



CITY COUNCIL COMMUNICATION

August 28, 2012

SUBJECT: Award of Contract for Re-Insurance Coverage for the City's Health Insurance Plan

SUBMITTED BY: Carolyn Marshall, HR/Risk Administrator

REFERENCE NO: RFP No. 016-12

ACTION REQUESTED:

Consider award of RFP No. 016-12 for re-insurance coverage for the City's health insurance program for October 1, 2012 to September 30, 2013 to ING Employee Benefits for specific stop loss coverage.

ALTERNATIVES:

- Award to another vendor
- Reject all proposals

SUMMARY OF SUBJECT:

Re-insurance provides coverage to limit the City's loss exposure for health insurance claims. Specific coverage limits the loss per individual.

The policy will have an effective date of October 1, 2012 and will have a term of one (1) year. The proposal includes a deductible of \$100,000 per person with a \$110,000 aggregating specific deductible.

Staff recommends awarding the specific stop loss reinsurance coverage to ING Employee Benefits based on the best overall value. They submitted the lowest price based on the requested individual deductible of \$100,000, with a \$110,000 aggregating specific deductible, unlimited lifetime maximum coverage and pricing based on the recommended Aetna Signature Network. The annual premium is \$345,672.96. Lasers taken by each company and their willingness to provide firm proposals based on the current medical data was also taken into consideration.

FINANCIAL CONSIDERATIONS:

Revenue Sources: 610-0000-490-20.01; 610-0000-491-21.01

Expenditure Accounts: 610-5015-519-52.03

Budgeted Fiscal Year(s): 2012-2013

Estimated Expenditure: \$345,672.96

Over/Under Projection By: \$46,988.04

Other Comments:

SUPPORTING DOCUMENTS:

- Proposal Analysis
- Vendor List

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **KS** _____

City Secretary's Office