



Legislation Text

File #: 20-0098, **Version:** 1

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.