

Meeting Date
December 15, 2015



AGENDA	
Section	Consent
Item No.	II.C.8

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 1/1/2016.

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 2016 renewal options provided by Symetra Financial. The renewal contract is based on claims incurred January 1, 2015 through December 31, 2016; and paid January 1, 2016 through December 31, 2016 (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 2016 for any individual member ("run-in" claims).

RobinsonBush, Inc., the County's Benefits Consultant, has provided the following summary of the 2016 renewal proposals:

	Current	Option 1	Option 2	Option 3
Specific (per claim) Deductible	\$600,000	\$600,000	\$600,000	\$600,000
Premium per member per month	\$5.78	\$6.16	\$6.01	\$5.76
Annual Premium	\$312,536	\$333,084	\$324,973	\$311,455
Aggregating Deductible	\$208,000	\$208,000	\$216,500	\$229,800
Total with Aggregated Deductible	\$520,536	\$541,084	\$541,473	\$541,255
		4%	4%	4%

It is the recommendation of the Office of Human Resources / Employee Benefits to accept renewal Option 3 submitted by Symetra Financial based on the following:

1. Option 3 provides a slight decrease in our current premium rates, lowering our fixed costs.
2. The increase in the aggregating deductible will not be paid by the plan if there are no claims that exceed the individual deductible.
3. To date there have been no 2015 claims that have pierced the Specific Deductible and \$0 has been paid under the aggregating deductible.

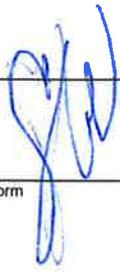
Cost / Benefit Analysis:

FY 15-16 Fiscal Impact: Selection of the recommended carrier option will result in a decrease of \$1,081 in projected premium costs; with the risk potential of additional claims costs towards the aggregating deductible of \$21,800 if individual claimants exceed the \$600,000 deductible. Adequate funds have been budgeted in Fund 5051 / Cost Ctr 389420 / Acct# 5450002 to cover this expense.

FY 16-17 Fiscal Impact: Unknown at this time. This policy of excess insurance is renewed annually with premiums and deductible options offered based on the claims experience in the current coverage period. Earliest date for projected premiums for this line of coverage would be November 2016 using 10 months of claims experience data available at that time.

Clerk to the Board instruction:

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





Tammy Etheridge, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

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December 16, 2015

MEMORANDUM

TO: Jerry Visco, Human Resources Director

RE: Item II.C.8., Approval of Group Health Insurance Stop Loss (Excess Insurance) Placement

The Board of County Commissioners, in regular session on December 15, 2015, 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 the coverage effective on January 1, 2016.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

~~Tammy Etheridge~~, Deputy Clerk

/ds

cc: Assistant County Manager Abbate
Finance
Budget