

# Terminated Agency Risk Pool June 30, 2019 Valuation

Finance & Administration Committee  
September 15, 2020

# Overview

- Actuarial valuation date June 30, 2019
- 109 plans in the TAP
  - 5 new agencies
- Funded Ratio is 202.8%

# Changes Since June 30, 2018 Valuation

- Addition of 5 agencies
  - Armona Community Services District
  - Janesville Fire Protection District
  - Soledad Community Health Care District
  - Three Arch Bay Community Services District
  - Torrance City Redevelopment Agency
  
- Additional accrued liability of \$1 million

# Changes Continued

- Assumption changes
  - Discount rate 2.62% (2.99% on June 30, 2018)
  - Inflation rate 1.85% (2.14% on June 30, 2018)

# Current and Prior Year Results

Funded Status	June 30, 2018 (\$ in millions)	June 30, 2019 (\$ in millions)
Market Value of Assets	\$286.4	\$301.5
Accrued Liability	\$145.1	\$148.7
Unfunded Accrued Liability	(\$141.3)	(\$152.8)
Funded Ratio	197.4%	202.8%

# TAP Assets

<b>\$Millions</b>	<b>June 30, 2018 Allocation</b>		<b>June 30, 2019 Allocation</b>	
<b>Immunized Segment</b>	46.6%	\$135.5	51.6%	\$155.6
<b>Surplus Segment</b>	53.4%	\$152.9	48.4%	\$145.9
<b>Total</b>	<b>100.00 %</b>	<b>\$286.4</b>	<b>100.0%</b>	<b>\$301.5</b>

Rate of return fiscal year 2018-19 7.2%

# Sensitivity - Mortality

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

June 30, 2019	Current Mortality Rates	-10% Mortality Rates	+10% Mortality Rates
Funded Ratio	202.8%	195.9%	209.3%
Accrued Liability Impact		\$5.2 million	(\$4.6) million

# Sensitivity - Inflation

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

June 30, 2019	Current Inflation Rate 1.85%	0.85% Inflation Rate	2.85% Inflation Rate
Funded Ratio	202.8%	230.9%	194.4%
Accrued Liability Impact		(\$18.1) million	\$6.4 million