

Greater Tompkins County Municipal Health Insurance Consortium

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"Individually and collectively we invest in realizing high quality, affordable, dependable health insurance."

RESOLUTION NO. 009-2020 – ADOPTION OF CATASTROPHIC CLAIMS RESERVE POLICY (Amended by Res. No. 004-2022)

MOVED by Mr. Salton, seconded by Mr. Snow, and unanimously adopted by voice vote by members present.

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium ("GTCMHIC") has been issued a Certificate of Authority to operate as a New York State Insurance Law Article 47 Municipal Cooperative Health Benefit Plan, and

WHEREAS, Section 4707(a)(2) of the New York State Insurance Law requires the GTCMHIC to purchase "specific stop-loss coverage with a specific retention amount or attachment point not greater than four percent of the amount certified by a qualified actuary to represent the plan's expected claims for the current fiscal year", and

WHEREAS, 4% of the GTCMHIC's expected claims for the 2020 Fiscal Year equals approximately \$2,048,000 (\$51,200,0000 in expected claims x .04), and

WHEREAS, the GTCMHIC Board of Directors issued a Request for Quote (RFQ) to licensed, reputable insurance carriers seeking quotes for specific stop-loss insurance at various deductible levels and with certain required coverage parameters, and

WHEREAS, the GTCMHIC Board of Directors has agreed to purchase specific stop-loss insurance from Excellus BlueCross BlueShield ("Excellus") with a policy period deductible of \$1,000,000 for all covered insured members with the exception of one member who has a separate deductible of \$1,200,000, and

WHEREAS, the GTCMHIC Board of Directors recognizes the purchasing of specific stoploss insurance at a \$1,000,000 deductible level increases the amount of risk that the Consortium retains as a primarily self-insuring entity, and

WHEREAS, the GTCMHIC maintains a Catastrophic Claims Reserve of \$4,500,000 to help cover large dollar claimant expenses, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the GTCMHIC Board of Directors hereby adopts the following policies with respect to the Catastrophic Claims Reserve for the 2020 Fiscal Year:

1. Interest income earned on funds held in the Catastrophic Claims Reserve shall be retained within same, as they are earned.

- 2. The GTCMHIC Treasurer is directed to, on a quarterly basis and within 60 days of the end of said quarter, transfer from the Catastrophic Claims Reserve to the general operating fund of the GTCMHIC a dollar amount equal to any claims paid in excess of \$500,000 but less than \$1,000,000 per member, excepting:
 - a. The one member identified by Excellus as having a separate deductible of \$1,200,000. For this member, funds will be transferred from the Catastrophic Claims Reserve to the general operating fund for any claims incurred above \$500,000 but less than \$1,200,000.
- 3. The foregoing provisions apply only to claims incurred between January 1, 2020 and December 31, 2020 and paid between January 1, 2020 and March 31, 2021.
- 4. This policy shall be reviewed and amended as necessary, on an annual basis in coordination with the GTCMHIC budget process and the purchase of specific stop-loss insurance coverage as required by statute.

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. STATE OF NEW YORK)
) ss:
COUNTY OF TOMPKINS)	

I hereby certify that the foregoing is a true and correct transcript of a resolution adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors on June 25, 2020.

Michelle Cocco, Administrative Clerk