

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO ACCEPT A ONE-YEAR POLICY BETWEEN FLORIDA BLUE, ADMINISTERED BY HM LIFE INSURANCE COMPANY, AND THE CITY OF HOLLYWOOD FOR STOP LOSS INSURANCE COVERAGE FOR AN ESTIMATED ANNUAL PREMIUM AMOUNT OF \$872,130.00.

WHEREAS, the Office of Human Resources desires to enter into a one-year contract with a stop loss insurance carrier beginning January 1, 2015; and

WHEREAS, in accordance with the City's Purchasing Ordinance, Section 38.40C(9), purchases of insurance through the City's Agent of Record are exempt from the competitive bid and competitive proposal requirements; and

WHEREAS, Ascension Benefits & Insurance Solutions was competitively procured by the City to act as the City's agent of record to solicit Stop Loss Insurance quotes on the City's behalf and has acted in good faith; and

WHEREAS, Ascension Benefits & Insurance Solutions has solicited stop loss quotes from seven different stop loss carriers, including our incumbent; and

WHEREAS, Ascension Benefits & Insurance Solutions has completed a market analysis of all stop loss proposals received on behalf of the City's self-funded medical plan; and

WHEREAS, in addition to a renewal offer from the incumbent HM Life Insurance Company, quotes were received from Optum (part of the UHC family of companies), Voya (formerly ING) and Symetra (the City's Stop Loss carrier up until last year when replaced by HM Life Insurance Company); and

WHEREAS, AIG and SunLife declined as they felt they could not be competitive and Berkley failed to respond entirely; and

WHEREAS, while only two of the four quotes received were lower than our incumbent provider's quote, they are non-captive carriers and do not work simultaneously with Florida Blue the City's health claims administrator, which would require the City to hire an additional vendor to file all stop claims received reducing any cost savings; and

WHEREAS, while HM Life Insurance Company responded with an approximate 15% increase over last year (significantly lower than the other carrier) due to the City's

high claim experience, the City is not required to disclose additional information or updated claims information for the renewal as the City would with the other carriers who responded whose quotes may change; and

WHEREAS, HM Life Insurance Company as the captive carrier for Florida Blue, provides simultaneous funding of all claims above the specific deductible level, so the City does not have to pre-fund these claims and wait for reimbursement as would be the case with all the other carriers; and

WHEREAS, HM Life Insurance Company and Florida Blue are an integrated system, transactions are faster and more efficient as claims can be processed, applied to appropriate stop-loss insurance, paid, categorized and reported quickly by the connected systems. There is no information being passed between different systems/companies. This makes the process more streamlined; and

WHEREAS, HM Life Insurance Company's quote proposed a 36/12 contract renewal while the other carriers proposed a 24/12. This provides the City with broader (36 months) claims coverage vs. only 12 months going back; and

WHEREAS, the individual stop-loss insurance has an individual deductible of \$350,000.00, which is the same as previous years; and

WHEREAS, the City currently has five (5) insured members whose claims exceed \$200,000.00; and

WHEREAS, funding for the renewal has been identified and is available in the 2015 Fiscal Year budget fund 58;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That it hereby authorizes the appropriate City officials to accept a one-year policy between Florida Blue, administered by HM Life Insurance Company, and the City of Hollywood for stop loss insurance coverage for an estimated annual premium amount of \$872,130.00.

A RESOLUTION AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO ACCEPT A ONE-YEAR POLICY BETWEEN FLORIDA BLUE AND THE CITY OF HOLLYWOOD FOR STOP LOSS INSURANCE COVERAGE FOR AN ESTIMATED ANNUAL PREMIUM AMOUNT OF \$872,130.00.

Section 2: That this resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
PETER BOBER, MAYOR

ATTEST:

\_\_\_\_\_  
PATRICIA A. CERNY, MMC  
CITY CLERK

APPROVED AS TO FORM & LEGALITY  
for the use and reliance of the  
City of Hollywood, Florida only:

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JEFFREY P. SHEFFEL, CITY ATTORNEY