

**PORT OF TACOMA COMMISSION
CONSENT AGENDA**



Item: 5D

Date: 2/21/2023

DATE: Feb 10, 2023
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Jean West, Chief Human Resources Officer
SUBJECT: Benefit Vendor Contract Renewal

A. ACTION REQUESTED

Commission approval contract renewal for Reliastar Life Insurance Company.

B. SYNOPSIS

The Master Policy Resolution stipulates that any personal services contracts which exceeds \$300,000 must be approved by the Commission. The Master Policy Resolution does not provide an exemption for benefit vendor contracts which are considered personal services contracts.

Reliastar Life Insurance Company:

Reliastar provides individual and aggregate stop loss insurance for our self-insured medical plan:

Individual stop loss insurance pays claims costs when individual claims exceeds \$135,000.

Aggregate stop loss provides protection for a group's overall claims costs and caps the employer's liability for the entire group. Underwriting projects a group's future expected claims by using such factors as historical claims experience, inflationary trend, and enrollment/migration adjustments to generate an expected claims cost. From the expected claims cost, a corridor (typically 25%) is applied to develop a maximum claims factor (i.e., 125% of expected claims). Aggregate stop loss

insurance pays when overall claims exceed the projected maximum claims factor. The Port enters agreements annually for this service.

The premium for the April 1, 2023, through March 31, 2024, plan year is \$959,076 and is billed through First Choice Health Administrators.

C. SUMMARY OF CHANGES

Commission approval of contract renewal for Reliastar Life Insurance Company.

D. FINANCIAL IMPACT

The cost is as follows:

Vendor	Contract/ Policy Number	Contract Period	Cost
Reliastar Life Insurance Company	66606-08	Apr 1, 2023 thru Mar 31, 2024	\$959,076