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CITY OF CERES
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CITY COUNCIL

Chris Vierra, Mayor
Bret Durossette Mike Kline
Ken Lane Linda Ryno

September 26, 2017

Rhonda Sjostrom
SJVIA Manager
2900 West Burrell Avenue
Visalia, CA 93291

Paul Nerland
SJVIA Manager
2220 Tulare Street, 14th Floor
Fresno, CA 93721

Sent via email:
sjvia-admin@co.fresno.ca.us

Subject: Notice of Termination

Dear Ms. Sjostrom and Mr. Nerland:

The City of Ceres joined the San Joaquin Valley Insurance Authority (SJVIA) in 2013 for the purpose of stabilizing medical premiums and providing consistent carrier options for the City and its employees. The SJVIA, as described in its New Member Underwriting Methodology, provided a "single risk pool" where "risk is shared among all members."

Beginning with the 2017 rate renewal, the SJVIA Board of Directors took actions that separated the two founding members, Counties of Fresno and Tulare, from the other member agencies, resulting in 20 of 23 non-founding members terminating their agreements with the SJVIA. During this year's 2018 rate renewal discussions the Board took further action to eliminate risk sharing except for the founding members, approving a 36.8% premium increase for approximately 4% of the HMO employee participants.

It is clear that the SJVIA is no longer a shared-risk pool and does not serve the best interests of the City of Ceres. Pursuant to Section 9(a) of the Participation Agreement, as amended at the August 25, 2017 SJVIA Board Meeting (Agenda Item 9), this letter shall serve as notice of the City's intent to terminate its agreement with the SJVIA, effective at the end of the 2017 plan year, December 31, 2017.

Sincerely,

Toby Wells
City Manager