

HUMAN RESOURCES DEPARTMENT  
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**Date:** December 4, 2014

**To:** Dee Bruemmer, County Administrator

**From:** Mary J. Thee, Human Resources Director/Asst. County Administrator

**Subject:** Stop Loss Insurance Recommendations

In October the County renewed all of its health care coverages, except the stop loss coverage. As part of our coverage with UHC we annually renew our Specific Stop Loss and Aggregate Stop Loss coverage. Initial discussions with UHC indicated a proposed renewal with a rate increase of \$49,035.60. Our large claims have increased from 6% of our overall claims in CY13 to 13% this year. However we do not have any claims at this time over our specific stop loss of \$150,000. Jeff Scarpinato of Holmes Murphy was able to negotiate a reduction from UHC, but we still decided to submit the coverage through a RFP. Holmes Murphy was able to secure a competitive renewal with Munich Re resulting in a 3% decrease in our current costs. This will result in a savings of \$8,107.20. Additionally Munich Re has agreed to pay the coordination fee with UHC.

There were bids that would result in increasing our Specific Stop Loss amount, but the recommendation is to remain at the current level of \$150,000. We are recommending the County enter into an agreement with Munich Re for our stop loss coverage. I've attached RFP summary for your information.

**Cc:** David Farmer, Budget Manager  
Jeff Scarpinato, Holmes Murphy  
Cheri Sexton, Benefits Coordinator



# HOLMES MURPHY®

## Scott County Stop Loss - 2015 RFP

### Financial Results Overview

	Current Rates - UHC	Initial Renewal - UHC	Revised (Negotiated) Renewal - UHC	Munich Re	QBE	Guardian
Carrier Rating:				A+	A	A++
<b>Specific Rate - \$150,000 Ded.</b>						
Lives	481	481	481	481	481	481
Rate	\$44.43	\$52.83	\$48.20	\$43.94	\$64.41	\$64.69
Annual Premium	\$256,983.12	\$304,934.76	\$278,210.40	\$253,621.68	\$371,774.52	\$373,390.68
Savings		\$47,951.64	\$21,227.28	(\$3,361.44)	\$114,791.40	\$116,407.56
<b>ASL Rate - \$150,000 Ded.</b>						
Lives	481	481	481	481	481	481
Rate	\$5.87	\$6.07	\$6.07	\$5.06	\$4.42	\$3.14
Annual Premium	\$33,952.08	\$35,036.04	\$35,036.04	\$29,206.32	\$25,512.24	\$18,124.08
Savings		\$1,083.96	\$1,083.96	(\$4,745.76)	(\$8,439.84)	(\$15,828.00)
<b>Total Annual Fixed Cost</b>	<b>\$290,935.20</b>	<b>\$339,970.80</b>	<b>\$313,246.44</b>	<b>\$282,828.00</b>	<b>\$397,286.76</b>	<b>\$391,514.76</b>
<b>Fixed Cost Savings (\$)</b>		<b>\$49,035.60</b>	<b>\$22,311.24</b>	<b>(\$8,107.20)</b>	<b>\$106,351.56</b>	<b>\$100,579.56</b>
<b>Fixed Cost Savings (%)</b>		<b>17%</b>	<b>8%</b>	<b>-3%</b>	<b>37%</b>	<b>35%</b>



# HOLMES MURPHY®

## Scott County Stop Loss - 2015 RFP

### Financial Results Overview

	Current Rates - UHC	Initial Renewal - UHC	Revised (Negotiated) Renewal - UHC	Munich Re	QBE	Guardian
Carrier Rating:				A+	A	A++
<b>Specific Rate - \$160,000 Ded.</b>						
Lives	481	481	481	481	481	481
Rate	\$44.43	\$49.35	\$45.02	\$40.53	\$60.88	\$61.18
Annual Premium	\$256,983.12	\$284,848.20	\$259,855.44	\$233,939.16	\$351,399.36	\$353,130.96
Savings		\$27,865.08	\$2,872.32	(\$23,043.96)	\$94,416.24	\$96,147.84
<b>ASL Rate - \$160,000 Ded.</b>						
Lives	481	481	481	481	481	481
Rate	\$5.87	\$6.07	\$6.07	\$5.06	\$4.59	\$3.17
Annual Premium	\$33,952.08	\$35,036.04	\$35,036.04	\$29,206.32	\$26,493.48	\$18,297.24
Savings		\$1,083.96	\$1,083.96	(\$4,745.76)	(\$7,458.60)	(\$15,654.84)
<b>Total Annual Fixed Cost</b>	<b>\$290,935.20</b>	<b>\$319,884.24</b>	<b>\$294,891.48</b>	<b>\$263,145.48</b>	<b>\$377,892.84</b>	<b>\$371,428.20</b>
<b>Fixed Cost Savings (\$)</b>		<b>\$28,949.04</b>	<b>\$3,956.28</b>	<b>(\$27,789.72)</b>	<b>\$86,957.64</b>	<b>\$80,493.00</b>
<b>Fixed Cost Savings (%)</b>		<b>10%</b>	<b>1%</b>	<b>-10%</b>	<b>30%</b>	<b>28%</b>



# HOLMES MURPHY®

## Scott County Stop Loss - 2015 RFP

### Financial Results Overview

	Current Rates - UHC	Initial Renewal - UHC	Revised (Negotiated) Renewal - UHC	Munich Re	QBE	Guardian
Carrier Rating:				A+	A	A++
<b>Specific Rate - \$175,000 Ded.</b>						
Lives	481	481	481	481	481	481
Rate	\$44.43	\$44.13	\$40.26	\$36.52	\$55.54	\$55.91
Annual Premium	\$256,983.12	\$254,718.36	\$232,380.72	\$210,793.44	\$320,576.88	\$322,712.52
Savings		(\$2,264.76)	(\$24,602.40)	(\$46,189.68)	\$63,593.76	\$65,729.40
<b>ASL Rate - \$175,000 Ded.</b>						
Lives	481	481	481	481	481	481
Rate	\$5.87	\$6.08	\$6.08	\$5.06	\$4.81	\$3.17
Annual Premium	\$33,952.08	\$35,093.76	\$35,093.76	\$29,206.32	\$27,763.32	\$18,297.24
Savings		\$1,141.68	\$1,141.68	(\$4,745.76)	(\$6,188.76)	(\$15,654.84)
<b>Total Annual Fixed Cost</b>	<b>\$290,935.20</b>	<b>\$289,812.12</b>	<b>\$267,474.48</b>	<b>\$239,999.76</b>	<b>\$348,340.20</b>	<b>\$341,009.76</b>
<b>Fixed Cost Savings (\$)</b>		<b>(\$1,123.08)</b>	<b>(\$23,460.72)</b>	<b>(\$50,935.44)</b>	<b>\$57,405.00</b>	<b>\$50,074.56</b>
<b>Fixed Cost Savings (%)</b>		<b>0%</b>	<b>-8%</b>	<b>-18%</b>	<b>20%</b>	<b>17%</b>

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES  
THAT THIS RESOLUTION HAS BEEN FORMALLY  
APPROVED BY THE BOARD OF SUPERVISORS ON

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

December 18, 2014

APPROVAL OF A ONE YEAR AGREEMENT FOR STOP LOSS COVERAGE

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That the proposal from Munich Re for one year agreement for specific and aggregate stop loss coverage is hereby accepted and approved.

Section 2. That the Human Resources Director hereby authorized to sign the health insurance contracts for services on behalf of the Board.

Section 3. This resolution shall take effect immediately.