



e-MAX SERVICES, LLC

I. INDEPENDENT SERVICE AUDITORS' REPORT

To Mackinaw Administrators, LLC

We have examined the accompanying description of the controls of Mackinaw Administrators, LLC which includes Mackinaw Administrators – Healthcare Risk Practice, LLC (hereinafter “Mackinaw”) applicable to the claims processing function. Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description presents fairly, in all material respects, the aspects of Mackinaw’s controls that may be relevant to a user organization’s internal control as it relates to an audit of financial statements; (2) the controls included in the description were suitably designed to achieve the control objectives specified in the description, if those controls were complied with satisfactorily and if user organizations applied the controls contemplated in the design of Mackinaw’s controls; and (3) such controls had been placed in operation as of December 31, 2010. Mackinaw uses Alpha Review Corporation (“Alpha”), an independent service organization, to review medical bill procedure coding and adjudicate payment of medical bills. The accompanying description includes only those control objectives and related controls of Mackinaw and does not include control objectives and related controls of Alpha. Our examination did not extend to controls of Alpha’s medical bill procedure code review and adjudication process. The control objectives were specified by the management of Mackinaw. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

In our opinion, the accompanying description of the aforementioned application presents fairly, in all material respects, the relevant aspects of Mackinaw’s controls that had been placed in operation as of December 31, 2010. In addition, in our opinion, the controls, as described, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily.

In addition to the procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific controls, listed in Section III, to obtain evidence about their effectiveness in meeting the control objectives, described in Section III, during the period from January 1, 2010 to December 31, 2010. The specific controls and the nature, timing, extent, and results of the tests are listed in Section III. This information has been provided to user organizations of Mackinaw and to their auditors to be taken into consideration, along with information about the internal control at user organizations, when making assessments of control risk for user organizations. In our opinion, the controls that were tested, as described in Section III, were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives specified in Section III were achieved during the period from January 1, 2010 to December 31, 2010. However, the scope of our engagement did not include tests to determine whether control objectives not listed in Section III were achieved; accordingly, we express no opinion on the achievement of control objectives not included in Section III.

The relative effectiveness and significance of specific controls of Mackinaw and their effect on assessments of control risk at user organizations are dependent on their interaction with the controls, and other factors present at individual user organizations. We have performed no procedures to evaluate the effectiveness of controls at individual user organizations.

The description of controls at Mackinaw is as of December 31, 2010, and information about tests of the operating effectiveness of specified controls covers the period from January 1, 2010 to December 31, 2010. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the system in existence. The potential effectiveness of specified controls at Mackinaw is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that changes may alter the validity of such conclusions.

This report is intended solely for use by the management of Mackinaw, its customers, and the independent auditors of its customers.

e-MAX Services, LLC

e-MAX Services, LLC
Detroit, Michigan
January 28, 2011