



22 August 2002

James Houck, Director
Workforce Transition Unit, Workforce Programs
Dept. of Career Development, 5th Floor, Victor Bldg
201 N. Washington Square
Lansing MI 48913

Dear Mr. Houck:

Due to consolidation of certain member services and claim administration operations at CBCA's Fort Worth, TX and Bloomington, MN locations, HRM Claim Management, a division of CBCA Inc., will experience a reduction in force at our Portage office. We expect to layoff employees at our 5250 Lovers Lane, Portage, MI location beginning 23 October 2002. We are notifying you, as well as the mayor of Portage and the employees effected, because the number of layoffs may reach the threshold defining a mass layoff under the Worker Adjustment and Retraining Notification (WARN) Act.

24 member services employees received written notification today that their employment will terminate 23 October 2002. They have been offered severance packages. They include one supervisor, two call coaches and 21 member services representatives. Additional layoffs are not currently scheduled, but are possible during the 90-day period beginning 23 October 2002. The positions may include administrative, claims and technical positions. Effected employees will receive 60-days notice.

The elimination of these positions will be permanent, and there are no applicable bumping rights. The employees are not represented by a union.

If you have questions or require additional information, you may contact me in Portage at 269-567-7002, or Kelly Westphal, human resources manager in our Minnesota office, at 952-829-3540.

Sincerely,

A handwritten signature in cursive script that reads "Laura Andersen".

Laura Andersen
Human Resources Manager

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