



## HUMAN RESOURCES

**To:** Mayor and Town Council

**From:** James Edwards, Director of Human Resources

**Through:** Mario Canizares, Town Manager  
Bob Scott, Deputy Town Manager

**Re:** Stop Loss Insurance

**Town Council Meeting – December 12, 2023**

**Strategic Visioning Priority: 4. Provide Excellent Municipal Services**

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**Agenda Item:**

Consider and act upon awarding RFP No. 2024-03-B for stop loss insurance for the Town's self-insurance fund, effective January 1, 2023, and authorizing the Town Manager to execute all documents for the same.

**Description of Agenda Item:**

The town's self-insurance fund has stop-loss insurance in place to safeguard against substantial claim losses. Annually, stop-loss insurance must be marketed for renewal. Holmes Murphy, Inc. has undertaken the marketing of this year's coverage on behalf of the town, setting a stop-loss level at \$100,000 and \$125,000.

The town received three responsive bids; however, all other bids necessitated additional claims data or were incomplete. Notably, HM Insurance Group's bid comes with a condition—it would not permit late 2023 claims, paid in 2024, to be eligible for stop-loss reimbursement.

Granular Insurance, with an AM Best Rating of A- and a limited book of business introduces uncertainty in their responsiveness as a stop-loss carrier.

The incumbent stop-loss insurance provider, QBE, proposed an 8.78% renewal increase at the \$100,000 level. Despite this increase, QBE boasts an A+ rating and a sizable client list. Importantly, this renewal increase is 6.22% lower than the budgeted 15% renewal increase. Bids at the \$125,000 level did not offer sufficient savings to justify the increase in liability for the self-insurance fund.

**Budget Impact:**

\$60,628.32 budgeted out of #730-5150-10-00.

**Legal Obligations and Review:**

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

**Attached Documents:**

1. Stop Loss Analysis
2. QBE Agreement

**Town Staff Recommendation:**

Town Staff recommends awarding RFP No. 2024-03-B for stop-loss insurance to QBE and authorizing the Town Manager to execute all documents for the same.

**Proposed Motion:**

I move to award RFP No. 2024-03-B for stop loss insurance to QBE and authorize the Town Manager to execute all documents for the same.