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February 6, 2026

Ms. Rochelle Garcia
Financial Reporting & Audits Division Chief
Auditor-Controller/Treasurer-Tax Collector
Financial Reporting & Audits
2281 Tulare St., Room 105
Fresno, CA 93721

**SJVIA – COUNTY OF FRESNO
INCURRED BUT NOT REPORTED (IBNR) RESERVES AS OF DECEMBER 31, 2025**

Dear Rochelle:

We have estimated the “Incurred But Not Reported” (IBNR) claims reserves for the self-funded medical, prescription drug and dental plans for County of Fresno as of December 31, 2025.

CLAIMS EXPERIENCE – January 1, 2025 to December 31, 2025

We analyzed the experience in the past 12 months to determine the actual lag between the incurred and payment dates of the medical and drug claims.

| Coverage | Paid Claims | Average Monthly Employees | Per Employee Per Month (PEPM) |
|-------------------|---------------------|---------------------------|-------------------------------|
| Medical | \$49,673,287 | 4810 | \$860.59 |
| Prescription Drug | \$22,812,179 | 4810 | \$395.22 |
| Dental | \$3,348,752 | 5332 | \$52.34 |
| Total | \$75,834,218 | N/A | \$1,308.15 |

KEENAN’S IBNR ACTUARIAL RESERVE METHODOLOGY

In Keenan’s IBNR actuarial reserve calculation, the estimated outstanding claims at the end of the period (ending IBNR) are calculated using the Chain-Ladder actuarial method. This method estimates IBNR based on historical claims development patterns, assuming that past trends in claim emergence will continue into the future. The approach relies on completion factors derived from actual claim lag data, which reflect the proportion of claims typically reported and paid over time. The IBNR reserve is calculated by applying these completion factors to the reported claims, projecting the ultimate incurred claims, and subtracting the claims already reported to determine the outstanding reserve.

Based on our analysis, we estimated the following unpaid claim liabilities for County of Fresno:

| Coverage | Number of Employees in December 2025 | Reserves on 12/31/2025 |
|-------------------|--------------------------------------|------------------------|
| Medical | 4924 | \$3,747,414 |
| Prescription Drug | 4924 | \$658,044 |
| Dental | 5398 | \$164,545 |
| Total | N/A | \$4,570,003 |

ESTIMATED IBNR RESERVES AS OF DECEMBER 31, 2025

Finally, the claims reserves are adjusted to reflect, among other things, claims fluctuation margins, retroactive claim adjustments and enrollment fluctuation. The final reserves are shown below:

| Coverage | Reserves on 12/31/2025 | Adjustment Factor | IBNR on 12/31/2025 |
|-------------------|------------------------|-------------------|--------------------|
| Medical | \$3,747,414 | 1.15 | \$4,309,530 |
| Prescription Drug | \$658,044 | 1.15 | \$756,750 |
| Dental | \$164,545 | 1.15 | \$189,230 |
| Total | \$4,570,003 | 1.15 | \$5,255,510 |

CERTIFICATION

The costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. The IBNR reserve calculations reported herein are consistent with our understanding of the Chain-Ladder actuarial method. The actuarial assumptions are reasonable and represent our best estimate of the anticipated experience under the plan.

The undersigned credentialed actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,



Christine Hough, FSA, MAAA
Vice President & Actuary



Arthur Ternersesian
Assistant Vice President