



## Legislation Details (With Text)

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|-----------------------|--|----------------------|----------------|
| <b>File #:</b>        | R2016-119  | <b>Version:</b>      | 1              |
| <b>Type:</b>          | Resolution   | <b>Status:</b>       | Regular Agenda |
| <b>File created:</b>  | 11/16/2016   | <b>In control:</b>   | City Council   |
| <b>On agenda:</b>     | 12/13/2016   | <b>Final action:</b> | 12/13/2016     |
| <b>Title:</b>         | Consider approving Resolution No. 2016-119 authorizing the City Manager to negotiate and execute a contract for medical stop-loss insurance coverage; and take appropriate action. |                      |                |
| <b>Sponsors:</b>      | Brian Beasley, Charles Cox   |                      |                |
| <b>Indexes:</b>       |  |                      |                |
| <b>Code sections:</b> |  |                      |                |
| <b>Attachments:</b>   | 1. Resolution No. 2016-119, 2. Health Insurance Analysis FY 2016-17  |                      |                |

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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### **Consider approving Resolution No. 2016-119 authorizing the City Manager to negotiate and execute a contract for medical stop-loss insurance coverage; and take appropriate action.**

#### BACKGROUND:

Stop-loss insurance is a product that provides protection against catastrophic or unpredictable losses. It is purchased by employers who have decided to self-fund their employee benefit plans, but do not want to assume 100% of the liability for losses arising from the plans. Under a stop-loss policy, the insurance company becomes liable for losses that exceed certain limits called deductibles.

The City has partnered with Munich Re. this past year as its stop-loss carrier. Current covered benefits are medical and prescription drugs for employees and retirees. The annual aggregate attachment factor is \$3.8 million down from 4.4 million with a specific deductible of \$125,000.

#### DISCUSSION:

In October, City Administration will be reviewing proposals for stop-loss insurance coverage for an effective date of January 1, 2017. The cost for this coverage is \$340,000. The current cost is \$369,000.

#### RECOMMENDATION:

City Administration recommends authorizing the City Manager to execute a contract for stop-loss insurance coverage.

#### ACTIONS:

- 1) Motion to approve Resolution No. 2016-119 authorizing the City Manager to negotiate and execute a contract for stop-loss insurance coverage, as presented.
- 2) Motion to deny Resolution No. 2016-119 authorizing the City Manager to negotiate and execute a contract for stop-loss insurance coverage.
- 3) Motion to table the issue for further study or take no action.

#### ATTACHMENTS:

1. Resolution No. 2016-119
2. Health Analysis