



SJVIA

San Joaquin Valley
Insurance Authority

BOARD OF DIRECTORS

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J. STEVEN WORTHLEY

Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93921
February 3, 2017
9:00 AM

AGENDA DATE: February 3, 2017

ITEM NUMBER: 14

SUBJECT: Approve Staff Recommendation to Enter Into Agreement for Actuarial Services in Connection with Audited Financial Statements and Authorize President to Execute Agreement Subject to Approval of SJVIA Counsel and Staff

REQUEST(S): Receive Staff Report & Recommendation to Contract with Rael & Letson to Perform Annual GASB 10 Evaluations

DESCRIPTION:

SJVIA staff prepared an RFQ to secure the services of a qualified firm to provide actuarial services in order to comply with the Governmental Accounting Standards Board (GASB) Statement No. 10. The Governmental Accounting Board (GASB) is the independent organization that establishes and approves standards of accounting and financial reporting for State and Local governmental entities, including the SJVIA. GASB Statement 10 requires such things as disclosure in the notes to the financial statements about the type of reinsurance or excess insurance coverage for certain claims costs, and requires presentation of gross, ceded, and net premiums and claims costs in the ten-year revenue and claims development information. Furthermore, this Statement provides that claims development information should be reported consistently on a report or policy-year basis.

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Consistent with the obligation to comply with GASB 10, SJVIA staff prepared and transmitted an RFQ to qualified firms on September 29, 2016. The RFQ scope of services included the issuance of a Public Statement of Actuarial Opinion (PSAO) in accordance with the Qualification Standards of the American Academy of Actuaries and all elements of reporting that may be required by GASB 10. A qualified responsive bid (Rael & Letson) was received on October 26, 2016.

Approval of the recommended action will authorize staff to negotiate and finalize the agreement with Rael & Letson, the Board President to execute an Agreement with Rael & Letson subject to the approval of SJVIA Counsel and staff, and for Rael & Letson to begin performing the study as soon as possible.

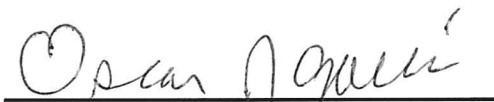
FISCAL IMPACT/FINANCING:

Your Board's approval of the recommended action could result in a fixed cost expense of up to \$28,000 the first year. This includes two years of actuarial service completed in the first year (fiscal years ending June 30, 2016 and June 30, 2017); followed by two subsequent years at \$14,000 each.

SJVIA INTERNAL REVIEW:

All documents have been reviewed by SJVIA Management.

ADMINISTRATIVE SIGN-OFF:



Oscar J. Garcia, CPA
Auditor-Treasurer