



Meeting Date: March 25, 2026

Agenda Item: C.4

AGENDA SUMMARY REPORT

SUBJECT:

Actuarial Study of Self-Insured Liability and Automobile Physical Damage Programs

SUMMARY:

Management is providing the attached actuarial study of the Mendocino Transit Authority's self-insured Public Liability and Automobile Physical Damage programs for the Board's review and consideration.

This study, prepared by our independent actuarial consultants, evaluates the Authority's current and projected claim obligations as of June 30, 2025. The analysis estimates outstanding unpaid claims as of June 30, 2025 and projects expected losses for upcoming fiscal years. The study is intended to support the Authority's financial planning, budgeting, and financial reporting processes.

Key objectives of the actuarial review include:

- Estimating the Authority's outstanding claim liabilities as of June 30, 2025;
- Projecting expected self-insured losses for future fiscal years; and

The actuary has affirmed that the conclusions of the report are consistent with Governmental Accounting Standards Board (GASB) Statement No. 10.

As with all actuarial estimates, actual claim costs may differ from projections due to the inherent uncertainty in future claim development. However, management believes the study provides a sound and independent assessment of the Authority's self-insured risk exposure and serves as an appropriate basis for financial decision-making.

Management recommends that the Board accept the actuarial study as presented. Staff and the Authority's consultants will be available to address any questions the Board may have.

STAFF RECOMMENDATION:

Approve MTA's AON Draft Report for June 30, 2025

ATTACHMENTS:

AON Draft Report for June 30, 2025