



January 31, 2007

TO: NRD Managers, NARD Board

FROM: Dean E. Edson, Executive Director

RE: NARD INSURANCE RESERVE

Attached is the assessment to your district for the reserve requirement for the NARD Insurance Program. The NARD Board is requesting that this money be collected by March 1, 2007. I have also attached the most current NARD Insurance Program financials for your information.

The NARD Board took action at the January meeting to raise enough funds for now to cover the losses from previous years, which is near the reserve requirement for the program. The assessment covers the reserve requirement, plus a small cushion to make sure we do not dip into the reserve.

This assessment equates to \$2,000/employee in the program. The absolute minimum reserve is \$605,000.

The statutory requirements for running the program also require us to maintain a minimum reserve. Thus, it is important that the program continue to be profitable. The NARD staff and consultants have calculated that we could have a maximum additional exposure of almost \$450,000 in the worst-case scenario.

However, it appears that under our current premium and deductible structure we will not need to raise additional funds for the program. If the program continues on the pace of turning a profit every month, future assessments will not be needed. However, we want to make everyone aware that if the program takes a down-turn in the next few months, we will have to take this approach.

It was the desire of the NARD Board to limit the amount of tax dollars necessary to develop the reserve rather than over-estimating the amounts and collecting more than necessary.

Once the new program is started, each member district will be an owner in the risk pool, just as you are in the current program.

If you have any questions, please contact me.

Note: \$127,000 included in Acct. No. 0101004151 – Employee Insurance Account in FY 2007 budget to cover NARD Reserve Account. The District is being assessed \$90,000 to be paid by March 1, 2007.

**Employee's enrolled in NARD Health Insurance Program as of
January 1, 2007**

NRD	Number of employee's	Assessment at \$2,000/employee
Nard	3	\$ 6,000.00
Central Platte	22	\$ 44,000.00
Lewis & Clark	10	\$ 20,000.00
Little Blue	14	\$ 28,000.00
Lower Big Blue	9	\$ 18,000.00
Lower Elkhorn	20	\$ 40,000.00
Lower Loup	26	\$ 52,000.00
Lower Niobrara	4	\$ 8,000.00
Lower Platte North	21	\$ 42,000.00
Lower Platte South	25	\$ 50,000.00
Lower Republican	12	\$ 24,000.00
Middle Niobrara	7	\$ 14,000.00
Middle Republican	12	\$ 24,000.00
Nemaha	18	\$ 36,000.00
North Platte	14	\$ 28,000.00
Papio-Missouri River	45	\$ 90,000.00
South Platte	9	\$ 18,000.00
Tri-Basin	11	\$ 22,000.00
Twin Platte	9	\$ 18,000.00
Upper Big Blue	21	\$ 42,000.00
Upper Elkhorn	8	\$ 16,000.00
Upper Loup	4	\$ 8,000.00
Upper Niobrara White	10	\$ 20,000.00
Upper Republican	9	\$ 18,000.00
Totals	343	\$ 686,000.00

NARD Insurance Account
Balance Sheet
As of January 31, 2007

	Jan 31, 07
ASSETS	
Current Assets	
Checking/Savings	
100 Insurance - Union & NPAIT	137,543.59
102 - Mid-American Benefits Credit Ac	1,730.00
Total Checking/Savings	139,273.59
Accounts Receivable	
1200 - Accounts Receivable	165,578.10
Total Accounts Receivable	165,578.10
Total Current Assets	304,851.69
TOTAL ASSETS	304,851.69
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
220 Deferred Revenue	297,874.34
Total Other Current Liabilities	297,874.34
Total Current Liabilities	297,874.34
Long Term Liabilities	
250 Reserve for runout liabilit	250,000.00
Total Long Term Liabilities	250,000.00
Total Liabilities	547,874.34
Equity	
290 Net Assets	36,014.52
3900 - 350 Retained Earnings	-618,146.08
Net Income	339,108.91
Total Equity	-243,022.65
TOTAL LIABILITIES & EQUITY	304,851.69

NARD Insurance Account Financial Report

July 2006 through January 2007

Accrual Basis

	Jul 06	Aug 06	Sep 06	Oct 06	Nov 06	Dec 06	Jan 07	TOTAL
Income								
400 Premium payments	298,899.68	303,250.94	315,858.30	278,712.32	305,648.75	300,137.59	298,439.83	2100947.41
410 Interest Earned	372.09	271.83	392.39	402.10	506.13	677.21	690.81	3,312.56
420 Miscellaneous	0.00	0.00	327.28	17,974.16	0.00	0.00	0.00	18,301.44
430 Premium Refund	0.00	0.00	8,640.74	0.00	0.00	0.00	0.00	8,640.74
440 Claim Refund/Reimburse...	30,181.48	43,875.25	0.00	26,000.00	8,753.63	18.00	1,686.36	110,514.72
470 - COBRA Vision	0.00	0.00	10.20	40.80	20.40	30.60	20.40	122.40
Total Income	329,453.25	347,398.02	325,228.91	323,129.38	314,928.91	300,863.40	300,837.40	2241839.27
Expense								
500 Vision Reimbursement Ex...	4,082.38	6,418.43	3,173.57	4,427.98	3,521.95	7,163.34	7,061.96	35,849.61
510 Claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
520 Premiums	57,448.76	28,843.77	43,963.16	38,906.10	28,592.73	38,412.91	33,236.65	269,404.08
540 Office supplies	0.00	0.00	0.00	0.00	0.00	210.51	0.00	210.51
560 Insurance Refund	0.00	0.00	10.20	0.00	0.00	0.00	0.00	10.20
570 Accounting Services	0.00	0.00	0.00	0.00	0.00	0.00	1,674.00	1,674.00
511 - RX (Pharmacy)	17,511.42	12,117.78	24,596.25	17,375.54	29,032.86	22,719.84	11,991.83	135,345.52
512 - RX (Mail order)	36,926.35	7,765.81	19,527.88	20,840.30	22,156.49	26,713.15	7,110.03	141,040.01
514 - Dental	15,751.40	13,502.11	13,465.67	11,724.30	17,009.04	13,337.50	18,891.63	103,681.65
515 - Hospital/Medical	171,477.82	211,194.23	96,736.58	191,934.31	194,085.44	172,630.33	176,596.07	1214654.78
580 - Legal Expenses	860.00	0.00	0.00	0.00	0.00	0.00	0.00	860.00
Total Expense	304,058.13	279,842.13	201,473.31	285,208.53	294,398.51	281,187.58	256,562.17	1902730.36
Net Income	25,395.12	67,555.89	123,755.60	37,920.85	20,530.40	19,675.82	44,275.23	339,108.91

This report has NOT been audited by accountants