



SJVIA

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:
Tulare County Employee Retirement
Association Board Chambers
136 N. Akers Street
Visalia, CA 93291
November 9, 2012
9:00 AM

AGENDA DATE: November 9, 2012

ITEM NUMBER 10

SUBJECT Extension of the Consulting Agreement with Gallagher Benefit Services

REQUEST(S): That the Board direct staff to amend the Agreement with Gallagher Benefit Services extending the term one additional year and authorize Board President to execute the amendment effective January 1 through December 31, 2013.

DESCRIPTION:

The SJVIA entered into an agreement with Gallagher Benefit Services (GBS) effective January 1, 2010 through December 31, 2012. The agreement provides that GBS provide services related to strategic planning, financial monitoring and reporting, renewal services, renewal underwriting and rate setting, vendor management, compliance services, member agency support services and program marketing and promotion. Based on the implementation of several new benefit programs (prescription, dental and vision), the status of SJVIA growth and marketing, compliance requirements related to the Patient Protection & Affordable Care Act (PPACA), staff recommends that the Agreement be extended one year. It is also recommended that staff conduct a competitive bidding process in 2013 and return to your Board with recommendations for a new Agreement. Approval of this item will ensure seamless transition of new benefit plans, continuing marketing efforts and compliance with PPACA.

AGENDA: San Joaquin Valley Insurance Authority

DATE: November 9, 2012

FISCAL IMPACT/FINANCING:

GBS's fee to the SJVIA for services amounts to \$4.00 per employee per month (PEPM). Based on current enrollment at member entities, GBS would receive approximately \$400,000 in 2013. The expense is included as part of the FY 12/13 SJVIA budget and incorporated as part of the Plan Year 2013 health insurance rates.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Jeffrey Cardell
Assistant SJVIA Manager

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

IN THE MATTER OF Extension of the Consulting Agreement with Gallagher Benefit Services

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 directed staff to amend the Agreement with Gallagher Benefit Services extending the term one additional year and authorized the Board President to execute the amendment effective January 1 through December 31, 2013.