SJVIA
San Joaquin Valley Insurance Authority

Meeting Location:
County of Fresno
Board of Supervisors Chambers
2281 Tulare Street, Room 300
Fresno, CA 93721
August 21, 2026, 9:00 AM

AGENDA DATE: August 21, 2026

ITEM NUMBER: Item 12

SUBJECT: Receive Consultant's SJVIA Actuarially Certified Incurred But Not Reported (IBNR) Reserve Report as of June 30, 2026 and Recommendation to Maintain the Current IBNR Reserve Levels for a Fully Funded IBNR Reserve Status (A)

PURPOSE: That the Board receive the consultant's actuarially certified Incurred But Not Reported (IBNR) Reserve Report as of June 30, 2026, and consider the recommendation to maintain the current IBNR reserve funding level of $10,613,090, despite the actuarially determined reserve requirement of $10,432,015.

DESCRIPTION:

The Incurred But Not 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. As of June 30, 2026, the actuarially certified IBNR liability for medical, prescription drug, and dental benefits is $10,432,015.

The current IBNR reserve funding level is $10,613,090, which was established based on the prior consultant's June 30, 2025 valuation. The updated actuarial analysis reflects a net decrease of $181,075 from the current reserve level.

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The June 30, 2026 valuation indicates that the County of Fresno's IBNR would be adjusted upward $1,764,193, while the County of Tulare IBNR would be adjusted upward $70,892.

Although the actuarial valuation indicates that a reduction in the reserve is supportable, USI recommends maintaining the current IBNR reserve level of $10,613,090. This recommendation is based on recent claims activity and the importance of preserving a conservative reserve position to mitigate potential claim volatility and emerging healthcare cost trends.

FISCAL IMPACT/FINANCING:
Based on the June 30, 2026 actuarial valuation, the actuarially required IBNR reserve is $10,432,015, resulting in excess funding of $181,075 compared to the current reserve level of $10,613,090.

If the reserve were adjusted to the actuarially required amount, the excess funding would be returned to SJVIA reserves. However, consistent with the recommendation outlined above, USI recommends maintaining the current IBNR reserve funding level with no change at this time.

ADMINISTRATIVE SIGN-OFF:

Hollis Magill
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SJVIA Manager

Lupe Garza
Lupe Garza
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