

**SCHOOL BOARD OF BREVARD COUNTY, FLORIDA**  
**BOARD AGENDA ITEM – November 16, 2021**

**Title**

The School Board's Medical Stop-Loss Insurance Policy Renewal or Replacement

**Discussion**

The School Board's stop-loss insurance policy with Cigna is set to expire on December 31, 2021. The district's current stop-loss policy was procured in 2020 at a rate of \$21.88 per employee per month (PEPM), with an estimated annual premium of \$1,624,459 based on 6,187 covered employees. The current policy has an aggregate limit of \$387,000 excess a \$450,000 per claimant deductible. Lockton, the district's broker of record, issued a solicitation to renew the coverage as is currently in place with alternative options to replace the coverage using an increased per claimant deductible of \$500,000. Ten stop-loss carriers responded to the solicitation. Eight carriers declined to provide a quote indicating their pricing would not be competitive. One carrier, Sun Life, declined to quote firm. The only carrier that provided a firm quote was Cigna. Cigna provided a renewal for the current coverage as well as pricing with increased per claimant deductibles as requested. This also included \$1.6 million laser coverage.

Due to current market conditions, the district feels that the current policy should be replaced with an alternative option with the following terms, a \$387,000 aggregate excess a \$500,000 per claimant deductible for a premium cost of \$23.63 PEPM, an estimated \$1,754,386 in annual premium based on 6,187 covered employees. This represents an 8% increase to current stop loss rates. Though the per claimant deductible with this policy has increased, the premium cost is \$354,886 less than renewing the current expiring policy.

	<b>Cigna</b>	<b>Cigna</b>	<b>Cigna</b>
<b>Carrier</b>	<b>Current</b>	<b>2022 Renewal</b>	<b>2022 Renewal</b>
<b>Individual Specific Stop Loss Coverage</b>		<b>*FIRM*</b>	<b>*FIRM*</b>
<b>Individual Specific Deductible</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$500,000</b>
<b>Coverage</b>	Med, RX	Med, RX	Med, RX
<b># of Lives</b>	6,187	6,187	6,187
<b>Aggregating Specific Stop Loss Coverage</b>			
<b>Aggregating Specific Deductible</b>	<b>\$387,000</b>	<b>\$387,000</b>	<b>\$387,000</b>
<b>Fixed Cost</b>			
<b>Composite Specific Rate</b>	<b>\$21.88</b>	<b>\$28.41</b>	<b>\$23.63</b>
<b>Total Interface Fee</b>	N/A	N/A	N/A
<b>Total Annual Fixed Cost</b>	<b>\$1,624,459</b>	<b>\$2,109,272</b>	<b>\$1,754,386</b>
<b>Change over Current (\$)</b>		<b>\$484,813</b>	<b>\$129,927</b>
<b>Change over Current (%)</b>		<b>29.84%</b>	<b>8.00%</b>

**Recommendation**

Grant the Superintendent authority to bind the School Board's Medical Stop-Loss insurance policy for a premium cost of \$23.63 PEPM, an estimated annual premium of \$1,754,386 based on a current count of 6,187 covered employees.

**Meeting Date(s)**

Consent without prior Information 11/16/2021

**Authority for Action**

Board Policy 8710

**Involves Expenditure of Funds directly in the Classroom**

No

**Source of Funding**

Operating - Other

FY	Amount	Budgeted	Fund	Cost Center	Project	Function	Object	Program
2022	\$1,754,386	No	731	9850	001002	7730	772	000

**Contact**

Antonia Scipio, Director, Office of Employee Benefits and Risk Management, ext. 616  
Dr. Beth Thedy, Deputy Superintendent/Chief Human Resources Officer, ext. 200