SAGINAW COUNTY

RETIREE HEALTH CARE PLAN

Effective

January 1, 1993

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ARTICLE I

PREAMBLES

Section 1.01 Adoption of Plan. Saginaw County ("Employer"), has established a health care plan for certain retirees known as the Saginaw County Retiree Health Care Plan ("Plan"). The effective date of the Plan is January 1, 1993 ("Effective Date").

Section 1.02 Purpose. The purpose of the Plan is to provide medical and health care for the welfare of certain retirees of the Employer and the spouses and dependents of such retirees who are participants in the Saginaw County Retirement Plan and who elect to participate in the Plan. Benefits under the Plan are provided pursuant to a self funded health insurance plan administered by Blue Cross Blue Shield of Michigan or another third party administrator as designated by the Employer. The Employer reserves the right to enter into a substitute contract with a commercial insurance carrier or with a health maintenance organization or preferred provider organization in order to provide benefits under the Plan.

Section 1.03 Interpretation and Law. The Plan is intended to qualify as an accident and health plan under Code Sections 105 and 106, the regulations promulgated under each, and applicable Michigan law. Where not governed by Michigan law, the Plan shall be administered and construed in accordance with Federal law.

Section 1.04 Defined Terms. Throughout the Plan, various terms are used repeatedly. These terms have specific and definite meanings when capitalized in the text. For convenience, capitalized terms are collected and defined in Article II. Whenever capitalized terms appear in the Plan, they shall have the meanings specified in that Article.

Section 1.05 Construction. Whenever any words are used in the Plan in the masculine gender, they shall be construed as though they also were used in the feminine gender in all cases where they would so apply, and wherever any words are used in the Plan in the singular form, they shall be construed as though they also were used in plural form in all cases where they would so apply. Headings of sections and paragraphs of this document are inserted for convenience of reference. They constitute no part of the Plan and are not to be considered in the construction of the Plan.

ARTICLE II

DEFINITIONS

Section 2.01 "Code" means the Internal Revenue Code of 1986, as amended. Reference to any section or subsection of the Code includes reference to any comparable or succeeding provision of any legislation which amends or replaces such section or subsection.

Section 2.02 "Contract" means the health insurance plan administered by Blue Cross Blue Shield of Michigan and any amendment thereto. However, the Employer retains the right to terminate such contract and to enter into a substitute contract with a commercial insurance carrier or with a health maintenance organization or preferred provider organization for the purpose of providing benefits under the Plan, and any such substitute contract shall be included within the definition of "Contract" herein.

Section 2.03 "Dependent" means a Participant's unmarried child as "child" is defined in Code Section 151(c)(3). Notwithstanding the foregoing, the term "dependent" shall not include a child of a Participant after the last day of the calendar year during which the child attains the age of 19 years unless (1) such child (a) is unmarried, (b) is under the age of 25 years, (c) has his legal residence in the home of the Participant, and (d) receives over half of his support from the Participant, or (2) such child (a) is totally and permanently disabled, provided that the disability arose before the child attained the age of 19 years, (b) receives over half of his support from the Participant, (c) is incapable of self-sustaining employment, and (d) the disability has been certified by a physician and the Insurance Carrier is notified in writing of the condition by the end of the year in which the child turns age 19.

Section 2.04 "Effective Date" means January 1, 1993.

Section 2.05 "Employer" means Saginaw County.

Section 2.06 "Insurance Carrier" means Saginaw County Managed Health Care Plan or such commercial health insurance carrier, health maintenance organization or preferred provider organization as may be designated by the Employer.

Section 2.07 "Participant" means a Retiree who has met the eligibility requirements specified in Article III, who has commenced participation in the Plan pursuant to Article IV, and whose participation has not terminated under other applicable provisions of the Plan.

Section 2.08 "Plan" means the retiree health care plan of the Employer as described in this document and any subsequent amendments, and any Insurance Contract or other materials incorporated by reference into the plan.

Section 2.09 "Plan Administrator" means the person(s) or organization(s) specifically designated by Article VIII as the administrator of the Plan.

Section 2.10 "Plan Year" means the initial period commencing on January 1, 1993 and ending on December 31, 1993. Thereafter, the term "Plan Year" means the period commencing on January 1st and ending on December 31st.

Section 2.11 "Retiree" means an individual receiving benefits from the Retirement Plan who retired from employment with the Employer.

Section 2.12 "Retirement Plan" means the Michigan Municipal Employees Retirement System (MMERS) or other county designated retirement system.

Section 2.13 "Spouse" means a Retiree's spouse by legal marriage or common-law marriage in jurisdictions where such marriage is recognized as a valid legal marriage, provided that status existed at the time the expense for which coverage is claimed was incurred.

Section 2.14 "Trust" means the Saginaw County Retiree Trust Agreement under the Retiree Health Care Plan.

ARTICLE III

ELIGIBILITY

In order to be eligible for health care coverage during any Plan Year, an individual must:

(a) be a Retiree of the Employer who upon retirement from the Employer elects to participate in the Plan; and

(b) have been, on the date of the Retiree's retirement from the Employer, a member of one of the employee groups or organizations listed in Appendix A to the Plan. Appendix A is incorporated herein by this reference.

ARTICLE IV

PARTICIPATION

Section 4.01 Commencement of Participation. Subject to all applicable provisions of the Contract, a Retiree shall commence participation in the Plan on the first day he satisfies the eligibility requirements of Article III, provided the individual has enrolled for coverage on such date.

Section 4.02 Enrollment.

(a) The Employer shall give each Retiree timely written notice of his eligibility to participate in the Plan and his right to enroll for coverage under the Plan. A Retiree may enroll for coverage on a form or forms provided by and filed with the Employer. In connection with his enrollment for coverage, the Retiree shall furnish all pertinent information requested by the Employer, including but not limited to the names, relationships and birthdates of the Retiree's Spouse and eligible Dependents, and the Insurance Carrier may rely upon all such forms and information furnished.

(b) Spouses and Dependents shall be eligible for coverage as provided in the Contract.

(c) Only those Spouses and Dependents who are not eligible to participate in their respective past or present employer's group health plan are eligible for coverage under the Plan.

ARTICLE V

TERMINATION OF PARTICIPATION

Section 5.01 Termination Events. Except as provided in Section 5.02, participation in the Plan shall terminate in accordance with the Contract on the earliest of:

(a) termination of the Plan;

(b) non-payment of any required Retiree contributions to the Trust; or

(c) death of the individual receiving benefits under the Plan.

Section 5.02 COBRA Continuation Coverage. Notwithstanding the provisions of Section 5.01, if the Employer normally employed 20 or more employees on a typical business day during the preceding calendar year, continuation coverage shall be provided under the Plan to Participants, their Spouses and Dependents in accordance

with Code Section 4980B, and Title XXII of the Public Health Services Act ("COBRA continuation coverage"). The terms of such COBRA continuation coverage are described below:

(a) COBRA continuation coverage shall be offered under the following circumstances ("qualifying events") if participation under the Plan ordinarily would terminate as a result of such circumstances: (1) the Participant's divorce or legal separation; (2) death of the Participant; (3) the Participant's entitlement to Medicare benefits; (4) a dependent child ceasing to qualify as a "dependent" eligible for coverage under the terms of the Plan; or (5) the commencement by the Employer on or after July 1, 1986 of a Title 11 bankruptcy proceeding.

(b) COBRA continuation coverage shall be offered only to the Participant and/or his Spouse and his Dependents who were covered under the Plan on the day before the qualifying event occurred and who lose coverage under the Plan on account of the qualifying event ("qualified beneficiaries"). The qualified beneficiary shall be entitled to elect only the type of coverage he was receiving under the Plan at the time of the qualifying event. The right to elect core coverage, i.e., basic hospitalization and major medical coverage, shall be offered separately. Non-core coverage shall not be offered separately from core coverage except and to the extent that an

active Participant can elect separate non-core coverage under the Contract.

(c) In the case of qualifying events described in (a)(1) or (4) above, the Participant or his family must notify the Employer of the qualifying event within 60 days of the date of the event. In all other cases, the Employer shall be deemed to be notified of the qualifying event. Within 14 days of such notification, the Employer shall provide the Participant and/or his family with a notice of the right to elect COBRA continuation coverage.

(d) The Participant, his Spouse, or his Dependent may elect COBRA continuation coverage within 60 days after the later of the date of the qualifying event, or the date of the notice from the Employer to the qualified beneficiary. Each qualified beneficiary may make a separate election for COBRA continuation coverage. If an election is made within the 60-day period, the Plan shall permit payment for COBRA continuation coverage during the period preceding such election to be made not less than 45 days after the date of the election. If the election to continue coverage is not made within the above 60-day period, then no further opportunity to continue coverage shall be extended to the Participant, his spouse or his dependents.

(e) In the case of (a)(1) through (4), COBRA continuation coverage may continue for up to 36 months. In the case of (a)(5), coverage may continue (1) until the death of the retired Participant or of any qualified beneficiary who, on the day before the qualifying event, was a surviving spouse of the retired Participant covered under the Plan, or (2) in the case of a surviving spouse or dependent child of the retired Participant, for up to 36 months after the death of the retired Participant. Notwithstanding the continuation periods specified above, COBRA continuation coverage shall terminate with respect to a qualified beneficiary upon the earlier of:

(i) The date on which the Employer ceases to provide any group health plan to any employee;

(ii) The date upon which coverage under the plan ceases as a result of failure to make timely premium payments as required by (f) below; premium payments shall be considered timely if made within 30 days of the due date; however, coverage shall be terminated retro- actively as of the due date if payments are not received within 30 days; non-sufficient fund checks are not payment;

(iii) The date upon which the qualified beneficiary becomes covered under any other group health plan (as an employee or otherwise) if such plan does not contain an exclusion or limitation with respect to any pre-existing condition of such qualified beneficiary; or

(iv) The date upon which the qualified beneficiary (other than a qualified beneficiary described in (a)(5) above) becomes entitled to Medicare benefits.

In the event of multiple qualifying events, the maximum required continuation period is 36 months.

(f) The Plan shall require payment of a premium for any period of COBRA continuation coverage in an amount that shall not exceed 102 percent of the cost to the Plan for such period of coverage for active Participants with respect to whom a qualifying event has not occurred. The cost to the Plan for coverage shall be determined for a period of 12 months selected by the Plan and shall be determined before the beginning of such period. The qualified beneficiary may elect to make any required premium payments in monthly installments.

(g) COBRA continuation coverage is not conditioned upon evidence of insurability.

Section 5.03 Conversion Privilege. An individual who is no longer eligible to receive benefits under the Plan (as a Participant, Spouse, Dependent or COBRA qualified beneficiary) may, if permitted by and in accordance with the terms of the Contract, convert his or her coverage under the Plan to an individual medical expense policy with the Insurance Carrier, without the necessity of a medical examination and with no interruption in coverage. The cost of such individual conversion coverage shall be paid solely by the affected individual. Application for individual conversion coverage must be made to the Insurance Carrier in accordance with the Contract. A COBRA qualified beneficiary (described in Section 5.02) must be given notification of this conversion privilege during the 180-day period ending on the expiration of the qualified beneficiary's COBRA continuation period.

ARTICLE VI

BENEFITS

Beginning on the Effective Date, the Employer shall provide medical and health care benefits to each Participant and, if elected, to his eligible Spouse and eligible Dependents.
The benefits provided under the Plan are those set forth in the Contract and summarized in Saginaw County Managed Health Care Plan "Benefits in Brief," is attached hereto. The Contract and "Benefits in Brief" are incorporated herein by this reference.

ARTICLE VII

COORDINATION OF BENEFITS

Section 7.01 General Rule. The Employer intends that the Plan shall provide each Participant with payment for health care expenses incurred by the Participant and, if eligible, his Spouse and his Dependents, as provided in the Contract. The Employer does not intend that payment under this Plan and any other health care plan shall exceed the amount of the expenses incurred. For this reason, the Plan coordinates benefits with other health care plans as provided in the Contract.

Section 7.02 Reimbursement. If an expense is paid under the Plan by the Employer or the Employer's Agent on behalf of a Participant, his Spouse or Dependents, and such expense subsequently is paid from any other source, in whole or in part, the Participant shall remit to the Employer an amount equal to the duplicated benefit. In addition, the Employer may reimburse any other health care plan, person or entity that has paid an expense on behalf of a Participant which expense was payable under this Plan. In such event, the Employer and the Insurance Carrier shall be relieved of all further responsibility with respect to that expense.

Section 7.03 Subrogation. In the event any payment is made by the Employer or the Employer's Agent under the Plan, the Plan and the Employer shall be subrogated and shall succeed to the rights of any Participant, his Spouse and Dependents against any other plan, person or entity for recovery of health care expenses for which such other plan, person or entity legally is liable. All amounts so recovered, by settlement, judgment or otherwise, shall be paid to the Employer. Participants, their Spouses and Dependents shall furnish such information, execute and deliver such assignments, documents and other instruments, and take whatever steps are necessary to secure the rights of the Plan. Participants, their Spouses and Dependents shall take no action to prejudice the rights and interests of the Plan hereunder.

ARTICLE VIII

ADMINISTRATION

Section 8.01 Employer Duties. The Employer shall act as Plan Administrator for the purpose of complying with the Code's reporting and disclosure requirements and for the purpose of fulfilling such other Plan administrative functions as are not specifically assigned hereunder to the Employer's Agent. The Employer shall not be responsible for the interpretation or administration of or the payment of claims under the Contract. The Employer shall have sole authority to appoint and remove any agent and other fiduciaries and to amend or terminate, in whole or in part, the Plan. The Employer shall, subject to the terms of the

Plan and the Contract, decide all questions regarding eligibility to participate in the Plan. The Employer also shall be responsible for the performance of its duties as employer and Plan Administrator under Code Section 4980B. The Employer may delegate all or any part of its Plan administration responsibilities. Any such delegation shall be done in writing.

Section 8.02 Insurance Carrier Duties. The Insurance Carrier shall have sole responsibility for interpreting and administering the Contract and for processing and paying benefit claims thereunder, and shall provide the Employer with such information as the Employer may deem necessary to permit the timely filing of all reports required by law. The Insurance Carrier also shall provide to the Employer, for distribution to Participants, a description of benefits provided under the Contract.

ARTICLE IX

CLAIMS PROCEDURE

Section 9.01 How to File a Claim. The Insurance Carrier has sole responsibility for the resolution of disputes involving the payment of benefits under the Plan. A claim for benefits under the Plan must be submitted in writing to the Insurance Carrier in accordance with procedures established by the Insurance Carrier as communicated in writing to Participants. The arbitration provisions set forth in Section 9.02 shall apply only if no claims procedures are set forth in the Contract.

ARTICLE X

TERMINATION OR AMENDMENT

The Employer reserves and shall have the right at any time to terminate or amend the Plan, in whole or in part, by affirmative vote of the Employer's Board of Commissioners. The Employer has no obligation to continue the Plan or any benefit provided under the Plan, and a Participant's right to a benefit always is forfeitable. Notwithstanding the foregoing, any such termination or amendment shall not adversely affect any Participant's right under the Plan to benefits attributable to claims incurred prior to such termination or amendment.

ARTICLE XI

FUNDING

The Plan shall be funded by Employer and Participant contributions that are made to the Trust as provided in Appendix B, over the lives of eligible Participants, Spouses, and Dependents.

ARTICLE XII

REPORTING AND DISCLOSURE

The Employer shall complete and provide to Participants and to the appropriate government agencies any reports as may be required by the Code or any other applicable law.

ARTICLE XIII

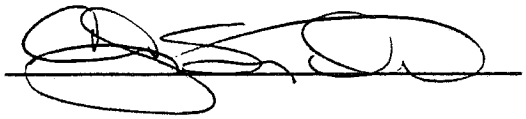
INVALID PROVISIONS

If any provisions of the Plan shall be for any reason invalid or unenforceable, the remaining provisions nevertheless shall be carried into effect.

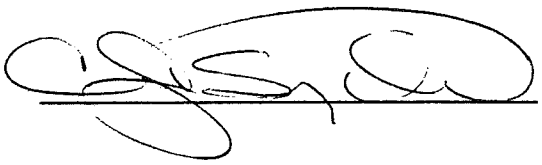
IN WITNESS WHEREOF, Saginaw County has caused the Plan to be executed as of May 5, 1992.

IN THE PRESENCE OF:

COUNTY OF SAGINAW



By: James L. Gaertner
James L. Gaertner
Chairperson for the Saginaw
County Board of Commissioners



By: Fred D. Todd
Fred D. Todd
Manager of Saginaw County
Retirement Board of Saginaw
County

APPROVED AS TO FORM:
JENSEN, SMITH AND CLARK, P.C.

By See attached letter

APPROVED AS TO SUBSTANCE:
SAGINAW COUNTY DEPUTY CONTROLLER

By
Jon B. Mersman

APPENDIX A
TO THE
SAGINAW COUNTY
RETIREE HEALTH CARE PLAN

The following classifications of employees are covered by the Saginaw County Retiree Health Care Plan:

Non Union Employees

County Sheriff Department Employees Association

Saginaw County Command Officers Association

International Brotherhood of Teamsters
Chauffeurs, Warehousemen and Helpers of America
Local Union 214

APPENDIX B
TO THE
SAGINAW COUNTY
RETIREE HEALTH CARE PLAN

EMPLOYER/EMPLOYEE CONTRIBUTIONS

	Employee Contribution
A. 1992 Employee Contributions Required During Active Employment	
Employee	
B. Retiree Contributions Required During Period of Coverage	
Retiree	None
Spouse	50% of the monthly premium cost**
Dependent	50% of the monthly premium cost**