



BOARD OF DIRECTORS

STEVE BRANDAU

NATHAN MAGSIG

BUDDY MENDES

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: May 7, 2021

ITEM NUMBER: Item 11

SUBJECT: Receive Consultant's Medical, Dental, and Vision Experience Reports through March 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 report through March 2021 and update on projected plan experience accumulation.

DESCRIPTION:

The consultant's report shows that on a total cost basis from January through March 2021, the self-insured medical premium of \$20,762,300 exceeded total cost of \$17,403,499 for an accumulation of \$3,358,801, or an 83.8% loss ratio. It is important to note that plan experience during the COVID-19 pandemic is unprecedented as well as how the experience will be after the pandemic.

The report shows that on a total cost basis, the self-insured dental premium of \$1,198,782 exceeded total cost of \$1,109,570 for an accumulation of \$89,213, or a 92.6% loss ratio.

The vision plan remains fully-insured and has an accumulation of \$9,144. 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 March 31, 2021, \$4,270,574 or 48.4% of the annual total has been realized for the 2021 plan year.

AGENDA: San Joaquin Valley Insurance Authority

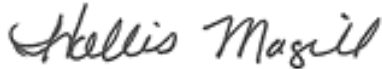
DATE: May 7, 2021

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 March developed a \$3,358,801 medical accumulation and a \$89,213 dental accumulation for a total of \$3,448,014. The addition of the Kaiser reserve of \$199,015, and Kaiser EPO parity reserve of \$623,545, brings the collective total reserve accumulation up to \$4,270,574 (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:



Hollis Magill
SJVIA Manager



Lupe Garza
SJVIA Assistant Manager