



**BOARD OF DIRECTORS**

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KUYLER CROCKER  
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BRIAN PACHECO  
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J. STEVEN WORTHLEY

**Meeting Location:**  
**County of Fresno**  
**Fresno County Board of Supervisors**  
**Chambers**  
**2281 Tulare Street, #301**  
**Fresno, CA 93721**

**AGENDA DATE:** February 23, 2018

**ITEM NUMBER:** Item 15

**SUBJECT:** Receive and File Consultant’s Update on Loan Repayment and Reserve Funding (I)

**REQUEST(S):** That the Board review and provide further direction in developing the SJVIA loan repayment for the County of Fresno and the County of Tulare, IBNR reserve funding, and stabilization reserve funding.

**DESCRIPTION:**

To maintain financial solvency for the SJVIA, the County of Tulare and the County of Fresno provided loans to the SJVIA of \$4,000,000 and \$5,000,000 respectively. The SJVIA Board requested that Keenan develop a loan repayment policy. Additionally, the SJVIA has an unfunded IBNR reserve and no stabilization reserve for adverse claim activity. Keenan developed loan repayment and reserve funding options which provide a basis to develop the loan repayment and reserve policies.

This is an updated report which includes the following adjustments:

- Applying the impact of the SJVIA plan experience through December 31, 2017;
- Reducing the deficit position by the prescription drug rebates, audit returns, and other adjustments; and
- Smoothing the impact of the “All Other Group” over the County of Fresno, County of Tulare, and the City of Marysville.

**FISCAL IMPACT/FINANCING:**

Loan repayment of \$9,000,000, IBNR reserve establishment of \$5,703,223, and a one-month stabilization reserve of \$5,925,130 for a total of \$20,628,353 to be funded over multiple years, depending on the option selected.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** February 23, 2018

**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SJVIA Manager



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Rhonda Sjostrom  
SJVIA Assistant Manager