



Agenda Item No.: 23.

DEPARTMENT: HUMAN RESOURCES
DIRECTOR: DAN TARWATER

☒ **Consent** ☐ **Discussion**

SUBJECT:

For possible action to approve the contract with Chartis for stop loss insurance (\$603,339 - Self-Insurance Internal Service Fund)

Fiscal Impact

☐

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount: \$603,339

Funding Source: Self-Insurance Internal Service Fund

Dept./Division: Human Resources/Risk Management, Compensation and Benefits

PURPOSE/BACKGROUND:

The Consumer Driven Health Plan (CDHP) is a partially self funded plan. Stop loss insurance is obtained to limit the exposure on a claims perspective. The City's incumbent stop loss carrier, Sunlife, issued a final renewal offer of 19% increase over current rates based on historical experience, expected final experience for this year and risk for the upcoming policy year. However, the stop loss market can be competitive, and stop loss carrier Chartis offered rates at 9% over current rates. No other A rated stop loss carriers offered competitive bids. We are recommending that Chartis be the new stop loss carrier for our self funded CDHP.

RECOMMENDATION:

Approval to contract with Chartis for stop loss insurance services effective January 1, 2012

BACKUP DOCUMENTATION:

Memo from Lockton (benefits consultant representing the City of Las Vegas) dated October 20, 2011 recommending Chartis as the provider for stop loss insurance services

Motion made by BOB COFFIN to Approve

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1

LOIS TARKANIAN, STEVE WOLFSON, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB COFFIN; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-RICKI Y. BARLOW)

Minutes:

TANNA PRINCE, Lockton Insurance, Risk Management and Employee Benefits Specialists, explained that she seeks competitive bids annually and that Chartis was significantly lower than all other bids.

CITY COUNCIL MEETING OF: NOVEMBER 2, 2011

VICKI ROBINSON, Human Resources Manager, confirmed the value of the bids and listed several neighboring municipalities and nationally known corporations that use Chartis. In response to MAYOR GOODMAN, she explained the company is a spinoff of American International Group.

COUNCILMAN COFFIN stated he previously spoke with MS. ROBINSON and believes they are a strong company.

COUNCILMAN ANTHONY stated that after hearing MS. ROBINSON and MS. PRINCE speak, he was confident the City is getting the best price while providing the greatest benefits.

