

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 NOT TO EXCEED 110% OF \$898,761.00.

WHEREAS, the Office of Human Resources desires to enter into a one-year contract with a stop loss insurance carrier beginning January 1, 2016; 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 six different stop loss carriers, including the 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), AIG, Berkley and Symetra (the City's Stop Loss carrier up until two years ago when replaced by HM Life Insurance Company); and

WHEREAS, Sun Life declined to quote due to the number of retirees on the plan; and

WHEREAS, while three of the six quotes received were lower than the 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 loss claims received, thereby reducing any potential cost savings; and

WHEREAS, while Voya/ING and AIG's quotes were the lowest, they are also subject to disclosure and claims review with potential laser liabilities; and

WHEREAS, HM Life Insurance Company responded with a minimal (less than one percent) increase over last year (significantly lower than Symetra and Optum); 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 and there is no information being passed between different systems/companies, which makes the process more streamlined; and

WHEREAS, HM Life Insurance Company's quote proposed a 48/12 contract renewal while the other carriers proposed a 24/12 which provides the City with broader (48 months) claims coverage; and

WHEREAS, HM Life Insurance Company's quote is firm with no disclosure/no lasers and no updated claims experience required; 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 one (1) insured member whose claims exceed \$350,000.00; and

WHEREAS, funding for the renewal has been identified and is available in the 2016 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 not to exceed 110% of \$898,761.00.

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

PASSED AND ADOPTED this _____ day of _____, 2015.

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:

JEFFREY P. SHEFFEL, CITY ATTORNEY