

Your Letterhead

Risk Memorandum Annual Actuarial Report

To: William Jones
XYZ Service Company
124 Main Street
Raleigh, NC 27601

From: John TPA

Re: Annual Actuarial Report: Health Care Plan of XYZ Service Company
All Benefit Options

Benefits: Medical, Rx, Dental and Vision

Date: April 23, 2010

The Annual Actuarial Report for the projected Plan Year 1-1-2010 to 1-1-2011 is attached. The Report is organized as follows:

Part A – Each Option Separately

1. Transmittal Letter
2. Results of Computations
Recommended Funding and COBRA Factors

Part B – All Options Combined

1. Commentary on the Computations
2. Actuarial Certification
3. Conditions and Terms of Opinion
4. Instructions and Parameters
5. Submitted Data and Computations
6. Detailed Data Report.