

Mayor and Council Communication

DATE: 01/25/22

M&C FILE NUMBER: M&C 22-0065

LOG NAME: 14HMSTOPLOSS2022

SUBJECT

(ALL) Authorize Execution of Agreement with HM Life Insurance Company in an Amount Not to Exceed \$475,000.00 for Stop Loss Insurance for the City of Fort Worth's Health Benefits Plan with an Effective Date of January 1, 2022 for a One Year Term

RECOMMENDATION:

It is recommended that the City Council authorize the execution of an agreement with HM Life Insurance Company in an amount not to exceed \$475,000.00 for Stop Loss Insurance for the City of Fort Worth's Health Benefits Plan with an effective date of January 1, 2022 for a one year term.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to seek authorization from the City Council to enter into an agreement with HM Life Insurance Company, for Stop Loss Insurance for the City of Fort Worth's (City) Health Benefits Plan for 2022.

Effective January 1, 2022, HM Life Insurance Company began providing specific stop loss coverage for the City's self-insured health plan. The specific stop loss coverage caps the City's liability for annual claims on a per member basis. The City pays for all claims for each participant up to a specified dollar amount with the Stop Loss Insurance coverage paying for any claims beyond \$1M per-participant threshold at a cost of \$6.67 per employee per month (PEPM) for each active employee and non-Medicare retiree who is a member of the City's self-funded health plan.

The City's benefits consultant, Holmes Murphy, conducted a Request for Proposal and HM Life Insurance Company was selected due to their cost and their experience in the stop loss industry.

Funding for the balance of terms of these contracts will be requested as part of the Fiscal Year 2023 budget process.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation funds are available in the current operating budget, as previously appropriated, and upon adoption of the Fiscal Year 2023 Budget by the City Council, funds will be available in the Fiscal Year 2023 Operating Budget, as appropriated, in the Group Health Insurance Fund and the Retiree Healthcare Trust Fund. Prior to an expenditure being incurred, the Human Resources Department has the responsibility to validate the availability of funds.

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