



# County of El Dorado

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## Legislation Text

File #: 09-0937, Version: 1

Human Resources Department, Risk Management Division, recommending the Board accept the renewal offer from Symetra Life Insurance Company at the current specific stop loss level of \$175,000; and authorize the Human Resources Director to sign all required implementing insurance documents to maintain continuous insurance coverage for the Blue Shield Health Plan, noting the estimated annualized premium cost is \$1,406,294 and is comprised of individual stop loss of \$1,375,735 and aggregate excess of \$30,559.

**FUNDING:** Risk Management Cost Applied Fund.

BUDGET SUMMARY:		
Total Estimated Cost		\$1,406,294
Funding		
Budgeted	\$1,406,294	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$	
Change To Net County Cost		\$1,406,294

**Fiscal Impact/Change to Net County Cost:** The FY 09/10 health program budget included \$1,406,248 for stop loss premium payments.

**Background/Reason for Recommendation:** The proposed renewal policy represents an increase in costs of 17.5% over the previous year, less than the 25% increase Aon, our health benefits consultant, expected due to some large claims we are experiencing.

The policy will protect the County's self-insured medical and pharmacy benefit program for specified excess losses during the policy period August 1, 2009 through July 31, 2010. Three kinds of coverage are included and described as follows. The first coverage, *individual stop-loss*, reimburses the health benefit sub-fund for all costs above \$175,000 per individual member of the Blue Shield Plan when those costs are paid by the County during the policy period. The second, *aggregate excess insurance*, reimburses the health benefit sub-fund up to \$1 million in the event total costs for self-insured claims exceed projections by 125% during the policy period. Finally, the third type of coverage, *terminal liability*, will provide the health plan with protection against individual and aggregate losses which occur through July 31, 2009, and which are invoiced and paid by the Blue Shield plan during the months of August, September and October 2009.

It should be noted that the estimated amounts included in the attachments to this item are different than the budgeted amounts shown above. Symetra's estimates were based on 1200 employees, while current enrollment is only approximately 1164 employees. When the rates are applied to the actual number of enrolled employees, the annual premium is within the budgeted amount above.

**Action to be taken following Board approval:** Symetra will issue a renewal policy, the Human Resources Director will sign all required implementing insurance documents in order to maintain continuous insurance coverage for the Blue Shield Health Plan, and our current excess insurance will remain in effect for the Blue Shield self-funded plan.

**Contact:** Lisa Hoaas x5576

**Concurrences:** Human Resources, CAO