

FISCAL IMPACT STATEMENT

Indicate the **Total Fiscal Impact** of the action requested, including personnel, operating, and capital costs. Indicate costs for the current fiscal year and continuing costs in future years. Include all related costs necessary to place the asset in service.

1. DESCRIPTION: Negotiated procurement with Symetra Life Insurance Company for Stop Loss Insurance effective 1/1/2015.

COSTS:

2. Does the acceptance of this action require the hiring of additional or new personnel or the use of overtime?
 Yes No (if Yes, include all personnel costs below).

3. Is the action funded in the current year budget and/or through reallocation of existing Department resources:
 Yes No If No, how will this item be funded? _____ PLEASE NOTE: If the action is funded by a grant received by the City please include the fiscal year of the funding award, grantor name, granting agency or office name (if any), grant name and when the grant agreement was approved by City Council.

Did this item require BRC action? Yes No If Yes, BRC Date: _____ BRC Item #: _____

4. This item will be charged to Fund/Dept/Program/Project: Fund 5010 F/EXO Dept/HRD0006 C.

5.	(a) Current Year Estimate	(b) Next Year Annualized	(c) Annual Continuing Costs Thereafter
Personnel	\$	\$	\$
Operating	\$262,090 (9 months)	\$87,363 (3 months)	
Capital			
Total	<u>262,090</u>	<u>87,363</u>	<u> </u>

6. If costs do not continue indefinitely, explain nature and expiration date of costs: \$349,453 is the annual premium for Stop Loss insurance for plan (calendar) year 2015. New quotes will be provided for the 2016 plan year at the end of 2015.

7. OTHER COSTS

(a). Are there any future costs, one-time payments, lump sum payments, or other costs payable for this item at a later date that are *not* reflected above: Yes No

(b) If yes, by Fiscal Year, identify the dollar amount and year payment is due: \$ FY2014/15 = \$26,828; FY2015/16 = \$8,943 Payment due date Recurring per subscriber per month cost to United Healthcare for Calendar Year 2015

(c) What is the nature of these costs: Fee charged by current Administrative Services provder, United Healthcare, for stop loss interface and reporting with an external third party stop loss carrier. The net fee will be \$0.65 per subscriber per month.

REVENUE:

8. What is the estimated increase in “valuation” added to the tax rolls? \$ N/A. Tax roll increase is:
 real property, tangible personal property, other (identify _____).

9. What is source of the revenue and the estimated annual recurring revenue? Source: N/A \$ N/A

10. If non-recurring, what is the estimated Fiscal Year and amount of non-recurring revenue that will be realized?
 Source N/A Fiscal year N/A \$ N/A non-recurring revenue

11. What is the Payback period? N/A years

12. JUSTIFICATION: Document justification for request. Include anticipated economies or efficiencies to be realized by the City, including reductions in personnel or actual cost (cash flow) reductions to be realized in your budget. Awarding the Stop Loss insurance to Symetra will result in approximately \$200,000 in annual premium savings compared to the renewal received from the current Stop Loss carrier, United Healthcare, who proposed an 18.4%

increase to 2014 rates in 2015. Symetra's renewal results in a 16.2% decrease in 2014 rates. Symetra's proposal was also approximately \$100,000 lower in cost than the next lowest proposal.

13. APPROVED: Ana Palenzuela (Submitting Director or authorized Division Mgr **Only**)

FIS 3/14/08