

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
February 3, 2017 9:00 AM**

AGENDA DATE: February 3, 2017

ITEM NUMBER: Item 13

SUBJECT: Approve Proposed Participation Agreement Revisions and Authorize President to Execute SJVIA Participation Agreements Effective April 1, 2017 (A)

REQUEST(S): That the Board approve an extension of the current Participation Agreement language effective April 1, 2017 through June 30, 2017 to allow time to receive the input of the SJVIA's new consultant.

DESCRIPTION:

At the Board meeting on October 28, 2016, [staff recommended](#) certain changes to the [SJVIA Participation Agreement](#). Each entity that participates in the SJVIA's program offerings executes a participation agreement with the SJVIA. Participation agreements by non-founding members typically had a term of three years when beginning participation. For entities whose participation agreement expired, a new participation agreement is necessary. As part of the January 2017 renewal process, staff recommended revisions to ongoing Participation Agreements to clarify the respective obligations of the SJVIA and each participating entity. Proposed changes included the following:

- Simplifying the premium payment due date to allow for a single payment by each participating entity each month
- Clarifying that participating entities are not required to disclose information whose disclosure is prohibited by law
- Providing that the SJVIA will make reasonable efforts to adopt renewal rates at least 120 days before the beginning of the plan year

AGENDA: San Joaquin Valley Insurance Authority

DATE: February 3, 2017

- Providing that documents of the SJVIA will be available to participating entities for purposes of audits and inspections, subject to legal prohibitions on disclosure
- Providing dispute resolution procedures that are similar to what participation agreements have previously provided

At the October 28th Board meeting, several entities addressed their concerns with some of the proposed changes to the agreement. Your Board directed staff to send the revised Participation Agreement to entities allowing more time for their feedback to be considered. On December 8th, [staff again presented](#) the revised Participation Agreement template after considering feedback from entities that responded. Most of the concern by entities was focused on Section 1.6 – Assessments that would allow for assessment on participating entities in the event of inadequate funding and only after all other options had been considered. The intent of this language was to protect the remaining entities if an entity departs that has not paid its fair share based on the rates and funding. At the meeting, a representative from the City of Ceres expressed concern about the language and asked for more time to propose alternatives that would be acceptable. Your Board directed staff to work with the remaining entities and determine if their feedback and the SJVIA's interests could be reconciled and to bring back at the next meeting.

The City of Ceres and Waterford did submit the attached comments and recommendations for staff consideration. Although staff would likely not recommend adoption of all of the proposed revisions, it is recommended that the revisions be delayed pending the input of the SJVIA's new consultant, pending your Board's approval of their selection. This would necessitate direction to extend the current agreement until June 30, 2017 allowing time for the new consultant's input.

FISCAL IMPACT/FINANCING:

None.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager