

HUMAN RESOURCES DEPARTMENT
600 W. 4TH Street
Davenport, IA 52801

Office: (563) 326-8767
Fax: (563) 328-3285
www.scottcountyiowa.com



Date: October 23, 2018

To: Mahesh Sharma, County Administrator

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

Subject: Stop Loss Insurance

Last cycle, the County renewed all of its health care coverages, except the stop loss coverage. We have experienced a better year for large claims, but still had an 8.9% increase in overall claims in compared to the previous 12 months. The impact of claims in the last 3 years continues to have an influence on the rate proposals for this year. As a reminder in 2015 large claims were 26% of our overall claims, in 2016 that dropped to 24%, and 17% in 2017.

The recommendation from our consultants, Holmes Murphy is to accept the proposal from Houston International Insurance Group (HIIG). This allows us to remain at the specific stop loss deductible of \$175,000 and only see a rate increase of \$6,190.08. It would add an aggregating specific deductible of \$50,000, which would require the county to pay the first pooled \$50,000 over the specific stop loss reached by individuals. However a straight renewal with the current provider is an increase of \$63,745.92, so the recommendation seems appropriate.

Cc: David Farmer, Budget & Administrative Services Manager
Anna Evans, Holmes Murphy
Hiliary McKay, Benefits Coordinator



Scott County, IA
ASO/Stop Loss Renewal Cost Analysis
Effective January 1, 2019

Carrier	United Healthcare TMS Re (Munich) A+ Current	United Healthcare TMS Re (Munich) A+ Renewal	United Healthcare TMS Re (Munich) A+ Renewal Option	United Healthcare TMS Re (Munich) A+ Renewal Option	United Healthcare HIIG A- Renewal Option	United Healthcare HIIG A- Renewal Option
AM Best						
ADMINISTRATIVE FEES						
496 Medical Administrative Fee	\$53.14	\$53.14	\$53.14	\$53.14	\$53.14	\$53.14
Rx Rebate Credit	(\$33.97)	(\$33.97)	(\$33.97)	(\$33.97)	(\$33.97)	(\$33.97)
Network Access Fee	Included	Included	Included	Included	Included	Included
Monthly Administrative Costs	\$9,508.32	\$9,508.32	\$9,508.32	\$9,508.32	\$9,508.32	\$9,508.32
Annual Administrative Costs	\$114,099.84	\$114,099.84	\$114,099.84	\$114,099.84	\$114,099.84	\$114,099.84
PEPM Costs	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17
STOP LOSS (Medical/Rx)						
Specific Stop Loss Deductible	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$200,000
Aggregating Specific Deductible						
Contract Type	Paid (36/12)	Paid (48/12)	Paid (48/12)	Paid (48/12)	24/12	24/12
Lasers	\$250K	No	No	No	No	No
Maximum Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Specific Premium						
496 Composite Rate	\$59.64	\$70.08	\$61.88	\$61.62	\$59.69	\$61.30
496 Monthly Specific Premium	\$29,581.44	\$34,759.68	\$30,692.48	\$30,563.52	\$29,606.24	\$30,404.80
Annual Specific Premium	\$354,977.28	\$417,116.16	\$368,309.76	\$366,762.24	\$405,390.72	\$364,857.60
Annual Specific Premium Increase/Decrease		17.51%	3.76%	3.32%	0.08%	2.78%
Aggregate Premium						
Aggregate Corridor	125%	125%	125%	125%	125%	125%
Contract Type	Paid (36/12)	Paid (48/12)	Paid (48/12)	Paid (48/12)	24/12	24/12
496 Composite Rate	\$3.31	\$3.58	\$3.85	\$3.85	\$4.30	\$4.72
496 Monthly Specific Premium	\$1,641.76	\$1,775.68	\$1,775.68	\$1,909.60	\$2,132.80	\$2,341.12
Annual Aggregate Premium	\$19,701.12	\$21,308.16	\$21,308.16	\$22,915.20	\$25,593.60	\$28,093.44
Annual Stop Loss Premium Costs	\$374,678.40	\$438,424.32	\$389,617.92	\$389,677.44	\$430,984.32	\$592,951.04
Total Fixed Costs (UHC & Stop Loss)	\$488,778.24	\$552,524.16	\$503,717.76	\$503,777.28	\$494,968.32	\$507,050.88
Increase to Current - \$		\$63,745.92	\$14,939.52	\$14,999.04	\$6,190.08	\$18,272.64
Increase to Current - %		13.04%	3.06%	3.07%	1.27%	3.74%
Variable Costs						
496 Aggregate Factors (Medical & Rx)	125%	125%	125%	125%	125%	125%
Composite Rate	\$1,562.95	\$1,656.63	\$1,656.63	\$1,669.39	\$1,587.51	\$1,597.10
Aggregate Run-In Limit					\$1,414,500.00	\$1,423,000.00
Monthly Maximum Claims Liability	\$775,223.20	\$821,688.48	\$821,688.48	\$828,017.44	\$787,404.96	\$792,161.60
Annual Maximum Claims Liability	\$9,302,678.40	\$9,860,261.76	\$9,860,261.76	\$9,936,209.28	\$9,448,859.52	\$9,505,939.20
Difference		\$557,583.36	\$557,583.36	\$633,530.88	\$146,181.12	\$203,260.80

Notes: This is a summary of benefits provided by the plans. Refer to the carrier's descriptive material for a full discussion of benefits and rates. HIIG: Houston International Insurance Group.



Stealth Partner Group
5949 Sherry Lane, Suite 1170
Dallas, TX 75225

Dan Harlow
Phone: (214) 453-1943
E-Mail: DHarlow@stealthpartnergroup.com

Stealth Marketing Summary

Prepared for: *Scott County*

Effective Date: *1/1/2019*

Carrier:	Rating	Marketed	Quoted	Declined	Comments
American Fidelity	A+	<input checked="" type="checkbox"/>		x	Uncompetitive Rates
Berkley	A+	<input checked="" type="checkbox"/>		x	Uncompetitive Rates
Berkshire Hathaway	A++	<input checked="" type="checkbox"/>	x		
Guardian	A+	<input checked="" type="checkbox"/>			
HCC	A+	<input checked="" type="checkbox"/>		x	Uncompetitive Rates
HIIG	A+	<input checked="" type="checkbox"/>	x		
HM	A-	<input checked="" type="checkbox"/>	x		
Liberty Mutual	A+	<input checked="" type="checkbox"/>	x		
TMS Re	A+	<input checked="" type="checkbox"/>	x		
Optum	A	<input checked="" type="checkbox"/>		x	Underwriting Guidelines - Cannot Quote Over UHC
QBE	A	<input checked="" type="checkbox"/>		x	Uncompetitive Rates + 50% over current
RSLI	A+	<input checked="" type="checkbox"/>	Pending		
Sun Life	A+	<input checked="" type="checkbox"/>		x	Uncompetitive Rates
Swiss Re	A+	<input checked="" type="checkbox"/>		x	Uncompetitive Rates
Symetra	A	<input checked="" type="checkbox"/>		x	Uncompetitive Rates
Voya	A	<input checked="" type="checkbox"/>		x	Uncompetitive Rates

Dan Harlow
5949 Sherry Lane, Suite 1170
Dallas, TX 75225
(214) 453-1943
dharlow@stealthpartnergroup.com



GROUP: Scott County
EFFECTIVE DATE: January 1, 2019

SPECIFIC STOP LOSS		Current		Renewal		Renewal	
CARRIER:		TMS Re	A+	TMS Re	A+	TMS Re	A+
TPA:		UHC		UHC		UHC	
PPO Network:		UHC Choice Plus		UHC Choice Plus		UHC Choice Plus	
UR Vendor:		UHC		UHC		UHC	
PBM:		UHC		UHC		UHC	
Specific Benefits Included:		Med + Rx		Med + Rx		Med + Rx	
Plan Lifetime Maximum:		Unlimited		Unlimited		Unlimited	
Specific Lifetime Maximum Reimbursement:		Unlimited		Unlimited		Unlimited	
Individual Specific Deductible:		175,000		175,000		175,000	
Specific Contract:		PAID(36/12)		PAID(48/12)		PAID(48/12)	
Aggregating Specific:							
496	EE Only	\$	\$	\$	\$	\$	\$
496	Composite	\$	59.64	\$	70.08	\$	59.64
Monthly Specific Premium		\$	29,581.44	\$	34,759.68	\$	30,692.48
Annual Specific Premium		\$	354,977.28	\$	417,116.16	\$	368,305.76
% Difference					17.51%		3.76%
Disclosure Status		Firm Through 10-26-18		Firm Through 10-26-18		Firm Through 10-26-18	
Lasers		No Lasers		No Lasers		No Lasers	
AGGREGATE STOP LOSS		PAID(36/12)		PAID(48/12)		PAID(48/12)	
Aggregate Contract:		Med + Rx		Med + Rx		Med + Rx	
Aggregate Benefits Included:		125%		125%		125%	
Aggregate Corridor:		1,000,000		1,000,000		1,000,000	
Annual Max Reimbursement:		3.31		3.58		3.58	
496	Composite	\$	1,641.76	\$	1,775.68	\$	1,775.68
Monthly Aggregate Premium		\$	19,701.12	\$	21,308.16	\$	21,308.16
Annual Aggregate Premium		\$		\$		\$	
Aggregate Attachment							
496	EE Only	\$	1,562.95	\$	1,656.63	\$	1,656.63
496	Composite	\$	1,562.95	\$	1,656.63	\$	1,656.63
Monthly Claims Liability		\$	775,223.20	\$	821,688.48	\$	821,688.48
Annual Claims Liability		\$	9,302,678.40	\$	9,860,261.76	\$	9,860,261.76
Aggregate Run-In Limit							
TOTAL REINSURANCE EXPENSE							
Annual Fixed Premium		\$	374,678.40	\$	438,424.32	\$	389,617.92
% Difference					17.01%		3.99%
Maximum Cost Liability		\$	9,677,356.80	\$	10,298,686.08	\$	10,249,879.68
% Difference					6.42%		5.92%
Commissions:							
			0.0%				

Dan Harlow

5949 Sherry Lane, Suite 1170
Dallas, TX 75225
(214) 453-1943
dharlow@stealthpartnergroup.com



GROUP: Scott County
EFFECTIVE DATE: January 1, 2019

SPECIFIC STOP LOSS**CARRIER:**

Carrier Rating:

TPA:

PPO Network:

UR Vendor:

PBM:

Specific Benefits Included:

Plan Lifetime Maximum:

Specific Lifetime Maximum Reimbursement:

Individual Specific Deductible:

Specific Contract:

Aggregating Specific:

496

496

Monthly Specific Premium

Annual Specific Premium

% Difference

Disclosure Status

Current	Renewal	Renewal	Renewal
TMS Re	TMS Re	TMS Re	TMS Re
A+	A+	A+	A+
UHC	UHC	UHC	UHC
UHC Choice Plus	UHC Choice Plus	UHC Choice Plus	UHC Choice Plus
UHC	UHC	UHC	UHC
UHC	UHC	UHC	UHC
Med + Rx	Med + Rx	Med + Rx	Med + Rx
Unlimited	Unlimited	Unlimited	Unlimited
Unlimited	Unlimited	Unlimited	Unlimited
\$	\$	\$	\$
175,000	225,000	225,000	225,000
PAID(36/12)	PAID(48/12)	PAID(48/12)	PAID(48/12)
\$	\$	\$	\$
59.64	54.67	54.67	50,000.00
59.64	54.67	54.67	46.47
29,581.44	27,116.32	27,116.32	46.47
354,977.28	325,395.84	325,395.84	23,049.12
	-8.33%		276,589.44
			-22.08%

Firm Through 10-26-18 Firm Through 10-26-18

Lasers No Lasers No Lasers

AGGREGATE STOP LOSS

Aggregate Contract:

Aggregate Benefits Included:

Aggregate Corridor:

496

Annual Max Reimbursement:

Monthly Aggregate Premium

Annual Aggregate Premium

PAID(36/12)	PAID(48/12)	PAID(48/12)
Med + Rx	Med + Rx	Med + Rx
125%	125%	125%
\$	\$	\$
1,000,000	1,000,000	1,000,000
3.31	4.14	4.14
1,641.75	2,053.44	2,053.44
19,701.12	24,641.28	24,641.28

Aggregate Attachment

496

496

Monthly Claims Liability

Annual Claims Liability

Aggregate Run-In Limit

PAID(36/12)	PAID(48/12)	PAID(48/12)
Med + Rx	Med + Rx	Med + Rx
125%	125%	125%
\$	\$	\$
1,562.95	1,674.73	1,674.73
1,562.95	1,674.73	1,674.73
775,223.20	830,666.08	830,666.08
9,302,678.40	9,967,992.96	9,967,992.96

TOTAL REINSURANCE EXPENSE

Annual Fixed Premium

% Difference

Maximum Cost Liability

% Difference

\$	\$	\$
374,678.40	350,037.12	301,230.72
	-6.58%	-19.60%
\$	\$	\$
9,677,356.80	10,318,030.08	10,269,223.68
	6.62%	6.12%

Commissions:

0.0%

Option 1	Option 2
HIIG	HIIG
A-	A-
UHC	UHC
UHC Choice Plus	UHC Choice Plus
UHC	UHC
UHC	UHC
Med + Rx	Med + Rx
Unlimited	Unlimited
Unlimited	Unlimited
\$	\$
225,000	225,000
24/12	24/12
\$	\$
55.16	50,000.00
55.16	46.74
27,359.36	46.74
328,312.32	23,183.04
-7.51%	278,196.48
	-21.53%

Firm Through 10-21-18 Firm Through 10-21-18

No Lasers No Lasers

24/12	24/12
Med + Rx	Med + Rx
125%	125%
\$	\$
1,000,000	1,000,000
5.10	5.10
2,529.60	2,529.60
30,355.20	30,355.20

\$	\$
1,606.71	1,606.71
1,606.71	1,606.71
796,928.16	796,928.16
9,563,137.92	9,563,137.92

\$	\$
1,431,600.00	1,431,600.00

\$	\$
358,667.52	308,551.68
-4.27%	-17.65%
\$	\$
9,921,805.44	9,871,889.60
2.53%	2.01%



HOLMES MURPHY®

Disclosure of Employee Benefits

- This proposal is based upon the financial and underwriting information provided by you. In the event there have been significant changes, or we are missing material data, we will need that information in order to forward it to underwriters. Any additional information may change the rates shown.
- This proposal is issued by the carrier as a courtesy and for the sake of expediency. Actual rates will depend upon underwriting and the final enrollment.
- Never terminate your existing coverage until advised that replacement coverage has been confirmed by the replacement carrier.
- This proposal is intended to be a summary of the premium costs of the plans under consideration. Please refer to the carrier's proposal for the actual terms, conditions, limitations, and exclusions.
- It is imperative we be informed of any employee or dependent who is hospitalized or otherwise disabled and not actively at work on the effective date of any new contract. Coverage may not be available for these individuals.
- It is imperative we be informed of any employee or dependent who is covered under your group's provision or retiree plan.
- This proposal is provided only for your internal use. No further use or distribution is authorized without our prior written consent.
- All insurance carriers have their own operating procedures. A change in carrier could, therefore, affect the way certain plan coverages are evaluated.
- Holmes Murphy & Associates may qualify to receive compensation from insurance carriers in the form of volume bonus payments. Volume bonus payments are based on the volume and persistency of all business that Holmes Murphy & Associates has with certain insurance carriers and is not charged to your account directly, but is calculated into the carrier's overall fixed cost.



HOLMES MURPHY®

A.M. Best Ratings for Carriers Presented

Carrier Name	Home Office	Rating	Descriptor
HIIG	Wakefield, MA	A+	Superior
TMS Re (Munich)	Princeton, NJ	A+	Superior

A.M. Best Ratings

A.M. Best Company is the leading provider of insurer ratings of a company's financial strength and ability to meet its obligations to policyholders.

A.M. Best's Rating is an independent opinion, based on a comprehensive quantitative and qualitative evaluation, of a company's balance sheet strength, operating performance and business profile. Best's Ratings are not a warranty of a company's financial strength and ability to meet its obligations to policyholders.

Complete information on A.M. Best can be found on their website: www.ambest.com

Rating (Secure)	Descriptor	Definition
A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing obligations to policyholders.
A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing obligations to policyholders.
B++, B+	Very Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing obligations to policyholders.

Holmes Murphy presents only carriers whose ratings are in the "Secure" categories.



HOLMES MURPHY®

A.M. Best Ratings

Rating (Vulnerable)	Descriptor	Definition
B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their current obligations to the policyholders, but are financially vulnerable to adverse changes in underwriting and economic conditions.
C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their current obligations to policyholders, but are financially vulnerable to adverse changes in underwriting and economic conditions.
C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their current obligations to policyholders, but are financially extremely vulnerable to adverse changes in underwriting economic conditions.
D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their current obligations to policyholders, but are financially extremely vulnerable to adverse changes in underwriting and economic conditions.
E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries /affiliates) that have been placed by an insurance regulatory authority under a significant form of supervision, control or restraint where-by they are no longer allowed to conduct normal ongoing insurance operations. This would include conservatorship or rehabilitation, but does not include liquidation. It may also be assigned to companies issued cease and desist orders by regulators outside their home state or country, state or country.
F	In Liquidation	Assigned to companies that have been placed under an order of liquidation by a court of law or whose owners have voluntarily agreed to liquidate the company. Note: Companies that voluntarily liquidate or dissolve their charters are generally not insolvent.
S	Suspended	Assigned to companies that have experienced sudden and significant events affecting their balance sheet strength or operating performance and whose rating implications cannot be evaluated due to a lack of timely or adequate information.

Not Rated Categories

NR-1	Insufficient Data
NR-2	Insufficient Size and/or Operating Experience
NR-3	Rating Procedure Inapplicable
NR-4	Company Request
NR-5	Not Formally Followed

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

November 1, 2018

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 Houston International Insurance Group (HIIG) 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.