CITY OF STOUGHTON, 207 S FORREST ST, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL		
Approval to change health insurance broker to USI Insurance Services		
Committee Action:	Personnel Committee approved ____ on September 25, 2023 **TIME SENSITIVE ITEM**	
Fiscal Impact:	None – The broker receives compensation from the insurance carriers not the City of Stoughton	
File Number:	R-158-2023	**Date: 09/26/23**

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

RECITALS:

WHEREAS, the Personnel Committee met on September 25, 2023, to review and consider the advantages of changing Brokers from Cottingham and Butler to USI Insurance Services, and;

WHEREAS, the Personnel Committee approved changing the Broker on Record from Cottingham and Butler to USI Insurance Services;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Stoughton that the proper city official(s) be hereby authorized and directed to approve the Broker on Record to USI Insurance Services.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____ _____

Timothy Swadley, Mayor **Date**

Council Action: _____ ☐ **Override** **Vote** _____

AmyJo Gillingham- Director
City of Stoughton HR/RM
AJGillingham@cityofstoughton.com
Phone: 608.646.0272 Cell: 608.535.0475
Fax: 608.873.5519

September 22, 2023

City of Stoughton Alders,

Approximately 8-9 years ago I made the recommendation to move the City's Broker on Record from Tricor to Cottingham and Butler (C&B). This change was approved and there were significant savings by changing the Broker in regards to the renewal costs.

For those of you unfamiliar with a Broker's role they work with the HR Director and the carrier to negotiate the best renewal costs possible for our health plans, assist with other HR needs such as carrier questions, compliance, and act as a resource etc. They are our HR partner and an extension to our HR Team.

As a reminder, there is no financial impact with a Broker on Record change. The City of Stoughton does not pay the Broker on Record. The Broker is compensated through the carriers.

USI is a large Broker with a hands-on local approach which provides added value to the HR Department and the City of Stoughton. USI has a cutting-edge approach. USI has discussed with me the possible opportunity to utilize the Near Site Clinic in Edgerton (consortium clinic) and/or access to the online NICE option which provides online appt's for things such as a sore throat, allergy issues etc. These are lowe cost options for both the employee and the City.

If USI is selected as our Broker, they can begin working on the Near Site Clinic and NICE options to see if the carriers will reduce cost for us through these programs. With USI's relationships, they have been able to negotiate our renewal from 9.9% down to 6%. If they are named the Broker on Record, we will be able to continue to negotiate with the carrier with the power of a larger Broker and book of business. That should work to our advantage in regards to cost and accessibility.

Cottingham and Butler, in my opinion, has not been proactive in looking at ways to drive down costs within our plans. Their option for cost reduction for the health plan was not a reduction of cost long term. They proposed shifting the cost from the carrier to the employer through an Employer HRA. This is not cutting edge and is not a long term savings.

This is a shift in cost but, the premiums will continue to increase over time, as well as, the HRA funding costs in the future would likely go up. We also would incur the cost of a Third-Party Administrator (TPA) for this service. This to me is not a sustainable solution for the City of Stoughton.

Damian Simmons is the current USI contact. He began working with the City of Stoughton when we moved to Cottingham and Butler. He did an excellent job providing the City with aggressive renewals and aiding with compliance, carrier issues etc. Damian left Cottingham and Butler a couple of years

ago and is now the Employee Benefits Practice Leader with USI. Damian has provided us with top notch support in the past and will continue to do so in the future, should you agree to make this change.

As a reminder, there is no financial impact with a Broker on Record change. We do not pay the Broker. They are compensated through the carriers.

USI has been a partner with the Stoughton School District for 15+ years. I contacted Erika Pickett at the school district to talk about USI and the Near Site Clinic. Erika had nothing but positive feedback regarding USI and their services.

I strongly encourage you to support the broker change from Cottingham and Butler to USI. This change will allow us to offer a wider range of cost-efficient health plan solutions, provide us the best opportunity to drive down costs and provide Human Resources a partner that is both responsive and aggressive with our renewals, compliance and carrier support.

Thank you for your time and consideration.

600 S. Fourth St, Stoughton, WI 53589
(608) 646-0274 • cityofstoughton.com