



## **MEMO**

**DATE:** October 20, 2011

**TO:** Vickie Robinson, City of Las Vegas  
Dan Rigato, City of Las Vegas

**FROM:** Tanna Prince

**SUBJECT:** 2012 Stop Loss insurance renewal recommendation

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The City's self funded Consumer Driven Health Plan is currently supported by reinsurance coverage issued by Sunlife Insurance Company. It is Lockton's recommendation that The City move reinsurance carrier coverage from Sun Life to Chartis effective January 1, 2012.

The City's incumbent reinsurer, 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 reinsurer Chartis offered rates at 9% over current rates. No other A rated reinsurers were competitive as indicated on prior documents.

The 9% lower rates from Chartis represent \$54 K in reduced premium. Chartis is an A rated carrier with whom we have other business. It is our recommendation that the city move the reinsurance to Chartis. We do not recommend that you seek a higher individual retention than the current 250 K.

We have reviewed the detailed de-identified information utilized by Sunlife and Chartis, and we find the underlying underwriting and rating to be reasonable based on industry standards. Please let us know if further information should be provided.

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