REPORT ON ORGANIZATION

OF THE

JEFFERSON-LEWIS

SCHOOL EMPLOYEES BENEFIT PLAN

AS OF

SEPTEMBER 30, 2000

DATE OF REPORT	**April 12, 2001**
EXAMINER	**JOSEPH S. KRUG**

TABLE OF CONTENTS

ITEM NO.		PAGE NO.
1.	Organization	2
2.	Scope of examination	4
3.	Balance sheet	5
4.	Statement preparation	6
5.	Summary of recommendations	7

STATE OF NEW YORK
INSURANCE DEPARTMENT
25 BEAVER STREET
NEW YORK, NEW YORK 10004

April 12, 2001

Honorable Neil Levin
Superintendent of Insurance
Albany, NY 12257

Sir:

Pursuant to instructions contained in Appointment Number 21655 dated November 27, 2000, and attached hereto, I have made an examination "on organization" of Jefferson-Lewis Schools Employees Benefit Plan and the following report thereon is respectfully submitted.

Whenever the term, the "Plan" appears herein without qualification, it should be understood to refer to Jefferson-Lewis Schools Employees Benefit Plan.

1. ORGANIZATION

The Jefferson-Lewis School Employees' Healthcare Plan (J-LSEHP) was organized in 1979. The Plan is a self-insured consortium established by fifteen school districts and one Board of Cooperative Educational Services (BOCES) to provide for the efficient and economical evaluation, administration and payment of health claims of employees, retirees and their dependents of the participating school districts.

The Plan has applied to the Superintendent for a Certificate of Authority pursuant to Article 47 of the Insurance Law.

There are currently a total of 15 plan participants plus BOCES. The Plan school districts' participants and directors are as follows:

Mr. Wally Keeler Alexander Bay Central	Mr. Larry Strife Beaver River Central School
Ms. Barbara Greene Belleville-Henderson Central School	Mr. Michael Powers Carthage Central School
Mr. George S. O'Brien Copenhagen Central School	Mr. William K. Archer General Brown Central School
Mr. James McNeill Indian River Central School	Ms. Michelle Denny LaFargeville Central School
Mrs. Sandra Dudley-Rooney Lyme Central School	Ms. Connie Timmerman Watertown City School District

Ms. Tammy Stoffel	Ms. Penny Sweredoski
South Lewis Central School	Jefferson Community College
Ms. Sally Switzer	Ms. Anne Spaziani
Thousand Islands Central School	Sackets Harbor Central School
Mr. William Wormuth	Ms. Jane Slack
Lowville Central School	Jefferson-Lewis B.O.C.E.S.

The above school districts cover the geographic areas of Jefferson and Lewis counties.

The officers as of September 30, 2000 are as follows:

Officers	Title
George S. O'Brien	Chairperson
Jane Slack	Vice Chairperson
Joan Urbano (CFO)	Treasurer
Edward J. Higgins (CPCU)	Manager
Diane Wright	Secretary

The Board of Governors have designated Dennis G. O'Hara of O'Hara & O'Connell located at Salina Meadows Parkway, Syracuse, New York as Attorney-in-Fact.

2. SCOPE OF EXAMINATION

The examination was conducted at the Plan's office located at 853 James St. Clayton, New York 13624.

The examination comprised a verification of the assets and liabilities of the Plan as of September 30, 2000. A review was also made of the following items:

Plan Documents
Financial Documents
Service Provider Contracts
Board of Director meeting minutes

3. BALANCE SHEET

The following balance sheet sets forth the Company's financial condition as of September 30, 2000 as determined by this examination.

	Plan	Examination	Change
Assets			
Cash and cash equivalents	$ 13,286,183	$ 13,286,183	0
Total assets	$ 13,286,183	$ 13,286,183	0
Liabilities			
Claims payable	4,437,676	4,437,676	$ 0
Total Liabilities	$ 4,437,676	$ 4,437,676	$ 0
Net worth			
Contingency reserves	$ 1,159,959	1,159,959	0
Retained earnings	7,688,548	7,688,548	0
Total net worth	$ 8,848,507	$ 8,848,507	$ 0
Total liabilities and net worth	$ 13,286,183	$ 13,286,183	$ 0

The Plan maintains checking and savings accounts as well as certificates of deposit with Key Bank, 538 Riverside Drive, Clayton, NY 13624. It also maintains a certificate of deposit with Community Bank, 352 James Street, Clayton, NY 13624.

4. STATEMENT PREPARATION

A review of the Plan's September 30, 2000 Quarterly Statement revealed that both Exhibit 1 - Enrollment Data This Quarter and Exhibit 2 – Quarterly Claims Development Schedule were missing required data in columns B through column E in each of these exhibits. In both cases the Plan inserted the phrase "Data Unavailable" in the exhibits. It is recommended that the Plan include all the required data in all future statement filings.

5. SUMMARY OF COMMENTS AND RECOMMENDATIONS

ITEM		PAGE NO.
A.	It is recommended that the Plan include all the required data in all future statement filings.	6

Respectfully submitted,

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Joseph S. Krug

Associate Insurance Examiner

STATE OF NEW YORK)

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COUNTY OF SCHENECTADY)

Joseph S. Krug, being duly sworn, deposes and says that the foregoing report submitted by him is true to the best of his knowledge and belief.

_____

Joseph S. Krug

Subscribed and sworn to before me

This _____ day of _____2001

Appointment No. 21701

STATE OF NEW YORK
INSURANCE DEPARTMENT

I, NEIL D. LEVIN *, Superintendent of Insurance of the State of New York, pursuant to the provisions of the Insurance Law, do hereby appoint:*

Joseph S. Krug

as a proper person to examine into the affairs of the

Jefferson-Lewis et. al. School Employees' Healthcare Plan

and to make a report to me in writing of the condition of the said

Company

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed by the name and affixed the official Seal of this Department, at the City of New York,

this 14th *day of* February *2001*

NEIL D. LEVIN
Superintendent of Insurance

(by) Gregory Serio
First Deputy Superintendent