

RESOLUTION NO. 30-2016 (AS AMENDED 6/2/16)

Offered by All of Council

A RESOLUTION AUTHORIZING THE MAYOR AND THE FINANCE DIRECTOR TO ENTER INTO AN AGREEMENT WITH THE ROUNDSTONE MANAGEMENT, LTD. FOR HEALTH INSURANCE FOR FULL-TIME VILLAGE EMPLOYEES FOR JULY 1, 2016 THROUGH JUNE 30, 2017, AND DECLARING AN EMERGENCY.

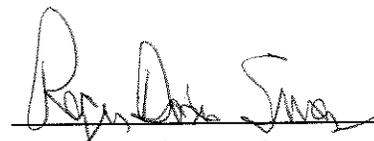
WHEREAS, the Village's insurance advisor, Karen Tabeling from Associated Underwriters Insurance Inc. has recommended entering into an agreement with the Roundstone Management, LTD. to be the provider for health insurance for full-time Village employees from July 1, 2016 through June 30, 2017, and declaring an emergency.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Richfield, Summit County, State of Ohio:

SECTION 1. That the Mayor and the Finance Director be, and they hereby are, authorized and directed to enter into an agreement with the Roundstone Management, LTD effective July 1, 2016 not to exceed \$1,061,789 in accordance with the offer from Roundstone, a copy of which offer is attached hereto as Exhibit "A" and incorporated herein fully as if by reference, subject to the final approval of the Law Director.

SECTION 2. This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare and for the further reason that it is immediately necessary in order to comply with the timing requirements of the program; wherefore, provided this Resolution receives the affirmative vote of two-thirds of the members of Council elected or appointed, it shall take effect immediately upon its passage and execution by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 6-7-16



President of Council

ATTEST:


Clerk of Council



Mayor

Dated: 6/7/16

**TO: Village Council
Mayor Bobbie Beshara**

**CC: Carolyn Sullivan
William Hanna**

FROM: Sandy Turk, Finance Director

RE: Resolution No. 30-2016 as amended 6-2-2016 to renew health care insurance with Roundstone for the June 7, 2016 Council Meeting

Date: June 2, 2016

| ACTION BEING REQUESTED | TYPE OF REQUEST |
|---|-----------------------------|
| 2nd Reading, Suspend 3rd reading, consider Adoption | Insurance Resolution |

The Finance Department requests Council accept the attached Resolution No.30-2016 as amended June 2, 2016 for 2nd reading, consideration to suspend 3rd reading and adoption, to enter into a renewal agreement for \$1,061,789 with Roundstone Management, LTD for health care insurance for full-time Village employees effective July 1, 2016 through June 30, 2017.

Roundstone is a Group Captive program that is owned and/or controlled by the group members insured. The network is the Medical Mutual network and the Third Party Administrator (TPA) is Mutual Health Services out of Copley. Roundstone has been offering a Captive program for medical coverage the longest with over 12 years of experience in this market. They utilize all local networks for their services with Medical Mutual also offering the best discounts for procedures in the field. For this side of Roundstone's business they do not use off shore outfits for their banking and business needs where other Captives do. They only use A.M. Best rated reinsurers of A rating and above.

The current maximum annual cost of coverage for 54 full-time employees is \$924,661 (plus a Laser of \$125,000), or \$1,049,661. The Laser is a common stop-loss industry practice of setting higher coverage attachment points for certain plan members based on their prior claims experience or the likelihood that they will become high cost claimants in the future. The renewal rate of \$1,061,789 (includes two Lasers totaling \$160,000), a 1.2% increase over the current cost. If you exclude the Lasers the percentage decrease is 2.5% in the base rate. In addition to the \$125,000 Laser another Laser was also added for \$35,000. We are self-funding the claims portion of the policy with a stop loss insurance policy of \$25,000. Based on expenditures through May we are expected to expend the maximum cost. The \$125,000 Laser was fully utilized in May. Let me know if you have any questions.

Attachments

H:/-sturk/Resolution/Briefing Memos/2016 roundstone health care ins.Briefingmemo5-14.doc