



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 West Burrel Avenue
Visalia, CA 93291**

AGENDA DATE: August 23, 2024

ITEM NUMBER: Item 11

SUBJECT: Receive Consultant’s SJVIA Actuarially Certified Incurred But Not Reported (IBNR) Report as of June 30, 2024 and Recommendation to Maintain the Current IBNR Reserve Levels for a Fully-Funded IBNR Reserve Status (A)

REQUEST(S): That the Board receive the consultant’s SJVIA actuarially certified IBNR report as of June 30,2024 and approve recommendation to maintain the current IBNR reserve levels for a fully funded status of \$10,363,820.

DESCRIPTION:

The Incurred But No Reported (IBNR) Reserve is the amount of 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, 2024 valuation date, the total IBNR Reserve liability is \$9,859,230 for medical, prescription drugs, and dental. This is a difference of (\$504,590) from the current actuarially certified IBNR reserve of \$10,363,820.

The June 30, 2024 valuation includes the Community Medical Center (CMC) claims that were incurred from January 1, 2023 through June 30, 2023 and were paid by Anthem starting August 14, 2023. The CMC paid claims totaled over \$5.2 million, and in part, explains the volatility observed in the June 30, 2023, December 31, 2023, and the June 30,2024 IBNR Reserves. Keenan recommends holding the current IBNR Reserve of \$10,363,820 and not adjusting until claim fluctuation normalizes. We anticipate the December 31, 2024 IBNR Reserve calculation to be based on normalized claim experience.

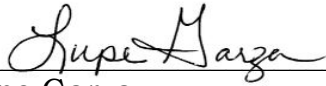
AGENDA: San Joaquin Valley Insurance Authority

DATE: August 23, 2024

FISCAL IMPACT/FINANCING:

None. Recommend maintaining the current IBNR Reserve level.

ADMINISTRATIVE SIGN-OFF:



Lupe Garza
SJVIA Manager



Hollis Magill
SJVIA Assistant Manager