

**EL DORADO COUNTY JAIL SERVICES
 CATASTROPHIC INMATE MEDICAL INSURANCE PROGRAM (CIMD)
 2008-2009 RENEWAL PROPOSAL**

PRESENT

PROPOSED

INSURANCE COMPANY	Lexington Insurance Company	Lexington Insurance Company
A.M. BEST GUIDE RATING	A+, Superior; Financial Size Category XV (\$2,000,000,000 or greater)	A+, Superior; Financial Size Category XV (\$2,000,000,000 or greater) as of May 28, 2008
STANDARD & POOR'S RATING	AA+, Very Strong	AA+, Very Strong as of July 2, 2007
CALIFORNIA STATUS	Non-Admitted	Non-Admitted
COVERAGE TERM	March 15, 2008 to July 1, 2008	July 1, 2008 to July 1, 2009
COVERAGE	<ul style="list-style-type: none"> Off-Site Inpatient Services/Outpatient Surgical and associated Physician Services. The Maximum eligible allowable shall be limited to the lesser of the amount paid, or up to an "Average Daily Maximum" (ADM) per admission of \$8,000 ADM for the first three days and \$4,000 ADM thereafter. 	
LIMITS	\$1,000,000 Aggregate Limit of Liability Per Policy \$ 250,000 Limit of Liability per Inmate	Same as Present Same as Present
DEDUCTIBLE	\$ 20,000 Per Inmate	See Deductible Options

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EXCLUSIONS OR LIMITATIONS

- | | |
|--|------------------------|
| <ul style="list-style-type: none">• All charges in connection with security or guarding any inmate for any reason• Charges which are incurred after the inmate has been released from custody• All charges for which government authorities are not legally obligated to pay• All charges in connection with treatment for mental or nervous disorders• All charges in connection with treatment of substance abuse• Charges paid outside the terms of the Policy• Charges which are not inpatient medical | <p>Same as Present</p> |
| <p>EXCLUSIONS OR LIMITATIONS
(BUY BACK COVERAGE OPTIONS)</p> | |
| <ul style="list-style-type: none">• All Charges incurred as a result of AIDS/HIV illnesses• All charges in connection with pregnancy | <p>Same as Present</p> |

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PREMIUM

ANNUAL PREMIUM W/OPTIONAL DEDUCTIBLES	ANNUAL PREMIUM W/OPTIONAL DEDUCTIBLES
<u>Option 1</u>	<u>Option 1</u>
\$ 20,000	\$ 20,000
342 Current Inmate population	349 Current Inmate population
0.670 Rate per Inmate, per day	\$ 0.870 Rate per Inmate, per day
<u>\$ 24,747</u> Subtotal	\$110,825 Subtotal
<u>\$ 247</u> Terrorism Coverage	<u>\$ 1,108</u> Terrorism Coverage
\$ 24,995 Total Estimated Annual Premium*	\$111,933 Total Estimated Annual Premium*

ANNUAL PREMIUM W/OPTIONAL DEDUCTIBLES	ANNUAL PREMIUM W/OPTIONAL DEDUCTIBLES
<u>Option 2</u>	<u>Option 3</u>
\$ 30,000	\$ 40,000
349 Current Inmate population	349 Current Inmate population
\$ 0.650 Rate per Inmate, per day	\$ 0.590 Rate per Inmate, per day
<u>\$ 82,800</u> Subtotal	<u>\$ 75,157</u> Subtotal
<u>\$ 828</u> Terrorism Coverage	<u>\$ 752</u> Terrorism Coverage
\$ 83,628 Total Estimated Annual Premium*	\$ 75,909 Total Estimated Annual Premium*

*Total Annual Premium and Any Optional Exclusion Buybacks
Subject to California Surplus Lines Taxes (3%) & Fees (0.125%)

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BUY BACK OPTIONS ANNUAL PREMIUM

	Option 1	Option 2	Option 3
Aids/HIV	\$ 22,387	\$ 16,726	\$ 15,182
Pregnancy	\$ 11,193	\$ 8,363	\$ 7,591

CONDITIONS

- Eligible claims are those occurring in 12 months and paid in 18 months
- The Company reserves the right to audit the inmate count
- Large claim updates may be required

• Same as present

COMMISSION

- | | |
|---|---|
| <ul style="list-style-type: none"> • <u>Current Average Commissions</u> • 10% for Alliant Insurance Services • 7% for HRH / Hunt Insurance Group | <ul style="list-style-type: none"> • <u>Renewal Average Commissions</u> • 10% for Alliant Insurance Services • 7% for HRH / Hunt Insurance Group |
|---|---|

QUOTE VALID UNTIL

July 1, 2008

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2008-2009 RENEWAL PROPOSAL**

BROKER

**ALLIANT INSURANCE SERVICES, INC.
Newport Beach CA**

Nazie Arshi, First Vice President
Shawn Kraatz, Vice President
Valentin Torres, Account Representative

*NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY IN ANY WAY.
PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION.*

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliantinsurance.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Attention: Chief Operating Officer, 1620 Fifth Avenue, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations.

Insurance brokerages such as Alliant typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com.

For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

To learn more about companies doing business in California, visit the California Department of Insurance website at www.insurance.ca.gov.

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