

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: November 3, 2015
SUBJECT: Stop Loss Insurance - Effective 01/01/2016

As the School Board moves towards implementing a Self-funded Medical Plan for 2016, a RFP for Stop Loss Insurance was issued by the District's insurance broker, AON. Proposals were requested at 3 levels, \$450,000, \$500,000 and \$550,000. Six carriers initially responded with proposals based on the District's August 2015 medical claim experience. The responding carriers included AIG, HCC Life, HM Insurance Group (HMIG), Sun Life, Voya (ING) and Zurich. An initial review of all the proposals revealed Sun Life to be the most competitive at all levels.

Upon receiving the September 2015 medical claim experience, the responding carriers were asked to re-evaluate and submit final quotes. Three of the carriers (AIG, HCC and Zurich) declined to quote due to uncompetitive rates. The remaining three carriers (HM Insurance, Sun Life and Voya) all provided final quotes. The \$500,000 deductible level appeared to be the most appropriate for the District. Sun Life remained the most competitive at this level with a rate of **\$7.15 PEPM (per employee per month) for Employees with single coverage and \$18.61 PEPM for Employees with dependent coverage.** The final quotes received at the \$500,000 deductible level are shown in the table below:

\$500,000 Deductible - Final Quotation			
	HMIG	Sun Life	Voya(ING)
\$500,000 Specific Deductible - PEPM			
Employee Only - 4260 EEs	\$9.61	\$7.15	N/A
Employee Plus Dependents - 943 EEs	\$27.00	\$18.61	N/A
Annual \$500,000 Specific Deductible Premium	\$796,795	\$576,099	\$895,332
Commissions Included in Premium	20%	20%	10%

Recommendation

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

Attachment