



Legislation Text

File #: R2016-119, **Version:** 1

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