

Joseph C. Long
Director

State of New Hampshire

Department of State Bureau of Securities Regulation

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June 14, 2011

The Honorable Russell Prescott, Chair
Senate Commerce Committee
State House, Room 304

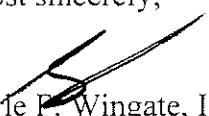
The Honorable John Hunt, Chair
House Commerce and Consumer Affairs Committee
Room 302 Legislative Office Building

Gentlemen:

Attached please find a copy of the report of ongoing investigations of pooled risk management programs, pursuant to RSA 5-B:5, for the current reporting period.

I would be most pleased to answer any questions you may have.

Most sincerely,



Earle F. Wingate, III

EFW/sw

C: The Honorable William M. Gardner, Secretary of State

Investigations of Pooled Risk Management Programs

Semi-annual Report

June 14, 2011

The Honorable Russell Prescott, Chair, Senate Commerce Committee

The Honorable John Hunt, Chair, House Commerce and Consumer Affairs Committee

Gentlemen:

In accordance with RSA 5-B:5, which mandates that “[t]he secretary of state shall provide a report of ongoing investigations of any pooled risk management programs at least every 6 months to the senate committee and house committee with jurisdiction over matters of commerce”, the following is reported concerning current ongoing investigations of pooled risk management programs.

Three New Hampshire organizations offer pooled risk management programs as defined RSA 5-B: SchoolCare, PRIMEX, and Local Government Center. Currently, there is one open and active investigation on the pooled risk management programs operated by Local Government Center, Inc., HealthTrust, LLC and Property-Liability Trust, LLC. While we are continuing to collect and analyze information relevant to this investigation, a full report is expected to be released on or before June 24, 2011, detailing action to be taken.

Although no investigation has been opened, a complaint has been received concerning aspects of the operations of PRIMEX and SchoolCare. No investigation on this complaint has been opened for three reasons. First, some of the same issues raised in this complaint are being addressed through the investigation of Local Government Center. Since the LGC investigation is expected to resolve these issues, it would be a waste of resources to duplicate the it. Second, this office has a limited staff to conduct investigations, which is wholly committed to resolving the LGC investigation. Third, the complaint does not allege matters which if not immediately addressed would result in irreparable harm.

Respectfully submitted,

Department of State
Bureau of Securities Regulation



Earle F. Wingate, III, Esq.
Staff Attorney

C: The Honorable William M. Gardner, Secretary of State