



BOARD OF DIRECTORS

GARRY BREDEFELD

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**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 West Burrel Avenue
Visalia, CA 93291**

AGENDA DATE: February 27, 2026

ITEM NUMBER: Item 11

SUBJECT: Receive Consultant's SJVIA Actuarially Certified Incurred But Not Reported (IBNR) Report as of December 31, 2025, 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 December 31, 2025, and approve recommendation to maintain the current IBNR reserve levels for a fully funded status of \$10,613,090.

DESCRIPTION:

The Incurred But Not Reported (IBNR) Reserve represents the estimated 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. This reserve is calculated separately for each participating entity—the County of Fresno and the County of Tulare—based on actuarial modeling.

As of the December 31, 2025 valuation date, the total IBNR Reserve liability for medical, prescription drug, and dental claims is \$8,596,930. This reflects a decrease of approximately \$2,000,000 from the actuarially certified IBNR Reserve of \$10,613,090 as of June 30, 2025. The primary drivers of this change include the adoption of a new actuarial methodology and platform, as well as continued recognition of a consistently fast-paying claims environment. While payment speeds have not materially accelerated compared to recent years, both Anthem and EmpiRx continue to pay claims more rapidly than many other carriers, and these patterns are incorporated into the updated model.

Given these factors, it would be prudent to maintain the current IBNR Reserve level certified as of June 30, 2025, and revisit potential adjustments

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at the next actuarial review on June 30, 2026, when additional claims experience, especially under Carelon, will help determine whether a reserve decrease is justified.

FISCAL IMPACT/FINANCING:

None. Recommend maintaining the current IBNR Reserve level.

ADMINISTRATIVE SIGN-OFF:



Hollis Magill
SJVIA Manager



Lupe Garza
SJVIA Assistant Manager