



## MEMORANDUM

**To:** Mayor and City Council

**From:** Justin Vaughn, Assistant Director of Administration and Human Resources

**Date:** September 16, 2016

**Reference:** Approval of the Purchase of Medical Stop Loss Insurance

**2030:** Top Quality City Workforce

---

### Introduction:

The City's current benefits consultant Holmes Murphy and Associates, LLC went out to the marketplace with a formal request for proposal process to invite Stop Loss Insurance companies to submit proposals for stop loss insurance related to the medical plan provided by the City of Coppell for its employees. The City's insurance committee is recommending the renewal of stop loss insurance with Gerber.

### Analysis:

The request for proposal was sent out by Coppell Purchasing, and evaluated by Holmes Murphy. The City received 13 quotes with different deductible levels from 4 different carriers. Three carriers quoted the same deductible and contract terms that the City currently has. Gerber was the most competitive quote with a proposed annual cost of \$240,885 (-0.01% cost decrease) for the Specific and Aggregate Stop Loss protection. Gerber has also agreed to remove the \$425,000 laser that is a part of the current contract.

Since the City's medical plan is self-insured plan, meaning that all claims incurred by employees and dependents are paid directly from the City's Medical Self Insured Fund. The purchase of medical stop loss insurance protects the City's fund from paying catastrophic claims over a certain amount.

**Legal Review:**

The medical stop loss insurance is a purchased insurance product that required no legal review.

**Fiscal Impact:**

The cost of the medical stop loss insurance is budgeted in the City's Medical Self Insurance Fund.

**Recommendation:**

The City Staff recommends approval of the purchased of medical stop loss insurance from Gerber.