



BOARD OF DIRECTORS

STEVE BRANDAU
NATHAN MAGSIG
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LARRY MICARI
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: December 8, 2023

ITEM NUMBER: Item 11

SUBJECT: Receive Consultant’s Report on Plan Year 2024 Stop Loss/Reinsurance Renewal and Marketing Results and Authorize President to Execute Application and 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 application and agreement subject to approval of SJVIA Counsel and Staff.

DESCRIPTION:

As part of the Plan Year 2024 SJVIA self-funded medical and prescription reinsurance renewal, Keenan obtained the renewal from the incumbent vendor in addition to conducting a marketing to secure the most competitive stop loss/reinsurance rates.

Stop Loss Renewal with Granular (incumbent)

In the 2024 SJVIA overall renewal presented and approved at the August 25, 2023 SJVIA Board meeting, SJVIA budgeted a 20.0% or \$368,059 renewal increase for stop loss reinsurance.

For Plan Year 2024, Granular offered a renewal at the current \$450k specific deductible for a +40% increase, or an additional \$735,426, in estimated overall annual premium.

Several alternate deductible options, with and without premium refunding, are offered with increases ranging between +26.5% to +34.4%.

AGENDA: San Joaquin Valley Insurance Authority

DATE: December 8, 2023

There are two large, ongoing claims (one claimant from each County) projected to be over \$1.0 million by the end of 2023 and are expected to be ongoing for 2024.

Stop Loss Marketing

Keenan marketed to 21 carriers, including the incumbent, Granular. Of the 20 non-incumbent carriers, 19 declined to quote due to uncompetitive rates and one carrier did not respond.

Recommendation

It is recommended that the SJVIA:

- Select Granular, the incumbent carrier, as the reinsurer for the 2024 Plan Year;
- Renew at the \$475,000 reinsurance level;
- Eliminate the premium refunding benefit; and
- Accept the increase of +28.8%

FISCAL IMPACT/FINANCING:

The reinsurance rates used in the development of the 2024 Plan Year budget was 20% over the PY 2023 reinsurance rates.

The stop loss renewal will be 8.8% higher than the 20% budgeted for the PY 2024 renewal. The 8.8%, or approximately \$162,505, will need to be accounted for from the reserve margin.

ADMINISTRATIVE SIGN-OFF:



Lupe Garza
SJVIA Manager



Hollis Magill
SJVIA Assistant Manager