

**THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**

**FINANCIAL SERVICES DEPARTMENT**

**M\_E\_M\_O\_R\_A\_N\_D\_U\_M**

TO: Mitsi Corcoran, Chief Financial Officer  
FROM: Lynn Peterson, Supervisor of Risk Management  
DATE: October 3, 2016  
SUBJECT: Medical Stop Loss Insurance Renewal- Effective 01/01/2017

**Background:**

The current Medical Stop Loss Insurance policy with *Sun Life Assurance Company* has a self-insured retention (deductible) of \$500,000 and will expire on 12/31/2016.

**Renewal:**

The 2017 Medical Stop Loss Insurance renewal will increase due to factors such as an increase in claims experience for Sun Life Assurance Company's book of business and lives covered. Sun Life initially proposed a renewal rate increase of 45%, but after negotiations with the District's insurance broker, AON, Sun Life proposed a 26.5% increase, keeping all the same provisions. This proposal was compared with proposals received from the 2015 RFP and Sun Life's proposal continues to remain the most competitive.

<b>\$500,000 Deductible - Final Quotation Comparison</b>				
	Current	Sun Life Renewal	2015 Voya(ING)	2015 HMIG
\$500,000 Specific Deductible - PEPM				
Employee Only - 4292 EEs	\$7.15	<b>\$9.04</b>	N/A	\$9.61
Employee Plus Dependents - 955 EEs	\$18.61	<b>\$23.54</b>	N/A	\$27.00
Annual \$500,000 Specific Deductible Premium	\$581,524	<b>\$735,628</b>	\$895,332	\$804,373
Commissions Included in Premium	20%	<b>20%</b>	10%	10%

**Recommendation**

It is recommended the Stop Loss Insurance proposal from Sun Life be approved as presented.

Attachment

# Renewal options

On this page, sign to authorize the rates and initial to select the renewal you want

Policyholder name: SARASOTA COUNTY SCHOOL BOARD	Authorized signature:
Account number: 243008	Printed name:
Renewal status: Open	Printed title:
	Date signed:

Current and renewal rate summary	
Tier	Employees
Single	4292
Family	955
<b>Total</b>	<b>5,247</b>

Specific Stop Loss policy details and renewal options				
Plan thresholds	Current	Renewal	Renewal option 1	Renewal option 2
Individual Specific deductible	\$500,000	\$500,000	\$525,000	\$550,000
Aggregating Specific deductible	None	None	None	None
Annual maximum	Unlimited	Unlimited	Unlimited	Unlimited
Lifetime maximum	Unlimited	Unlimited	Unlimited	Unlimited

Specific rates	Current	Renewal	Renewal option 1	Renewal option 2
Claims basis	12/12	PAID	PAID	PAID
Benefits covered	Medical and Rx	Medical and Rx	Medical and Rx	Medical and Rx
Single	\$7.15	\$9.04	\$8.65	\$8.15
Family	\$18.61	\$23.54	\$22.52	\$21.22
<b>Total monthly premium</b>	<b>\$48,460.35</b>	<b>\$61,302.34</b>	<b>\$58,637.02</b>	<b>\$55,244.80</b>
Renewal rate action as a % increase to current monthly premium		26.5%	21.0%	14.0%

Total estimated annual plan costs				
Total costs	Current	Renewal	Renewal option 1	Renewal option 2
Total annual premium	\$581,524.20	\$735,628.11	\$703,644.28	\$662,937.59
<b>Total estimated self-funded plan costs</b>	<b>\$581,524.20</b>	<b>\$735,628.11</b>	<b>\$703,644.28</b>	<b>\$662,937.59</b>
Renewal rate action as a % increase to total estimated annual plan cost.		26.5%	21.0%	14.0%

Select renewal option			
Initial selected renewal option			

The rates agreed upon in this renewal acceptance form are effective on the policy renewal date and take precedence over any billing statements that may be received in the interim.

# Renewal options, continued

On this page, sign to authorize the features, services, and assumptions included in your renewal

Policyholder name: SARASOTA COUNTY SCHOOL BOARD
Account number: 243008
Authorized signature:
Printed name:
Printed title:
Date:

## Specific Stop-Loss coverage

The following options and programs are included in your policy:

Options:

- **No New Lasers at Renewal option with Renewal Rate Cap of 50%**  
This option prevents new lasers. The rate cap applies to Specific rates and the Aggregating Specific deductible (if applicable), and it assumes there are no material changes to the underlying plan, the Sun Life Stop-Loss policy, or the covered group.
- **Mirroring Endorsement**  
Mirroring of your plan document is subject to review and approval by Sun Life and may affect the quoted rates. To include this endorsement with your policy, within 90 days of the policy effective date, we need your plan document and an executed Renewal Options signature page.
- **Retiree coverage**

Programs:

- **[New!] SunElite™ medical document review service**  
This program is available to all Sun Life Stop-Loss customers.
- **SunExcel® Centers of Excellence transplant program**  
This exclusive program is provided to all Sun Life Stop-Loss customers.
- **SunResources® preferred network program**  
This exclusive program is provided to all Sun Life Stop-Loss customers.

The following are not included in your policy:

- **Simultaneous Reimbursement option**
- **Clinical Trials option**
- **Electronic Funds Transfer**
- **Terminal Liability option**

## Assumptions

- **Transplant rider**  
Sun Life assumes that if a Transplant rider is in place with your health care plan, Sun Life is designated as secondary claims payer.

## Producer commissions

Sun Life pays the following commission percent to the Stop-Loss producer: 20.0%.

## Specific Stop-Loss renewal acceptance

Acceptance of your Specific Stop-Loss renewal by Sun Life is subject to timely receipt of a signed renewal proposal and contingent upon a review of large claims over \$50,000 with diagnosis/prognosis for the period of January 1, 2016 through September 30, 2016 with accompanying required information. For large claims, the required information includes paid claims, pending claims, and notification of known situations. Upon review of your large claims information, we reserve the right to recalculate quoted rates.

Sun Life will not reimburse for claims expenses that incur outside the Policy Year parameters.

# Renewal options, continued

On this page, sign to authorize the features, services, and assumptions

## General coverage

- **Assumptions**

The above rates assume that your underlying plan will be brought into compliance with the Mental Health Parity Act and that covered expenses, as defined under the Mental Health Parity Act, will be covered as "any other illness." This renewal proposal also assumes that there are no underlying plan limits that are inconsistent with the guidelines established by the Americans with Disabilities Act.

- **Affordable Care Act accommodations**

This renewal proposal represents Sun Life's efforts to work with you to meet your requirements under the Affordable Care Act (ACA), including, but not limited to, the dependent age provisions of the ACA. According to the rescission provision of the ACA, it is the self-funded medical plan's responsibility to keep its census data up to date at all times. If the plan inadvertently does not remove a terminated participant, Sun Life may deny any claims from the participant. However, in that situation, the self-funded medical plan is responsible for the claim.

Proposal for

SLPC 24342 rev. 06162014 GLOT-2551