



**BOARD OF DIRECTORS**

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NATHAN MAGSIG  
BUDDY MENDES  
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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:** December 6, 2024

**ITEM NUMBER:** Item 12

**SUBJECT:** Receive Consultant’s Report on Plan Year 2025 Stop Loss/Reinsurance Renewal and Marketing Results and Authorize President to Execute Application and Agreement Subject to Approval of SJVIA Counsel and Staff (A)

**REQUEST(S):** That the Board approve the recommended vendor and authorize the President to execute application and agreement subject to approval of SJVIA Counsel and Staff.

**DESCRIPTION:**

As part of the Plan Year 2025 SJVIA self-funded medical and prescription reinsurance renewal, Keenan obtained the renewal from the incumbent vendor in addition to conducting a marketing to secure the most competitive stop loss/reinsurance rates.

**Stop Loss Renewal with Granular (incumbent)**

In the 2025 SJVIA overall renewal presented and approved at the August 23, 2024 SJVIA Board meeting, SJVIA budgeted a 15.0% or \$360,273 renewal increase for stop loss reinsurance.

For Plan Year 2025, Granular offered a renewal at the current \$475k specific deductible for a +29.4% increase, or an additional \$706,476, in estimated overall annual premium.

Several alternate deductible options are offered with increases ranging between +16.2% to +25.7%.

In 2024, there have been four large claims over \$500,000 and a total of 13 claimants with claims above \$200,000.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** December 6, 2024

### **Stop Loss Marketing**

Keenan marketed to 23 carriers, including the incumbent, Granular. Of the 22 non-incumbent carriers, all declined to quote due to uncompetitive rates and SJVIA's claim history.

### **Recommendation**

It is recommended that the SJVIA:


- Select Granular, the incumbent carrier, as the reinsurer for the 2024 Plan Year;
- Renew at the \$475,000 reinsurance level;
- Accept the increase of +29.4%, and
- Fund the 14.4% (\$346,203) above the budgeted 15% (\$360,273) amount from the SJVIA's excess reserve.

### **FISCAL IMPACT/FINANCING:**

The reinsurance rates used in the development of the 2025 Plan Year budget was 15% over the PY 2024 reinsurance rates.

The stop loss renewal (29.4%) will be 14.4% higher than the 15% budget for the PY 2025 renewal. The 14.4% (\$346,203) is recommended to be funded from the excess stabilization reserve.

### **ADMINISTRATIVE SIGN-OFF:**

  
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Lupe Garza  
SJVIA Manager

  
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Hollis Magill  
SJVIA Assistant Manager