



Brevard County Board of County Commissioners

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Legislation Text

File #: 2275, **Version:** 1

Subject:

Group Health Insurance Stop Loss (Excess Insurance) placement

Fiscal Impact:

FY 20-21 Fiscal Impact: Selection of the recommended carrier option will result in a premium rate of \$5.68 a flat renewal in the premium rates (projected 2021 cost of \$257,304). The specific deductible will remain \$1,000,000 with potential for additional claims cost towards the aggregating deductible of \$125,800 (increase from \$65,000) if claims exceed the \$1,000,000 specific deductible. The Plan's fixed costs are comprised of premium + aggregating deductible. For this renewal those costs are projected at \$383,104 for 2021. This is a 19% increase in costs from \$332,304 for premium + aggregating deductible in 2020. Actual claims experience will determine the ultimate costs to the group health plan. Adequate funds have been budgeted in Fund 5051/Cost Ctr389420/Acct#5450002 to cover this expense.

Dept/Office:

Human Resources

Requested Action:

That the Board of County Commissioners approve the renewal of Stop Loss Insurance with Symetra Financial for the self-insured group health insurance program and authorize the Human Resources Director to execute all documents necessary to bind this coverage effective 1/1/2021.

Summary Explanation and Background:

Stop Loss coverage for a self-funded health plan provides a limit of financial exposure for the benefit plan when any individual member incurs a catastrophic claim. After successfully self-funding this exposure for several years, change in federal law through the Affordable Care Act (ACA) changed the financial landscape for employer's coverage on catastrophic claims effective January 1, 2014 the County began purchasing Stop Loss coverage with a high deductible through Symetra Financial. Stop Loss contracts are renewed each year.

The Office of Human Resources, along with the County's Benefits Consultants Robinson Bush, have reviewed the 2021 renewal options provided by Symetra Financial, all involving various combination of deductibles and premiums. The proposed renewal contract is based on claims incurred any time prior to December 31, 2021 and paid January 1, 2021 through December 31, 2021 (Paid basis). This is advantageous to the county in that the contract basis allows eligible claims incurred at any time prior to December 31, 2021 to be counted toward the Stop Loss deductible for claims paid in 2021 for any individual member ("run-in" claims). RobinsonBush, Inc., the County's Benefit Consultant, and the office of Human Resources/Employee Benefits recommend the

following 2021 renewal proposal:

Symetra		
<i>Medical Only</i>	Current	Proposed Renewal
Annual Max	Unlimited	Unlimited
Lifetime Max	Unlimited	Unlimited
Claims Basis	Paid	Paid
Specific Deductible	\$1,000,000	\$1,000,000
Aggregate Deductible	\$65,000	\$125,800
Composite Rate	\$5.68	\$5.68
Monthly Premium	\$21,073	\$21,073
Total Annual Premium	\$252,874	\$252,874
% Increase		0%
Total Premium + Agg	\$317,874	\$383,104
% Increase		19%

The proposal provides a flat renewal in the premium rates with a specific deductible of \$1,000,000 and aggregating deductible of \$125,800. The aggregating deductible will not be paid if there are not claims that exceed the individual deductible. Based on an analysis using the Group Health plans historic plans, historic large loss activity, market conditions and the County's adverse loss trend, this renewal scenario provides the lowest projected cost the County.

Clerk to the Board Instructions: