



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
July 20, 2012
9:00 AM

AGENDA DATE:

July 20, 2012

ITEM NUMBER

12

SUBJECT

Preliminary January 1, 2013 health plan renewal

REQUEST(S):

That the Board be made aware of the projected 2013 renewal rate action, reflecting claims experience through May 2012 and the Board approved shared risk underwriting methodology.

DESCRIPTION:

For the second year the SJVIA is using the Board approved, shared risk underwriting methodology to calculate the plan year renewals. Under this underwriting arrangement, the SJVIA is reviewed as a unit for claims and reserves and then each agency/plan is also reviewed for how their agency specific experience relates to the overall SJVIA pool. The participating agency is then issued a renewal based on the experience of the SJVIA pool, adjusted according to their specific plan performance. This approach provides rate smoothing and stability for all agencies and is employed by many JPAs.

For the preliminary renewal projection, Gallagher Benefit Services, in conjunction with their actuarial division, has projected the overall SJVIA renewal for 2013 would require an increase between 7% and 11%. This initial renewal projection is based on claims data through May 2012 and current demographic information on all participating agencies.

AGENDA: San Joaquin Valley Insurance Authority

DATE: July 20, 2012

The final rate recommendation will be completed using claims data updated through June 2012 and presented at the August 20, 2012 SJVIA Board of Directors meeting. This presentation will have the 2013 percentage increase for the overall SJVIA, as well as the specific rate increases for each plan and member agency, all developed using the approved shared risk underwriting methodology.

FISCAL IMPACT/FINANCING:

Projected renewal rate increases will be added to the budget for the 2012-13 fiscal year to be amended and approved at a future meeting.

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 Preliminary January 1, 2013 health plan renewal

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 be made aware of the projected 2013 renewal rate action, reflecting claims experience through May 2012 and the Board approved shared risk underwriting methodology.