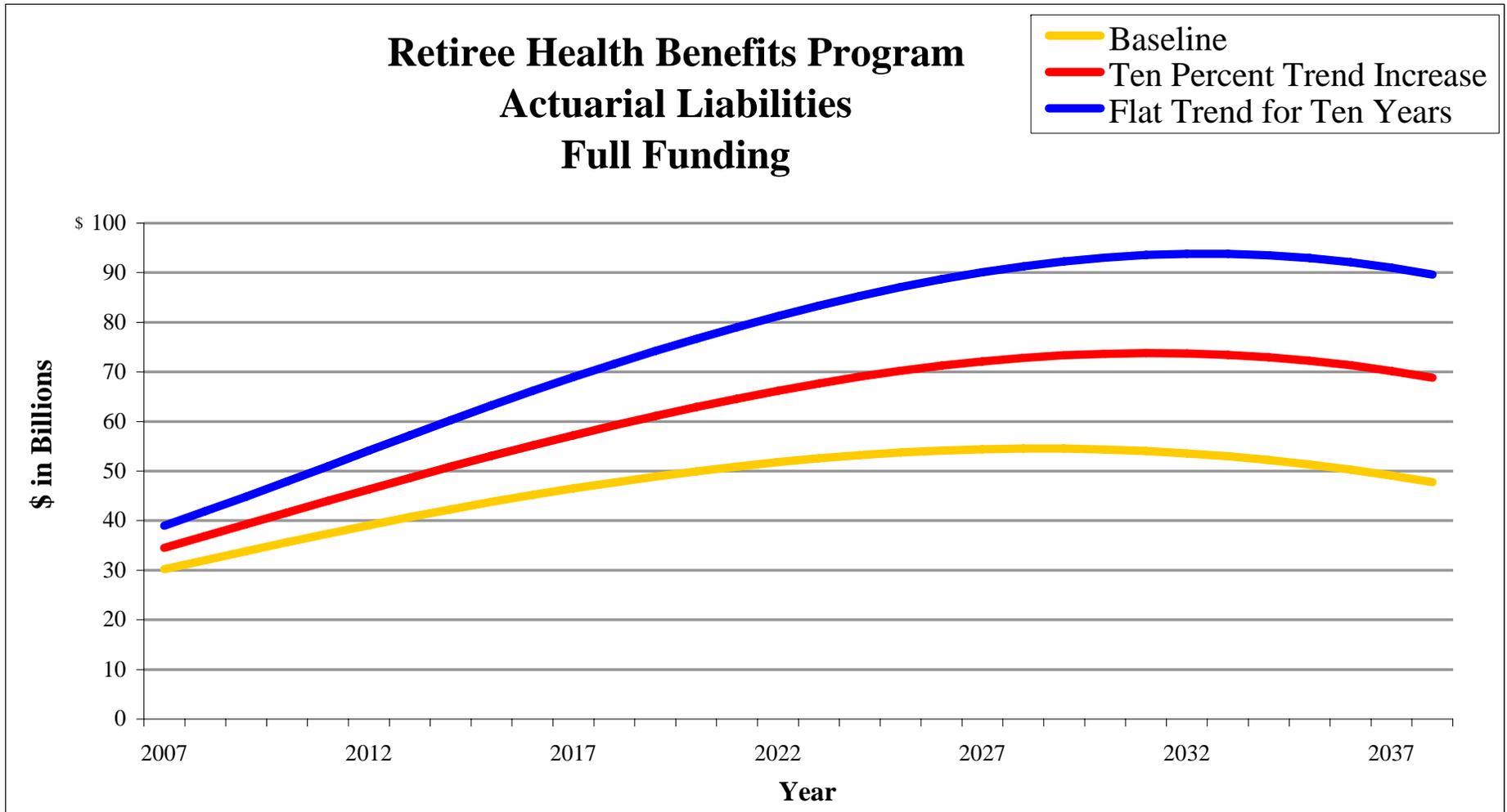
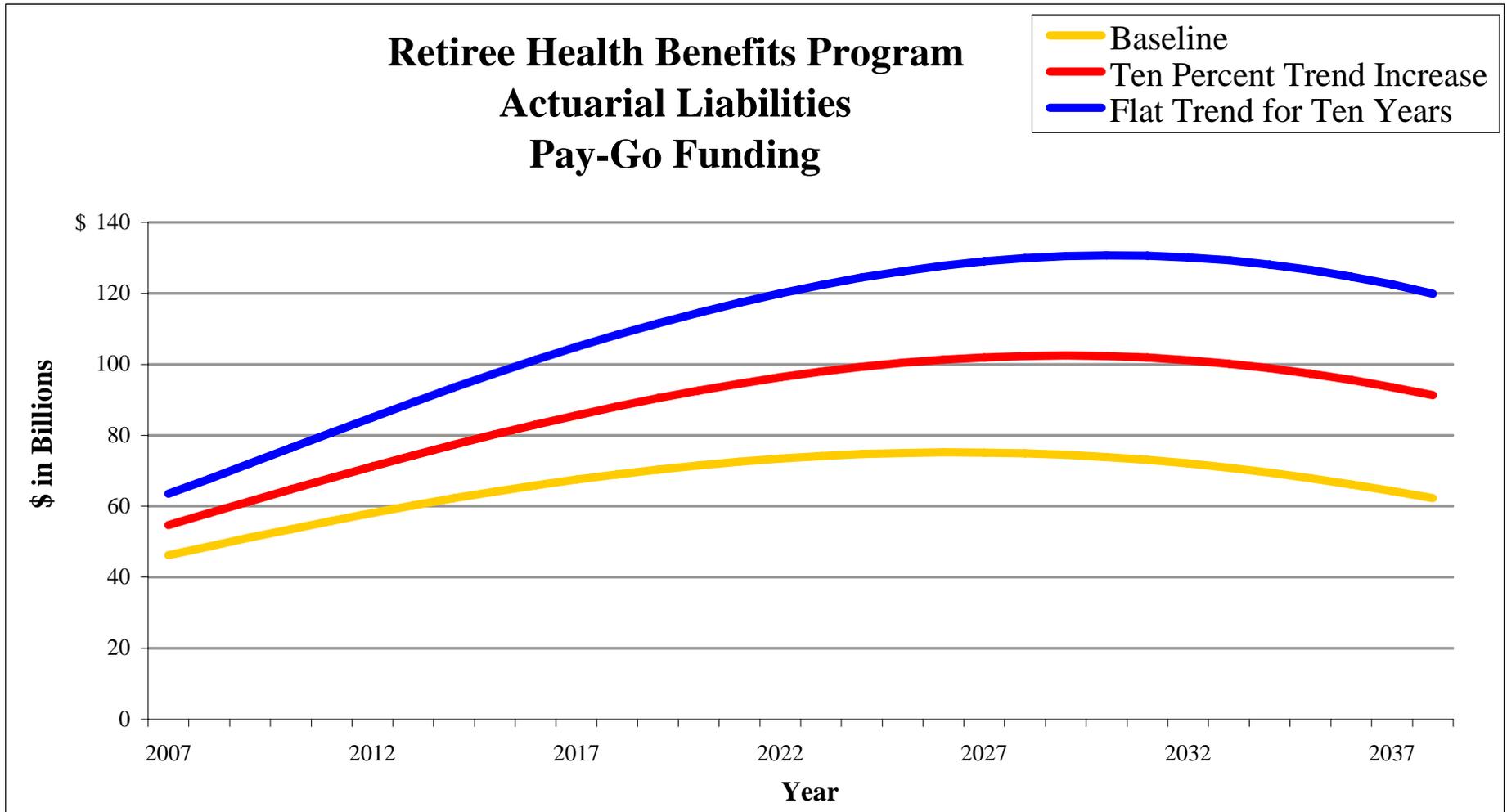


State of California – Closed Group GASB 43/45 Projections Alternative Trend Scenarios with 2008 Plan Design Updates¹



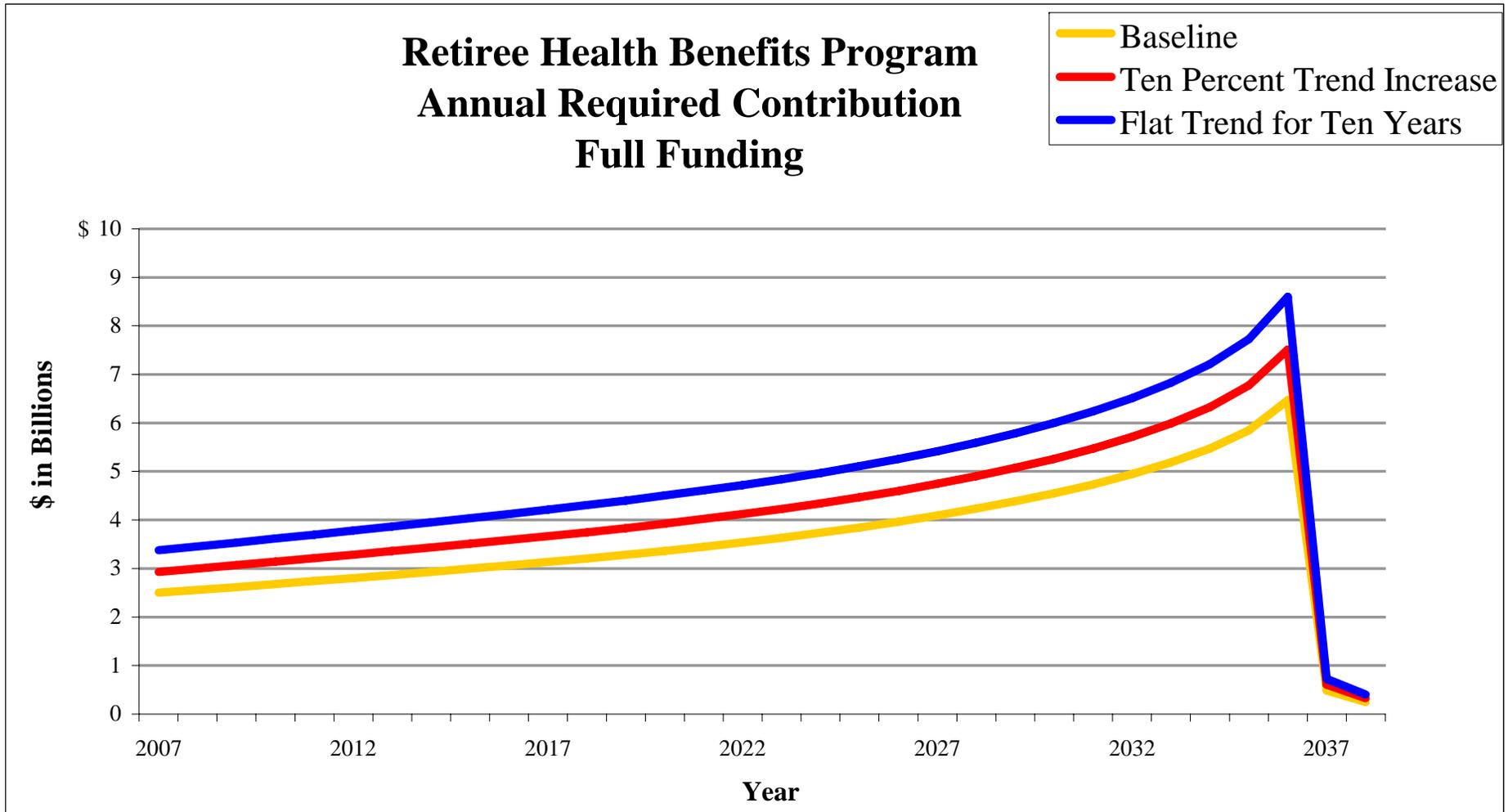
¹2008 trend is based on actual plan experience. The medical trend assumption, including 2008 plan design adjustments, decreased from 10.0 percent in 2008 for HMO and PPO plans to 7.4 percent for HMO plans and 4.2 percent for PPO plans. The dental trend assumption decreased from 6.0 percent to 0.3 percent. Under the Baseline scenario, the medical and dental trend assumptions after 2008 remain unchanged from the valuation report as of July 1 2007. Under the Ten Percent Trend Increase scenario, the medical and dental trend assumptions are increased by ten percent over the baseline assumption. Under the Flat Trend for Ten Years scenario, the medical trend assumption after 2008 remains at ten percent until 2017. After 2017, the trend assumption will remain at six percent. Dental Trend after 2008 is assumed to be level at six percent.

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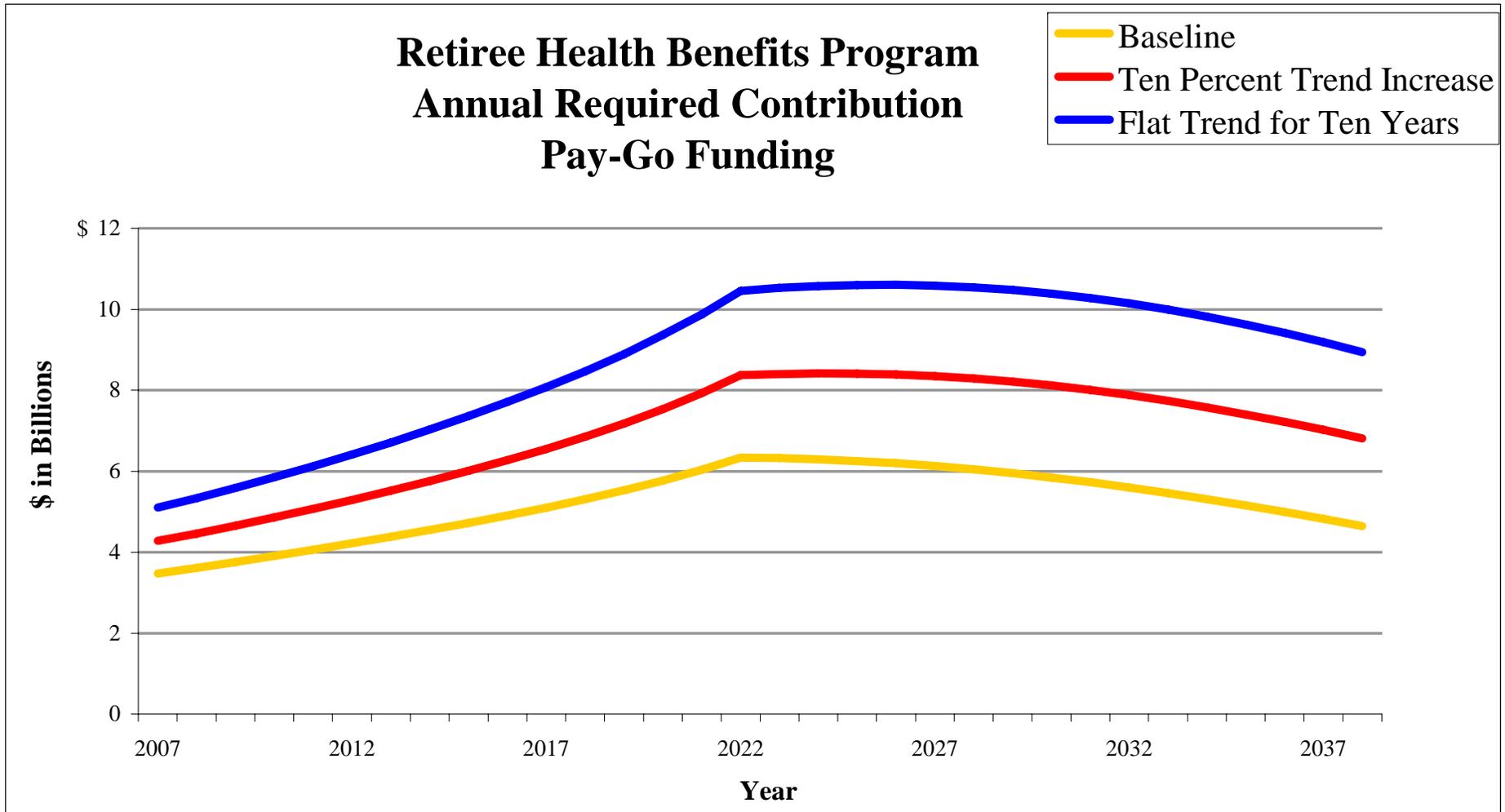
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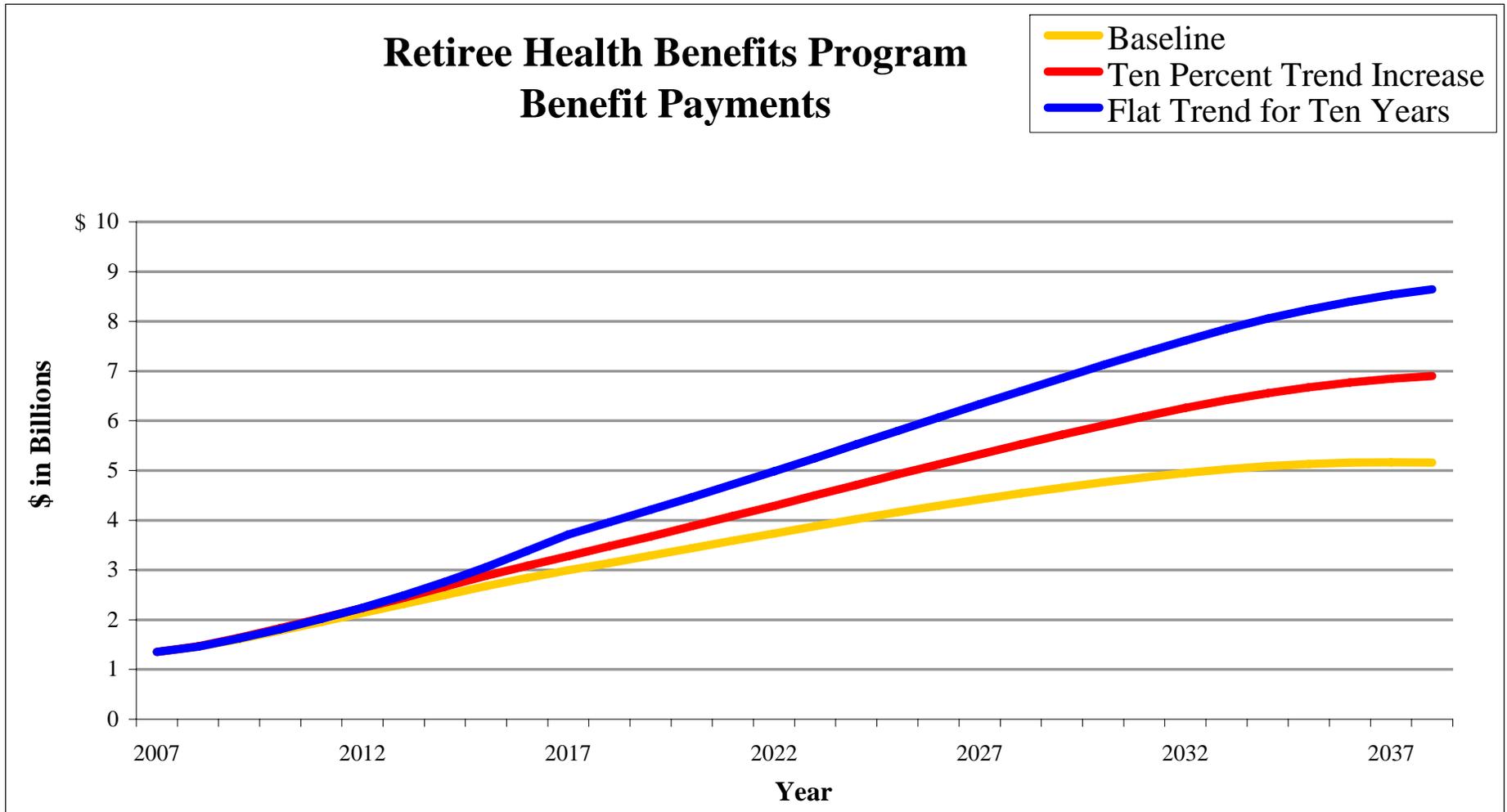
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