



## Legislation Text

**File #:** 18-0461, **Version:** 1

Consider and take action on a resolution approving the employee stop-loss insurance with Cigna Health and Life Insurance Company for the period October 1, 2018 to September 30, 2019 (Director of Human Resources and Civil Service)

On July 24, 2018, City Council approved the changes to the employee insurance benefit program for the October 1, 2018 through September 30, 2019 plan year, as presented at the City Council work session on July 20, 2018, except for stop-loss insurance which was posted for Request for Proposal (RFP) on July 23, 2018 and closed on August 7, 2018.

The City received two submittals as a result of the RFP; one from the incumbent, Cigna, and Stealth Partner Group. After a review of the packets, Stealth Partner Group's submittal was found to be incomplete and non-competitive. Staff has reviewed the existing stop-loss insurance with IPS Advisors / HUB International (the benefits consultant for the City), which is currently operating at 57% of expected claims.

### **Stop-Loss Insurance**

Cigna Health and Life Insurance fixed stop loss premiums propose an increase of 25.6%. This is based on historical poor claims experience of the City's plan and one large claimant with a \$500,000 specific laser deductible. Additionally, there are other large claimants with claims in excess of \$75,000 for the current plan year. The approved plan changes above were calculated with Cigna's increase as submitted during this RFP.

Plan Year	Specific Deductible	Specific Reimbursements	Collected Premium	Loss Ratio
2015 - 2016	\$125,000	\$1,021,882	\$601,438	170%
2016 - 2017	\$125,000	\$2,029,192	\$580,689	349%
2017 - 2018 YTD	\$125,000	\$ 304,003	\$529,907	57%

### **Budgetary Impact**

The RFP stop loss premiums falls in line with the City's proposed 2018 - 2019 budget.

Attachments: (Council will receive final contracts before council meeting)

1. Data Sheet
2. Proposed Resolution

**CONTRACT ORIGINATION:** Various contracts originated by the individual companies and are approved by the City Attorney.

### **FUNDING**

{ } Funds are available from Account # \_\_\_\_\_  
{ } Requires Budget Amendment to transfer from Account # \_\_\_\_\_ to Account # \_\_\_\_\_  
{x } NOT APPLICABLE

### **STRATEGIC PLANNING**

{ } Addresses Strategic Planning Critical Success Factor # \_\_\_\_\_ and Initiative # \_\_\_\_\_  
{ x } NOT APPLICABLE