



Human Resources

Benefit Contracts – Stop Loss 2025

Cheryl Marthiljohni, Director of Human Resources
Council Meeting – December 9, 2024

Stop Loss Insurance - Defined

Stop Loss insurance limits the City's medical plan liability to a specified amount and helps to protect the financial integrity of the self-funded plan.

Stop Loss Insurance provides:

- Protection for the City (not the employee) from financial loss associated with catastrophic medical and Rx claims.
- **Individual stop loss** = \$125K deductible. This is a specific Stop Loss that reimburses the employer for a catastrophic claim on any covered individual during a contract period.
- **Aggregate stop loss** = 120% of total expected medical and Rx claims. Aggregate is purchased in conjunction with specific coverage, reimbursing the employer for total plan claims that exceed expected plan claims by more than an established percent (120%).
- General underwriter (Stealth Partner Group) performs cost tracking and stop loss claims processing.

HUB Marketing Analysis

Carrier	Annual Cost	Contract Terms
Renewal Berkshire Hathaway*	\$886,906.80	Paid (24/12)
Pan American-Life	\$895,003	Paid (24/12)
HCC	\$1,181,325	Paid (24/12)

24/12 Contract Terms: medical and Rx claims are covered by the Stop Loss policy if they are incurred within 12 months prior to the effective date of the policy and paid during the policy term.

Year One	Year Two
Jan-Dec	Jan-Dec
Claim incurred time frame	
	Claim paid time frame

***Recommended Option**

Stop Loss – Plan Year Costs

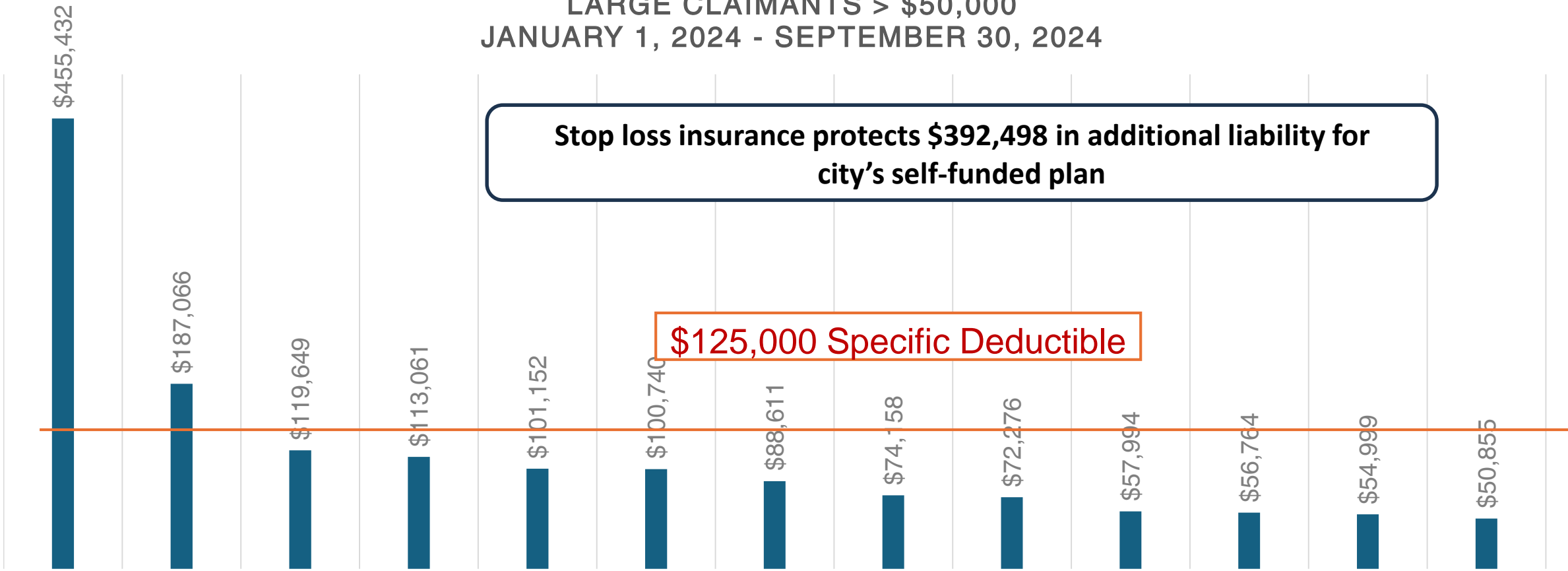
	Original 2024	Amended 2024 with Terminal Liability Option (TLO)*	Proposed 2025
Enrollment	386	390	390
Specific Rate	\$179.90	\$187.10	\$182.42
Aggregate Rate	\$7.09	\$7.09	\$7.09
Total Rate (combined)	\$186.99	\$194.19	\$189.51
Monthly Total	\$72,178.14	\$75,734.10	\$73,908.90
Annual Total	\$866,137.68	\$908,809.20	\$886,906.80

\$21,902.40 - estimated reduction from
2024 amended to 2025 proposed

* Needed if moved to fully-insured plan

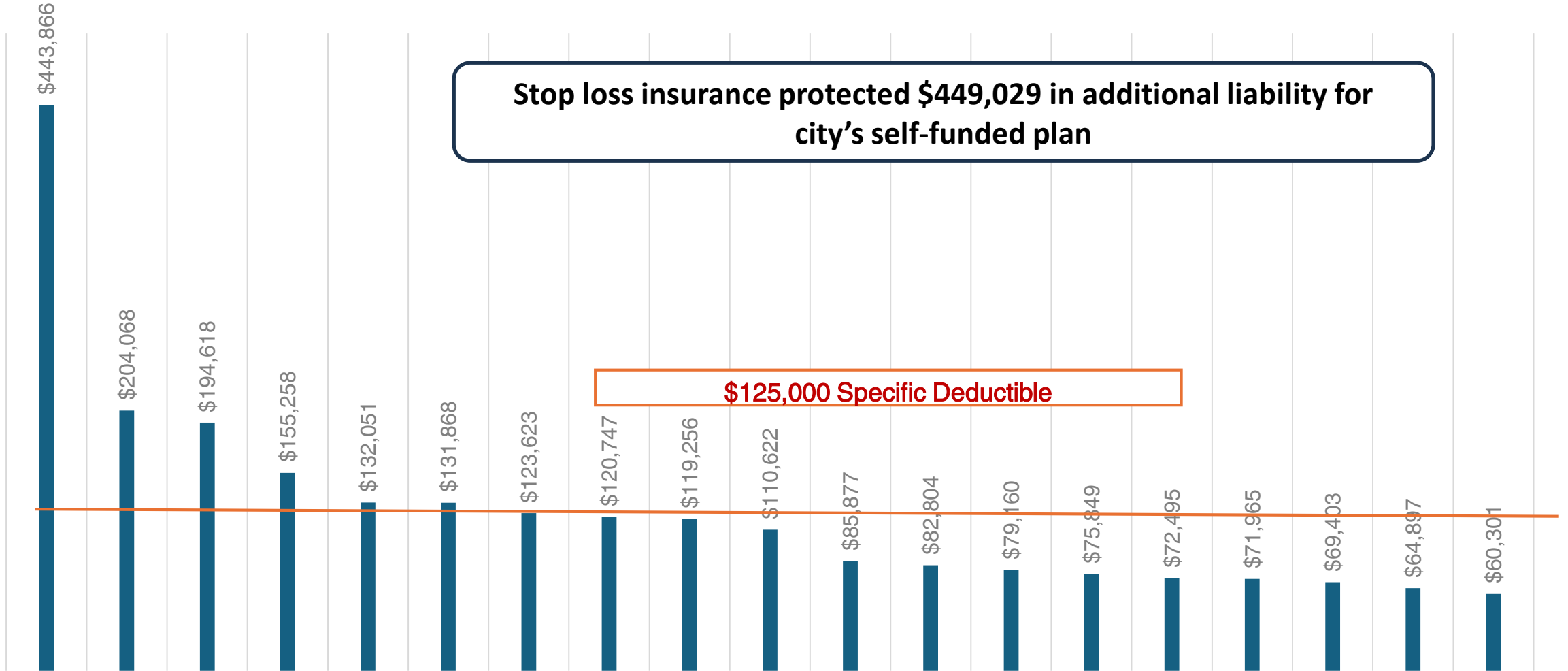
13 large claims
2 claims above specific deductible

CITY OF BURLESON
LARGE CLAIMANTS > \$50,000
JANUARY 1, 2024 - SEPTEMBER 30, 2024



19 large claims
6 claims above specific deductible

CITY OF BURLESON
LARGE CLAIMANTS > \$50,000
JANUARY 1, 2023 - DECEMBER 31, 2023



Stop Loss Insurance Renewal

Plan Year Premiums	AVG/EST Enrolled	Annual Cost
Specific Employee Premium \$182.42	390	\$853,725.60
Aggregate Premium \$7.09	390	\$33,181.20
TOTAL		\$886,906.80

Renewal includes: no lasers, meaning Berkshire can not exclude certain high claim plan members from stop loss coverage



Staff recommends approving expenditures for 2025 contract renewal insurance application for a stop loss insurance policy with Stealth Partner Group and Berkshire Hathaway Specialty Insurance for the City's partially self-funded insurance for plan year 2025.



Questions
