

# San Joaquin Valley Insurance Authority

## BOARD OF DIRECTORS

SUSAN B. ANDERSON  
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Meeting Location:  
Fresno County Employee Retirement  
Association Board Chambers  
1111 H Street  
Fresno, CA 93721  
April 20, 2012  
9:00 AM

**AGENDA DATE:** April 20, 2012

**ITEM NUMBER:** 9

**SUBJECT:** Approve the Revision of the JPA Agreement between the County of Fresno and County of Tulare and Model Participation Agreement to Allow for Expansion

**REQUEST(S):** Approval and Board Direction to Finalize Revisions to the SJVIA JPA Agreement between the County of Fresno and Tulare and Model Participation Agreement to Allow for Expansion

### **DESCRIPTION:**

In October of 2009, the County of Fresno and Tulare executed the “Joint Exercise of Powers Agreement Creating the San Joaquin Valley Insurance Authority” (SJVIA JPA Agreement). The agreement formed the SJVIA but as drafted did not allow for expansion. The County of Fresno and Tulare also each executed a “Participation Agreement” confirming the benefit plans that each entity would be participating in. Since that time, your Board directed staff on November 5, 2010 to consider growth opportunities that would benefit both the SJVIA and other entities. As part of that strategy, your Board approved New Member Underwriting Guidelines on October 7, 2011 and the County of Fresno and Tulare transitioned to a shared risk pool in 2012. As summarized in consent item 5(c), Gallagher Benefit Services and SJVIA staff marketed the SJVIA to other entities. As described in item 10, SJVIA staff seeks formal approval to release proposals to entities that have expressed interest in the SJVIA. Consistent with your Board’s direction on January 20, 2012, the SVIA JPA Agreement will maintain the current governance structure of the SJVIA.

The purpose of this item is to request approval and staff direction to modify the SJVIA JPA Agreement and model Participation Agreement to allow for the growth of the SJVIA. This will require that the agreement return to both the County of Fresno and Tulare Board of Supervisors for approval before being executed by the SJVIA Board. The intent is to streamline the process through which entities may join and participate in the SJVIA. The agreements would require at least a three-year commitment to participate in the SJVIA health insurance program but would allow the addition of other benefit programs in the future. After the three-year commitment has ended, the entity would be required to

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provide at least a 180 day notice to leave the SJVIA. As stated in other items on today's agenda, it is possible that an entity could join the SJVIA effective July 1, 2012.

**FISCAL IMPACT/FINANCING:**

There is no additional cost with the recommended action but the addition of other entities would increase the revenue and expenses of the SJVIA. The long-term goal is to continue to reduce fixed costs based on the size of the SJVIA and reduce rate volatility through pooling with other entities.

**ADMINISTRATIVE SIGN-OFF:**



—  
Paul Nerland  
SJVIA Manager



—  
Jeffrey Cardell  
SJVIA Assistant Manager

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

**IN THE MATTER OF** Approval and Board Direction to Finalize Revisions to the SJVIA JPA Agreement between the County of Fresno and Tulare and Model Participation Agreement to Allow for Expansion

**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 APRIL 20, 2012 BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

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

\* \* \* \* \*

The Board Approved and Gave Direction to Finalize Revisions to the SJVIA JPA Agreement between the County of Fresno and Tulare and Model Participation Agreement to Allow for Expansion