

**RESOLUTION  
ROCK COUNTY BOARD OF SUPERVISORS**

Finance Committee  
INITIATED BY



Amy Spoden, HR Manager  
DRAFTED BY

Finance Committee  
SUBMITTED BY

November 12, 2012  
DATE DRAFTED

**APPROVING REINSURANCE CONTRACT FOR STOP-LOSS COVERAGE**

- 1 WHEREAS, Willis of Wisconsin, Inc., Rock County's Insurance Consultant, solicited proposals from Stop-loss
- 2 carriers; and,
- 3
- 4 WHEREAS, Zurich is the most competitive option for Stop-Loss coverage for Rock County; and,
- 5
- 6 WHEREAS, the Finance Committee has reviewed the options and selected a Stop-Loss retention level of
- 7 \$175,000 for monthly premiums of \$25.02 per single plan and \$76.77 for a family plan.
- 8
- 9 NOW, THEREFORE, BE IT RESOLVED, that the Rock County Board of Supervisors duly assembled on this
- 10 15 day of November, 2012 hereby authorizes the execution of a contract with Zurich for
- 11 administration of the County's Stop-Loss Coverage effective January 1, 2013.

Respectfully Submitted,

FINANCE COMMITTEE

Mary Mawhinney  
Mary Mawhinney, Chair

Sandra Kraft  
Sandra Kraft, Vice Chair

Mary Beaver  
Mary Beaver

Brent Fox  
Brent Fox

J. Russell Podzilni  
J. Russell Podzilni

**FISCAL NOTE:**

Sufficient funds are available in the 2013 Budget for administering the County's self-insurance health plan and specific stop-loss coverage. Based upon the current census of 359 Single Plans and 826 Family Plans, the annual stop-loss premium would be \$868,730.40.

Sherry Oja  
Sherry Oja  
Finance Director

**LEGAL NOTE:**

The County Board is authorized to take this action Pursuant to secs. 59.01, 59.51, and 59.52 (11)(c), Wis. Stats.

Jeffrey S. Kuglitsch  
Jeffrey S. Kuglitsch  
Corporation Counsel

**ADMINISTRATIVE NOTE:**

Recommended

Craig Knutson  
Craig Knutson  
County Administrator

12-11D-187

**County of Rock**  
**SELF-FUNDED MEDICAL BENEFIT/COST ANALYSIS**  
 Effective: 01/01/2013

		<b>Current</b>	<b>Renewal</b>	<b>Option 1</b>
		<b>PBA</b>	<b>PBA</b>	<b>PBA</b>
Medical Administrator	Faber/Standard Life			
Prescription Benefit Manager	Faber/Standard Life			
Reinsurance Carrier	Faber/Standard Life			
<b>ADMINISTRATION</b>				
1194 Medical Administration		\$12.75	\$13.25	\$13.25
1194 COBRA		\$1.15	\$1.25	\$1.25
1194 PPO Liaison Fee		\$0.35	\$0.40	\$0.40
Annual Maintenance and Compliance Fee		\$0.00	\$1,000.00	\$1,000.00
<b>Monthly Administration Costs</b>		<b>\$17,014.60</b>	<b>\$17,873.93</b>	<b>\$17,873.93</b>
<b>Total Annual Administration Costs</b>		<b>\$204,174.00</b>	<b>\$214,487.20</b>	<b>\$214,487.20</b>
<b>Percent of Cost Difference</b>			<b>5.1%</b>	<b>5.1%</b>
<b>SPECIFIC STOP LOSS</b>				
Contract Type		Medical/Rx	Medical/Rx	Medical/Rx
Specific Deductible		12/18	12/18	12/18
Specific Annual Maximum <sup>1</sup>		\$175,000	\$175,000	\$175,000
Retiree Inclusion		\$2,000,000	\$2,000,000	\$2,000,000
<b>Specific Premium</b>		Included	Included	Included
361 Single		\$28.05	\$39.20	\$25.02
833 Family		\$72.11	\$101.31	\$76.77
<b>Total Annual Stop Loss Costs</b>		<b>\$842,324.16</b>	<b>\$1,182,509.16</b>	<b>\$875,779.56</b>
<b>Percent of Cost Difference</b>			<b>40.4%</b>	<b>4.0%</b>
<b>A Total Annual Fixed Costs</b>		<b>\$1,046,498.16</b>	<b>\$1,396,996.36</b>	<b>\$1,090,266.76</b>
<b>Percent of Cost Difference</b>			<b>33.5%</b>	<b>4.2%</b>
<b>NOTES:</b>			<b>Subject to review of claims through 10/2012</b>	<b>Firm with signed disclosure by 11/14/2012</b>

<sup>1</sup> Please review medical summary plan description to ensure that the annual maximum matches up with the carrier annual maximum. Failing to do so could result in a Vendors may charge or passthrough additional fees as required or related to PPACA. These fees are not represented in the costs above.

This comparison is intended to illustrate the carrier's proposed services and rates and should not be relied upon to fully determine benefits and rates. Refer to carrier's renewal/proposal for a complete representation of coverage terms and conditions.