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April 1, 2014

Dear HealthTrust Members and PL and WC Covered Entities:

Today, the HealthTrust Board of Directors voted to send HealthTrust members a total of $13.9 million obtained from the former Property-Liability Trust, Inc.’s (PLT) coverage lines, representing a substantial portion of the $17.1 million owed to HealthTrust by PLT.  The board plans to send the money to HealthTrust members as soon as possible after June 30, 2014, pending approval of our regulator, the Bureau of Securities Regulation (BSR).

This is good news for HealthTrust members.  The HealthTrust board is committed to sending this money back to its members as soon as possible, and we are working diligently to return the additional funds as they become available to bring the total to $17.1 million.

The $13.9 million represents an increase from the $12.2 million original estimate of how much was available to return to members.  The increase is the result of an actuarial analysis of the PLT coverage lines, conducted as part of HealthTrust’s management of PLT assets.  The independent actuary’s analysis found that due to better than anticipated claims costs, reserves could be lowered resulting in additional surplus.  This positive trend may be due to highly responsible behaviors by the covered groups who have been supported through our comprehensive claims handling and management programs developed by PLT and now provided through HealthTrust.

The payment of $13.9 million has no impact on our current reserve levels required to meet expected claims liabilities for the PLT coverage lines and our confidence level reserve which is still fully funded at the 90% level.  The property, liability and workers’ compensation lines have seen a steady decline in claims over the last several years.  This has increased the available net assets allowing for payment of $13.9 million at this time.

The participating groups themselves have made this possible by being extremely smart about their operations and taking complete advantage of the available programs that assist in keeping things safe and secure.

As we continue to work with our regulators, we will keep you informed of our progress.  Our staff, as always, is focused on providing exceptional service to you.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



Peter Bragdon

Executive Director