



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: August 27, 2021

ITEM NUMBER: Item 12

SUBJECT: Receive and Accept Consultant's SJVIA Actuarially Certified Incurred But Not Reported Reserve Report as of June 30, 2021 and Approve Funding to Maintain the Fully-Funded Status of the IBNR Reserve (A)

REQUEST(S): That the Board receive the consultant's SJVIA actuarially certified IBNR report as of June 30, 2021 and approve an increase of \$181,720 to the IBNR reserve to maintain the fully-funded status at \$7,281,020 and that the Board approve the \$181,720 be taken from margin accumulation and not be built into the 2022 rates.

DESCRIPTION:

IBNR reserve calculates the outstanding liability for claims that have been incurred but have not yet been paid. The SJVIA Board has directed staff to maintain a fully funded IBNR reserve. The SJVIA IBNR reserve is calculated for each participating entity (the County of Fresno and the County of Tulare) and is based on actuarial models.

For the June 30, 2021 valuation date, the total IBNR reserve liability is \$7,281,020 for medical, prescription drugs, and dental. This is an increase of \$181,720 from the December 31, 2020 actuarially certified IBNR reserve of \$7,099,300.

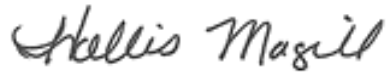
FISCAL IMPACT/FINANCING:

The IBNR reserve liability for the self-funded medical, prescription drugs, and the dental PPO coverage program increased by \$181,720 from \$7,099,300 on the December 31, 2020 valuation date to \$7,281,020 on the June 30, 2021 valuation date. The June 30, 2021 valuation amount includes a 15% or \$949,698 margin.

AGENDA: San Joaquin Valley Insurance Authority

DATE: August 27, 2021

ADMINISTRATIVE SIGN-OFF:



Hollis Magill
SJVIA Manager



Lupe Garza
SJVIA Assistant Manager