



## Agenda Statement

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**Type:** Discussion Item **Status:** Filed  
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**Title:** Discussion Item: Review of Health Insurance Renewal Figures

**Sponsors:**

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**Attachments:** 1. City of Valdez Renewal 2020-21, 2. Valdez City School Renewal 2020-21

Date	Ver.	Action By	Action	Result
3/3/2020	1	City Council	received and filed	

### **ITEM TITLE:**

Discussion Item: Review of Health Insurance Renewal Figures

**SUBMITTED BY:** Rhea E Cragun, Human Resource Director

### **FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

### **RECOMMENDATION:**

Authorize staff to proceed with annual health plan renewal

### **SUMMARY STATEMENT:**

- Per Council request, staff is providing a first review of renewal figures.
  - City **Monthly** Premium increase:  
\$190.23 total; \$182.62 City Share; \$7.61 Employee Share  
2.6%, \$89K estimated annual cost over 2020 budget
- If authorized, staff will return on 3/17 or 4/7 with contracts for formal Council approval
- The renewal review emphasizes changes in premiums. Staff will provide a follow-up review with Council during the fall operating budget proceedings, emphasizing the plan's fund balance. These two variables provide Council with the best indication of the plan's solvency.

### **Background and Analysis:**

- Staff obtained competing stop-loss quotes reflecting several stop-loss deductible amounts.
  - Staff recommends renewing the Plan's stop-loss coverage with Sun Life, and increasing to a \$175K deductible from \$150K.
- Staff, School and Broker attempted to select renewal variables that not only yield favorable one-year renewal terms, but also position the plan for stable future renewal terms.
- City of Valdez: Increasing the individual stoploss level from \$150,000 to \$175,000 per individual represents an increase of \$289,207 in overall annual expected liability (admin, stoploss and expected claims), from current. Total stoploss premiums savings (hard dollars) is a savings of \$40,752 from the renewal premium at \$150,000.
- Valdez City Schools: Increasing the individual stoploss level from \$150,000 to \$175,000 per individual represents a **decrease** of \$329,568 in overall annual expected liability (admin, stoploss and expected claims), from current. Total stoploss premiums savings (hard dollars) is a savings of \$35,939 from the renewal premium at \$150,000.