

**Dallas**

Glenn A. Tobleman, F.S.A., F.C.A.S.  
 S. Scott Gibson, F.S.A.  
 Cabe W. Chadick, F.S.A.  
 Michael A. Mayberry, F.S.A.  
 David M. Dillon, F.S.A.  
 Gregory S. Wilson, F.C.A.S.  
 Steven D. Bryson, F.S.A.  
 Bonnie S. Albritton, F.S.A.  
 Brian D. Rankin, F.S.A.  
 Wesley R. Campbell, F.C.A.S., F.S.A.  
 Jacqueline B. Lee, F.S.A.  
 Brian C. Stentz, A.S.A.  
 Robert E. Gove, A.S.A.  
 J. Finn Knox-Seith, A.S.A.  
 Jennifer M. Allen, A.S.A.  
 Josh A. Hammerquist, A.S.A.  
 Xiaoxiao (Lisa) Jiang, A.S.A.  
 Sujaritha Tansen, A.S.A.  
 Sergei V. Mordovin, A.S.A.  
 Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

**Kansas City**

Gary L. Rose, F.S.A.  
 Terry M. Long, F.S.A.  
 Leon L. Langlitz, F.S.A.  
 Anthony G. Proulx, F.S.A.  
 Thomas L. Handley, F.S.A.  
 D. Patrick Glenn, A.S.A., A.C.A.S.  
 Christopher H. Davis, F.S.A.  
 Karen E. Elsom, F.S.A.  
 Jill J. Humes, F.S.A.  
 Christopher J. Merkel, F.S.A.  
 Kimberly S. Shores, F.S.A.

**London / Kansas City**

Roger K. Annin, F.S.A.  
 Timothy A. DeMars, F.S.A.  
 Scott E. Morrow, F.S.A.

**Baltimore**

David A. Palmer, C.F.E.

September 30, 2014

Mrs. Cynthia Mares  
 Risk Manager, Risk Management Department  
 Webb County, Texas  
 1110 Washington Street, Suite 204  
 Laredo, TX 78042

RE: Workers Compensation Self-Funded Program  
 Engagement Letter for Actuarial Report on Loss and Loss Adjustment Expense  
 Reserves as of September 30, 2014

Dear Cynthia:

I am pleased to submit for your review our bid to provide the actuarial report for Webb County's self-insured workers compensation loss and LAE reserves as of September 30, 2014.

**QUALIFICATIONS**

I have attached my resume as well as the resumes of Glenn A. Tobleman and Gregory S. Wilson showing our experience and professional credentials.

**REPORT**

We will provide the analysis and report in a format similar to the report provided by us last year.

**TIMING**

We will need approximately three weeks after receiving the data to prepare the analysis and report. A draft copy of the report will be sent for your review prior to finalizing the report. We would anticipate having the report completed by the end of the year.

Mrs. Cynthia Mares, Risk Manager  
September 30, 2014  
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**FEE ESTIMATE**

The cost of the opinion will be based on the cost of our actuarial services plus any direct expenses, which we would anticipate being less than \$100. My cost estimate assumes that there are no major changes in operations relative to September 30, 2013 or any material errors in the data provided to us. I estimate that our charges to provide the referenced actuarial report will be \$5,200 plus direct expenses. L&E bills on a monthly basis in arrears, so a bill for work done in October will be invoiced in early November.

If you accept our proposal and elect to utilize our services, we will send out a questionnaire at a later date to inquire if there are any changes to your operation, claims settlement practices, case reserving, retention, etc. that may affect the loss development of the business.

**INFORMATION NEEDED**

I have attached a copy of the data requested by us last year.

Please sign and return a copy of this letter if the proposal is acceptable to you (or scan and email). If you have any questions, please give me a call. We are looking forward to working with you!

Kind regards,



Wesley R. Campbell, FCAS, FSA, MAAA  
Vice President & Consulting Actuary

Attachment

Accepted by: \_\_\_\_\_ Date: \_\_\_\_\_  
Cynthia Mares, Risk Manager

L&E DATA REQUEST  
ACTUARIAL REPORT ON LOSS AND LOSS ADJUSTMENT EXPENSE  
RESERVES  
AS OF SEPTEMBER 30, 2014

WEBB COUNTY, TEXAS

1. Summary reports for each fund year showing amounts paid to date (alternatively, the amounts paid during the past year 10/1/2013 – 9/30/2014 will work) from inception and case reserves as of 9/30/2014. Include counts of number of claims reported from inception and the number still open at 9/30/2014. It is my understanding that the data will come from ASC this year.
2. List of claims with incurred losses and LAE of \$100,000 or more for each fund year, giving the same payment and reserve information as outlined in #1 for each claim. This list should include both open and closed claims.
3. Manual premium and payroll for fund years 2012-2013 and 2013-2014.
4. Payroll by class for the 2013-2014 fund year.
5. The excess insurance policy for the 2013-2014 fund year.
6. The fund's latest financial statement, presumably the 9/30/2014 statement.
7. The budgeted or estimated cost of claims administration for the 2013-2014 year and for the 2014-2015 fund year.
8. Estimated or budgeted payroll for the 2014-2015 fund year.

Prepared by:

Wesley R. Campbell, FCAS, FSA, MAAA  
Vice President & Consulting Actuary  
Lewis & Ellis, Inc.  
September 30, 2014

**Wesley R. (“Wes”) Campbell, FCAS, FSA, MAAA**  
**Vice President**



## **EXPERIENCE**

Wes Campbell joined Lewis & Ellis in 2008. He previously worked for American National Life Insurance Company and Healthmarkets. At Lewis & Ellis, Wes started in the Health practice area, but in 2009 he transitioned to the Property and Casualty practice. Wes recently became one of a small group of actuaries in the U.S. who has completed the education requirements and achieved Fellowship in both the Society of Actuaries and the Casualty Actuarial Society. His experience in multiple actuarial disciplines and his former background in programming and database design have enabled him to tackle a variety of projects for his clients. He has worked on a variety of projects for insurance companies in both a reserving and a ratemaking role. Additionally, he has performed reserve and funding analyses for self-insured corporations and government entities.

## **PROFESSIONAL DESIGNATIONS**

Fellow, Casualty Actuarial Society  
Fellow, Society of Actuaries  
Member, American Academy of Actuaries

**Glenn A. Tobleman, FSA, FCAS, MAAA**  
**President & Managing Principal**



## **EXPERIENCE**

Glenn started his actuarial career at Southland Life Insurance Company in 1978. He joined Lewis & Ellis, Inc. (L&E) in 1982, became a principal in 1985 and was elected Executive Vice President and Manager of the Dallas office in 1999. Effective January 1, 2011, Glenn has assumed the role of President of L&E.

With over 35 years of insurance and consulting experience, Glenn has gained a great deal of insight into the workings of insurance companies and businesses that choose to self-insure certain types of risks. Glenn is one of a small group in the U.S. who has achieved Fellowship in both the Society of Actuaries and the Casualty Actuarial Society. He has significant knowledge and experience in Life, Annuity, Health, Property and Casualty fields, and uses that expertise to help clients meet strategic goals and improve bottom-line profitability. Glenn serves as the Appointed Actuary for many clients, and appreciates the friendships that he has built with many long-term clients. He has extensive experience in product development, financial reporting and model office projections of insurance company earnings. Glenn has frequently been a speaker at industry meetings, including the Casualty Loss Reserve Seminar, the Valuation Actuary Symposium, as well as the Actuaries Club of the Southwest.

## **PROFESSIONAL DESIGNATIONS**

Fellow, Society of Actuaries  
Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries

**Gregory S. (“Greg”) Wilson, FCAS, MAAA**  
**Vice President & Principal**



## **EXPERIENCE**

Greg has over 35 years of property & casualty actuarial experience. He has significant experience with both ratemaking and reserving for many different lines of business. Greg started his career with a personal lines insurance company where he performed all aspects of ratemaking. He then moved to a Big 4 accounting firm where he performed a wide variety of jobs, from loss reserve analysis for insurance companies to self-insured fund analyses for governmental entities to expert testimony. Greg joined L&E in 2001 and continues to provide high quality service to his clients in all areas of P&C insurance. He is the appointed actuary for several insurance companies, many of which he helps with ratemaking, reserving and statutory reporting. Greg’s ability to cut through the actuarial jargon and explain actuarial issues in plain language has helped his clients gain a much better understanding of the actuarial work product. Greg has served on numerous actuarial committees over the years, and is a past president of the Southwest Actuarial Forum. He has participated as a speaker at several casualty actuarial meetings throughout his actuarial career.

## **PROFESSIONAL DESIGNATIONS**

Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries