



**BOARD OF DIRECTORS**

STEVE BRANDAU  
NATHAN MAGSIG  
BUDDY MENDES  
LARRY MICARI  
BRIAN PACHECO  
AMY SHUKLIAN  
PETE VANDER POEL

**Meeting Location:  
County of Tulare  
Human Resources & Development Dept.  
Innovation Conference Room  
2500 W. Burrel Avenue  
Visalia, CA 93291**

**AGENDA DATE:** December 9, 2022

**ITEM NUMBER:** Item 12

**SUBJECT:** Receive Consultant's Report on Plan Year 2023 Stop Loss/Reinsurance Renewal and Marketing Results and Authorize President to Execute Agreement Subject to Approval of SJVIA Counsel and Staff (A)

**REQUEST(S):** That the Board approve the recommended vendor and authorize the President to execute agreement subject to approval of SJVIA Counsel and Staff.

**DESCRIPTION:**

As part of the Plan Year 2023 SJVIA self-funded medical and prescription reinsurance renewal, Keenan conducted a marketing to secure the most competitive stop loss/reinsurance rates.

**Stop Loss Renewal with Granular**

For Plan Year 2023, Granular offered a renewal at the current \$450k specific deductible for a +29% increase, or an additional \$407,256, in overall annual premium.

Keenan was able to negotiate the renewal down to a +19.8% increase, or an additional \$277,941, above current annual premium. The negotiated reduction represents a savings of \$129,315 in annual premium compared to the initial renewal offer.

Over the past 9 months, SJVIA has incurred 11 large claims exceeding \$200,000, with the largest claim coming in above \$1.1m.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** December 9, 2022

**Stop Loss Marketing**

Keenan marketed to 20 carriers, including the incumbent, Granular. Of the 20 carriers, 16 declined to quote due to uncompetitive. Proposals received quoted increases from +24% to +50% over current annual premium.

**Recommendation**

It is recommended that the SJVIA:

- Select Granular, the incumbent carrier, as the reinsurer for the 2023 Plan Year;
- Renew at the \$450,000 reinsurance level; and
- Accept the increase of 19.8%

**FISCAL IMPACT/FINANCING:**

The reinsurance rates used in the development of the 2023 Plan Year budget was 10% over the PY 2022 reinsurance rates.

The stop loss renewal will be 9.8% higher than the 10% budgeted for the PY 2023 renewal. The 9.8%, or approximately \$137,523, will need to be accounted for out the excess margin/stabilization reserve.

**ADMINISTRATIVE SIGN-OFF:**



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Hollis Magill  
SJVIA Manager



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Lupe Garza  
SJVIA Assistant Manager