The Reschini Group

Memorandum

Date: November 29, 2006

To: WEC Schools Consortium

Re: Act 1 Projection

From: Chris Holuta/Robin Hope

Attached is the Act 1 projection based on the consortium and Highmark's trend. The trend is for a 21-month period, which is more than will be used when we project in the first quarter of 2007.

Please remember this is a preliminary projection for Act 1 requirements. During the first quarter of 2007, we will be preparing the final projection for July 1, 2007. If you have any questions please call Robin at 724-463-5972.

Act 1 Projection

WEC SCHOOLS CONSORTIUM

2007 - 2008 RENEWAL BASED ON UPDATED LOSS RATIOS

COMBINED CALCULATION: -0.70%

School	Current Payment	Three Year Average Loss Ratio (2004, 2005, 2006)	Indicated Change	Premium Change	New Payment	Percent of Total	Allocated Overage	New Total Payment	Percentage Change
Crawford Central	$5,250,968	103.56%	2.30%	$120,772	$5,371,740	27.81%	($5,909)	$5,365,831	2.19%
Forest Area	$1,356,750	75.09%	-1.70%	($23,065)	$1,333,686	7.19%	($1,527)	$1,332,159	-1.81%
Titusville Area	$2,708,246	77.17%	-1.70%	($46,040)	$2,662,205	14.34%	($3,047)	$2,659,158	-1.81%
Union City Area	$1,572,084	74.06%	-1.70%	($26,725)	$1,545,359	8.33%	($1,769)	$1,543,590	-1.81%
Warren County	$7,991,429	73.22%	-1.70%	($135,854)	$7,855,575	42.33%	($8,992)	$7,846,582	-1.81%
	$18,879,477			($110,912)	$18,768,564	100.00%	($21,244)	$18,747,320	-0.70%

Total Payments	$18,879,477			
Required Income	$18,747,320	Required Income	($132,156)	$18,747,320
Change	($132,156)	**OVER**	($21,244)	($21,244)
Percent Change	-0.70%			

Notations:

* *Loss ratio's reflect calender year claims vs. funding - preliminary calculation uses ytd September 2006 for current year*