



County of El Dorado

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Legislation Text

File #: 10-0832, **Version:** 1

Human Resources, Risk Management Division, recommending the Board accept the stop loss coverage proposal from Sun Life Assurance Company and increase the coverage level by \$25,000 to \$200,000; and authorize the Human Resources Director to sign all required documents to maintain the stop loss insurance coverage for the County's medical benefits and prescription coverage self insured health plan. The estimated annualized premium cost is \$822,263 which is comprised of an individual stop loss of \$782,087 and an aggregate excess of \$40,176 which is a savings of 36% from Fiscal Year 2009/2010 premium.

BUDGET SUMMARY:		
Total Estimated Cost		\$822,263
Funding		
Budgeted	\$822,263	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$	
Change To Net County Cost		\$822,263

Fiscal Impact/Change to Net County Cost:

The FY 10-11 health program budget included \$822,263 for stop loss premium payments.

Background and Reason for Recommendation:

The proposed stop loss coverage is a savings of 36% from the previous year by increasing the coverage level by \$ 25,000 to \$200,000 and changing the carrier to Sun Life Company. If accepted, Sun Life Company has also agreed to retroactively reduce the County's Basic Life rates by 10% and the LTD rates by 5% back to July 1, 2010.

The stop loss policy will protect the County's self insured medical and pharmacy benefit program for specified excess losses during the policy period August 1, 2010 through June 30, 2011. There are three types of coverage included: 1) individual stop-loss reimburses the self funded health plan for all costs above the \$200,000 per individual member, 2) aggregate excess insurance reimburses the self funded health fund if costs exceed 125% of the expected claims up to \$1,000,000, and 3) terminal liability option will provide the self funded health fund protection against individual and aggregate losses which occur through June 30, 2011, and which are invoiced and paid during August, September, and October 2011.

Action to be taken following Board approval:

Sun Life Company will issue a policy and the Human Resources Director will sign all required

insurance documents to maintain coverage. The Human Resources Director will submit and obtain County Counsel's approval for the contract.

Contact:

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Concurrences: