



HR Benefits – Stealth/Berkshire Hathaway Stop Loss Contract 2026

PRESENTED TO THE CITY COUNCIL – DECEMBER 15, 2025

WANDA BULLARD, DEPUTY DIRECTOR OF HUMAN RESOURCES

BACKGROUND

RFP 2025-007 conducted in September 2025 for Stop Loss insurance coverage for Benefits Plan Year 2026 (January to December)

- Stealth/Berkshire Hathaway – current stop loss provider
 - Recommended to continue for 2026
- Contract is calendar/plan year January to December 2026
 - Increase to premiums
 - Fiscal Year 2026 cost for October 2025 to September 2026 is within budget

Stop Loss Insurance – Plan Year 2026

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 – RFP 2025-007

All quotes increase premiums and per employee aggregate claim amount

18% - 25%+ is average increase in stop loss market

- Stealth/Berkshire Hathaway
 - Highest premium increase
 - No lasers, lowest aggregate increase
 - \$2,000,000 aggregate reimbursement cap
- SA/Liberty
 - 3 lasers adding \$735K in risk
 - Higher aggregate claims increase adding \$65K+ in risk over Stealth/Berkshire quote
 - \$2,000,000 aggregate reimbursement cap
- Stealth/ISU
 - No lasers, but highest aggregate claims increase adding \$581K+ in risk over Stealth/Berkshire quote
 - \$1,000,000 aggregate reimbursement cap

| Item | Stealth/Berkshire Current Plan Year 2025 | Stealth/Berkshire *Recommended* Plan Year 2026 | SA/Liberty Plan Year 2026 | Stealth/ISU Plan Year 2026 |
|--|--|--|--|--|
| Individual Stop Loss Premium (\$125K ISL) | \$182.42 | \$209.89 | \$199.27 | \$209.88 |
| Aggregate Stop Loss Premium (120%) | \$7.09 | \$8.11 | \$13.53 | \$5.67 |
| Total Premium | \$189.51 | \$218.00 | \$212.80 | \$215.55 |
| Premium Increase from Current | | 15.0% | 12.3% | 13.7% |
| Lasers | None | None | Laser 3 Claimants - Adjusted ISL Added Cost Risk - \$735,000 | None |
| Employee Aggregate Monthly - Claims Only | \$1,352.39 | \$1,480.23 | \$1,494.85 | \$1,610.08 |
| Aggregate Increase from Current | | 9.5% | 10.5% | 19.1% |
| Aggregate Cap | | \$2,000,000 | \$2,000,000 | \$1,000,000 |
| Range of Aggregate Annual Limit (depending on enrollment) | \$ 6,053,297.64 | \$6,625,509.48 - \$7,016,290.20 | \$6,690,948.60 - \$7,085,589.00 | \$7,206,718.08 - \$7,631,779.20 |
| Added Aggregate Risk | | | \$65,439.12 - \$69,298.80 | \$581,208.60 - \$615,489.00 |

HUB Marketing Analysis – RFP 2025-007

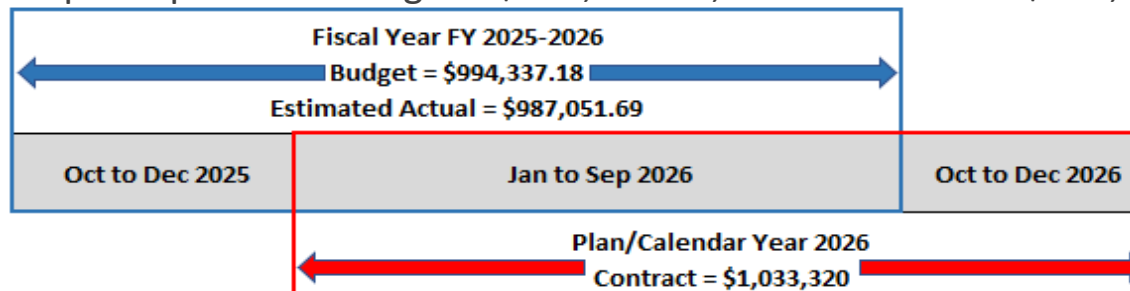
Stealth/Berkshire Hathaway Recommended:

- Stop loss premiums cost impact to the City - \$1,033,320.00 for Plan Year 2026 (Jan-Dec 2026)

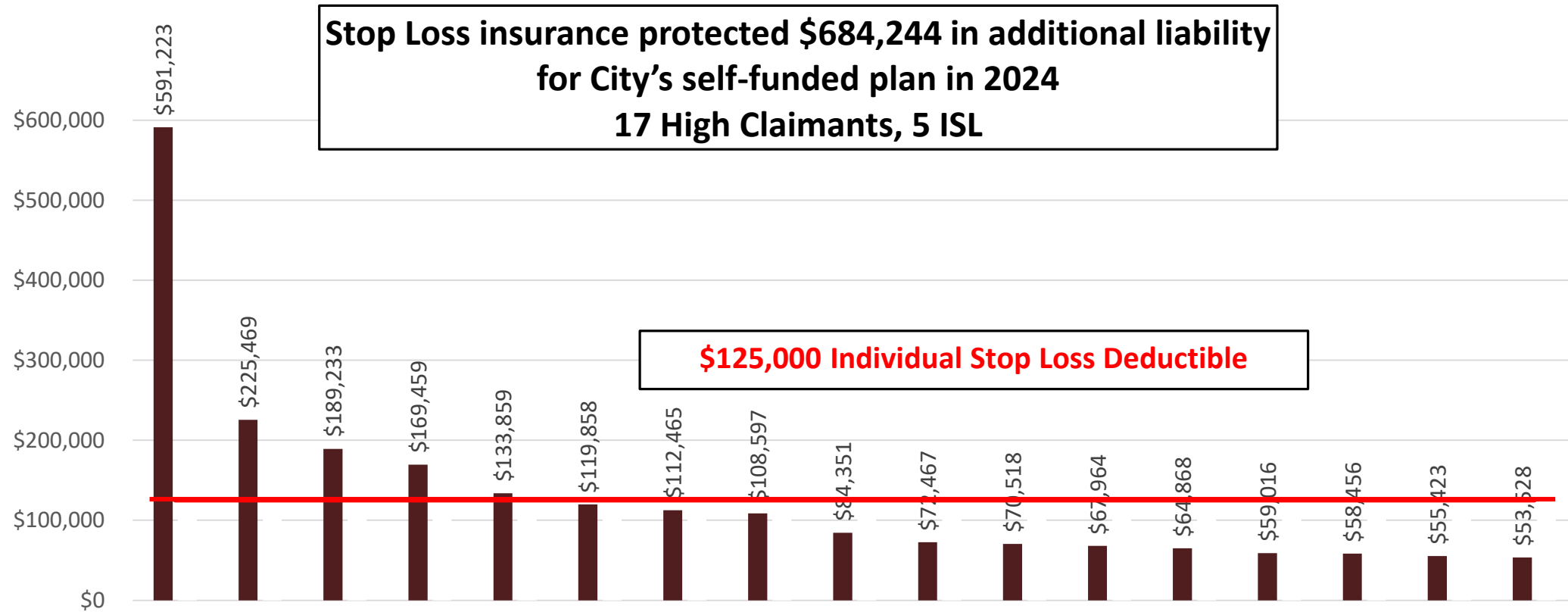
| Stop Loss RFP Vendor Respondents | 2026 Total Premium Quotes (Individual & Aggregate) | 2026 Cost with Current Enrollment of 373 | * Estimated Cost for Added Enrollments | 2026 Estimated Total Premium Cost for 395 Enrollments | Added Risk | Total Cost with Premiums and <u>Minimum</u> Added Risk |
|---|--|--|--|---|--|--|
| Stealth/Berkshire <i>*Recommended*</i> | \$218.00 | \$975,768.00 | \$57,552.00 | \$1,033,320.00 | | \$1,033,320.00 |
| SA/Liberty | \$212.80 | \$952,492.80 | \$56,179.20 | \$1,008,672.00 | ISL - \$735,000 Agg - \$65,439.12 - \$69,298.80 | \$1,809,111.12 |
| Stealth/ISU | \$215.55 | \$964,801.80 | \$56,905.20 | \$1,021,707.00 | Agg - \$581,208.60 - \$615,489.00 | \$1,602,915.60 |

- Includes adding 22 enrollments to account for the 7 new FY 2026 positions and filling 15 vacancies.*

- Stop loss premiums are estimated to be under the Fiscal Year 2026 stop loss budget
 - Stop loss premium budget = \$994,337.18, estimated cost = \$987,051.69.

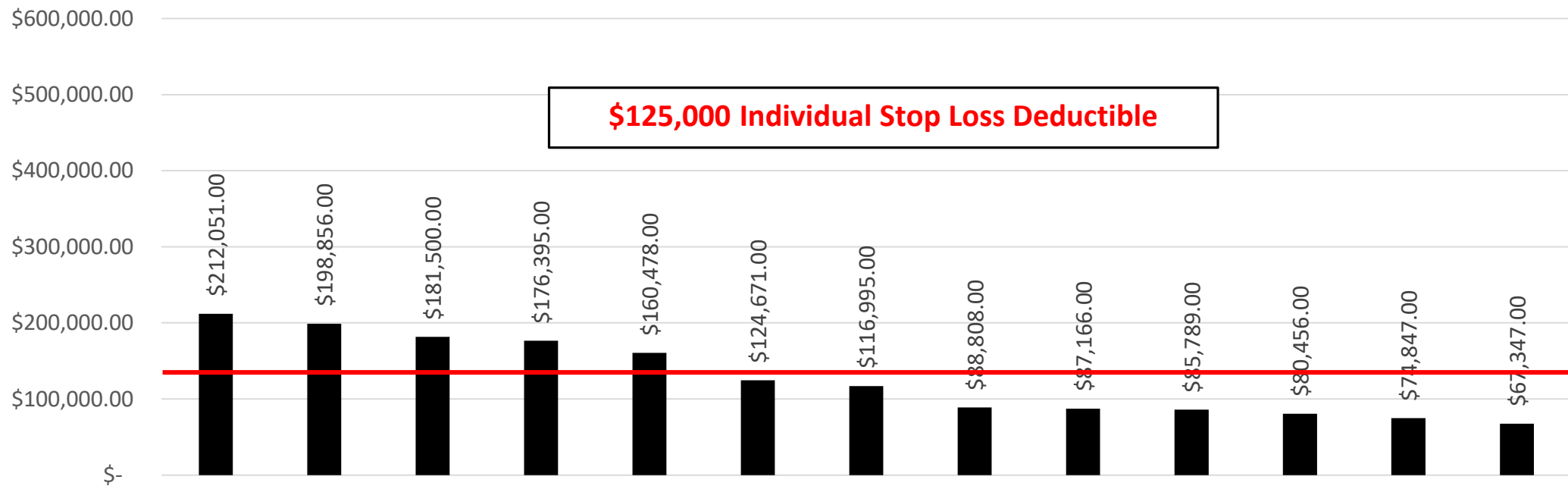


City of Burleson – Large Claimants > \$50,000 January 1, 2024 – December 31, 2024



City of Burleson – Large Claimants > \$50,000 January 1, 2025 – October 31, 2025

**Stop Loss insurance protected \$304,280 in additional liability
for City's self-funded plan - YTD thru 10/31/2025
13 High Claimants, 5 ISL**



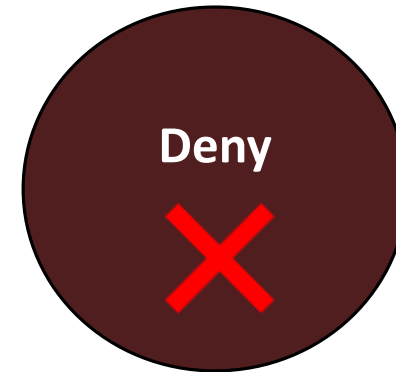
Summary

Stealth/Berkshire Hathaway Recommended:

- Higher annual premium cost; but offset by reducing the risk to the plan with no lasers and lowest aggregate claims increase per employee
- Two other respondents' quotes with lasers and higher aggregate claims increase adds more financial risk to the plan

City Council Considerations and Actions:

Consider and take possible action on a contract in the form of a renewal insurance application/insurance policy with Stealth Partner Group, managing general underwriter, and Berkshire Hathaway Specialty Insurance for stop-loss insurance for Plan Year 2026 in the amount of \$1,033,320.00



Questions / Comments

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