SJVIA
San Joaquin Valley Insurance Authority

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   9

SUBJECT   Investment Options for SJVIA cash reserves

REQUEST(S):   That Board receive verbal discussion on the investment options available to the SJVIA

DESCRIPTION:

The SJVIA adopted an investment policy on January 20, 2012. The Policy outlines the primary objectives of the investment pool, as well as provides investment options.

Effective January 1, 2012, the Authority moved from a claims servicing entity to a full risk self-insurance model. Up until that time, the SJVIA did not have reserves sufficient to invest outside of the primary bank accounts and maintain the necessary liquidity to pay claims. Additionally, the balances maintained in the bank accounts were generating interest credits at a level that eliminated or minimized the banking costs.

With the change to the full risk self-insurance model, reserves have been maintained in the SJVIA bank accounts and cash flow reports have been monitored to measure cash flow needs for claims payment and payment of other expenses. Liquidity is one of the primary objectives of the policy, as is return on investment.

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The attached summary identifies the most viable investment options for excess reserves that maximize investment earnings, while allowing flexibility to move the funds back to the claims bank account for liquidity purposes, if cash flow demands are higher than expected.

FISCAL IMPACT/FINANCING:

ADMINISTRATIVE SIGN-OFF:

_____
Vicki Crow

BEFORE THE BOARD OF DIRECTORS
SAN JOAQUIN VALLEY INSURANCE AUTHORITY

IN THE MATTER OF

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: _____

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