

Minnesota Counties Intergovernmental Trust

100 Empire Drive, Suite 100
St. Paul, MN 55103-1885
www.mcit.org

Phone: 651-209-6400
Toll Free: 866-547-6516
Fax: 651-209-6496

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July 27, 2011

JOYCE PESCH
REG 4 SOUTH ADULT MH CONSORT ADMINISTRATOR
PO BOX 222
ELBOW LAKE, MN 56531

RE: 2011 DIVIDEND NOTICE

Dear JOYCE,

Coverage year 2010 results are in and the Minnesota Counties Intergovernmental Trust Board of Directors is pleased to announce they have declared the organization's 21st consecutive annual dividend to members. The 2010 financial audit conducted by Eide Bailly LLP and the analysis performed by Actuarial Advisors affirmed the soundness of the MCIT program and the fact that funds were available for dividend distribution. **This year's dividend totals \$30.7 million.** Positive performance in the workers' compensation division produced \$14.5 million of the dividend and \$16.2 million results from similar performance in the property/casualty division.

Your 2011 Dividend is \$ 977 allocated as follows:

- Workers' Compensation \$ 130
- Property/Casualty \$ 847

A dedicated focus on proactive claims mitigation, conservative fiscal management, higher than expected investment yield and member's commitment to risk management and loss control have resulted in better than expected claims development on a pool wide basis and thus an increase in fund balance available for distribution.

Dividends are a reflection of MCIT's past performance. Nothing guarantees ongoing positive performance. Each year the MCIT Board of Directors cautions members not to plan on dividends. They remain committed to the fiscal health of the organization and will continue to annually evaluate the merits of returning fund balance.

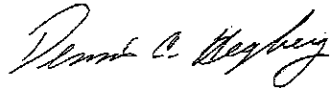
We are providing this letter to you for purposes of 2012 planning. The actual dividend payment will be mailed to you in mid-November of this year. Please contact Mary Frank at 651.209.6415 if you have any questions.

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MCIT's success is attributable to the long-term commitment of its membership. Members have been steadfast in their dedication to this venture. This dividend is a reward for your hard work.

Thank you for your ongoing participation in MCIT.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dennis A. Hegberg".

Dennis Hegberg, Washington County Commissioner
Trust Chair