

To: Diane Palmer-Boeck, Director of Procurement and Project Management
From: Shanté Akafia, Director of Human Resources/Risk Management
Date: November 22, 2016
Re: Award of RFP 2017-0021-C for Stop Loss Insurance Coverage



Recommendation:

The City of Plano provides medical insurance to our employees via a self-funded insurance model. The City purchases stop loss insurance in an effort to minimize our exposure against catastrophic claims thus containing risk and facilitating financial solvency of the City's self-funded medical plan.

The Evaluation Committee reviewed and evaluated two (2) proposals in response to the Request for Proposal (RFP) for Stop Loss Insurance Coverage: SA Benefit Services, LLC and Reliastar Life Insurance Company (Voya Financial, Inc.).

Evaluation was based on the following factors:

- Pricing – 50%
- Ability to meet technical requirements – 50%

Final results showed SA Benefit Services, LLC with the overall highest scores factoring in the pricing. The estimated annual cost without respect to any reimbursement of claims over the individual stop loss limit is \$1,740,282 (\$65.83 per member per month with an Individual Stop Loss level of \$200,000.) The Evaluation Committee recommends the contract be awarded to SA Benefit Services, LLC based upon the overall highest score.

Failure to award this contract would result in the City taking on additional liability for catastrophic claims, thus reducing the financial solvency of the City's self-funded medical plan.