



STOP-LOSS INSURANCE

RS-25-153

September 16, 2025

Background

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- ❑ The City healthcare benefits is a self-insured benefits platform
- ❑ The City must bid for stop-loss insurance to protect the City from high medical claims
- ❑ On July 9, 2025, the City utilized the Request for Bids to select a stop-loss insurance provider

Background

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- Stop-Loss insurance protects the City against catastrophic/unpredictable losses. The City of Killeen will protect its plan with both specific and aggregate stop-loss coverage.
 - Specific Stop-Loss protects the City against high claims on any one individual in which the claims exceed \$200,000
 - Aggregate Stop-Loss provides a ceiling on the amount of expenses that the City would pay, in total during a contract period. Our ceiling is 125% of expected claim liability.

Bid Results

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- ❑ The City received bids from only one vender, Blue Cross Blue Shield Texas (BCBSTX)
- ❑ Cost for BCBSTX is \$1,356,969

Recommendation

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- Staff recommends City award RFP 25-42 to Blue Cross Blue Shield TX as the provider for stop-loss insurance services, effective October 1, 2025, in an amount of \$1,356,969.