

**RFP 23MISC13**  
**STOP LOSS INSURANCE**

**FACT SHEET**

A. **Overview:** This recommendation is to establish a contract for providing stop loss insurance for current employees and retirees (under the age of 65) of Frederick County Public Schools (FCPS). Proposals were received on April 21, 2023.

1. **RFP Participation:**

19 proposals downloaded  
2 companies submitted a proposal

2. **Proposals were received from:**

Granular Insurance (Conshohocken, PA)  
**Symetra Life Insurance Company (Bellevue, WA)**

3. **Other facts:**

- The contract term will be effective from July 1, 2023 through June 30, 2024, with one additional one-year renewal option available.
- This contract will provide stop loss insurance (referred to as excess risk insurance) to pay eligible medical and pharmacy claims which exceed \$525,000. This means any individual combined medical and pharmacy claim in excess of \$525,000 is reimbursed by the stop loss insurance company, to the Board's self-insurance medical plan.
- FCPS utilized the services of our employee benefit-consulting firm, Trion Group, a Marsh McLennan Agency, LLC, to assist with the preparation of bid specifications and the evaluation of the received proposals.
- The proposal received from Granular Insurance was missing all the required bid forms and was considered non-responsive.
- With the transition of Stop-Loss Insurance from the current vendor to Symetra, contract terms will protect FCPS. The new contract with Symetra will be 24/12, meaning any claims incurred 12 months prior to July 1, 2023 but paid in the 12-month period of the new Plan Year (July 1, 2023 – June 30, 2024), will be covered by the new Stop-Loss carrier.
- This recommendation has been reviewed and approved by the Insurance Council, which consists of members from FCPS, Frederick County Teachers Association (FCTA), Frederick Association of School Support Employees (FASSE) and Frederick County Administrative and Supervisory Association (FCASA).
- The contract will be administered by Sarah Minnick, Senior Manager Benefits and Wellness, Human Resources.

4. **Source of Funding:** Funding for the recommended stop loss insurance is through the Board's self-insurance fund, which will continue to be funded by the Board of Education and employee/retiree contributions.

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B. **Recommendation:** Staff recommends that RFP 23MISC13, Stop Loss Insurance, be awarded to Symetra Life Insurance Company, at the rates indicated on the attached Bid Tabulation.

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C. **Action taken by the Board** (Purchasing use only):

<u>  </u> X <u>  </u> Approved	<u>      </u> Denied	<u>      </u> Deferred	<u>      </u> Other	KM/sg
06.14.23 Date	<u>      </u> Date	<u>      </u> Date	<u>      </u> Date	BOE Mtg: 06.14.23

**RFP 23MISC13, STOP LOSS INSURANCE  
BID TABULATION**

		Current Plan	Option 1	Option 2
<b>Contract Features</b>	<b>Current</b>	<b>Symetra</b>	<b>Symetra</b>	<b>Symetra</b>
<b>Specific Deductible Per Claim</b>	\$525,000	\$525,000	\$550,000	\$575,000
<b>Contract Basis</b>	24/12	24/12	24/12	24/12
<b>Coverage</b>	Medical/RX	Medical/RX	Medical/RX	Medical/RX
<b>Lasers (Yes or No)</b>	Yes	Yes	Yes	Yes
<b>Maximum Annual Reimbursement</b>	Unlimited	Unlimited	Unlimited	Unlimited
<b>Maximum Lifetime Reimbursement</b>	Unlimited	Unlimited	Unlimited	Unlimited
<b>Cost Components</b>				
<b>Enrollment</b>				
<b>Individual</b>	2,639	\$13.40	\$12.67	\$12.06
<b>Family</b>	3,546	\$39.99	\$37.79	\$35.98
<b>Composite</b>	6,185	\$24.71	\$27.07	\$25.77
<b>Annual Stop Loss Premium</b>	<b>\$1,833,976</b>	<b>\$2,125,661</b>	<b>\$2,009,274</b>	<b>\$1,912,937</b>
<b>Lasering Impact</b>	<b>\$325,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Estimated Effective Annual Cost</b>	<b>\$2,158,976</b>	<b>\$2,125,661</b>	<b>\$2,009,274</b>	<b>\$1,912,937</b>
<b>% Difference vs. Current</b>		<b>-1.5%</b>	<b>-6.9%</b>	<b>-11.4%</b>
<b>\$ Difference vs. Current</b>		<b>-\$33,315</b>	<b>-\$149,703</b>	<b>-\$246,039</b>

**Note:**  
Symetra's proposal contained no lasers