



Legislation Text

File #: 21-0014, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Change Order #1 of Contract 14-007, Specific Stop Loss Insurance Coverage, to Symetra Life Insurance Company for an amount not to exceed \$10,418 and a total award of \$616,528

DEPARTMENT: Human Resources

SUBMITTED BY: James Sheehan, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

On April 15, 2014, the City Council awarded Contract 14-007 to GCG Risk Management Consultants (GCG), a benefits broker, to secure providers on behalf of the City for benefits such as medical insurance and stop loss coverage. For the 2020 plan year, GCG conducted and completed a competitive bid process and recommended award of the stop loss coverage to Symetra Life Insurance Company (Symetra). On September 17, 2019 Council approved the contract award to Symetra for a one-year term and on September 15, 2020 the City Council approved renewal of the stop loss coverage with Symetra for the 2021 fiscal year.

A change order is requested to increase the contract amount pay the final 2020 invoice.

DISCUSSION:

Stop loss coverage is based on an estimated employee count prior to the actual plan year for the City's two PPO plans. The estimated employee count also occurs prior to health plan open enrollment and any changes in health plan selection. Invoices are paid monthly based upon actual enrollment in the two PPO medical health plans. With changes to staffing levels throughout 2020, and an increase in enrollment in these two PPO plans, the projected cost was underestimated by less than 2%, requiring an additional \$10,418 to pay the final premium amount.

FISCAL IMPACT:

CIP: N/A

Stop loss coverage is expensed to the other administrative fees account listed below. A total of \$806,010 is budgeted in the account and \$606,010 was budgeted for the policy in 2020. The additional funds for the change order will be provided by underspend in the medical insurance program.

Account Number	Fund Description	Total Budget Amount
60101600-523210	Self-Insurance	\$806,010