



## HUMAN RESOURCES

**To:** Mayor and Town Council

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

**Through:** Ron K. Patterson, Interim Town Manager  
Bob Scott, Executive Director of Administrative Services

**Re:** Stop Loss Insurance

**Town Council Meeting – December 13, 2022**

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**Agenda Item:**

Consider and act upon awarding RFP No. 2023-04-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 to protect the Town from large claim losses. Stop loss insurance must be marketed annually for renewal. McGriff, Seibels & Williams, Inc. has marketed this year's coverage on the Town's behalf at a stop loss level of \$75,000 and \$100,000. The Town only received one responsive bid, all other bids were non-responsive and/or incomplete. The incumbent stop loss insurance provider QBE provided a flat renewal at the \$75,000 stop loss level. If the Town chooses to increase the stop loss to \$100,000 the annual premium is reduced from \$728,988 to \$632,112, a savings of \$95,596 annually.

**Budget Impact:**

By increasing the stop loss amount from \$75,000 to \$100,000 QBE's quote saves the Town \$95,596 or 13.14% in annual stop loss premium. This is significantly less than the \$992,369 budgeted for stop loss insurance. Stop loss is budgeted out of account #730-5160-10-00.

**Legal Obligations and Review:**

Terrance Welch of Brown & Hofmeister, L.L.P., has approved the QBE renewal paperwork as to their form and legality.

**Attached Documents:**

1. Stop loss analysis
2. QBE renewal paperwork

**Town Staff Recommendation:**

Town staff recommends increasing the Stop Loss coverage to \$100,000 which will save the Town \$95,596 per year and awarding RFP No. 2023-04-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. 2023-04-B for stop loss insurance to QBE at the \$100,000 level and authorize the Town Manager to execute all documents for the same.