



# Mendocino County

## Legislation Text

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**File #:** 19-0062, **Version:** 1

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**To:** Board of Supervisors

**From:** Human Resources

**Meeting Date:** February 5, 2019

**Department Contact:** Heidi Dunham

**Phone:** 234-6600

**Department Contact:** Cherie Johnson

**Phone:** 234-6600

**Item Type:** Consent Agenda

**Time Allocated for Item:** N/A

**Agenda Title:**

Approval of Retroactive Agreement with PartnerRe America Insurance Company (PartnerRe) to Provide A Stop-Loss Re-Insurance Policy, Which Includes Specific Excess Loss and Aggregate Excess Loss Insurance Coverage for the County's Self-Funded Health Plan in the Amount of \$1,200,000 for the Period of January 1, 2019 through December 31, 2019 and Authorize the Human Resources Director, Upon Completion of a Marketing Analysis Each Year, to Approve Future Annual Stop Loss Renewals with PartnerRe That Do Not Exceed an Annual 10% Increase over 2019 Rates

**Recommended Action/Motion:**

Approve retroactive Agreement with PartnerRe to provide a stop-loss re-insurance policy, which includes specific excess loss and aggregate excess loss insurance coverage, for the County's Self-Funded Health Plan in the amount of \$1,200,000 for the period of January 1, 2019 through December 31, 2019 and authorize the Human Resources Director, upon completion of a marketing analysis each year, to approve future annual stop loss renewals with PartnerRe that do not exceed an annual 10% increase over 2019 rates; and authorize Chair to sign same.

**Previous Board/Board Committee Actions:**

On January 18, 2018, the Board authorized an agreement with InterRemedy Insurance Services (a sub-contractor of Voya Financial) to provide stop loss services for the County's self-funded health plan.

**Summary of Request:**

Each year, Keenan & Associates (Keenan), the County's consultant to the health plan, markets the stop-loss re-insurance coverage on behalf of the self-funded health plan. Re-insurance protects the County on any claim over the attachment point. Specific stop-loss provides protection against catastrophic or unpredictable losses above the \$225,000 individual deductible. For any individual claim exceeding the \$225,000 deductible, the re-insurance company pays 100% of the remaining claim. The PartnerRe excess loss insurance policy includes both specific and aggregate re-insurance coverage. Aggregate re-insurance provides a maximum on the dollar amount of eligible expenses that an employer would pay, in total, during a contract period. The PartnerRe aggregate re-insurance policy will pay up to \$1,000,000 over the aggregate attachment point of \$13,769,783.

Five proposals were received for the 2019 stop loss re-insurance coverage of the plan. In order to receive the most favorable rates and coverage for the plan, Keenan marketed and negotiated until very late in the calendar

year 2018 for a January 1, 2019 contract effective date. The accepted policy documents were received on January 3, 2019, well after the last Board of Supervisors meeting in 2018 and therefore, this request must be submitted for approval as a retroactive agreement.

PartnerRe will provide excess loss insurance coverage to the self-funded health plan. The coverage is required to protect the plan from serious financial losses due to multiple large claims or even a single very large claim.

**Alternative Action/Motion:**

Return to Human Resources with further direction.

**Supplemental Information Available Online at:** N/A

**Fiscal Impact:**

**Source of Funding:** 0715 862101

**Current F/Y Cost:** \$1,132,925

**Budgeted in Current F/Y:** Yes

**Annual Recurring Cost:** \$1,200,000

**Supervisory District:** All

**Vote Requirement:** Majority

**Agreement/Resolution/Ordinance Approved by County Counsel:** No

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**CEO Liaison:** Janelle Rau, Deputy CEO

**CEO Review:** Yes

**CEO Comments:**



**FOR COB USE ONLY**

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**Executed By:** Meribeth Dermond, Deputy Clerk II

**Date:** February 6, 2019

**Final Status:** **Approved**

**Executed Item Number:** **Agreement** Item  
Number: 19-008