

San Joaquin Valley Insurance Authority

BOARD OF DIRECTORS

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Minutes:
November 5, 2010
9:00 AM

1. Call to Order

Meeting was called to order at 9:03 AM by President Judith Case.

2. Roll Call

Roll was called by Michele Mills, Gallagher Benefit Services. Directors in attendance were President Judith Case, Vice President Pete Vander Poel, Director Susan Anderson, Director Mike Ennis, Director Allen Ishida, and Director Phil Larson. Director Deborah Poochigian was not present

3. Approve Minutes of Meeting of September 17, 2010

Director Larson moved to the approval of the minutes, seconded by Director Vander Poel. Motion approved unanimously.

4. Receive and File 2009-10 Financials

President Case called for any comments on the financials. Director Anderson asked when the financials would be audited. Vicki Crow commented that there is an agenda item to approve a vendor for the audit. Vicki introduced Queenie Hill, accounting manager for the County of Fresno, who has been in charge of the project of completing the financials for the 2009-10 fiscal year.

Director Vander Poel made the motion to show the receipt of the report. Director Anderson seconded the motion, which passed unanimously.

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5. Approve updated Budget for Fiscal Year 2010-2011

Alan Thaxter, GBS, gave a report on the updated budget for the 2010-2011 fiscal year. The original budget was approved at the meeting on July 16, 2010. The budget submitted for approval at this meeting was revised to include approved rates for the 2011 plan year. President Case asked that in the future when financial documents change that the document formerly approved be included in the packet to the board members. It was also requested that in an updated financial document a column be included showing the difference between the original and the update.

Director Anderson moved for the approval of the budget, Director Larson seconded the motion. The motion was unanimously approved.

6. SJVIA Growth Implementation and Marketing Plan

Tim Huntley, Human Resources Director, gave a brief overview of the growth of the JPA and asked that Leroy Tucker, GBS, speak about the potential growth of the SJVIA.

Mr. Tucker outlined the benefits of growth with regards to driving fixed costs down and smoothing rate spikes for all groups participating in the SJVIA. He further explained that not all groups would be accepted into the JPA to control the growth and health of the pool. He stated that a selective underwriting and approval process would allow the SJVIA to offer competitive rates and an aggressively rated pool to groups both small and large.

Director Larson asked how the Board of Directors would function as the JPA gets larger and also asked how the SJVIA could control the pool and assess the health of an interested group. Mr. Tucker explained that very recently GBS had been approached by a neighboring County regarding the SJVIA plan option. He also outlined that some interested groups will not have past claims experience to analyze, while some would. There are also smaller city entities that have expressed

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interest in the SJVIA and this would create a need to form a “pool within a pool” for these groups to participate.

Director Vander Poel commented that the reason the SJVIA was formed was to control cost increases down for both founding Counties. He stated that if growing the SJVIA is going to benefit the employees of County of Fresno and County of Tulare by keeping increases down and costs low, then growing the SJVIA is a wise choice. Mr. Tucker stated that while the Counties of Fresno and Tulare are both large, that they are not large enough to fully stabilize rates and spikes in claims.

President Case suggested that the SJVIA look at growing by adding only larger entities until the SJVIA has independent staff to manage the JPA.

Director Ishida asked to see a prospect list of groups that the SJVIA may target for growth. Mr. Huntley stated that there are many prospective groups in the near vicinity that would grow the SJVIA quickly.

Director Anderson asked that the governance model remain unchanged. She also stated that she feels that new groups coming in to the SJVIA be charged a fee to join the JPA.

President Case summarized the discussion:

- The governance remain unchanged
- New groups should be assessed a surcharged to enter the JPA.
- New groups should be thoroughly analyzed for their risk level before entering the JPA.

Director Vander Poel motioned to consider growth of the SJVIA, taking into consideration demographics and prior history of interested groups. Further, he motioned to direct GBS to analyze the potential groups for their appropriate recommendation for possible acceptance into the SJVIA. The governance model to remain the same under this motions

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and surcharge be assessed to groups coming into the SJVIA. Director Anderson seconded and motion passed unanimously.

Director Anderson asked that the Board take a look at pooling between the existing groups. Mr. Huntley asked that Gallagher prepare a “renewal” for Tulare and Fresno for 2011 had the groups been pooled on the PPO plan.

7. CHCC Mutual Non-Disclosure Agreement w/ Local Hospitals

Paul Nerland, gave a brief history on CHCC and summary of the proposed agreement with the SJVIA.

President Case asked that when new documents, such as agreements be distributed with a track changes or a description of the changes to the document.

Director Vander Poel moved and Director Ennis seconded, motion approved unanimously.

8. Approve use of sjvia.org and preliminary SJVIA web site

Director Vander Poel moved and Director Anderson seconded to approve the use of SJVIA.org for the official website.

9. Approve agreement with Price, Page and Company to audit the financial statements for the period ended June 30, 2010.

Vicki Crow gave an overview of the proposal to perform the audit on the financials. Price, Page and Company is the current auditor for the County of Fresno. There was no RFP performed for this process. Ms. Crow stated that when the County does its next RFP, this process will be included. Director Vander Poel asked that when this audit is up for RFP that Tulare vendors be included in the list. Ms. Crow affirmed that Tulare vendors will be included.

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Director Ennis motioned, Director Larson seconded. The motion passed unanimously.

10. Approve 2011 SJVIA Board Meeting Calendar

Director Anderson moved, Director Ennis seconded to approve the 2011 calendar with the correction to the January meeting which should be on the 14th.

11. Staffing the SJVIA

Informational item only – no action needed.

12. Title Changes

Director Anderson motioned, Larson Seconded. Motion approved unanimously.

13. Public Comment

Meeting adjourned by President Case at 10:20 AM.