



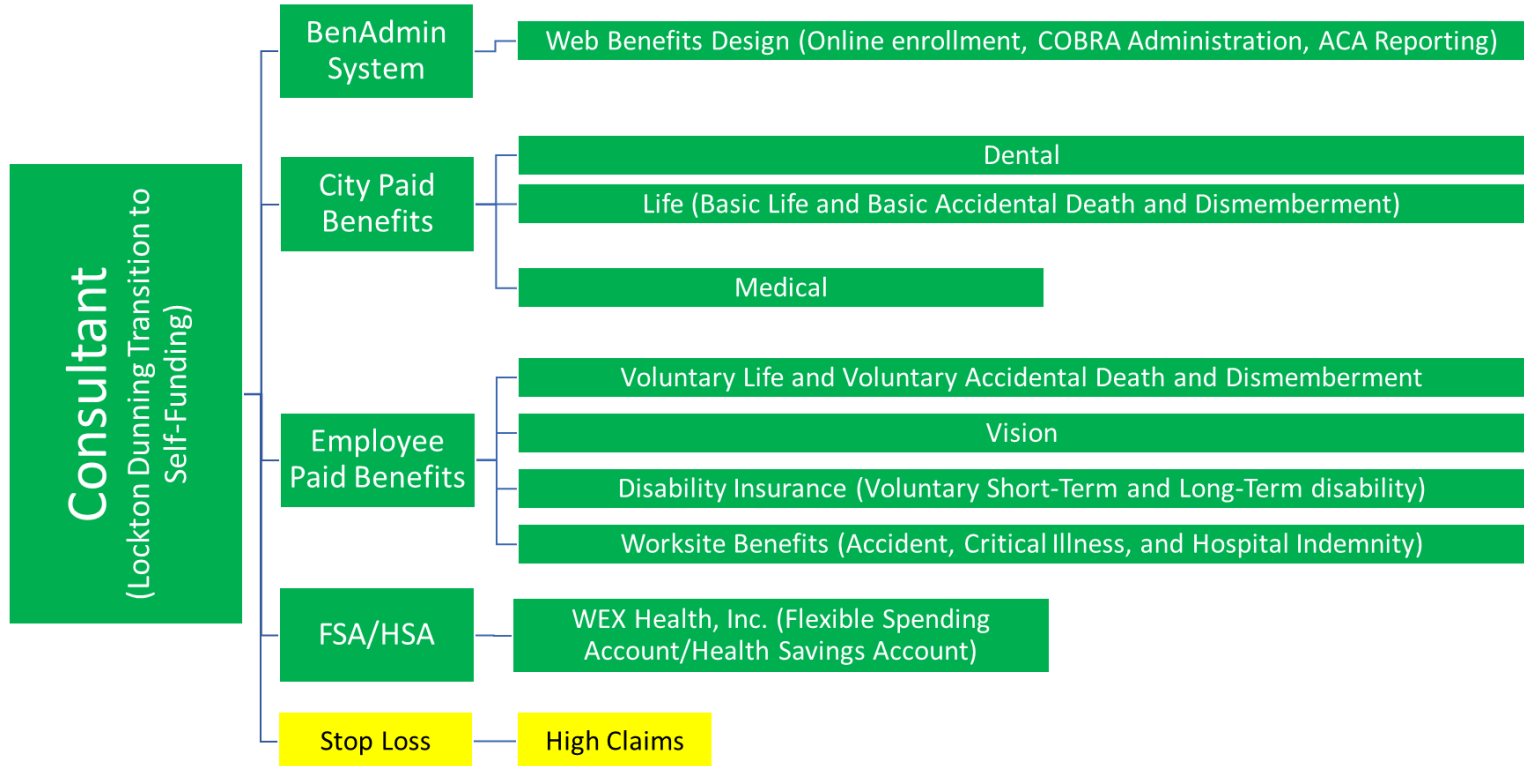
STOP-LOSS INSURANCE

RS-21-120

September 7, 2021

City of Killeen Benefits

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Background

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- ❑ In 2020, staff utilized the Request for Qualifications (RFQ) process to select a qualified self-insured benefits consultant
- ❑ As we transition into self-insured, the last benefits component to obtain is stop-loss insurance
- ❑ On August 1, 2021, the City utilized the Request for Proposal (RFP) process to select a stop-loss insurance provider

Background

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- ❑ 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

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- ❑ United HealthCare was the only bidder
- ❑ The City of Killeen recommends United HealthCare for stop loss insurance
 - ▣ The estimated expense for stop-loss insurance will be \$614,755

Alternatives Considered

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

Recommendation

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- Staff recommends City Council award the bid with United HealthCare as the provider for stop-loss insurance services, effective October 1, 2021, in an amount of \$614,755