



STOP-LOSS INSURANCE

RS-22-123

September 6, 2022

Background

- ❑ In 2022, the City healthcare benefits transitioned from fully-funded to a self-insured benefits platform
- ❑ The City must bid for stop-loss insurance to protect the City from high medical claims
- ❑ On July 3, 2022, the City utilized the Request for Bids to select a stop-loss insurance provider

Background

- Stop-Loss insurance protects the City against catastrophic or 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 dollar amount of expenses that the City would pay, in total during a contract period

Bid Results

4

- City received bids from United Health Care, Symetra, HM, and Sun Life
 - ▣ Cost for United Health Care is \$648,405, Symetra is \$1,077,732, HM is \$1,240,705, and Sun Life is \$1,297,159
- The City of Killeen recommends United Health Care for stop loss insurance
 - ▣ The expense for stop-loss insurance will be \$648,405

Alternatives Considered

- ❑ To not accept the bid with United Health Care to provide stop-loss insurance services to safeguard against high claims in our self-insured healthcare environment
- ❑ To accept the bid with United Health Care to provide stop-loss insurance services to safeguard against high claims in our new self-insured healthcare environment

Recommendation

6

- Staff recommends City Council award the bid with United Health Care as the provider for stop-loss insurance services, effective October 1, 2022, in an amount of \$648,405