



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: February 21, 2020

ITEM NUMBER: Item 13

SUBJECT: Receive Consultant's SJVIA Actuarially Certified Incurred But Not Reported (IBNR) Reserve Report as of December 31, 2019 and Approve Funds to be Set Aside for IBNR Reserves (A)

REQUEST(S): That the Board receive the Consultant's SJVIA Actuarially Certified IBNR Report as of December 31, 2019 and approve \$171,741 be added to the IBNR reserve.

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 have been calculated based off actuarial models and models both the County of Fresno and County of Tulare plans separately. The City of Marysville is too small to run through the actuarial model, but Keenan's actuary estimates an IBNR reserve of \$89,400. This brings the total IBNR reserve liability to \$7,096,420 for medical, prescription drugs, and dental coverage. This is an increase of \$171,741 from the June 30, 2019 actuarial certified IBNR reserve of \$6,924,679.

At the August 23, 2019 SJVIA Board meeting, the SJVIA ordered \$6,924,679 be set aside to fund the IBNR. An additional \$171,741 is required to fund IBNR as of December 31, 2019. These funds would come from the SJVIA reserve accumulation.

Please note, the City of Marysville discontinued coverage through the SJVIA effective January 1, 2020. Their funded IBNR reserve of \$89,400 will be used to fund the claims run-out throughout 2020 and 2021.

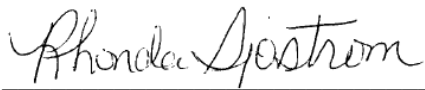
AGENDA: San Joaquin Valley Insurance Authority

DATE: February 21, 2020

FISCAL IMPACT/FINANCING:

The IBNR reserve liability for the self-funded medical and prescription drugs program increased \$189,607 and the self-funded dental program decreased \$17,886 for a total increase in the IBNR reserve requirement of \$171,741 to bring the total funded IBNR reserve to \$7,096,420.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager