



Legislation Text

File #: 22-0298, **Version:** 1

Consider and take action on a resolution approving the employee stop-loss insurance with SA Benefit Services / Granular for the period October 1, 2022 to September 30, 2023 (Director of Human Resources and Civil Service)

Approval of this item will adopt stop loss insurance and authorize the City Manager to execute all contracts related to this program.

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 were 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. 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, from \$1,245,054 to \$1,563,449 and +29.49% increase in aggregate claims maximum liability for the plan, \$8,094,861 to \$10,481,851.

Stealth Partners / Voya, after receiving claimant information, declined to submit firm and final numbers.

CONTRACT ORIGINATION: Agreement has been reviewed by the City Attorney's Office.

Attachments:

1. Data Sheet
2. Proposed Resolution
3. 2022-2023 Medical Plan Stop Loss RFP Summary

FUNDING

{x} Funds are available from Account Employee Benefit Fund Health Insurance account 40301650-54650

STRATEGIC PLANNING

{x} NOT APPLICABLE