


By The Numbers
Actuarial 
Consulting, Inc.

DRAFT

September 11, 2006

Martha Salazar, CPPD/Purchasing Agent
Hidalgo County Purchasing Dept
100 E Cano, 4th Floor —Administration Bldg
Edinburg, TX 78539

**RE: COUNTY OF HIDALGO WORKERS' COMPENSATION SELF-INSURANCE
FUND—ENGAGEMENT LETTER**

Dear Martha Salazar:

As requested, this letter outlines the scope and terms of our engagement with the County of Hidalgo Workers' Compensation Self-Insurance Fund (Hidalgo).

SCOPE

By the Numbers Actuarial Consultants, Inc. (BYNAC) will prepare an actuarial report that estimates the premium need for the 1/1-12/31/07 period. In addition, a second actuarial report will be provided that estimates the required reserves for claims incurred by Hidalgo for the 7/1/03-12/31/06 period as of 12/31/06.

FEES

Each report is billed on a time and expense basis subject to a maximum fee of \$5,500, for a total of \$11,000 for the two reports. The maximum fee includes a trip to present our findings. Shown below are our current hourly rates.

Lisa Dennison, FCAS, FCA, MAAA – President and Consulting Actuary	\$225
Mary Jean King, FCAS, MAAA – Consulting Actuary	215
Jeff McSweeney – Vice President and Consulting Actuary	195

OUTCOME AND CONTINGENCY

Any opinions expressed are based on our actuarial experience and judgment and are limited by our knowledge of the facts at the time. We cannot and do not make promises or guarantees about the outcome of the analysis. In addition, your obligation to pay for services and expenses is not contingent upon the outcome of any matter.

Martha Salazar
September 11, 2006
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Thank you for the opportunity to provide services. If these arrangements are acceptable, please sign a copy of this letter in the space provided below and return it to me. If you have any questions, please let me know.

Sincerely,



Jeffrey S. McSweeney
Vice President and Consulting Actuary



Lisa Dennison, FCAS, FCA, MAAA
President and Consulting Actuary

Accepted: Hidalgo County

By: _____

Date: _____

REFERENCES

1. Texas Public Workers' Compensation Program
South Plains Schools Workers' Compensation Program
Texas Workers Compensation Solutions

Russ Edwards (830) 798-2081
2. Capital Metro Transit Authority

Russ Hermesmeier (512) 306-8880
3. Texas Association of Counties

Jim Jean (512) 478-8753

**MEMORANDUM
(IMMEDIATE REVIEW AND RESPONSE REQUIRED)**

To: Mr. Jeff McSweeney, Vice President and Consulting Actuary
By the Numbers Actuarial Consulting, Inc.

From: Martha L. Salazar, CPPB *MCS*
Hidalgo County Purchasing Department

C/O: Cris Villarreal, Buyer

Date: September 20, 2006

Re: Negotiation for Worker's Compensation Loss and Funding Projections Actuarial Studies.

We are in receipt of your proposed rates and total fees submitted in your response to our RFSP dated September 15, 2006. Please submit your best and final offer by no later than Thursday, September 21, 2006 by 4:00 P.M.

We ask that you approve by signing below acknowledgment of receipt with commitment to submit by deadline and return via fax to (956)318-2629.

Signed: *Jeffrey S. McSweeney*

Printed Name: Jeffrey S. McSweeney 9/21/06

Title: Vice President & Consulting Actuary

From: "Jeff McSweeney" <jmcsweeney@bynac.com>
To: <cris.villarreal@co.hidalgo.tx.us>
CC:
Date: Thu, 21 Sep 2006 04:56:36 -0400
Subject: **RE: best and final**

Cris, here is the signed memo. I will fax it to you also. Have a nice day...

Jeff

Jeff McSweeney
VP & Consulting Actuary
By the Numbers Actuarial Consulting, Inc.
843 Hamlet St
Columbus, OH 43215
(614) 638-3420
(614) 299-2419 fax
jmcsweeney@bynac.com
www.bynac.com

-----Original Message-----

From: Cris Villarreal [mailto:cris.villarreal@co.hidalgo.tx.us]
Sent: Wednesday, September 20, 2006 4:15 PM
To: jmcsweeney@bynac.com
Subject: best and final

Mr. McSweeney,
As per our telephone conversation clarifying your fees, please see attached
memo as to finalize the process before award of this project.

Thank you,
Cris Villarreal
Hidalgo County Buyer
956-318-2626

Sent via the WebMail system at co.hidalgo.tx.us

[Memo- H.C. Workers Comp Acturial Study-signed.pdf \(Binary attachment\)](#)