

SUBJECT: Recommendation for CSP #06-IN-639, Medical Stop Loss Insurance

BACKGROUND: In accordance with state bid laws, legal notices were published in the Houston Chronicle. The purchasing office received responses from three companies.

RECOMMENDATION As per the request of Mr. Jerry Dennis, the following is our recommendation. We are recommending that this proposal be awarded to the low bidder, whom also happens to be our current provider. The company we are recommending is American Stop Loss for an estimated award amount of \$667,009.00.

CONTACT PERSON: Jerry Dennis
Angela Eng

Pasadena ISD
Stop Loss Worksheet

Carrier	Current - Standard Security	Standard Security - Option 1	Standard Security - Option 2	Lloyd's of London	Lloyd's of London	Lloyd's of London	United Healthcare	United Healthcare
MGU	American Stop Loss	American Stop Loss	American Stop Loss	J. Allan Hall / FBMC	J. Allan Hall / FBMC	J. Allan Hall / FBMC	N/A	N/A
Specific								
Coverage Basis	24/12	24/12	24/12	24/12	24/12	24/12	15/12	15/12
Benefits Covered	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx
Coverage Amount	\$550,000	\$750,000	\$750,000	\$1,000,000	\$1,000,000	\$1,000,000	\$750,000	\$750,000
Deductible	\$200,000 PPO \$100,000 EPO	\$200,000	\$250,000	\$200,000	\$225,000	\$250,000	\$200,000	\$250,000
Aggregating Specific Deductible	\$200,000 (EPO only)	none	none	none	none	none	none	none
Single Rate	\$6.04 PPO	\$7.63	\$5.74	\$10.98	\$8.71	\$6.73		
Family Rate	\$17.02 PPO	\$21.40	\$16.09	\$32.41	\$25.67	\$19.87		
Composite Rate	\$27.02 EPO						\$28.52	\$20.22
Estimated Specific Premium	\$1,049,719	\$647,800	\$487,185	\$959,088	\$760,148	\$587,937	\$1,564,721	\$1,109,350
Aggregate	PPO Only							
Coverage Basis	24/12	24/12	24/12	24/12	24/12	24/12	15/12	15/12
Benefits Covered	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx
Coverage Amount	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$750,000	\$750,000
Aggregate Premium (PEPM)	\$1.93	\$0.92	\$0.94	\$1.60	\$1.60	\$1.60	\$1.20	\$1.20
Single Factor	\$400.54			\$370.11	\$372.03	\$374.57		
Family Factor	\$1,101.48			\$1,017.80	\$1,023.09	\$1,030.07		
Composite Factor		\$492.29	\$495.48				\$533.88	\$533.88
Est. Aggregate Premium	\$49,030	\$50,475	\$51,572	\$87,782	\$87,782	\$87,782	\$65,837	\$65,837
Total Estimated Premium	\$1,098,748	\$698,275	\$538,757	\$1,046,870	\$847,930	\$675,719	\$1,630,558	\$1,175,187
Aggregate Attach. Point	\$16,576,302	\$27,008,999	\$27,184,015	\$31,085,867	\$31,247,297	\$31,460,550	\$29,290,792	\$29,290,792
Maximum Liability	\$17,675,051	\$27,707,274	\$27,722,772	\$32,132,737	\$32,095,227	\$32,136,270	\$30,921,350	\$30,465,979

Participation
 Single 3,185
 Family 1,387
 Composite 4,572

Add stop loss
 liason fee of
 \$2.50 PEPM
 plus Surplus
 Lines tax of
 4.95%

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 liason fee of
 \$2.50 PEPM plus
 Surplus Lines tax
 of 4.95%

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\$.75 PEPM credit
 given on Admin fee if same for \$250K
 stop-loss is chosen. Assume agg quote
 deductible

AMERICAN STOP LOSS

Insurance Brokerage Services, Inc.
800-944-7659

Stop Loss Proposal

GROUP NAME:	Pasadena ISD						
Effective Date:	1-Jan-07						
Employees:	4,572	Single:	3,185				
		Family:	1,387				
Presented By:	Standard Security Life Insurance Company of New York						
Specific Stop Loss:	Covered Benefits:	[Medical & Rx]					
	Deductible:	\$	200,000				
	Aggregating Specific Corridor:	\$	-				
	Max Reimbursement:	\$	550,000				
	Reimbursement %:		100%				
	Contract Basis:		24/12				
	Single Rate:	\$	7.32				
	Family Rate:	\$	20.53				
	Composite Rate:	\$	11.33				
	Est. Annual Premium:	\$	621,472				
Aggregate Stop Loss:	Covered Benefits:	[Med/Rx]					
	Max Reimbursement:	\$	1,000,000				
	Reimbursement %:		100%				
	Contract Basis:		24/12				
	Agg. Att. Fact. - Ind:	\$	321.57				
	Agg. Att. Fact. - Fam:	\$	884.31				
	Agg. Att. Fact. - Comp:	\$	492.29				
	Agg. Attach. Point:	\$	27,008,861				
	Minimum Attach. Point:	\$	25,658,449				
	Run-in limitation:						
	Agg. Premium Rate:	\$	0.83				
	Agg. Annual Premium:	\$	45,537				
	Min. Annual Premium:	\$	45,537				
	Projected Annual Premium:	\$	667,009				
	Projected Annual Liability:	\$	27,675,870				
<p>Please advise the Plan Sponsor that this proposal, and any subsequent revision, is subject to the contingencies listed below and/or attached and that all requested documentation must be received and accepted by the Carrier.</p>							
<p>1. Actively-at-work and pre-existing conditions, if applicable, may be waived upon receipt, review and acceptance of a signed Disclosure Statement. Please fill out the Disclosure Statement carefully in consultation with your Claims Administrator and each of your medical management vendors, if appropriate, and include all applicable persons even if they were previously reported to ASL or directly to the Carrier.</p>							
<p>2. Need diagnosis/prognosis on all large, potentially large, ongoing or pending claims as higher deductibles (lasers) may apply.</p>							
<p>3. Need monthly paid claims, enrollment through the effective date.</p>							
<p>4. Assumes duplication of current plans and networks.</p>							
<p>5. Need current or proposed plan document(s) and all amendments.</p>							
<p>6. Need updated census as of the effective date.</p>							
<p>7. TPA approval is required.</p>							
<p>8. Access fees are not covered.</p>							
<p>9. In order to ensure accuracy, all data should be transmitted in an electronic format.</p>							
<p>10. Coverage for Disabled and COBRA participants is subject to disclosure and carrier approval.</p>							
<p>11. Rates and attachment factors are subject to re-rating if enrollment changes by more than 10%.</p>							
<p>See attached additional contingencies from SSNY.</p>							
Prepared By:	John Rowland						