# CITY OF JOPLIN
# COUNCIL AGENDA ITEM

**ITEM**
Council Bill 2025-553 – Approving a one-year Contract with Tokio Marine HCC to provide stop loss coverage for the City's health self-insurance coverage.

**MEETING DATE**
December 1, 2025

**ORIGINATING DEPT**
Finance

**ATTACHMENTS**
CB 2025-553 Ordinance; Exhibit "A" Tokio Marine HCC Agreement

**REVIEWED BY**
Department Head: Leslie Haase; City Attorney: Peter Edwards; City Manager: Nick Edwards

**SUMMARY**
This Council Bill approves a one-year contract with Tokio Marine HCC to provide stop loss coverage for the City's health self-insurance coverage for City employees.

**BACKGROUND**
In February of 2025, the City issued an RFP, through our insurance consultant Segal, for employee insurance benefits including health, dental, vision, life and long-term disability coverage for a five-year period. Stop loss insurance is bid on an annual basis. In October, the stop loss contract is bid based on actual claims experience. Bids were let with UMR's preferred providers. Tokio Marine HCC responded with the lowest and best bid for these services. Given the City's large claim history and the bids received, it was determined that the current stop loss coverage should remain at the same level of $175,000 per claim beginning January 1, 2026.

With this level of change, Berkley's bid results in a decrease of approximately 1.7% from the current year stop loss premiums. The single fee will decrease from $64.01 to $63.25 per employee per month. The family fee will increase from $199.32 to $200.60 per employee per month. The annual premium will be approximately $779,555.00, which is a decrease of about $13,557.00. However, all of the bids received are lasering out two current city employees due to serious medical conditions. One employee will have a stop loss amount of $500,000, while the other employee will have a stop loss amount of $275,000. If these two employees have medical/prescription costs that reach these higher stop loss amounts during 2026, the City will be approximately 4% over the budget projections that were presented in October. However, the Health Insurance Fund has sufficient reserves to fund this increase, if it occurs.

As a result of actual claims costs, the bid process, the stop loss fees and administrative fees, the health insurance premiums are increasing 1.1% for 2026. Over the last ten years', the national trend increase for health insurance costs has been 7.4%, while the City's average increase over

the same time period has been 4.8%. Claims costs are a function of both utilization and prices. The Wellness Works Group continues to work with city employees to decrease utilization and become better "consumers" of health products, in order to try to stay below national trends for health insurance increases.

The City provides single health insurance to employees. The monthly premium will increase from $634.44 to $641.32 per employee, which is an increase of $6.88. For family coverage, the City covers 75% and the employee is responsible for 25% of the monthly premium, as well as usage costs set forth in the plan design. The City's monthly premium will increase from $1,332.38 to $1,346.82 per employee, which is an increase of $14.44. The employee's monthly premium will increase from $444.12 to $448.94. The total estimated increase to the City for this benefit is around $64,000.00.

The contract will begin on January 1, 2026.

**FUNDING SOURCE**
This item is expensed to all funds based on where employees are charged.

**RECOMMENDATION**
Staff recommends approval of this council bill on an emergency basis as the payments for this service begin December 1, 2025.