



**BOARD OF DIRECTORS**

STEVE BRANDAU  
KUYLER CROCKER  
NATHAN MAGSIG  
BUDDY MENDES  
BRIAN PACHECO  
AMY SHUKLIAN  
PETE VANDER POEL

**Meeting Location:  
County of Tulare  
Board of Supervisors Chambers  
2800 W. Burrel Avenue  
Visalia, CA 93291**

**AGENDA DATE:** August 23, 2019

**ITEM NUMBER:** Item 13

**SUBJECT:** Receive Consultant's SJVIA Actuarially Certified Incurred But Not Reported (IBNR) Reserve Report as of June 30, 2019 and Approve Funding Additional \$272,314 to Maintain the Fully Funded Status of the IBNR Reserve (A)

**REQUEST(S):** That the Board receive the Consultant's SJVIA Actuarially Certified IBNR Report as of June 30, 2019 and approve \$272,314 be added to the IBNR reserve to maintain the fully-funded status.

**DESCRIPTION:**

IBNR reserve calculates the outstanding liability for claims that have been incurred but have not yet been paid. The SJVIA has, as one of its goals, to fully fund this liability. The SJVIA IBNR Reserve has been calculated based off actuarial models for the County of Fresno and the County of Tulare. The City of Marysville is too small to run through the actuarial model, but Keenan's actuary estimates an IBNR reserve of \$89,400. The County of Fresno IBNR reserve requirement of \$4,326,224 and the County of Tulare IBNR reserve requirement of \$2,306,037 with the City of Marysville bring the total IBNR reserve liability to \$6,721,661 for medical and prescription drugs.

For 2019, the dental PPO plan was self-funded adding another \$203,018 to the IBNR reserve requirement for an overall total of \$6,924,679.

At the February 22, 2019 SJVIA Board meeting, the SJVIA instructed that \$6,652,365 be set aside to fund the IBNR. An additional \$272,314 (\$203,018 for dental and \$69,296 for medical and prescription drugs). is required to fully fund IBNR as of June 30, 2019. These funds would come from the SJVIA reserve accumulation.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** August 23, 2019

**FISCAL IMPACT/FINANCING:**

The IBNR reserve liability for the self-funded medical and prescription drugs program increased \$69,296 and the new self-funded dental program requires \$203,018 for a total increase in the IBNR reserve requirement of \$272,314 to bring the total funded IBNR reserve to \$6,924,679.

**ADMINISTRATIVE SIGN-OFF:**



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Rhonda Sjostrom  
SJVIA Manager



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Paul Nerland  
SJVIA Assistant Manager