

# Terminated Agency Risk Pool June 30, 2017 Valuation

Finance & Administration Committee  
September 25, 2018

# Overview

- Actuarial valuation date June 30, 2017
- 108 plans in the TAP
  - Five new agencies
- Funded Ratio is 201.5%

# Significant Events Since June 30, 2016 Valuation

- Addition of 5 agencies

Additional accrued liability of \$28 million

- East San Gabriel Valley Human Services Consortium
- Alhambra Redevelopment Agency
- Exposition Metro Line Construction Authority
- Trinity County Water Works
- Herald Fire Protection District

# Significant Events Continued

- Assumptions changes
  - Demographic assumptions adopted in December 2017
  - Discount rate 2.93%
  - Inflation rate 1.96%

# Current and Prior Year Results

	June 30, 2016 \$Millions	June 30, 2017 \$Millions
Market Value of Assets	\$250.1	\$281.9
Accrued Liability	\$117.4	\$139.9
Unfunded Accrued Liability	(\$132.7)	(\$142.0)
Funded Ratio	213.1%	201.5%

# TAP Assets

\$ Millions	June 30, 2016 Allocation		June 30, 2017 Allocation	
Immunized Segment	47.6%	\$119.0	50.6%	\$142.6
Surplus Segment	52.4%	\$131.1	49.4%	\$139.3
Total	100.0%	\$250.1	100.0%	\$281.9

Rate of return: 3.8%

# Sensitivity of Results - Mortality

## Sensitivity of the Funded Status to a Change in Mortality Rates

As of June 30, 2017	Current Mortality Rates	-10% Mortality Rates	+10% Mortality Rates
Funded Ratio	201.5%	194.8%	207.9%
Accrued Liability Impact		+ \$4.8 million	(\$4.3) million

# Sensitivity of Results - Inflation

## Sensitivity of the Funded Status to a Change in Inflation Rates

As of June 30, 2017	Current Inflation Rate 1.96%	0.96% Inflation Rate	2.96% Inflation Rate
Funded Ratio	201.5%	226.1%	197.0%
Accrued Liability Impact		(\$15.2) million	\$3.2 million