

City of Racine



Prepared for:



January 13, 2020

Agenda

City of Racine – January 13, 2020



- **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 2014-2019

Reinsurance Loss Ratio 2014-2019						
Contract Year	2014	2015	2016	2017	2018	2019
Number of High Cost Claimants (Over Specific)	4	4	5	8	7	7
Stop Loss Premiums	\$598,923	\$599,804	\$598,206	\$766,930	\$1,000,249	\$834,321
Reimbursements	\$562,283	\$1,700,721	\$155,530	\$917,597	\$421,066	\$971,636
Stop-Loss Loss Ratio	93.88%	283.55%	26.00%	119.65%	42.10%	116.46%
Total Loss Ratio	107.51%					

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Marketing Summary, Stop Loss, Effective 1/1/2020

Stop Loss 1/1/2020	
Carrier	Comments
American Fidelity	+15.02% Fixed
Berkley	Uncompetitive
Berkshire Hathaway	Uncompetitive
Crum & Forster	Uncompetitive
HCC Life	Uncompetitive
HIIG	Uncompetitive
HMI	Declined to Quote
Liberty Mutual	Declined to Quote
Munich	Population of retirees exceeds limit.
Optum	Cannot quote on UHC groups.
Partners/US Fire	Uncompetitive Rates
QBE	Uncompetitive Rates
Reliance	Uncompetitive
Sun Life	Uncompetitive
SwissRe	Uncompetitive
Symetra	Uncompetitive
TMS Re	Declined to Quote
Unum	Declined to Quote
Vista	Declined to Quote
Voya	Uncompetitive

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Stop Loss Marketing Comparison, Effective January 1, 2020

TPA Stop Loss Carrier Network PBM Transplant	Current UHC American Fidelity UHC Choice Plus CVS Caremark National Union Fire	Initial Renewal UHC American Fidelity UHC Choice Plus CVS Caremark National Union Fire	Revised/Firm Renewal UHC American Fidelity UHC Choice Plus CVS Caremark National Union Fire	Revised/Firm Renewal UHC American Fidelity UHC Choice Plus CVS Caremark National Union Fire
SPECIFIC STOP LOSS				
Specific Deductible	\$250,000	\$250,000	\$250,000	\$275,000
Contract	24/12	24/12	24/12	24/12
Annual Maximum	Unlimited	Unlimited	Unlimited	Unlimited
INDIVIDUAL LASERS	1x \$400,000 1x \$350,000	1x \$450,000 1x \$350,000 1x \$300,000	1x \$450,000 1x \$350,000	1x \$450,000 1x \$350,000
Coverages	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx
Specific Premium / Employee Only 430	\$26.54	\$30.37	\$30.37	\$26.87
Specific Premium / Family 768	\$75.67	\$87.12	\$87.12	\$77.71
Monthly Stop Loss Premium	\$69,527	\$79,967	\$79,967	\$71,235
Annual Stop Loss Premium	\$834,321	\$959,607	\$959,607	\$854,825
Change from Current	---	15.02%	15.02%	2.46%
Annual Fixed Fees	\$834,321	\$959,607	\$959,607	\$854,825
Change from Current	---	\$125,286	\$125,286	\$20,503
Annual Premium Savings from Changing Deductible	---	---	---	-\$104,783
Additional Liability from Lasers	\$250,000	\$350,000	\$300,000	\$250,000
Total Potential Costs	\$1,084,321	\$1,309,607	\$1,259,607	\$1,104,825

\$500,000 Conditional Laser in the Event of a Liver Transplant

4 Members Considered Termed

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.

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Impact of Stop Loss Alternatives Based on 2020 Stop Loss Premiums

Stop Loss Alternatives - Based on Large Claimants					
	Year	2016	2017	2018	2019
Current Specific Deductible Level: \$250,000 2020 Estimated Specific Premium Total at Current Specific Level: \$959,607	Specific Deductible	\$275,000	\$275,000	\$275,000	\$275,000
	Savings on Specific Premiums (%)	12.56%	12.56%	12.56%	12.56%
	Total Premium Savings	\$104,783	\$104,783	\$104,783	\$104,783
	Additional Risk (Claims Under Specific - Based on Large Claimants)	\$100,000	\$75,000	\$75,000	\$98,000
	Total Savings	\$4,783	\$29,783	\$29,783	\$6,783



HORTON