



BOARD OF DIRECTORS

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**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
September 2, 2016 10:00 AM**

AGENDA DATE: September 2, 2016

ITEM NUMBER: Item 9

SUBJECT: Receive Information on how Renewal Timing and Delays Create a Need for Flexibility as it Relates to the Termination Clause as Stated in the Participation Agreements (I)

REQUEST(S): That the Board Receive and File Information on how Renewal Timing and Delays Create a Need for Flexibility as it Relates to the Termination Clause as Stated in the Participation Agreements

DESCRIPTION:

The current SJVIA participating entities each have their 2017 plan year beginning January 1, 2017, with the exception of the County of Fresno which begins on December 19, 2016. The SJVIA Participation Agreements executed by all entities currently state on page 2, section 9.a. that the participating entities may terminate their agreements at any time by giving SJVIA 120 days advance written notice.

The pending 2017 renewal rate action is to be finalized by the Board during today's meeting. Necessary administrative activities in order to finalize each entity's specific renewal rates and notify them appropriately will require approximately 5-7 business days after the rate action is finalized by your Board. It is anticipated that final renewal notification to each SJVIA entity will be completed by September 13, 2016. Due to the delay in renewal notification, the required 120 day advance notification to the SJVIA cannot be met, if any participating entities wish to give notice of termination as a result of the renewal. For the 2017 Plan Year, staff recommends that the SJVIA exhibit good faith and flexibility regarding any reasonable notification from a participating entity of their intent to terminate their participation agreement after the 120 day deadline. SJVIA Staff will work with Counsel in determining appropriate timing relating to this deadline.

AGENDA: San Joaquin Valley Insurance Authority

DATE: September 2, 2016

FISCAL IMPACT/FINANCING:

None

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager