

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

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE A ONE-YEAR AGREEMENT WITH CIGNA FOR STOP LOSS INSURANCE FOR AN AMOUNT NOT TO EXCEED \$579,146.70.

WHEREAS, the City holds stop loss insurance for both Individual Stop Loss ("ISL") and Aggregate Stop Loss ("ASL") with Cigna, who also administers the City's health insurance program; and

WHEREAS, as of August 26, for the 2020 calendar year to date, there are 15 large claimants with claims exceeding \$100,000.00, totaling \$2.4 million in claims; and

WHEREAS, as of November 2020, there are currently three large claims exceeding the ISL threshold of \$350,000.00 with stop loss reimbursements for the 2020 calendar year of \$70,100.00; and

WHEREAS, historically there have been two large claims over the \$350,000.00 ISL since 2015; and

WHEREAS, The Gehring Group ("Gehring"), the City's benefits consultant, conducted an analysis that explored various options to determine the optimal threshold based upon the City's historical large claims and premium savings; and

WHEREAS, due to premium changes, historical claims data, and the current positive trending forecast of a reduction in large claimants, Gehring is recommending a change in the ISL from \$350,000.00 to \$750,000.00; and

WHEREAS, this change results in a decrease in the current rates, which will provide a \$57.1% savings to the City by reducing the annual premium to \$579,146.70; and

WHEREAS, the renewal premium of \$579,146.70 has an added 10% to the actual premium quoted in the back-up documentation, which is \$526,497.00, to allow for fluctuations; and

WHEREAS, it is the City's plan to continue to set aside premium savings by taking on more liability into an account allowing for the City to be self-insured for such high claimants versus paying a third party for this insurance; and

WHEREAS, combining the stop loss vendor with the ASO administrator allows for faster and more accurate stop loss reimbursements to the City; and

WHEREAS, funding for this service is available in the FY 2021 Operating Budget account number 558.112006.51900.591990.000000.000.000.

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

Section 1: That the foregoing "WHEREAS" clauses are ratified and confirmed as being true and correct and are incorporated in this Resolution.

Section 2: That it approves and authorizes the execution, by the appropriate City officials, of an agreement with Cigna embodying the terms and conditions approved by the City Commission this date, in a form acceptable to the City Manager and approved as to form and legal sufficiency by the City Attorney.

Section 3: That this Resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
JOSHUA LEVY, MAYOR

ATTEST:

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

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY for the use and reliance  
of the City of Hollywood, Florida, only.

\_\_\_\_\_  
DOUGLAS R. GONZALES  
CITY ATTORNEY