



## AGENDA ACTION FORM

### **Consideration of a Resolution to Renew Voya Stop Loss Contract for 2026**

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager *CM*

Action Form No.: AF-245-2025

Work Session: December 1, 2025

First Reading: N/A

Final Adoption: December 2, 2025

Staff Work By: Michael Wessely

Presentation By: Tyra Copas

---

#### **Strategic Focus Area: 1. Efficient & Responsive Government**

---

#### **Recommendation:**

Approve the Resolution

#### **Executive Summary:**

If approved, the Insurance Fund would receive reimbursement for individual medical and prescription claims exceeding \$200,000.

The City of Kingsport currently uses **Voya** as its **Stop Loss provider**, which reimburses the City for combined medical and prescription claims exceeding \$200,000. In calendar **year 2024, the City received \$1.385M in claims reimbursements**, and annualizing current claims we are projected to **receive around \$1.2M in calendar year 2025.**

Mark III Benefits, the City's benefits broker, solicited quotes from 17 Stop Loss providers. Fourteen declined, citing either an inability to offer competitive rates or concerns related to our ongoing large claims. Of the four vendors that did submit proposals, a total of seven plan options were provided. Although six of the seven options included a lower premium increase, each required trade-offs—such as higher deductibles or lasers on high-cost claimants—that would ultimately increase the City's overall spend.

After a thorough review of all proposals, Benefits Administration recommends **renewing with Voya. Although the renewal represents a 48.56% premium increase** (from \$945,164 to \$1,404,113 annually – a \$458,948 difference), it is still the lowest overall cost option and provides the strongest protection against high-dollar claims. Stop Loss premiums are paid out of the Insurance Fund, and the 2026 employee and retiree premium increases will help absorb this increase. Despite the rate increase for Stop Loss, remaining self-funded continues to offer the City greater flexibility and cost control than a fully insured model.

#### **Attachments:**

Resolution  
Renewal Rate Proposals  
Renewal Marketing Results

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—