



**BOARD OF DIRECTORS**

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

**AGENDA DATE:** December 10, 2021

**ITEM NUMBER:** Item 9

**SUBJECT:** Receive Consultant's Medical, Dental, and Vision Experience Reports through September 2021 with Update on Projected Plan Experience Surplus Accumulation and Projections (I)

**REQUEST(S):** That the Board receive the consultant's medical, dental, and vision experience reports through September 2021 and update on projected plan experience accumulation.

**DESCRIPTION:**

The consultant's report shows that on a total cost basis from January through September 2021, the self-insured medical premium of \$60,966,506 exceeded total cost of \$59,944,385 for an accumulation of \$1,022,121, or a 98.3% loss ratio. It is important to note that plan experience during the COVID-19 pandemic is unprecedented as well as how the plan experience will react after the pandemic.

For the self-insured dental, the report shows that on a total cost basis, the dental premium of \$3,584,600 exceeded total cost of \$3,324,881 for an accumulation of \$259,719, or a 92.8% loss ratio.

The vision plan remains fully insured and has an accumulation of \$36,887. Under the fully insured arrangement all deficit or surplus positions stay with the carrier.

Keenan projected an \$8,821,449 accumulation for the 2021 plan year. The accumulation is built from premium exceeding plan costs, built-in margin on the Kaiser plan, prescription drug rebates, and other sources. As of September 30, 2021, \$5,800,541 or 65.8% of the annual total has been realized for the 2021 plan year.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** December 10, 2021

Please note this is the consultant's report and, prior to allocating funds for IBNR and stabilization reserves and to provide loan repayment, the SJVIA Auditor will provide the unaudited reserve accumulation based on actual revenue received and actual expenses paid.

**FISCAL IMPACT/FINANCING:**

The 2021 plan year experience through September developed a \$1,022,121 medical accumulation and a \$259,719 dental accumulation for a total of \$1,281,840. The addition of the Kaiser reserve of \$594,720, the Kaiser EPO parity reserve of \$1,863,138, and the prescription drug rebates of \$2,060,674 brings the collective total reserve accumulation up to \$5,800,372 (based on consultant's report; the Auditor will provide the unaudited reserve accumulation based on actual revenue received and actual expenses paid).

**ADMINISTRATIVE SIGN-OFF:**



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Hollis Magill  
SJVIA Manager



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Lupe Garza  
SJVIA Assistant Manager