Agenda Item #: 3Z-1

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: December 1, 2026 **[X] Consent** **[ ] Regular**
[ ] Ordinance **[ ] Public Hearing**

Department: Risk Management
Submitted By: Risk Management
Submitted For: Group Insurance, EAP & Wellbeing Division

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends approval of the purchase of stop-loss (excess) insurance for the County's health plan for the period from January 1, 2027, through December 31, 2027. The insurance was marketed through Alliant Insurance Services, the County's contracted benefits consultant, under contract #24-052/CB and yielded a final quote for coverage of $37.23 per employee per month (PEPM) from Innovative Stop Loss Solutions, plus a $2.90 PEPM carve out reporting fee from United Healthcare (UHC) for a total estimated cost of $2,222,399 based on an estimated employee participation count of 4,615.

Summary: The purchase of stop-loss coverage through Innovative Stop Loss Solutions for a total estimated premium of $2,222,399 for the period of January 1, 2027, to December 31, 2027, represents a 16.7% increase over the expiring premium of $1,903,964 and includes an $800,000 retention, meaning that any individual claim that reaches the retention level would be transferred to the stop loss carrier thereafter. This renewal is favorable for the County and was achieved after marketing our program to 13 separate carriers. Countywide (DB)

Background and Justification: The Risk Management Department purchases stop-loss insurance to limit the self-insured health plan's exposure to high-cost claims. UHC previously provided this coverage, but rising losses, retentions, and premiums prompted a search for more competitive options. Alliant marketed our program to 13 carriers— far more than an individual RFP would have reached. **(Continued on page 3)**

Attachments:

None

Recommended By: _____
Department Director **Date**

Approved By: _____
Deputy County Administrator **Date**

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact

Fiscal Years	2027	2028	2029	2030	2031
Capital Expenditures					
Operating Costs	$1,666,799	$555,600			
External Revenues					
Program Income (County)					
In-Kind Match (County)					
Net Fiscal Impact	$1,666,799	$555,600			
# ADDITIONAL FTE POSITIONS (Cumulative)	0	0	0	0	0

Is Item Included in Current Budget? Yes X No ____
Is this item using Federal Funds? Yes ____ No X
Is this item using State Funds? Yes ____ No X

Budget Account									
Exp No.:	Fund	5012	Dept	700	Unit	7312	Obj	4503
Rev No.:	Fund		Dept		Unit		Obj	

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

_____ _____
OFMB **Contract Dev. and Control**

B. Legal Sufficiency:

_____
Assistant County Attorney

C. Other Department Review:

_____
Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

Page 3 – Background and Justification (continued)

Comprehensive stop-loss coverage is a critical component of a self-funded medical and pharmacy plan. Without this coverage, the plan's financial stability and solvency could be at risk. By securing stop-loss coverage, we can mitigate the plan's potential losses.

Before bringing this matter to market this year, we observed that retentions had increased over the past four years, from $625,000 in 2022 to $800,000 in 2026. During the same period, premiums increased from $587,000 to $1,903,964 and we received a quote from the current carrier (UHC) of $2,703,652 for 2027, which represents a 42% increase over the expiring premium. Although the plan's claims experience has resulted in multiple significant claims each year, we recognized that, while stop-loss coverage remains essential to the program, these continued increases were unsustainable and not in the County's best interest.

Accordingly, we asked Alliant to leverage its market relationships and obtain as many quotes as possible using different retentions and terms. Instead of commissions, we agreed to use an hourly rate provision in our agreement. This strategy serves the best interest of the County as it eliminates significant carrier commissions. After reviewing the quotes and consulting with Alliant, we chose to retain the current terms, conditions, and retention levels to position the County as favorably as possible going forward. All quotes other than UHC include a negotiated "carve-out" fee of $2.90 PEPM charged by UHC for the necessary stop-loss reporting required for the program.

This marketing initiative goes beyond the scope of a standard RFP, enabling the County to obtain competitive pricing while mitigating the substantial financial risks associated with a health plan of this scale. The results were as follows:

Carrier	Status	Quote (including reporting fee)	Increase Over Expiring
United Healthcare (current provider)	Quoted	$2,703,652	42%
BCS	Declined	N/A	N/A
Berkley	Declined	N/A	N/A
Berkshire Hathaway	Declined	N/A	N/A
Evolution Risk	Declined	N/A	N/A
HM Insurance Group	Quoted	$3,152,783	65.6%
Innovative Stop Loss Solutions	**Quoted**	**$2,222,399**	**16.7%**
PartnerRe	Quoted	$2,601,199	36.6%
Prudential	Declined	N/A	N/A
QBE	Quoted	$3,722,090	95.5%
Sun Life Financial Group	Quoted	$2,704,205	42%
Symetra Life	Declined	N/A	N/A
Tokio Marine HCC	Declined	N/A	N/A
Voya Financial	Quoted	$2,574,062	35.2%