

# 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 Location:  
Fresno County Employee Retirement  
Association Board Chambers  
1111 H Street  
Fresno, CA 93721  
January 14, 2011  
9:00 AM

**AGENDA DATE:** January 14, 2011

**ITEM NUMBER:** 9

**SUBJECT:** Report on Recent Non Sufficient Funds Incident with the SJVIA claims payments

**REQUEST(S):** That the Board allow SJVIA to solicit collection of bank costs incurred from the NSF occurrence from Chase Bank and Wellpoint, Inc.

**DESCRIPTION:**

During the week of November 15-19, 2010 the SJVIA experienced several returned checks on its Claims account with Chase. Although there were several challenges that the SJVIA faced during this specific time frame, the main reason for the check returns revolves around bank issues.

Although the exact details of the returned checks are still being researched we do know some details:

- All of the items in question were originally negotiated on November 16<sup>th</sup>, 2010.
- Although the checks were stamped NSF, they were actually returned for the reason "Refer to Maker".
- The checks show in Chase's system as being PAID.
- The checks show in Anthem's system as being PAID.
- The money to pay the checks has been deducted from the SJVIA Claims account.
- Checks that were re-deposited by payees were returned as a duplicate item because they showed in Chase's system as being paid.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** September 17, 2010

The main challenge that we have encountered in finding a solution to this issue is the bank itself. Chase has not acknowledged their responsibility in this and different departments within the bank are blaming each other for the issue. Getting information from Chase has been difficult and their research times have been very slow. There have been many occasions where they have provided us an explanation, and we have had to prove them wrong before they start down another path of research.

Staff has worked with Wellpoint, Inc. to get all known adversely affected checks reissued on January 4, 2011. To eliminate the possibility that there are unknown items we will be actively contacting providers that may have been affected. We also continue to investigate the exact details of what happened with Chase. Once we have all the details we will scrutinize our own internal controls and establish procedures that will prevent similar instances.

**FISCAL IMPACT/FINANCING:**

SJVIA and/or the respective counties could be responsible for the NSF fees and bank costs for providers and SJVIA claims bank account. The cost is undetermined until the NSF list is provided by Chase Bank.

**ADMINISTRATIVE SIGN-OFF:**



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Vicki Crow  
SJVIA Auditor-Treasurer

**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE  
AUTHORITY**

**IN THE MATTER OF** Report on Recent Non Sufficient Funds Incident with the SJVIA claims payments.

**RESOLUTION NO.** \_\_\_\_\_  
**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

\* \* \* \* \*

That the Board gave direction in response to staff's request to allow the SJVIA to solicit collection of bank costs incurred from the NSF occurrence from Chase Bank and Wellpoint, Inc.