



BOARD OF DIRECTORS

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**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
August 22, 2014 9:00 AM**

AGENDA DATE: August 22, 2014

ITEM NUMBER: 8

SUBJECT: Approve Health Plan Renewal Rate Change for the 2015 Plan Year

REQUEST(S): That the Board approve the recommended renewal rate change for the Health Plans through Anthem Blue Cross and Health Now Administrative Services for the 2015 Plan Year

DESCRIPTION:

The renewal has been updated from the preliminary review presented at the July board meeting. The renewal now reflects claims experience through June 2014 and is now forecasted at a blended increase of 1.17% for the PPO and HMO plans. The renewal encompasses all fixed costs, reserve adjustments and forecasted trended paid claims. The stated renewal calculation includes an adjustment to the beginning (current) reserve surplus amount. Further, the rates reflect maintaining the Board approved conservative ending reserve amount. The surplus reserve adjustment reduced the otherwise trended rate of 7.33% to 1.17%.

The SJVIA is holding sufficient reserves for Incurred but Not Reported (IBNR) liability. Attached is a renewal rate underwriting summary denoting all current and renewal SJVIA rates.

AGENDA: San Joaquin Valley Insurance Authority

DATE: August 22, 2014

FISCAL IMPACT/FINANCING:

Projected renewal rate increases will be added to the budget for the 2014-15 fiscal year to be amended and approved at a future meeting.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager