



City of Mesquite, Texas

Legislation Text

File #: 21-5765, **Version:** 2

RFP No. 2022-032 - Annual Medical Plan Reinsurance (Stop Loss).

(Authorize the submission of an application with HM Life Insurance Company for FY2022-2023, as approved by the City Manager on October 19, 2021, to secure stop loss coverage for the City group medical healthcare plan for a bid amount not to exceed \$918,273.00)

Name of Department

Human Resources

Projected/Budgeted Amount

\$865,000.00

Sum of Bid/Bid Amount

\$918,273.00

The City of Mesquite is self-insured in its group healthcare plans for full-time employees and pre-65 years old retirees. HM Life Insurance Company is the City's current stop loss insurance carrier, which requires the City to retain the first \$400,000.00 in eligible expenses on each approved healthcare claim. Once the City meets its \$400,000.00 stop loss insurance threshold, the stop loss insurance carrier's liability is unlimited.

Staff bids the premium expense for this coverage annually through a third-party stop loss broker Stealth Partner Group, LLC (Stealth). Once stop loss insurance coverage is secured, such coverage is renewable on a year-to-year basis based on negotiated premium rates. For calendar year 2022, HM Life Insurance Company provided the best rate with a 33 percent increase without lasering out any participants, compared to two other bidders, namely HCC Life Insurance Company and Symetra Life Insurance Company.

Financial Implications

The stop loss insurance coverage is funded in the City's Group Medical Insurance Fund and is budgeted for \$865,000.00 in the FY 2022-23 budget.

Recommended/Desired Action

Staff recommends the submission of an application with HM Life Insurance Company for FY2022-2023, as approved by the City Manager on October 19, 2021, to secure stop loss coverage for the City group medical healthcare plan for a bid amount not to exceed \$918,273.00

Attachment(s)

City of Mesquite Stop-Loss Proposal
2022 HM Policy

Drafter

Rick French

Head of Department
Rick French