

# City of Racine



Prepared for:



November 26, 2018

# Agenda

City of Racine – November 26, 2018



- **Loss Ratio for Stop Loss**
- **Stop Loss Marketing Summary**
- **Stop Loss Comparison**
- **Impact of Stop Loss Specific Alternatives**

# City of Racine

Reinsurance Loss Ratio History 2014-2018

Reinsurance Loss Ratio 2014-2018					
	2014	2015	2016	2017	2018 YTD
Number of High Cost Claimants (Over \$210,000 Paid Claims)	4	4	5	8	3
Stop Loss Premiums	\$598,923	\$599,804	\$598,206	\$766,930	\$864,027
Reimbursements	\$562,283	\$1,700,721	\$155,530	\$917,597	\$310,795
Stop-Loss Loss Ratio	93.88%	283.55%	26.00%	119.65%	35.97%
Total Loss Ratio	106.39%				

# City of Racine

Marketing Summary, Stop Loss, Effective 1/1/2019

Stop Loss	
Carrier Name	Notes
QBE	+15.17% Renewal
American Fidelity	+9.84% Fixed / (-11.63%) \$250K Option
HIIG	+14% Fixed
Berkshire Hathaway	+26% Fixed
Voya	+36% Fixed
Partners - U.S. Fire	+42% Fixed
Berkley	Uncompetitive Rates
CGI	Declined to Quote
Crum & Forster	Uncompetitive Rates
Midwest Marketing	Uncompetitive Rates
Munich	Population of retirees exceeds limit
Optum	Declined to Quote
Reliance	Uncompetitive Rates
Sun Life	Uncompetitive Rates
SwissRe	Uncompetitive Rates
Symetra	Uncompetitive Rates
TMHCC	Uncompetitive rates, concerns about large claimant
Wortham	Uncompetitive rates, pharmacy claims, retiree group size
Zurich	Declined to Quote

# City of Racine

Stop Loss Marketing Comparison, Effective January 1, 2019

	QBE Current	QBE Renewal Firm through 11/23	American Fidelity Option 1 Firm through 11/28	American Fidelity Alt \$250k Spec Firm through 11/28
<i>Stop Loss Carrier</i>	QBE	QBE	American Fidelity	American Fidelity
<i>TPA</i>	UHC	UHC	UHC	UHC
<i>PBM</i>	Caremark	Caremark	Caremark	Caremark
<i>Transplant Network</i>	National Union Fire Choice Plus	National Union Fire Choice Plus	National Union Fire Choice Plus	National Union Fire Choice Plus
<b>A. SPECIFIC LIABILITY CONTRACT INFORMATION</b>				
Specific Deductible	\$210,000	\$210,000	\$210,000	\$250,000
Aggregating Specific Deductible	None	None	None	None
<b>Contract</b>	<b>24/12</b>	<b>24/12</b>	<b>24/12</b>	<b>24/12</b>
Annual Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Individual Lasers	<b>Member #1 \$490,000</b> <b>Member #2 \$325,000</b>	<b>Member #1 \$490,000</b> <b>Member #2 \$275,000</b>	<b>Member #1 \$350,000</b> <b>Member #2 \$400,000</b>	<b>Member #1 \$350,000</b> <b>Member #2 \$400,000</b>
Coverages	Med, Rx	Med, Rx	Med, Rx	Med, Rx
Aggregate Premium / Composite	N/A	N/A	N/A	N/A
Specific Premium / Employee Only 416	\$34.27	\$32.63	\$32.61	\$26.54
Specific Premium / Family 789	\$83.39	\$99.65	\$94.25	\$75.67
<b>Monthly Stop Loss Fixed Fee Premium</b>	<b>\$80,051</b>	<b>\$92,198</b>	<b>\$87,929</b>	<b>\$70,744</b>
<b>Annual Stop Loss Fixed Fee Premium</b>	<b>\$960,612</b>	<b>\$1,106,375</b>	<b>\$1,055,148</b>	<b>\$848,931</b>
<b>Change from Current Fixed Fee Premium</b>	<b>---</b>	<b>15.17%</b>	<b>9.84%</b>	<b>-11.63%</b>
<b>Additional Liability (Lasers)</b>	<b>\$395,000.00</b>	<b>\$345,000.00</b>	<b>\$330,000.00</b>	<b>\$250,000.00</b>

This proposal is based off the information provided by you and is intended to be illustrative of the proposal provided by the carrier. Final rates are determined by the carrier after the carrier completes the underwriting and final enrollment process. Rates quoted are not guaranteed and may change subject to updated claim information, changes to the census &/or enrollment elections. If there is a discrepancy between the rates provided in this proposal and the rates provided by the carrier, the carrier's final rates will govern. Additional coverage may be available. All efforts have been made to ensure the information in this proposal is accurate; however no warranty of complete accuracy is guaranteed.

# City of Racine

Impact of Stop Loss Alternative Based on 2019 Stop Loss Premiums

Stop Loss Alternative - Based on 2015 - 2018 Large Claimants					
Current Specific Deductible Level: \$210,000  2019 Estimated Specific Premium Total at Current Specific Level: \$1,055,148	\$250,000 Stop Loss	2015	2016	2017	2018 YTD
	Savings on Specific Premiums (%)	19.54%	19.54%	19.54%	19.54%
	Total Premium Savings	\$206,217	\$206,217	\$206,217	\$206,217
	Additional Risk (Claims Under Specific - Based on 2015 - 2018 Claims)	\$105,000	\$120,000	\$160,000	\$80,000
	<b>Total Savings</b>	<b>\$101,217</b>	<b>\$86,217</b>	<b>\$46,217</b>	<b>\$126,217</b>