



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

League City 2022-2023 Medical Plan Stop Loss RFP Summary



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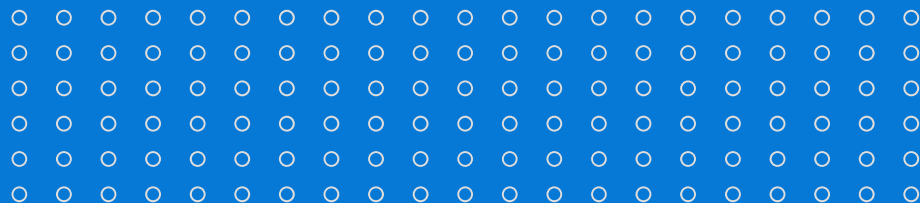
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Agenda

- 1 | Overview
- 2 | Stop Loss Reinsurance RFP Summary

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Overview



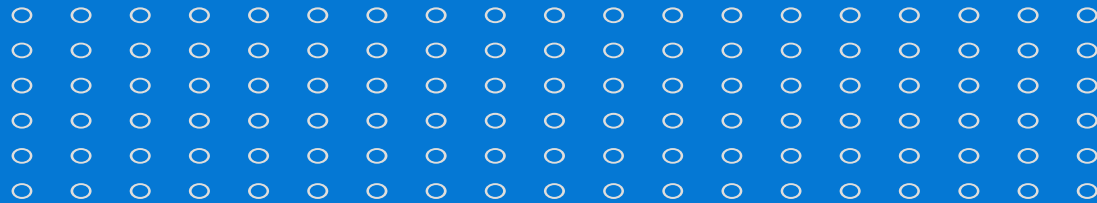
League City has retained HUB International to provide consulting for its health and welfare benefits plans. The purpose of this presentation is to provide the initial results of the Stop Loss Reinsurance RFP. June claims were released for Best and Final offers and responses are due July 28, 2022

Medical Plan Stop Loss Reinsurance RFP

In conjunction with Purchasing and Human Resources, HUB conducted an RFP for Stop Loss Reinsurance for the City's plan. The RFP was publicly advertised and distributed to all available markets. Due to the change in Third Party Administration from BCBS to TML, BCBS (the incumbent carrier) declined to submit a response to the RFP. Large claimants on the plan contributed to the increase in premium and aggregate attachment proposed for 2022-2023. There have been \$1,025,346 in specific claim reimbursements paid to the City for plan year to date versus \$943,138 in premiums representing a 109% loss ratio for the plan.

The most competitive proposal was submitted through SA Benefit Services / Granular with a +25.57% increase in premium cost and +29.49% increase in aggregate claims maximum liability for the plan.

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Stop Loss Reinsurance RFP Summary



Stop Loss RFP Initial Submissions



| Stop Loss Provider | Responded / Declined |
|-------------------------|----------------------|
| BCBS (Incumbent) | Declined |
| Stealth Partners | |
| American Fidelity | Responded |
| HM Insurance Group | Responded |
| Symetra | Responded |
| Partners MGU | Responded |
| Voya | Responded |

| Stop Loss Provider | Responded / Declined |
|----------------------------|----------------------|
| BCBS (Incumbent) | Declined |
| SA Benefit Services | |
| Granular | Responded |

Stop Loss RFP Initial Submissions



| Carrier: | Rating | Marketed | Quoted | Declined | Comments |
|--------------------|--------|----------|--------|----------|--|
| American Fidelity | A+ | x | x | | |
| Anthem | A+ | x | | x | Ongoing Large Claims |
| Berkley | A+ | x | | x | Uncompetitive Rates |
| Berkshire Hathaway | A++ | x | | x | Uncompetitive Rates |
| Evolution Risk | A | x | | x | Uncompetitive Rates |
| HCC | A++ | x | | x | Ongoing Large Claims |
| HM | A | x | x | | |
| ISU | A+ | x | | x | Uncompetitive Rates |
| IISI | A+ | x | | x | Uncompetitive Rates |
| Optum | A | x | | x | Underwriting Guidelines - Unapproved TPA |
| QBE | A | x | | x | Ongoing Large Claims |
| Sun Life | A+ | x | | x | Uncompetitive Rates |
| Swiss Re | A+ | x | | x | Uncompetitive Rates |
| Symetra | A | x | x | | |
| Partners MGU | A | x | x | | |
| Unum | A | x | | x | Uncompetitive Rates |
| Voya | A | x | x | | |

Stop Loss Market Summary



| Carrier | Quoted | Declined | Comments |
|----------|--------|----------|---------------------|
| ATS | | X | Uncompetitive Rates |
| ISU | | X | No Response |
| Liberty | | X | No Response |
| Vista | | X | Uncompetitive Rates |
| Pace | | X | Uncompetitive Rates |
| Rockport | | X | Uncompetitive Rates |
| MRM | | X | No Response |
| Granular | X | | Quoted |

Stop Loss RFP Comparison

Recommended



| | | CURRENT | PROPOSED | PROPOSED |
|---------------------------------------|-----|---------------|---------------------|------------------|
| | | 2021-2022 | 2022-2023 | 2022-2023 |
| TPA, NETWORK, STOP LOSS: | | BCBS | SA Benefit Services | Stealth Partners |
| STOP LOSS CARRIER: | | BCBS | Granular | Voya |
| PPO: | | BCBS | BCBS | BCBS |
| SPECIFIC STOP LOSS DEDUCTIBLE: | | \$125,000 | \$125,000 | \$125,000 |
| SPECIFIC STOP LOSS LIFETIME MAXIMUM: | | Unlimited | Unlimited | Unlimited |
| SPECIFIC STOP LOSS ANNUAL MAXIMUM | | Unlimited | Unlimited | Unlimited |
| SPECIFIC CONTRACT : | | 24/12 (M, Rx) | 24/12 (M, Rx) | 24/12 (M, Rx) |
| AGGREGATE CONTRACT CORRIDOR: | | 125% | 125% | 125% |
| AGGREGATE CONTRACT MAXIMUM: | | Unlimited | \$1,000,000 | \$1,000,000 |
| AGGREGATE CONTRACT: | | 24/12 (M, Rx) | 24/12 (M, Rx) | 24/12 (M, Rx) |
| | | | | |
| SPECIFIC PREMIUM: (Composite) | | \$180.37 | \$230.46 | \$224.87 |
| MONTHLY TOTAL | | \$100,646 | \$128,597 | \$125,477 |
| ANNUAL TOTAL | | \$1,207,758 | \$1,543,160 | \$1,505,730 |
| AGGREGATE PREMIUM: (Composite) | | \$5.57 | \$3.03 | \$5.61 |
| MONTHLY TOTAL | | \$3,108 | \$1,691 | \$3,130 |
| ANNUAL TOTAL | | \$37,297 | \$20,289 | \$37,565 |
| TOTAL STOP LOSS PREMIUM: | | | | |
| COMBINED MONTHLY TOTAL | | \$103,755 | \$130,287 | \$128,608 |
| COMBINED ANNUAL TOTAL | | \$1,245,054 | \$1,563,449 | \$1,543,294 |
| DOLLAR CHANGE FROM CURRENT | | NA | \$318,395 | \$298,240 |
| PERCENTAGE CHANGE FROM CURRENT | | NA | 25.57% | 23.95% |
| | | | | |
| AGGREGATE STOP LOSS FACTORS: | | \$1,208.91 | \$1,565.39 | \$1,628.43 |
| Monthly Aggregate Accumulation | | \$674,572 | \$873,488 | \$908,664 |
| Annual Aggregate Accumulation | | \$8,094,861 | \$10,481,851 | \$10,903,967 |
| Projected Claims - Carrier | | \$6,475,889 | \$8,385,481 | \$8,723,174 |
| DOLLAR CHANGE FROM CURRENT | | NA | \$1,909,592 | \$2,247,285 |
| PERCENTAGE CHANGE FROM CURRENT | | NA | 29.49% | 34.70% |
| ASSUMED ENROLLMENT: | 558 | | | |

The proposal offer from SA Benefit Services / Granular includes a 12/12 claims coverage contract on one member. The proposal from Stealth Partners / Voya was not submitted as Firm and Final.

Thank you.

2022-2023 SF Medical Plan Cost Summary



| 2022-2023 SF MEDICAL PLAN COST SUMMARY | |
|--|---------------|
| | |
| THIRD PARTY ADMINISTRATION | |
| TML HEALTH | \$ 290,339 |
| | |
| STOP LOSS REINSURANCE | |
| SAB - GRANULAR | \$ 1,563,449 |
| | |
| EXPECTED CLAIMS LIABILITY | \$ 8,385,481 |
| | |
| MAXIMUM CLAIMS LIABILITY | \$ 10,481,851 |
| | |
| TOTAL EXPECTED PLAN COST | \$ 10,239,269 |
| | |
| TOTAL MAXIMUM PLAN COST | \$ 12,335,639 |

2022-2023 Medical Plan Premiums



| Buy Up Plan | Enrollment | Funding Rates | City Contribution (\$) | City Contribution (%) | Employee Contribution (\$) |
|------------------------------|------------|--------------------|------------------------|-----------------------|----------------------------|
| Employee | 72 | \$903.94 | \$792.73 | 88% | \$111.20 |
| + Spouse | 5 | \$1,129.92 | \$726.33 | 64% | \$403.60 |
| + Child(ren) | 17 | \$885.86 | \$569.54 | 64% | \$316.32 |
| + Family | 16 | \$1,898.27 | \$1,214.99 | 64% | \$683.28 |
| Total | 72 | \$1,393,980 | \$1,077,965 | 77% | \$316,015 |
| Mid Plan | Enrollment | Funding Rates | City Contribution (\$) | City Contribution (%) | Employee Contribution (\$) |
| Employee | 391 | \$817.16 | \$792.16 | 97% | \$25.00 |
| + Spouse | 44 | \$1,021.27 | \$764.49 | 75% | \$256.78 |
| + Child(ren) | 71 | \$800.79 | \$599.45 | 75% | \$201.34 |
| + Family | 86 | \$1,716.03 | \$1,279.68 | 75% | \$436.35 |
| Total | 391 | \$6,826,549 | \$5,951,817 | 87% | \$874,731 |
| HSA Plan | Enrollment | Funding Rates | City Contribution (\$) | City Contribution (%) | Employee Contribution (\$) |
| Employee | 95 | \$710.95 | \$710.95 | 100% | \$0.00 |
| + Spouse | 8 | \$888.57 | \$752.83 | 85% | \$135.74 |
| + Child(ren) | 16 | \$696.66 | \$590.24 | 85% | \$106.42 |
| + Family | 8 | \$1,492.85 | \$1,264.80 | 85% | \$228.05 |
| Total | 95 | \$1,172,854 | \$1,117,497 | 95% | \$55,357 |
| HSA Contributinos | 95 | \$158,500 | \$158,500 | 100% | \$0 |
| Total Funding | 95 | \$1,331,354 | \$1,275,997 | 96% | \$55,357 |
| All Plans | Enrollment | Total Funding | City Contribution (\$) | City Contribution (%) | Employee Contribution (\$) |
| Total Premium Funding | 558 | \$9,551,883 | \$8,305,779 | 87% | \$1,246,103 |