

Terminated Agency Risk Pool June 30, 2018 Valuation

Finance & Administration Committee
September 17, 2019

Overview

- Actuarial valuation date June 30, 2018
- 109 plans in the TAP
 - One new agency
- Funded Ratio is 197.4%

Changes Since June 30, 2017 Valuation

- Addition of 1 agency - Glen Ellen Fire Protection District
- Additional accrued liability of \$0.5 million

Changes Continued

- Assumption changes
 - Discount rate 2.99% (2.93% on June 30, 2017)
 - Inflation rate 2.14% (1.96% on June 30, 2017)
- Change in Methodology
 - Adoption of new Valuation System

Current and Prior Year Results

Funded Status	June 30, 2017 \$Millions	June 30, 2018 \$Millions
Market Value of Assets	\$281.9	\$286.4
Accrued Liability	\$139.9	\$145.1
Unfunded Accrued Liability	(\$142.0)	(\$141.3)
Funded Ratio	201.5%	197.4%

TAP Assets

\$Millions	June 30, 2017 Allocation		June 30, 2018 Allocation	
Immunized Segment	50.6%	\$142.6	46.6%	\$133.5
Surplus Segment	49.4%	\$139.3	53.4%	\$152.9
Total	100.0%	\$281.9	100.0%	\$286.4

Rate of return: 5.1%

Sensitivity of Results - Mortality

Sensitivity of the Funded Status to a Change in Mortality Rates

June 30, 2018	Current Mortality Rates	-10% Mortality Rates	+10% Mortality Rates
Funded Ratio	197.4%	190.9%	203.6%
Accrued Liability Impact		\$4.9 million	(\$4.5) million

Sensitivity of Results - Inflation

Sensitivity of the Funded Status to a Change in Inflation Rates

As of June 30, 2018	Current Inflation Rate 2.14%	1.14% Inflation Rate	3.14% Inflation Rate
Funded Ratio	197.4%	221.5%	189.5%
Accrued Liability Impact		(\$15.8) million	\$6 million