

COMMISSION FILE NO: 25-155-11 **DATE INTRODUCED:** November 3, 2025

INTRODUCED BY: Executive Director (Signature on File in the Office of the Commission)

REFERRED BY COMMISSION CHAIRPERSON TO: Policy, Finance, and Personnel Committee

RELATING TO: Authorizing the Executive Director to Enter into a Contract for Stop Loss Insurance for the Milwaukee Metropolitan Sewerage District Group Health Insurance Benefits Effective January 1, 2026

SUMMARY:

The Commission is requested to authorize the Executive Director to renew a one-year contract with Berkshire Hathaway to provide stop loss insurance for the Milwaukee Metropolitan Sewerage District's group health benefit payments for active employees and eligible retirees of the District and to continue transplant coverage through QBE Insurance Limited (QBE) for the period of January 1, 2026, through December 31, 2026.

The increase of the stop loss agreement is estimated to be \$14,235 or 2.05%. Actual costs will depend on enrollment in the health care plans.

ATTACHMENTS: **BACKGROUND** ☒ **KEY ISSUES** ☐ **RESOLUTION** ☒
FISCAL NOTE ☒ **S/W/MBE** ☐ **OTHER** ☐ _____

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10-10-25

COMMITTEE ACTION: _____ **DATE:** _____

COMMISSION ACTION: _____ **DATE:** _____

BACKGROUND

Authorizing the Executive Director to Enter into a Contract for Stop Loss Insurance for the Milwaukee Metropolitan Sewerage District Group Health Insurance Benefits Effective January 1, 2026

The Horton Group, the District's benefits consultant, marketed the stop loss insurance to 18 stop loss carriers. They received seven proposals and 11 declinations to quote. The reasons the carriers cited for the declinations were uncompetitive rates, the high percentage of retirees covered, and the average age of the population covered under the plan. Several of the quotes received were competitive to the Berkshire Hathaway Renewal. Berkshire Hathaway quoted a renewal option at a two percent over current rates, but with a separate laser on the one member at \$250,000 (or \$90,000 more plan risk on this member than any other member has). A laser is a separate specific deductible higher than the \$160,000 amount that is placed on everyone else, which stop loss carriers can do with members they see as likely to have higher claims than the specific deductible amount. The most competitive alternate option was through ISU with the premium rates being slightly less than the Berkshire Hathaway renewal option, but also had a laser on another member at \$250,000.

Staff recommendation is to keep the stop loss with Berkshire Hathaway for 2026. Staff also recommends keeping the transplant coverage through QBE (no increase for 2026), which the District receives a discount on stop loss for having in place. It is beneficial to remain with the same carrier for multiple years, and, with this being the first year with Berkshire Hathaway, it makes sense to stay with them for 2026. Berkshire Hathaway is also a very well regarded carrier in the stop loss marketplace and is an A++ rated carrier.

Based on the evaluations of the proposals, staff recommends entering into a one-year contract for \$160,000 for specific stop loss insurance with Berkshire Hathaway and to continue transplant coverage through QBE effective January 1, 2026, through December 31, 2026, at a total monthly premium of \$104.40 per single plan and \$293.96 per family plan. The annual premium for this coverage is estimated to be \$724,910 for 2026. Actual costs will depend on enrollment in the health plan.

RESOLUTION

Authorizing the Executive Director to Enter into a Contract for Stop Loss Insurance for
the Milwaukee Metropolitan Sewerage District Group Health Insurance Benefits
Effective January 1, 2026

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that the Executive Director is authorized to renew a one-year contract with Berkshire Hathaway to provide stop loss insurance for the District's group health benefit payments for active employees and eligible retirees of the District and to continue transplant coverage through QBE Insurance Limited for the period of January 1, 2026, through December 31, 2026.