



THE JPA **ADVANTAGE**

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The Tri-County Schools Insurance Group (TCSIG) Joint Powers Authority (JPA), was formed in 1983 by public employers to protect their properties and to provide liability and employee benefits like health coverage.

Advantages for the employers participating in a JPA include greater bargaining power in the insurance market, a choice of more specialized benefits, cost savings and greater control over services.

JPAs tend to be more cost effective than traditional insurance companies because a JPA is not in the business to make a profit. TCSIG can often contract directly with vendors and negate any commissions that would otherwise have been paid to a broker. Our overhead is significantly lower than an insurance carrier; we can retain any interest earned for the benefit of the membership.

TCSIG is a public entity operating in accordance with the Ralph M. Brown Act. The JPA is governed by a Board of Directors, comprised of representatives from each member employer, which means that each of the employers' needs can be addressed for the benefit of the employer. Each employer represents one vote on the Board. The meetings are open to the public, with the agenda mailed out in advance of the meeting.

TCSIG works for the mutual advantage of employers and employees, providing each employer health care options while maintaining the most comprehensive and affordable health coverage available.

While TCSIG believes the employees' acceptance of this program is high, we solicit the input and suggestions of our member employers and their employees to maintain the long-term success of Tri-County Schools Insurance Group.



THE CONCEPT OF SELF-FUNDING

Self-funding is an alternate method of providing employee medical, dental and vision benefit plan, with improved cash flow, lower expenses and direct claims control.

The self-funding concept was developed as a way to contain the rising cost of health insurance premiums and allow plan sponsors to share the risk and design the employee benefit plan.

Under the traditional fully insured medical, dental and vision plan, the plan sponsor pays a predetermined fixed premium for a plan of benefits. Premiums include: administration costs, anticipated claims, excess risk, state premium taxes, retention, overhead, commission and profit.

In a self-funded benefit plan, the employer assumes a predetermined portion of the claims risk. Excess Loss Insurance (stop-loss) is obtained as a safeguard to limit an employer's risk.

There is no guarantee of savings, simply because an employer chooses to self-fund the benefits plan. Obviously, if the group's claims experience is favorable, the group stands to gain.

Under the self-funded arrangement, savings are commonly realized by controlling plan design and engaging in better employee communication.

ADVANTAGES OF A SELF-FUNDED JPA ARE:

- TCSIG member employers are public entities only.
- The pooling of employers allows TCSIG to have greater bargaining power in the insurance market.
- The pooling of employers provides a better choice of specialized services.
- All employers have a representative on the JPA Board and therefore have greater control of their services.
- Employers and employee groups have input into plan design and other services provided.
- **Cost savings:**
 - TCSIG is non-profit, making it more cost effective than traditional insurance companies.
 - TCSIG has considerably lower overhead and administrative costs than insurance companies.
 - Commissions to insurance brokers are greatly reduced or eliminated because TCSIG can often contract directly with vendors.
 - Premium taxes, which are usually from 2% to 6% do not apply to self-funded JPAs in California.
 - Interest earned is retained by TCSIG to pay claims.
 - Insurance carrier profits and retention are reduced or eliminated.
 - Rates are set based on the pooled experience of TCSIG member employers, not on large metropolitan experience.
 - Better service because TCSIG's sole purpose is to provide and maintain affordable coverage and health benefits to its member employers.

Find out more about us

As a public entity, Tri-County Schools Insurance Group has open meetings and open records. Much of the information about our programs, finances, meetings, policies and the actions taken by our governing board is available online.

Please find out more about us by visiting our website:

www.tcsig.com

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