



DATE: December 9, 2015
TO: THE DISTRICT BOARD OF TRUSTEES
of Valencia College
FROM: SANFORD C. SHUGART
President
RE: ITN# 2016-10, STOP LOSS INSURANCE, APPROVAL FOR AWARD

On November 18, 2015, the College issued an Invitation to Negotiate, ITN 2016-10, for Stop Loss Insurance. The College procures stop loss insurance on behalf of the Valencia College Self-funded Health Plan. The purpose of the stop loss coverage is to reduce the risk associated with unexpected catastrophic illnesses or accidents that can result in very large claims expenses. Stop loss insurance provides a layer of protection if claims exceed a certain threshold on an individual and/or aggregate member basis.

While the College has had a successful relationship with CIGNA as both the Third Party Administrator (TPA) for the medical plan and as the stop loss provider, United Healthcare will take over as the College's TPA on January 1, 2016. In order to ensure the most competitive pricing and satisfactory services, the College issued an Invitation to Negotiate for stop loss insurance.

Three (3) firms submitted replies:
1. Sun Life Financial
2. Symetra Life Insurance
3. TRU Services, LLC

The initial evaluation committee meeting was held on November 20, 2015, to review and shortlist the respondent's replies. The consultant and subject matter expert from RobinsonBush, Inc. provided a side-by-side comparison for the evaluation committee. The evaluation committee selected Sun Life Financial and TRU Services, LLC as the top ranked firms to proceed to the negotiation phase and the notice of intended action was publicly posted.

Discussions and negotiations were held November 23, 2015 with the top ranked respondents. Formal best and final offers were extended to each respondent. The negotiation team met on December 1, 2015 to review the final offers. After careful consideration, the negotiation team selected Sun Life Financial as the firm providing the overall best value to the College for Stop Loss Insurance.

RECOMMENDATION:

The President recommends that the Board of Trustees of Valencia College award the contract for Stop Loss Insurance for Valencia's Self-funded Health Plan to Sun Life Financial and simultaneously authorize negotiations of an excess loss rate up to \$8.85 per composite employee count. The term of the contract will be for one year effective January 1, 2016 with four (4) one year renewal options.



President