

Meeting Date  
December 20, 2016



AGENDA	
Section	Consent
Item No.	II.C.4

**AGENDA REPORT**  
*BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS*

SUBJECT:	Group Health Insurance Stop Loss (Excess Insurance) placement
DEPT/OFFICE:	Office of Human Resources / Employee Benefits

Requested Action:

That the Board approves the renewal of Stop Loss insurance with Symetra Financial for the self-insured group health insurance program and authorize the Human Resources Director to execute all documents necessary to bind this coverage effective 1/1/2017.

Summary Explanation & Background:

Stop loss coverage for a self-funded health plan provides a limit of financial exposure for the benefit plan for any individual member incurring a catastrophic claim. After successfully self-insuring this exposure for several years, changes in federal law through the Affordable Care Act (ACA) changed the financial landscape for employer's coverage on catastrophic claims and effective January 1, 2014 the County began purchasing stop loss coverage with a high deductible through Symetra Financial.

Stop Loss contracts are renewed each year. The Office of Human Resources, along with the County's Benefits Consultants Robinson Bush, has reviewed the 2017 renewal options provided by Symetra Financial, all involving various combination of deductibles and premiums. The proposed renewal contract is based on claims incurred January 1, 2016 through December 31, 2017; and paid January 1, 2017 through December 31, 2017 (24/12 contract basis). This is advantageous to the County in that this contract basis allows an additional 12 months of eligible incurred claims to be counted toward the stop loss deductible for claims paid in 2017 for any individual member ("run-in" claims).

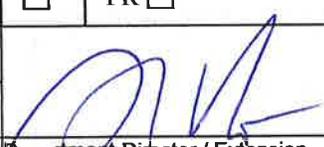
RobinsonBush, Inc., the County's Benefits Consultant, and the Office of Human Resources / Employee Benefits recommends the following 2017 renewal proposal:

	Current	Proposed Renewal
Specific (per claim) Deductible	\$600,000	\$600,000
Premium per member per month	\$5.76	\$5.71
Annual Premium	\$303,686	\$301,050
Aggregating Deductible	\$229,800	\$306,500
Total with Aggregated Deductible	\$533,486	\$607,550
% Increase		14%

This proposal provides a slight decrease in our current premium rates, lowering our fixed costs. The increase in the aggregating deductible will not be paid by the plan if there are no claims that exceed the individual deductible. Based on plan loss history, this renewal scenario provides the lowest projected costs to the County.

**Cost / Benefit Analysis:**

**FY 16-17 Fiscal Impact:** Selection of the recommended carrier option will result in a decrease of \$2,636 in projected premium costs; with the risk potential of additional claims costs towards the aggregating deductible of \$76,700 if individual claimants exceed the \$600,000 specific deductible. Adequate funds have been budgeted in Fund 5051 / Cost Ctr 389420 / Acct# 5450002 to cover this expense.

Exhibits Attached: Renewal options	Yes <input type="checkbox"/>	<input checked="" type="checkbox"/>	No <input type="checkbox"/>	PR <input type="checkbox"/>
Contract /Agreement (If attached): Reviewed by County Attorney	 Department Director / Extension Gerard Visco, Human Resources Director/ 5-5446			
County Manager Stockton Whitten				



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December 21, 2016

**M E M O R A N D U M**

**TO:** Gerard Visco, Human Resources Director

**RE:** Item II.C.4., Approval and Renewal of Stop Loss Insurance with Symetra Financial for Self-Insured Group Health Insurance Program

The Board of County Commissioners, in regular session on December 20, 2016, approved the renewal of Stop Loss Insurance with Symetra Financial for the self-insured group health insurance program; and authorized you to execute all documents necessary to bind this coverage effective January 1, 2017.

Your continued cooperation is greatly appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

cc: Finance  
Budget

**Brevard County Government  
2017 Stop Loss Renewal**

	<b>Current</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>	<b>Option 5</b>
Specific Deductible	\$600,000	\$600,000	\$600,000	\$600,000	\$625,000	\$665,000
Premium PEPM	\$5.76	\$7.28	\$6.62	\$5.71	\$6.66	\$5.71
Annual Premium	\$303,686	\$383,814	\$349,114	\$301,050	\$351,130	\$301,050
% Premium Increase		26%	15%	-1%	16%	-1%
Aggregating Ded	\$229,800	\$229,800	\$264,500	\$306,500	\$229,800	\$229,800
Total with Agg Ded	\$533,486	\$613,614	\$613,614	\$607,550	\$580,930	\$530,850
		15%	15%	14%	9%	0%

County will pay  
\$25,000 and \$65,000  
respectively for each  
claim that exceeds