

November 10, 2011

Member Name

xxx xxxxx

xxxxx xxxxx xxxx



**RE: 2012 Renewal of Coverage**

To Members of the Nevada Restaurant Self-Insured Group:

After much study and analysis, the Board of Trustees for the Nevada Restaurant Self-Insured Group has decided that it is no longer financially practical for the NRSIG to continue risk-bearing operations past December 31, 2011.

As a continuing result of the severe downturn in the Nevada economy since 2008, membership has eroded over the last few years, mostly through closure of locations and business bankruptcy. Today, the NRSIG is roughly half the size that it was prior to the 2008 economic collapse. And the risk/reward exposure of being in a self-insured group no longer favors the membership due to the declining payrolls and declining contributions for coverage.

The Board explored all options available to keep this sixteen year old program going, but in the end, it has been decided that the cost of continuing operations would not make sense for the membership, nor would the risk.

The NRSIG has provided its membership extraordinary benefits over the last sixteen years, and has saved members tens of millions of dollars in workers' comp costs, while providing great care for injured employees. The Board is extremely proud of the mission and the results.

NRSIG members and their insurance brokers will now be sent complete loss runs needed to obtain quotes and coverage in the private insurance market. Our program administrator, CHSI, will be supportive of you and your broker in this process. If you do not have a broker, contact CHSI and they will put you in contact with one.

You will receive payroll reporting forms on the regular schedule in December and January. The currently open claims for NRSIG will continue to be managed to closure in 2011 and beyond with the same focus there has always been in the group. Questions about claims or this transition can be directed to CHSI staff at 702-736-4415.

I would like to thank my fellow board members who have been so committed to this program. Their ideas and energy made this a great experience. Board members Luther Mack, Ron McMillan, Justin Doucette and Bob Powelson have provided leadership, financial acumen, and balance in considering the needs of the membership.

Finally, I would like to thank the Board members for the opportunity to serve as a Chair since 1995. It has been a real privilege for me. The NRSIG has served our businesses well and I for one will miss the advantages it has afforded us in our industry.

As we enter 2012, I wish you all the best and success in your business endeavors in these challenging times. Thanks you for being a part of something unique and special.

Sincerely,

A handwritten signature in black ink that reads 'Thomas M Arlt'.

Thomas Arlt

Chair, Board of Trustees

Nevada Restaurants Self-Insured Group