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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 TULARE  
 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 Tulare 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	\$26,076,181	3306	\$657.29
Prescription Drug	\$16,194,660	3306	\$408.21
Dental	\$1,581,143	2994	\$44.01
<b>Total</b>	<b>\$43,851,984</b>	<b>N/A</b>	<b>\$1,109.51</b>

**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 Tulare:

Coverage	Number of Employees in December 2025	Reserves on 12/31/2025
Medical	3291	\$2,366,749
Prescription Drug	3291	\$467,154
Dental	2974	\$71,677
<b>Total</b>	<b>N/A</b>	<b>\$2,905,580</b>

**ESTIMATED IBNR RESERVES AS OF JUNE 30, 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	\$2,366,749	1.15	\$2,721,760
Prescription Drug	\$467,154	1.15	\$537,230
Dental	\$71,677	1.15	\$82,430
<b>Total</b>	<b>\$2,905,580</b>	<b>1.15</b>	<b>\$3,341,420</b>

**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