ***REQUEST FOR PROPOSALS***

## ***EMPLOYEE BENEFITS BROKER / CONSULTING SERVICES***

### ***CITY OF STERLING HEIGHTS***

40555 UTICA ROAD  
STERLING HEIGHTS, MI 48313

CONTACT PERSON: MARK CARUFEL, PURCHASING / RISK MANAGER  
PHONE: (586) 446-2740  
FAX: (586) 276-4062  
EMAIL: mcarufel@sterling-heights.net

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## **I. INSTRUCTIONS**

Please read these instructions carefully. ***Your proposal may be disqualified if it is not submitted as detailed below.***

Five (5) complete copies of the proposal shall be enclosed in a sealed envelope or carton and delivered in person, by messenger, or by U.S. Mail no later than **4:00 P.M.** on **Friday, July 17, 2009**, at which time proposals received will be publicly opened. Only the names of the companies submitting proposals will be read aloud. Late proposals will be rejected.

If the proposal is to be express mailed, **"Proposal Documents Enclosed"** must be conspicuously marked on the package. All proposals, regardless of method used for delivery, are to be delivered to the following address:

City of Sterling Heights  
Office of the City Clerk  
Attn: Walter Blessed, City Clerk  
40555 Utica Road  
Sterling Heights, MI 48313

Your proposal packaging must be clearly marked and delivered with the following information:

Company Name  
RFP-SH09-005: Employee Benefits Broker / Consultant Services  
Date Due: Friday, July 17, 2009 at 4:00 p.m.

All questions should be directed in writing to Mark Carufel, Purchasing Manager, via fax at 586-276-4062, or via e-mail at [mcarufel@sterling-heights.net](mailto:mcarufel@sterling-heights.net). All questions must be received within seven (7) days of the proposal opening date to be given consideration. Any interpretation made to prospective proposers will be expressed in the form of an addendum to the specifications which, if issued, will be sent to all prospective proposers no later than three (3) days before the date set for receipt of proposals. Oral responses will not be authoritative.

**DO NOT** deliver your proposal to the requesting department or to the Office of Purchasing. Envelopes **must** be delivered to the Office of the City Clerk before the due date and time so they can be stamped received and filed appropriately. Proposals are considered received when in the possession of the City Clerk. If your proposal is not received before the due date and time, it will be disqualified and will not be opened or considered.

The City of Sterling Heights is now part of an organization called the Michigan Inter-governmental Trade Network (MITN), a group of agencies that joined forces to create a Regional Bid Notification System to notify companies of new bid opportunities. All bids, quotations and proposals are now being posted online. All vendors are encouraged to visit <http://www.mitn.info> and click on the "The Michigan MITN System" link in order to register their company and gain access to new bids and proposals. If you do not have internet access, please call 1-800-677-1997, extension 214 to speak to a representative at BidNet®, the technical support group that handles the MITN system.

If you did not receive this proposal directly from the MITN website, please notify us. Proposals from members of MITN are to be posted ONLY on the MITN website. Any other use is prohibited. The City of Sterling Heights cannot guarantee the accuracy of any information not obtained from the MITN website and is not responsible for any errors contained by information received from alternate sources.

## **II. INTRODUCTION**

The City of Sterling Heights is requesting proposals from qualified and experienced employee benefits broker / consulting firms to provide services to assist in the management and administration of the City's employee and retiree benefit programs, including the following.

- Medical
- Prescription Drug
- Dental
- Vision
- Section 125 Flexible Spending Account
- Medicare Part D Retiree Drug Subsidy
- Life Insurance
- Accidental Death & Dismemberment Insurance
- Short Term Disability
- Long-Term Disability

Consulting services may include but are not limited to the following

- Benefit plan design and vendor management
- Vendor bidding for insurance / administrative services, including PA 106.
- Compliance assistance including COBRA and HIPAA,
- Financial analysis and self-insured rate development
- Union negotiation support
- Drafting of employee / retiree communication materials
- Conducting employee / retiree meetings and presentations
- Employee and retiree wellness programs and communication
- Employee / retiree on-line enrollment and administration.

Selection criteria will include the following:

- Relevant experience
- References
- Qualifications of personnel
- Services Offered
- Fees
- Other relevant information.

## **III. BACKGROUND INFORMATION**

The City of Sterling Heights operates under the original charter adopted July 1, 1968, which calls for a Council-Manager form of government. The City employs 595 full time and 89 part time personnel to provide a wide range of public services, including police, fire, emergency management, library, district court, building and development, public

works, parks and recreation, City Hall television, water, sewer, and administrative services. The City operates on a July 1st fiscal year. For additional information on Sterling Heights including a copy of the City's Budget and Comprehensive Annual Financial Report, visit our website located at **sterling-heights.net**

The Human Resources Director is primarily responsible for the day-to-day administration and negotiation of all employee and retiree benefit programs.

#### **IV. RISK INFORMATION**

The following documents are included as part of this RFP.

Exhibit A - 2000 to Present – Medical Claim / Cost Summary(s) (six pages).

Exhibit B - February 2007 thru May 2009 - PBM Drug Claim Summary (two pages).

Exhibit C - Description of current employee and retiree health care coverage. (four pages).

Exhibit D - Life & LTD volume and premium listing – June 2009 (one page).

#### **V. SELECTION PROCESS**

##### ***A. Timetable***

The City anticipates making a selection in July 2009, with services commencing August 2009.

##### ***B. Submission of Proposal***

Five (5) copies of the proposal submission shall be received in written form by 4:00 p.m., Friday, July 17, 2009.

Your proposal may be mailed or hand delivered. All questions should be directed to Mark Carufel, Purchasing / Risk Manager 586-446-2741.

Your proposal should outline how your firm can provide the broker / consulting services contemplated, and any additional information not included in this request, which will assist the City with a selection of the proposal / firm that best meets the needs of the City. A panel will review all submitted proposals, and conduct interviews of a select few proposals / firms that best meet the needs of the City.

The evaluation and selection of proposals shall be based on a combination of factors, including but not limited to relevant experience, references, qualifications of personnel, services offered, fees, and any other relevant information or factors considered to be in the City of Sterling Heights best interest. The City of Sterling Heights reserves the right to reject all proposals, waive any informality in the proposals received, and to accept any proposal, which it shall deem to be in the most favorable interests of the City of Sterling Heights.

## **VI. CONSULTING FIRM INFORMATION, QUALIFICATIONS AND EXPERIENCE**

- A. Provide the following information on your company / firm.
- When was your organization established/founded?
  - Provide the ownership structure and provide the name of the owner (s).
  - How long has your organization offered group employee benefit consulting services?
  - What products and services does your firm offer?
- B. What percentage of your firms 1) personnel resources and 2) revenues are dedicated to:
- Property and casualty insurance
  - Individual insurance and other financial products
  - Retirement plans
  - Benefit administrative services?
  - How many people are employed at your organization? Full time? Part time?
  - How many of these employees are dedicated locally to group employee benefit consulting services?
- C. Of those working in group employee benefit consulting, how many work in the following areas?
- Administration and support?
  - Management?
  - Sales/Account Executive?
  - Customer Service?
  - Underwriting?
- D. How many employees will be assigned to City of Sterling Heights' account?
- E. Provide the following information for the proposed account team for the City:
- Names, biography, job description and client responsibilities
  - Client references for these individuals, including industry of client and number of employees
  - What process do you use to select, hire, and retain high quality employees?  
How do you assure that we will have a motivated and well-trained and supported staff dedicated to us?
  - List the number of clients for whom you serve on a comprehensive basis in the area of health / benefit plan design and management.
- F. Categorize the organizations you service in the area of health / benefit plan management for 1) non-governmental, 2) governmental (cities, townships, counties, school districts, etc.), including the number of clients in each category.
- 0-250 employees, 250-499 employees, 500-999 employees and 1000+ employees.

- G. To the extent possible, provide your client listing for organizations that employ greater than 500 employees.
- H. Provide the names and contact information of the last three clients that have left your consulting firm.
- I. What is your client retention rate?
- J. For each item below, briefly describe your organization's experience working with governmental entities, including union and non-union staff.
- Benefit plan design, cost, trends and benchmarking
  - Benefit plan administration and vendor management
  - Vendor bidding for insurance / administrative services, including PA 106.
  - Regulatory compliance assistance including COBRA and HIPAA,
  - Financial analysis and self-insured rate development
  - Labor contract negotiation support
  - Arbitration support/testimony, including 312 arbitration
  - Drafting of employee communication materials
  - Employee education and presentations
  - Employee on-line enrollment and administration.
  - Retiree benefit design and retiree group Medicare plans
  - Employee and retiree wellness programs and communication
  - Section 125 Flexible Spending Account
  - Medicare Part D Retiree Drug Subsidy
  - Life Insurance and Accidental Death & Dismemberment Insurance
  - Short Term Disability and Long-Term Disability
  - Other services not otherwise listed
- K. Explain your experience with governmental entity benchmarking in Michigan.
- L. Describe your ability to provide information about legislative and regulatory requirements and changes. Provide samples reflecting current articles/items of interest.
- M. List five (5) differentiators for your firm. What critical success factors distinguish your organization from your competitors? Be succinct in your responses (limit to only a statement or two per factor).
- N. Has your organization completed an independent/outside third party client satisfaction survey during the last two years? If so, provide a copy of the third-party report.

## **VII. SERVICES AND FEES**

- A. Does your organization accept commissions; charge consulting fees, or both?  
Please describe in full your proposed consulting fees or commission schedules for all of the services you provide. Describe your method to disclose all compensation to the City of Sterling Heights.
- B. The City currently contracts with the following list of service providers / carriers.  
Please provide your experience with each of these service providers. Include information on whether compensation is paid directly from these companies to your firm.
- Blue Cross Blue Shield of Michigan – ASC Program
  - Health Alliance Plan
  - Coalition of Public Safety - COPS Trust
  - US Health and Life Insurance Company
  - PBM - ScriptGuideRX
  - Reliance Standard Life Insurance Company
- C. Please include with your reply, a sample copy of several recent employee communication materials. Include all items, including educational materials, presentations, forms, etc.
- D. What methods will you utilize to help evaluate and improve employee / retiree wellness?
- E. Describe your compliance advisory process. Explain your ability to monitor regulatory and legislative developments in such areas as ADA, FMLA, HIPAA, IRS Code Section 125, COBRA and other benefit compliance issues including statutes, rules and regulations on the federal and state level that may impact the benefits we provide, etc. Do you have a dedicated compliance expert? What percentage of that individual's time is dedicated to research and compliance matters?
- F. Do you provide training/seminars for the above-mentioned topics? If yes, are there additional charges for these services? What were your '06, '07, and '08 topics? What topics are anticipated for '09?
- G. In the event your company is chosen to provide services for City of Sterling Heights, please describe an implementation schedule, beginning August 1, 2009.
- H. Please provide a copy of your proposed contract for services.
- I. Please provide a copy of your professional liability or errors and omissions insurance certificate of insurance or insurance policy declarations page.

**VIII. PROPOSAL SUBMISSION FORM**

Please complete and return the following with your written proposal:

1. Name of Firm: \_\_\_\_\_

2. Servicing Office Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

3. Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail address: \_\_\_\_\_

4. Organization structure (corporation, partnership, etc.): \_\_\_\_\_

\_\_\_\_\_

5. How long has your agency been in the insurance business? \_\_\_\_\_

\_\_\_\_\_

6. How long has your agency been operating in the Metropolitan Detroit area? \_\_\_\_\_

\_\_\_\_\_

7. Number of full-time benefit consultants within local office: \_\_\_\_\_

Do you have insurance agents/brokers errors and omissions insurance with a minimum limit of \$1,000,000 per occurrence? Y / N

**If you are selected to provide requested services, you must provide evidence of this coverage.**

**PROPOSAL SUBMISSION FORM – Cont'd**

8. List your three largest public entity accounts in Michigan: May the City of Sterling Heights contact these accounts? If so, please list the contact persons and their telephone number:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

Name of Person submitting this proposal: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

# RISK INFORMATION

## EXHIBIT A

## HEALTH CARE COSTS

2000 to Present

| Year    | Hospital  | Professional | Drug      | SGRX<br>DRUG | Dental  | Vision | Master<br>Medical | Total      | Admin. / Exp. | BC/BS      |
|---------|-----------|--------------|-----------|--------------|---------|--------|-------------------|------------|---------------|------------|
| 1999/00 | 1,469,366 | 1,380,116    | 943,848   |              | 409,141 |        | 239,051           | 4,441,522  | 515,511       | 4,957,033  |
| 2000/01 | 1,644,444 | 1,435,834    | 1,083,560 |              | 445,647 |        | 235,268           | 4,844,753  | 522,491       | 5,367,244  |
| 2001/02 | 2,071,869 | 1,772,479    | 1,388,316 |              | 493,147 |        | 183,746           | 5,909,557  | 487,836       | 6,397,393  |
| 2002/03 | 2,079,343 | 1,977,918    | 1,523,019 |              | 527,795 |        | 167,069           | 6,315,256  | 583,400       | 6,898,656  |
| 2003/04 | 2,130,755 | 2,169,855    | 1,911,773 |              | 544,973 |        | 175,599           | 6,967,675  | 589,413       | 7,557,088  |
| 2004/05 | 2,979,653 | 2,648,569    | 2,372,137 |              | 603,864 |        | 173,034           | 8,820,386  | 523,972       | 9,344,358  |
| 2005/06 | 2,722,836 | 2,811,633    | 2,423,500 |              | 610,238 |        | 155,543           | 8,767,573  | 534,726       | 9,302,300  |
| 2006/07 | 2,870,176 | 4,406,951    | 2,599,758 |              | 631,853 |        | 171,930           | 10,833,593 | 553,552       | 11,387,145 |
| 2007/08 | 3,198,637 | 4,275,556    | 2,647,759 |              | 619,152 |        | 201,143           | 11,442,390 | 637,160       | 12,079,550 |

|         | Totals     |             |         |         |        | Health<br>Allowance | Recoveries |                            | Total Cost |
|---------|------------|-------------|---------|---------|--------|---------------------|------------|----------------------------|------------|
|         | BC/BS      | Stop Loss   | HAP     | COPS    | BCN    |                     | BCBSM      | Recoveries<br>Medicare RDS |            |
| 1999/00 | 4,957,033  | (13,898)    | 648,627 | 67,633  | 32,094 | 5,691,489           |            |                            | 5,691,489  |
| 2000/01 | 5,367,244  | (29,076)    | 660,421 | 153,042 | 82,559 | 6,234,190           | (63,928)   |                            | 6,170,262  |
| 2001/02 | 6,397,393  | (34,264)    | 710,799 | 234,605 | 61,979 | 7,370,512           | (53,707)   |                            | 7,361,555  |
| 2002/03 | 6,898,656  | (21,373)    | 769,635 | 316,274 | 60,724 | 8,023,916           | (84,442)   |                            | 7,997,057  |
| 2003/04 | 7,557,088  | -           | 828,263 | 383,938 | 24,007 | 8,793,296           | (102,066)  |                            | 8,756,104  |
| 2004/05 | 9,344,358  | -           | 890,574 | 382,607 |        | 10,617,539          | (156,751)  |                            | 10,524,518 |
| 2005/06 | 9,302,300  | (502,118)   | 901,291 | 445,494 |        | 10,146,967          | (162,829)  |                            | 10,047,076 |
| 2006/07 | 11,387,145 | (1,321,703) | 903,389 | 423,447 |        | 11,392,278          | (187,837)  | (144,855)                  | 11,131,912 |
| 2007/08 | 12,079,550 | (1,194,991) | 940,418 | 513,377 |        | 12,338,354          | (198,470)  | (113,253)                  | 12,108,310 |

**CITY OF STERLING HEIGHTS  
BCBSM ADMINISTRATIVE FEE - HISTORICAL**

|         | <b>Contracts</b> | <b>Fee Per<br/>Contract</b> | <b>Admin. Fee</b> | <b>%<br/>Change</b> |           |
|---------|------------------|-----------------------------|-------------------|---------------------|-----------|
| 1999/00 | 690              | 38.94                       | 322,496           | #REF!               |           |
| 2000/01 | 728              | 41.67                       | 364,273           | 7.0%                |           |
| 2001/02 | 745              | 42.50                       | 380,068           | 2.0%                |           |
| 2002/03 | 777              | 43.78                       | 407,953           | 3.0%                |           |
| 2003/04 | 783              | 45.01                       | 422,644           | 2.8%                |           |
| 2004/05 | 813              | 45.46                       | 443,508           | 1.0%                |           |
| 2005/06 | 828              | 45.46                       | 451,918           | 0.0%                |           |
| 2006/07 | 830              | 45.46                       | 452,782           | 0.0%                |           |
| 2007/08 | 833              | 45.46                       | 454,645           | 0.0%                |           |
| 2008/09 | 830              | 46.38                       | 461,945           | 2.0%                | estimated |
| 2009/10 | 813              | 49.50                       | 482,922           | 6.7%                | estimated |

**CITY OF STERLING HEIGHTS  
BCBSM STOP LOSS COVERAGE - HISTORICAL**

|         | <b>Fee Per<br/>Contract</b> |       | <b>City<br/>Liability</b> | <b>Contracts</b> | <b>Total<br/>Premium</b> |         | <b>Excess<br/>Claims</b> |
|---------|-----------------------------|-------|---------------------------|------------------|--------------------------|---------|--------------------------|
| 1999/00 | \$                          | 14.81 | \$ 75,000                 | 690              | \$                       | 122,636 | \$ 13,898                |
| 2000/01 | \$                          | 16.53 | \$ 75,000                 | 726              | \$                       | 144,024 | \$ 29,076                |
| 2001/02 | \$                          | 15.91 | \$ 100,000                | 748              | \$                       | 142,822 | \$ 34,264                |
| 2002/03 | \$                          | 19.14 | \$ 100,000                | 764              | \$                       | 175,447 | \$ 21,373                |
| 2003/04 | \$                          | 23.81 | \$ 100,000                | 782              | \$                       | 223,575 | \$ -                     |
| 2004/05 | \$                          | 8.58  | \$ 200,000                | 813              | \$                       | 85,620  | \$ -                     |
| 2005/06 | \$                          | 8.33  | \$ 200,000                | 828              | \$                       | 81,967  | \$ 502,118               |
| 2006/07 | \$                          | 9.22  | \$ 200,000                | 830              | \$                       | 91,831  | \$ 1,321,703             |
| 2007/08 | \$                          | 16.16 | \$ 150,000                | 833              | \$                       | 161,616 | \$ 1,194,991             |
| 2008/09 | \$                          | 13.12 | \$ 200,000                | 830              | \$                       | 96,865  | \$ 1,108,787             |
| 2008/09 | \$                          | 19.10 | \$ 200,000                | 813              | \$                       | 186,340 |                          |

Claimns are thru 4/30/09

CITY OF STERLING HEIGHTS EMPLOYEE AND RETIREE CLAIMS 2006/07

| EMPLOYEE         | hospital     | professional | drug         | dental     | vision    | master medical | total claims  | stop loss   | grand total  |
|------------------|--------------|--------------|--------------|------------|-----------|----------------|---------------|-------------|--------------|
| July             | \$ 64,688    | \$ 122,043   | \$ 122,148   | \$ 35,777  | \$ 3,554  | \$ 475         | \$ 348,685    | \$ -        | \$ 348,685   |
| August           | 116,391      | 403,430      | 73,521       | 57,024     | 3,999     | 529            | 654,895       | (40,064)    | 614,831      |
| September        | 92,124       | 219,395      | 81,827       | 36,564     | 2,841     | 661            | 433,411       | (97,509)    | 335,902      |
| October          | 158,149      | 142,745      | 76,589       | 44,248     | 3,585     | 426            | 425,743       | (21,922)    | 403,821      |
| November         | 108,974      | 453,624      | 81,611       | 29,133     | 3,126     | 579            | 677,046       | (262,891)   | 414,155      |
| December         | 213,551      | 272,821      | 94,242       | 42,331     | 2,693     | 729            | 626,367       | (173,509)   | 452,858      |
| January          | 181,678      | 303,380      | 122,297      | 62,889     | 3,571     | 243            | 674,058       | (121,078)   | 552,980      |
| February         | 99,008       | 299,559      | 77,068       | 51,125     | 3,538     | 1,223          | 531,523       | (145,089)   | 386,433      |
| March            | 132,076      | 182,488      | 72,167       | 63,177     | 4,417     | 602            | 454,927       | (52)        | 454,875      |
| April            | 92,473       | 404,927      | 72,751       | 38,297     | 3,402     | 616            | 612,466       | (249,730)   | 362,736      |
| May              | 155,505      | 265,140      | 83,272       | 44,087     | 3,513     | 170            | 551,688       | (85,780)    | 465,908      |
| June             | 98,161       | 263,625      | 69,998       | 52,642     | 4,586     | 372            | 489,384       | (124,078)   | 365,306      |
| 06/07 Claims     | \$ 1,512,778 | \$ 3,333,177 | \$ 1,027,493 | \$ 557,296 | \$ 42,826 | \$ 6,626       | \$ 6,480,195  | (1,321,703) | \$ 5,158,491 |
| 06/07 Annualized | 1,512,778    | 3,333,177    | 1,027,493    | 557,296    | 42,826    | 6,626          | 6,480,195     | (1,321,703) | 5,158,491    |
| Actual 05/06     | 1,504,709    | 2,424,483    | 1,018,374    | 548,780    | 43,823    | 12,950         | 5,553,119     | (502,118)   | 5,051,001    |
| % Increase       | 1%           | 37%          | 1%           | 2%         | -2%       | -49%           | 17%           |             | 2%           |
| RETIREE          | hospital     | professional | drug         | dental     | vision    | master medical | total claims  | stop loss   | grand total  |
| July             | \$ 107,785   | \$ 84,811    | \$ 168,406   | \$ 4,745   | \$ -      | \$ 13,525      | \$ 379,271    | \$ -        | \$ 379,271   |
| August           | 140,181      | 108,232      | 117,780      | 8,505      | -         | 14,160         | 388,858       | -           | 388,858      |
| September        | 122,599      | 89,477       | 112,279      | 6,141      | -         | 16,176         | 346,672       | -           | 346,672      |
| October          | 169,687      | 92,047       | 120,216      | 7,053      | -         | 17,059         | 406,062       | -           | 406,062      |
| November         | 130,880      | 107,405      | 128,766      | 4,324      | -         | 14,064         | 385,438       | -           | 385,438      |
| December         | 74,163       | 78,045       | 124,695      | 6,158      | -         | 12,091         | 295,151       | -           | 295,151      |
| January          | 153,923      | 101,273      | 187,925      | 9,249      | -         | 12,790         | 465,160       | -           | 465,160      |
| February         | 94,203       | 84,840       | 127,771      | 5,323      | -         | 9,833          | 321,970       | -           | 321,970      |
| March            | 58,702       | 75,936       | 114,354      | 5,891      | -         | 12,669         | 267,551       | -           | 267,551      |
| April            | 79,363       | 81,824       | 116,665      | 4,835      | -         | 17,600         | 300,288       | -           | 300,288      |
| May              | 166,176      | 102,143      | 126,800      | 5,639      | -         | 12,623         | 413,380       | -           | 413,380      |
| June             | 59,736       | 67,743       | 126,610      | 6,695      | -         | 12,715         | 273,499       | -           | 273,499      |
| 06/07 Claims     | \$ 1,357,398 | \$ 1,073,774 | \$ 1,572,265 | \$ 74,557  | \$ -      | \$ 165,304     | \$ 4,243,299  | \$ -        | \$ 4,243,299 |
| 06/07 Annualized | 1,357,398    | 1,073,774    | 1,572,265    | 74,557     | -         | 165,304        | 4,243,299     | -           | 4,243,299    |
| Actual 05/06     | 1,193,084    | 914,311      | 1,405,126    | 61,458     | -         | 142,593        | 3,716,571     | -           | 3,716,571    |
| % Increase       | 14%          | 17%          | 12%          | 21%        |           | 16%            | 14%           |             | 14%          |
| TOTAL CLAIMS     | \$ 2,870,176 | \$ 4,406,951 | \$ 2,599,758 | \$ 631,853 | \$ 42,826 | \$ 171,930     | \$ 10,723,494 | (1,321,703) | \$ 9,401,790 |
| Employee %       | 53%          | 76%          | 40%          | 88%        | 100%      | 4%             | 60%           | 100%        | 55%          |
| Retiree %        | 47%          | 24%          | 60%          | 12%        | 0%        | 96%            | 40%           | 0%          | 45%          |

CITY OF STERLING HEIGHTS EMPLOYEE AND RETIREE CLAIMS 2007/08

| EMPLOYEE         | hospital |           | professional |           | drug |           | dental |         | vision |        | master medical |         | total claims |            | stop loss |             | grand total |           |
|------------------|----------|-----------|--------------|-----------|------|-----------|--------|---------|--------|--------|----------------|---------|--------------|------------|-----------|-------------|-------------|-----------|
| July             | \$       | 113,713   | \$           | 318,136   | \$   | 100,562   | \$     | 42,592  | \$     | 2,783  | \$             | 252     | \$           | 578,036    | \$        | -           | \$          | 578,036   |
| August           |          | 108,681   |              | 311,692   |      | 73,506    |        | 45,275  |        | 2,892  |                | 267     |              | 542,313    |           | (139,913)   |             | 402,400   |
| September        |          | 78,824    |              | 177,247   |      | 60,640    |        | 37,797  |        | 4,867  |                | 621     |              | 359,994    |           | (41,995)    |             | 317,999   |
| October          |          | 122,452   |              | 406,978   |      | 66,966    |        | 38,784  |        | 2,404  |                | 266     |              | 637,850    |           | (233,684)   |             | 404,167   |
| November         |          | 100,566   |              | 189,713   |      | 79,602    |        | 36,666  |        | 3,785  |                | 112     |              | 410,443    |           | (41,487)    |             | 368,956   |
| December         |          | 85,509    |              | 150,919   |      | 102,263   |        | 35,908  |        | 4,185  |                | 306     |              | 379,090    |           | (209)       |             | 379,090   |
| January          |          | 155,647   |              | 193,622   |      | 70,640    |        | 54,581  |        | 3,709  |                | 10      |              | 478,209    |           | (42,537)    |             | 435,672   |
| February         |          | 125,005   |              | 155,398   |      | 58,384    |        | 50,503  |        | 2,700  |                | 12      |              | 392,002    |           | (50,942)    |             | 341,060   |
| March            |          | 151,964   |              | 296,346   |      | 43,984    |        | 57,566  |        | 4,087  |                | 342     |              | 554,290    |           | (187,236)   |             | 367,053   |
| April            |          | 176,876   |              | 374,237   |      | 49,150    |        | 40,269  |        | 3,766  |                | -       |              | 644,298    |           | (251,639)   |             | 392,659   |
| May              |          | 165,406   |              | 149,014   |      | 51,780    |        | 42,148  |        | 3,889  |                | -       |              | 412,237    |           | (430)       |             | 411,807   |
| June             |          | 234,585   |              | 248,166   |      | 65,328    |        | 43,713  |        | 4,318  |                | -       |              | 596,110    |           | (195,373)   |             | 400,738   |
| 07/08 Claims     | \$       | 1,619,229 | \$           | 2,971,466 | \$   | 822,804   | \$     | 525,802 | \$     | 43,383 | \$             | 2,189   | \$           | 5,984,874  | \$        | (1,185,445) | \$          | 4,799,429 |
| 07/08 Annualized |          | 1,619,229 |              | 2,971,466 |      | 822,804   |        | 525,802 |        | 43,383 |                | 2,189   |              | 5,984,874  |           | (1,185,445) |             | 4,799,429 |
| Actual 06/07     |          | 1,512,778 |              | 3,333,177 |      | 1,027,493 |        | 557,296 |        | 42,826 |                | 6,626   |              | 6,480,195  |           | (1,321,704) |             | 5,158,491 |
| % Increase       |          | 7%        |              | -11%      |      | -20%      |        | -6%     |        | 1%     |                | -67%    |              | -8%        |           |             |             | -7%       |
| RETIREE          | hospital |           | professional |           | drug |           | dental |         | vision |        | master medical |         | total claims |            | stop loss |             | grand total |           |
| July             | \$       | 152,295   | \$           | 86,026    | \$   | 189,667   | \$     | 8,272   | \$     | -      | \$             | 17,482  | \$           | 453,742    | \$        | -           | \$          | 453,742   |
| August           |          | 124,528   |              | 103,457   |      | 142,975   |        | 4,509   |        | -      |                | 14,883  |              | 390,352    |           | -           |             | 390,352   |
| September        |          | 104,458   |              | 60,430    |      | 120,153   |        | 5,609   |        | -      |                | 14,567  |              | 305,218    |           | -           |             | 305,218   |
| October          |          | 154,350   |              | 120,780   |      | 141,511   |        | 5,396   |        | -      |                | 17,535  |              | 439,573    |           | -           |             | 439,573   |
| November         |          | 142,752   |              | 102,353   |      | 135,379   |        | 7,218   |        | -      |                | 18,569  |              | 406,272    |           | -           |             | 406,272   |
| December         |          | 93,836    |              | 104,593   |      | 204,847   |        | 10,604  |        | -      |                | 19,061  |              | 429,179    |           | -           |             | 429,179   |
| January          |          | 194,428   |              | 132,977   |      | 145,520   |        | 8,486   |        | -      |                | 23,831  |              | 507,360    |           | -           |             | 507,360   |
| February         |          | 155,704   |              | 123,869   |      | 146,473   |        | 8,486   |        | -      |                | 15,180  |              | 449,712    |           | -           |             | 449,712   |
| March            |          | 131,647   |              | 128,862   |      | 134,487   |        | 8,619   |        | -      |                | 12,274  |              | 415,889    |           | -           |             | 415,889   |
| April            |          | 125,080   |              | 130,836   |      | 135,081   |        | 7,104   |        | -      |                | 18,041  |              | 416,143    |           | -           |             | 416,143   |
| May              |          | 56,901    |              | 102,777   |      | 141,918   |        | 10,896  |        | -      |                | 13,879  |              | 326,371    |           | -           |             | 326,371   |
| June             |          | 143,428   |              | 107,130   |      | 186,944   |        | 9,794   |        | -      |                | 13,650  |              | 460,947    |           | (9,546)     |             | 451,401   |
| 07/08 Claims     | \$       | 1,579,408 | \$           | 1,304,090 | \$   | 1,824,955 | \$     | 93,350  |        |        | \$             | 198,954 | \$           | 5,000,756  | \$        | (9,546)     | \$          | 4,991,210 |
| 07/08 Annualized |          | 1,579,408 |              | 1,304,090 |      | 1,824,955 |        | 93,350  |        |        |                | 198,954 |              | 5,000,756  |           | -           |             | 5,000,756 |
| Actual 06/07     |          | 1,357,398 |              | 1,073,774 |      | 1,572,265 |        | 74,557  |        |        |                | 165,304 |              | 4,243,299  |           | -           |             | 4,243,299 |
| % Increase       |          | 16%       |              | 21%       |      | 16%       |        | 25%     |        |        |                | 20%     |              | 18%        |           |             |             | 18%       |
| TOTAL CLAIMS     | \$       | 3,198,637 | \$           | 4,275,556 | \$   | 2,647,759 | \$     | 619,152 | \$     | 43,383 | \$             | 201,143 | \$           | 10,985,631 | \$        | (1,194,991) | \$          | 9,790,640 |
| Employee %       |          | 51%       |              | 69%       |      | 31%       |        | 85%     |        | 100%   |                | 1%      |              | 54%        |           | 99%         |             | 49%       |
| Retiree %        |          | 49%       |              | 31%       |      | 69%       |        | 15%     |        | 0%     |                | 99%     |              | 46%        |           | 1%          |             | 51%       |

Note: BCBSM made correction of August \$50,000 underpayment of S/L recovery.  
Correction occurred in January thru March quarterly, not on monthly claim reports.  
Reflected above in additional \$50,000 stop-loss recovery for February 2008

## CITY OF STERLING HEIGHTS EMPLOYEE AND RETIREE CLAIMS 2008/09

| EMPLOYEE         | hospital     | professional | drug         | dental     | vision    | master medical | total claims | stop loss   | grand total  |
|------------------|--------------|--------------|--------------|------------|-----------|----------------|--------------|-------------|--------------|
| July             | \$ 114,107   | \$ 264,893   | \$ 25,361    | \$ 45,114  | \$ 3,781  | \$ 103         | \$ 453,359   | -           | \$ 453,359   |
| August           | 61,107       | 151,457      | 12,945       | 46,057     | 4,050     | 31             | 275,646      | (51,295)    | \$ 224,352   |
| September        | 123,490      | 502,331      | 10,284       | 49,640     | 4,488     | -              | 690,232      | (422,407)   | 267,826      |
| October          | 136,758      | 389,667      | 12,719       | 45,692     | 2,595     | 216            | 587,647      | (249,355)   | 338,292      |
| November         | 75,081       | 272,354      | 9,072        | 39,204     | 2,752     | 382            | 398,846      | (187,266)   | 211,581      |
| December         | 86,822       | 324,322      | 13,362       | 44,881     | 2,513     | 218            | 472,118      | (206,554)   | 265,564      |
| January          | 79,766       | 99,446       | 6,594        | 43,470     | 3,709     | 64             | 233,049      | -           | 233,049      |
| February         | 12,418       | 105,684      | 4,757        | 53,793     | 2,569     | 174            | 179,394      | 33,025      | 212,419      |
| March            | 110,155      | 104,573      | 1,177        | 58,743     | 3,408     | -              | 278,055      | -           | 278,055      |
| April            | 37,685       | 133,762      | 11           | 53,258     | 3,858     | -              | 228,575      | -           | 228,575      |
| May              |              |              |              |            |           |                | -            | -           | -            |
| June             |              |              |              |            |           |                | -            | -           | -            |
| 08/09 Claims     | \$ 837,388   | \$ 2,348,488 | \$ 96,282    | \$ 479,852 | \$ 33,722 | \$ 1,189       | \$ 3,796,921 | (1,083,851) | \$ 2,713,070 |
| 08/09 Annualized | 1,004,865    | 2,818,186    | 115,539      | 575,822    | 40,467    | 1,427          | 4,556,305    | (1,083,851) | \$ 3,472,454 |
| Actual 07/08     | 1,602,897    | 2,960,511    | 822,048      | 525,720    | 43,383    | 1,834          | 5,956,393    | (1,185,445) | 4,770,948    |
| % Increase       | -37%         | -5%          | -86%         | 10%        | -7%       | -22%           | -24%         |             | -27%         |
| RETIREE          | hospital     | professional | drug         | dental     | vision    | master medical | total claims | stop loss   | grand total  |
| July             | \$ 128,040   | \$ 124,670   | \$ 140,431   | \$ 6,315   | -         | \$ 11,183      | \$ 410,640   | -           | \$ 410,640   |
| August           | 121,570      | 104,006      | 136,371      | 10,161     | -         | 14,150         | 386,259      | -           | 386,259      |
| September        | 110,066      | 92,779       | 125,275      | 7,200      | -         | 14,662         | 349,981      | -           | 349,981      |
| October          | 183,087      | 156,589      | 137,714      | 6,443      | -         | 14,284         | 498,117      | -           | 498,117      |
| November         | 85,085       | 112,830      | 141,725      | 4,551      | -         | 13,796         | 357,987      | -           | 357,987      |
| December         | 118,363      | 111,497      | 184,172      | 12,300     | -         | 11,354         | 437,686      | -           | 437,686      |
| January          | 141,127      | 128,892      | 159,431      | 8,877      | -         | 12,566         | 450,893      | -           | 450,893      |
| February         | 253,864      | 117,958      | 148,393      | 8,246      | -         | 10,072         | 538,533      | (19,061)    | 519,472      |
| March            | 91,212       | 116,899      | 142,068      | 7,876      | -         | 11,340         | 369,396      | (2,322)     | 367,074      |
| April            | 101,870      | 145,293      | 149,500      | 8,246      | -         | 13,005         | 417,914      | (3,552)     | 414,362      |
| May              |              |              |              |            |           |                | -            | -           | -            |
| June             |              |              |              |            |           |                | -            | -           | -            |
| 08/09 Claims     | \$ 1,334,284 | \$ 1,211,413 | \$ 1,465,081 | \$ 80,215  |           | \$ 126,413     | \$ 4,217,407 | (24,936)    | \$ 4,192,471 |
| 08/09 Annualized | 1,601,141    | 1,453,696    | 1,758,097    | 96,258     |           | 151,696        | 5,060,888    | -           | 5,060,888    |
| Actual 07/08     | 1,595,740    | 1,315,045    | 1,825,712    | 93,432     |           | 199,308        | 5,029,237    | (9,546)     | 5,019,691    |
| % Increase       | 0%           | 11%          | -4%          | 3%         |           | -24%           | 1%           |             | 1%           |
| TOTAL CLAIMS     | \$ 2,171,672 | \$ 3,559,902 | \$ 1,561,363 | \$ 560,067 | \$ 33,722 | \$ 127,602     | \$ 8,014,327 | (1,108,787) | \$ 6,905,540 |
| Employee %       | 39%          | 66%          | 6%           | 86%        | 100%      | 1%             | 47%          |             | 39%          |
| Retiree %        | 61%          | 34%          | 94%          | 14%        | 0%        | 99%            | 53%          |             | 61%          |

# RISK INFORMATION

## EXHIBIT B

## Utilization Detail

### CITY OF STERLING HEIGHTS

**Submitted Date: February 2007 through May 2009**

| Date     | Member Month | Utilizers | Total Cost | Total Claims | Generic<br>% of Total<br>Claims | Total Mail<br>Order<br>Cost | Total<br>Mail<br>Order<br>Claims | Mail<br>Order<br>Cost<br>/Claim | Generic<br>C o s t<br>/Claim | Brand<br>C o s t<br>/Claim | A v g<br>C o s t<br>/Claim | A v g<br>C o s t<br>PMPM | A v g<br>C o s t<br>PUPM |
|----------|--------------|-----------|------------|--------------|---------------------------------|-----------------------------|----------------------------------|---------------------------------|------------------------------|----------------------------|----------------------------|--------------------------|--------------------------|
| 2007 Feb | 530          | 146       |            | 320          | 58%                             |                             | 3                                |                                 |                              |                            |                            |                          |                          |
| 2007 Mar | 526          | 193       | \$17,901   | 390          | 59%                             | \$1,216                     | 8                                | \$405.49                        | \$25.78                      | \$98.35                    | \$55.94                    | \$33.78                  | \$122.61                 |
| 2007 Apr | 528          | 185       | \$22,960   | 361          | 61%                             | \$2,942                     | 17                               | \$367.77                        | \$27.12                      | \$104.04                   | \$58.87                    | \$43.65                  | \$118.96                 |
| 2007 May | 525          | 190       | \$21,870   | 411          | 60%                             | \$5,190                     | 19                               | \$305.27                        | \$24.65                      | \$116.64                   | \$60.58                    | \$41.42                  | \$118.21                 |
| 2007 Jun | 525          | 165       | \$24,648   | 349          | 66%                             | \$5,114                     | 9                                | \$269.17                        | \$25.78                      | \$111.99                   | \$59.97                    | \$46.95                  | \$129.73                 |
| 2007 Jul | 537          | 180       | \$22,721   | 360          | 61%                             | \$2,915                     | 15                               | \$323.86                        | \$30.23                      | \$131.65                   | \$65.10                    | \$43.28                  | \$137.70                 |
| 2007 Aug | 532          | 179       | \$23,304   | 380          | 63%                             | \$4,045                     | 21                               | \$269.68                        | \$32.93                      | \$114.71                   | \$64.73                    | \$43.40                  | \$129.47                 |
| 2007 Sep | 527          | 184       | \$22,851   | 361          | 60%                             | \$5,289                     | 11                               | \$251.87                        | \$30.21                      | \$111.43                   | \$60.14                    | \$42.95                  | \$127.66                 |
| 2007 Oct | 526          | 203       | \$26,632   | 415          | 63%                             | \$4,572                     | 20                               | \$415.66                        | \$38.50                      | \$125.72                   | \$73.77                    | \$50.54                  | \$144.74                 |
| 2007 Nov | 514          | 190       | \$25,219   | 407          | 64%                             | \$5,791                     | 20                               | \$289.56                        | \$32.40                      | \$108.84                   | \$60.77                    | \$47.94                  | \$124.23                 |
| 2007 Dec | 519          | 191       | \$28,918   | 451          | 65%                             | \$7,115                     | 13                               | \$356.76                        | \$39.06                      | \$127.03                   | \$71.05                    | \$56.26                  | \$152.20                 |
| 2008 Jan | 520          | 210       | \$28,366   | 498          | 66%                             | \$3,646                     | 22                               | \$280.46                        | \$39.04                      | \$107.57                   | \$62.89                    | \$54.55                  | \$148.51                 |
| 2008 Feb | 875          | 335       | \$31,450   | 696          | 66%                             | \$6,870                     | 20                               | \$312.29                        | \$36.73                      | \$115.06                   | \$63.15                    | \$60.48                  | \$149.76                 |
| 2008 Mar | 874          | 336       | \$43,308   | 755          | 65%                             | \$7,045                     | 26                               | \$352.23                        | \$34.51                      | \$115.21                   | \$62.22                    | \$49.49                  | \$129.28                 |
| 2008 Apr | 883          | 349       | \$54,803   | 733          | 63%                             | \$12,663                    | 20                               | \$487.02                        | \$27.54                      | \$155.39                   | \$72.59                    | \$62.70                  | \$163.10                 |
| 2008 May | 1,125        | 406       | \$49,264   | 889          | 66%                             | \$9,603                     | 39                               | \$480.13                        | \$26.56                      | \$136.92                   | \$67.21                    | \$55.79                  | \$141.16                 |
| 2008 Jun | 1,125        | 397       | \$67,958   | 830          | 66%                             | \$14,284                    | 24                               | \$366.26                        | \$28.25                      | \$169.17                   | \$76.44                    | \$60.41                  | \$167.38                 |
| 2008 Jul | 1,125        | 498       | \$59,778   | 830          | 66%                             | \$13,726                    | 24                               | \$571.91                        | \$23.20                      | \$167.93                   | \$72.02                    | \$53.14                  | \$150.57                 |
| 2008 Aug | 1,417        | 546       | \$59,778   | 1,234        | 64%                             | \$11,839                    | 44                               | \$269.06                        | \$26.55                      | \$140.17                   | \$67.52                    | \$58.80                  | \$167.32                 |
| 2008 Sep | 1,469        | 546       | \$83,323   | 1,299        | 63%                             | \$23,609                    | 94                               | \$251.16                        | \$27.92                      | \$147.35                   | \$71.68                    | \$63.39                  | \$170.55                 |
| 2008 Oct | 1,477        | 566       | \$93,118   | 1,307        | 63%                             | \$20,937                    | 66                               | \$317.22                        | \$28.56                      | \$151.39                   | \$74.05                    | \$65.53                  | \$170.99                 |
| 2008 Nov | 1,581        | 600       | \$96,781   | 1,435        | 66%                             | \$21,978                    | 72                               | \$305.26                        | \$23.99                      | \$148.57                   | \$66.84                    | \$59.76                  | \$157.46                 |
| 2008 Dec | 1,587        | 600       | \$94,478   | 1,405        | 65%                             | \$23,709                    | 86                               | \$275.69                        | \$25.95                      | \$149.25                   | \$68.86                    | \$60.97                  | \$161.26                 |
| 2009 Jan | 1,585        | 644       | \$102,101  | 1,535        | 67%                             | \$21,751                    | 65                               | \$334.63                        | \$28.01                      | \$144.81                   | \$66.52                    | \$64.42                  | \$158.54                 |
| 2009 Feb | 1,673        | 659       | \$118,218  | 1,659        | 64%                             | \$29,111                    | 98                               | \$297.05                        | \$26.61                      | \$152.16                   | \$71.26                    | \$70.66                  | \$179.39                 |
| 2009 Mar | 1,647        | 639       | \$107,835  | 1,566        | 67%                             | \$24,921                    | 73                               | \$341.38                        | \$24.55                      | \$156.98                   | \$68.86                    | \$65.47                  | \$168.76                 |
| 2009 Apr | 1,679        | 726       | \$135,298  | 1,824        | 65%                             | \$35,944                    | 113                              | \$318.09                        | \$27.13                      | \$161.21                   | \$74.18                    | \$80.58                  | \$186.36                 |
| 2009 May | 1,672        | 678       | \$115,859  | 1,696        | 66%                             | \$14,362                    | 76                               | \$188.97                        | \$30.00                      | \$141.27                   | \$68.31                    | \$69.29                  | \$170.88                 |
| 2009 May | 1,677        | 694       | \$118,242  | 1,702        | 66%                             | \$17,239                    | 87                               | \$198.15                        | \$28.05                      | \$150.67                   | \$69.47                    | \$70.51                  | \$170.38                 |

# Utilization Detail

## CITY OF STERLING HEIGHTS

Submitted Date: February 2007 through May 2009

| Date | Member Months | Utilizers | Total Cost  | Total Claims | % of Total<br>Claims | Total Mail<br>Order<br>Cost | Mail<br>Order<br>Claims | Mail<br>Order<br>Cost<br>/Claim | Generic<br>Cost<br>/Claim | Brand<br>Cost<br>/Claim | Avg<br>Cost<br>/Claim | Avg<br>Cost<br>PM/PM | Avg<br>Cost<br>PUPM |
|------|---------------|-----------|-------------|--------------|----------------------|-----------------------------|-------------------------|---------------------------------|---------------------------|-------------------------|-----------------------|----------------------|---------------------|
|      | 28,655        | 10,889    | \$1,733,957 | 25,268       | 65%                  | \$357,426                   | 1,181                   | \$302.65                        | \$28.12                   | \$142.79                | \$68.62               | \$60.51              | \$159.24            |

# RISK INFORMATION

## EXHIBIT C

**CITY OF STERLING HEIGHTS  
SUFFIX DESCRIPTION AND AVAILABILITY**

| Retiree Group / Suffix | Description | Applicable Group | Offered to Pre 65 or Post 65 | Anticipated Plan Design Changes | Eligible Active to Retiree Group / Suffix | Comments |
|------------------------|-------------|------------------|------------------------------|---------------------------------|-------------------------------------------|----------|
|------------------------|-------------|------------------|------------------------------|---------------------------------|-------------------------------------------|----------|

**ACTIVE EMPLOYEES**

|        |                                        |                                                        |                                                      |                  |                               |                                                                                               |
|--------|----------------------------------------|--------------------------------------------------------|------------------------------------------------------|------------------|-------------------------------|-----------------------------------------------------------------------------------------------|
| 12     | Traditional                            | BCBSM \$5 Drug                                         | Court Administration                                 | Pre 65 & Post 65 | Suffix terminates eff. 3/1/09 | Court Adm. Employees will move to 674, 675 or HAP effective 3/1/09                            |
| 669    | Community Blue - 1                     | BCBSM \$10 Drug                                        | Court Administration                                 | Pre 65 & Post 65 | Suffix terminates eff. 3/1/09 | Court Adm. Employees will move to 674, 675 or HAP effective 3/1/09                            |
| 670    | Community Blue - 10                    | PBM \$0 / \$15 Drug                                    | Police Officers                                      | Pre 65 & Post 65 | None                          | Includes Dental                                                                               |
| 671    | Community Blue - 10 B                  | PBM \$0 / \$15 Drug                                    | Police Officers - hired after 01/01/07               | Pre 65 & Post 65 | None                          | Includes Dental                                                                               |
| 672    | Community Blue - 10                    | PBM \$0 / \$15 Drug                                    | Fire Fighters                                        | Pre 65 & Post 65 | None                          | Includes DentalMax Dental, and Vision                                                         |
| 673    | Community Blue - 10 B                  | PBM \$0 / \$15 Drug                                    | Fire Fighters - hired after 02/01/08                 | Pre 65 & Post 65 | None                          | Includes DentalMax Dental, and Vision                                                         |
| 674    | Community Blue - 10                    | PBM \$5 / \$20 Drug                                    | All employees except P &F                            | Pre 65 & Post 65 | None                          | Includes Dental + Vision (certain groups)                                                     |
| 675    | Community Blue - 7                     | PBM \$5 / \$20 Drug                                    | New Hires (except P&F) after 01/01/07 w/new contract | Pre 65 & Post 65 | None                          | Includes Dental + Vision (certain groups)                                                     |
| 676    | Community Blue - 10                    | PBM \$0 / \$15 Drug                                    | Police Command                                       | Pre 65 & Post 65 | None                          | Includes DentalMax Dental, and Vision                                                         |
| 454-AB | Health Alliance Plan - HMO             | PBM \$0 / \$15 Drug (P&F) or \$5 / \$20 Drug (non P&F) | All Active Employees                                 | Pre 65 & Post 65 | None                          | Includes Dental + Vision (certain groups), DentalMax option for Fire & Police Command groups. |
| SHP    | US Health & Life \$1,200 / \$2,300 HSA | Includes Drug                                          | Police Command                                       | Pre 65 & Post 65 | None                          | Includes DentalMax Dental, and Vision                                                         |

**CITY OF STERLING HEIGHTS  
SUFFIX DESCRIPTION AND AVAILABILITY**

| <b>Retiree Group / Suffix</b> | <b>Description</b> | <b>Applicable Group</b> | <b>Offered to Pre 65 or Post 65</b>        | <b>Anticipated Plan Design Changes</b> | <b>Eligible Active to Retiree Group / Suffix</b> | <b>Comments</b>                |
|-------------------------------|--------------------|-------------------------|--------------------------------------------|----------------------------------------|--------------------------------------------------|--------------------------------|
| COPS - 1                      | COPS TRUST PPO     | PBM \$0 / \$15 Drug     | Police Officers                            | Pre 65 & Post 65                       | None                                             | Includes BCBSM Dental          |
| COPS - 2                      | COPS TRUST PPO     | PBM \$5 / \$20 Drug     | Police Clerical, MAPE Clerical & Executive | Pre 65 & Post 65                       | None                                             | Includes BCBSM Dental + Vision |

**CITY OF STERLING HEIGHTS  
SUFFIX DESCRIPTION AND AVAILABILITY**

| Retiree Group / Suffix                        | Description         | Applicable Group    | Offered to Pre 65 or Post 65                                    | Anticipated Plan Design Changes | Eligible Active to Retiree Group / Suffix | Comments                  |           |
|-----------------------------------------------|---------------------|---------------------|-----------------------------------------------------------------|---------------------------------|-------------------------------------------|---------------------------|-----------|
| RETIREE - GENERAL EMPLOYEES RETIREMENT SYSTEM |                     |                     |                                                                 |                                 |                                           |                           |           |
| 900                                           | Traditional         | BCBSM \$2 Drug      | GERS Retirees from the mid 1990's and before                    | Pre 65 and Post 65              | None                                      | Closed to Future Retirees | No Dental |
| 901                                           | Traditional         | BCBSM \$5 Drug      | GERS Retirees from the mid to late 1990's                       | Pre 65 and Post 65              | None                                      | Closed to Future Retirees | No Dental |
| 903                                           | Community Blue - 1  | BCBSM \$5 Drug      | GERS Retirees from the mid to late 1990's                       | Pre 65 and Post 65              | None                                      | Closed to Future Retirees | No Dental |
| 906                                           | Traditional         | BCBSM \$2 Drug      | GERS Retirees from the mid 1990's and before                    | Pre 65 and Post 65              | None                                      | Closed to Future Retirees | No Dental |
| 909                                           | Community Blue - 1  | BCBSM \$10 Drug     | GERS Retirees since the early 2000                              | Pre 65 and Post 65              | None                                      | Closed to Future Retirees | No Dental |
| 912                                           | Traditional         | BCBSM \$10 Drug     | Retirees since the early 2000, that pay addl. Premium over CB-1 | Pre 65 and Post 65              | None                                      | Closed to Future Retirees | No Dental |
| 991                                           | Community Blue - 10 | PBM \$5 / \$20 Drug | GERS Retirees after 02/01/07 from suffix 674                    | Pre 65 and Post 65              | None                                      | 674                       | No Dental |
| 995                                           | Community Blue - 1  | PBM \$5 / \$20 Drug | After 07/01/08, by early retirement incentive only, from 669    | Pre 65 and Post 65              | None                                      | 669                       | No Dental |

**CITY OF STERLING HEIGHTS  
SUFFIX DESCRIPTION AND AVAILABILITY**

| Retiree Group / Suffix                    | Description         | Applicable Group    | Offered to Pre 65 or Post 65                 | Anticipated Plan Design Changes | Eligible Active to Retiree Group / Suffix | Comments                  |                           |
|-------------------------------------------|---------------------|---------------------|----------------------------------------------|---------------------------------|-------------------------------------------|---------------------------|---------------------------|
| RETIREE - POLICE & FIRE RETIREMENT SYSTEM |                     |                     |                                              |                                 |                                           |                           |                           |
| 922                                       | Blue Preferred PPO  | BCBSM \$5 Drug      | PFRS Retirees from the late 1990's           | Pre 65 and Post 65              | None                                      | Closed to Future Retirees | No Dental                 |
| 980                                       | Traditional         | BCBSM \$2 Drug      | PFRS Retirees from the mid 1990's and before | Pre 65 and Post 65              | None                                      | Closed to Future Retirees | No Dental                 |
| 981                                       | Traditional         | BCBSM \$5 Drug      | PFRS Retirees from the mid to late 1990's    | Pre 65 and Post 65              | None                                      | Closed to Future Retirees | No Dental                 |
| 982                                       | Traditional         | BCBSM \$5 Drug      | PFRS Retirees from the mid to late 1990's    | Pre 65 and Post 65              | None                                      | Closed to Future Retirees | Includes Dental           |
| 983                                       | Community Blue - 1  | BCBSM \$10 Drug     | PFRS Retirees since the early 2000           | Pre 65 and Post 65              | None                                      | Closed to Future Retirees | Includes Dental           |
| 989                                       | Community Blue - 1  | BCBSM \$10 Drug     | PFRS Retirees since the early 2000           | Pre 65 and Post 65              | None                                      | Closed to Future Retirees | Includes Dental           |
| 990                                       | Community Blue - 10 | PBM \$0 / \$15 Drug | Police Officer Retired after 02/01/07        | Pre 65 and Post 65              | None                                      | 670                       | Includes Dental           |
| 992                                       | Community Blue - 10 | PBM \$0 / \$15 Drug | Police Command & Fire Dentemax               | Pre 65 and Post 65              | None                                      | 672, 676                  | Includes DentemMax Dental |

# RISK INFORMATION

## EXHIBIT D

# RELIANCE STANDARD

Life Insurance Company

PLEASE REMIT PAYMENT TO:  
PO BOX 8500 (52338)  
PHILADELPHIA, PA. 19178-2338

CITY OF STERLING HEIGHTS  
ATTN: MAUREEN  
40555 UTICA RD  
STERLING HEIGHTS, MI 48313

STATEMENT OF PREMIUM DUE  
RSO: MICHIGAN (52338) -6- PREMIUM DUE DATE: 6/1/2009  
SUB POLICY NUMBER 1 POLICYHOLDER:  
BILL GROUP NUMBER 1 AGENT:  
CLASS CODE 1 PREMIUM PERIOD: 1 MONTH  
CITY OF STERLING HEIGHTS  
35-1170  
1 MONTH

## TOTAL AMOUNT DUE IS PAYABLE ON OR BEFORE THE PREMIUM DUE DATE

| POLICY NUMBER    | COVERAGE                      | IN FORCE FROM LAST STATEMENT  | ADDITIONS AND INCREASES | DELETIONS AND DECREASES | CURRENT IN FORCE | NET ADJUSTMENT | ADJUSTED IN FORCE | RATE PER DOLLAR/UNIT OF COVERAGE | PREMIUM DUE |
|------------------|-------------------------------|-------------------------------|-------------------------|-------------------------|------------------|----------------|-------------------|----------------------------------|-------------|
| GL 140872        | LIFE                          | LIVES<br>VOLUME               | 927<br>49,915,235.29    |                         | 928              | 1<br>0.00      | 49,915,235.29     | 0.00017                          | 8,472.23    |
| GL 140872        | AD & D                        | LIVES<br>VOLUME               | 589<br>4,700,500.00     |                         | 590              | 1<br>0.00      | 4,700,500.00      | 0.00002                          | 938.04      |
| LTD 114864       | LONG TERM DISABIL             | LIVES<br>VOLUME               | 589<br>3,093,004.00     |                         | 590              | 1<br>0.00      | 3,093,004.00      | 0.0025                           | 7,724.00    |
| PRIOR PERIOD ADJ | LIFE INS                      | ADJUSTMENT FOR PRIOR SHORTAGE |                         |                         |                  |                |                   |                                  |             |
| PRIOR PERIOD ADJ | AD & D                        | ADJUSTMENT FOR OVERPAYMENT    |                         |                         |                  |                |                   |                                  |             |
| PRIOR PERIOD ADJ | ADJUSTMENT FOR PRIOR SHORTAGE |                               |                         |                         |                  |                |                   |                                  |             |
| PRIOR PERIOD ADJ | LTD                           | ADJUSTMENT FOR PRIOR SHORTAGE |                         |                         |                  |                |                   |                                  |             |

\*\*\*\* FOR CLAIM QUESTIONS, PLEASE CALL 1-800-351-7500 EXT. 4149

IF YOU HAVE ANY QUESTIONS REGARDING THIS BILL, PLEASE CALL CUSTOMER SERVICE AT 1-800-644-1103

I hereby certify that this statement exhibits changes in accordance with the terms of the Group Contract

Authorized Signature Raymond M Sharer Date 5/28/2009  
Please return this statement with your check for the total amount due

Total Amount Due: \$17,134.27