

**STATEMENT OF BUDGET IMPACT**  
**(Policy Number 94-45)**  
**Budgetary Review of Proposed Resolution &**  
**Ordinances with Financial Implication.**

**Date:** December 4, 2014

**File:** BIS 15 – 063

**File:** TMP-2014-00680

**Proposed Legislation:**

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 PREMIUM AMOUNT OF \$872,130.

**Statement of Budget Impact:**

1. ☐ No Budget Impact associated with this action;
2. ☒ Sufficient budgetary resources identified/available;
3. ☐ Budgetary resources not identified/unavailable;
4. ☐ Potential Revenue is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

**Explanation:**

This Resolution seeks to authorize the appropriate City Officials to agree to and accept a one year policy between Florida Blue to be administered by HM Life Insurance Company, "HM Life", and the City for stop loss insurance coverage. The recommendation to accept the offer of stop loss insurance from Florida Blue and administered by HM Life was made by the City's agent of record for this type of insurance coverage, Ascension Benefits & Insurance Solutions, "Ascension". Previously, Ascension had solicited proposals from various insurance companies that could provide stop loss insurance to provide stop loss insurance coverage to the City. Of the seven (7) potential insurance providers, Ascension received response from four (4). Upon reviewing and comparing the terms, conditions and pricing for the plans offered, a recommendation was prepared proposing that the policy offered by Florida Blue and administered by HM Life presented the best terms, conditions and pricing.

Florida Blue is the present stop loss insurance provider for the City. The quoted insurance premium to be paid to Florida Blue for the stop loss insurance coverage would be \$872,130.00 representing an approximate 13.6% increase over the premium charged in the previous fiscal year of \$767,094. The stop loss policy contains an individual deductible of \$350,000 which is unchanged from the previous year's policy terms. Additional favorable terms of the proposed stop loss policy include a 36/12 contract term versus the 24/12 contract term offered by last year's policy as well as the proposals submitted by the other interested insurance carriers. This provides the City with a broader claims coverage period of 36 months versus 24 month. Moreover the policy offered by Florida Blue provides for the simultaneous funding of all claims above the specific deductible level, \$350,000 in the City's case. This prevents the City from having to pre-fund these claims for the full amount and await reimbursement from the insurance carrier.

Funding is available in account number 58.1241.00000.590.009199 for the proposed stop loss policy premium cost.

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