

The Standard

Quarterly Report: Basic Life
Insurance and Long Term
Disability:
Quarter Ending
September 30, 2019



Board Meeting Date: January 23, 2020

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Basic Life Insurance & Long Term Disability Executive Summary

Most Recent Five Plan Years: July 01, 2015 to September 30, 2019

This is the initial report for the 2019-20 plan year, providing information for the most recent 5-year plan period, beginning July 1, 2015 and ending September 30, 2019.

Basic Life

Because this is the first report for the plan year, there's not much to report on an incidence basis for Basic Life. Incidence (page 4) is reported on an incurred rather than paid basis. We paid 7 employee claims incurred during the first quarter, along with 25 retiree claims. For the recently completed 2018-19 plan year, the overall Basic Life incidence was down, 7.7 claim per 1,000 insureds compared to a most recent for five-year average of 8.5. Incidence for both employees and retirees contributed to those results with active employees at 1.7 claims and retirees at 17.2 claims per 1,000 compared to five-year averages of 1.74 and 19.6, respectively.

As with incidence, the Basic Life loss ratio for active employees (page 5) for the most recent quarter was 16%. For the 2018-19 plan year, the loss ratio for active employees was 28%, an increase from the prior year which was 23%. Retirees resulted in a 253% loss ratio for the most recent quarter, compared to a 315% loss ratio for the 2018-19 plan year. Overall, the most recent combined Basic Life loss ratio was 87%, compared to most recent 2018-19 plan year loss ratio of 93%.

Long Term Disability

With only one quarter of information, there is little credibility to LTD claim experience for the current plan year. We approved 3 claims incurred during the quarter. LTD claim incidence (page 7) for the 2018-19 plan year was exceptional with only 18 claims during the entire plan year, an incidence of 0.7 claims per 100, well below the five-year average of 1.26. It's worth noting that PEBPs incidence levels were much better than our overall public sector LTD block for plans with a 180-day Benefit Waiting Period.

LTD loss ratios (page 8) are reported on a cash basis, without regard for incurred date. As you would expect given the exceptional incidence results, the loss ratio for the 2018-19 plan year was very good at 42%. This trended higher than the 31% loss ratio in the 2017-2018 plan year. The first quarter loss ratio of 87% for the 2019-20 plan year has trended much higher.



Basic Life Insurance Claims by Plan Year and Participant Type

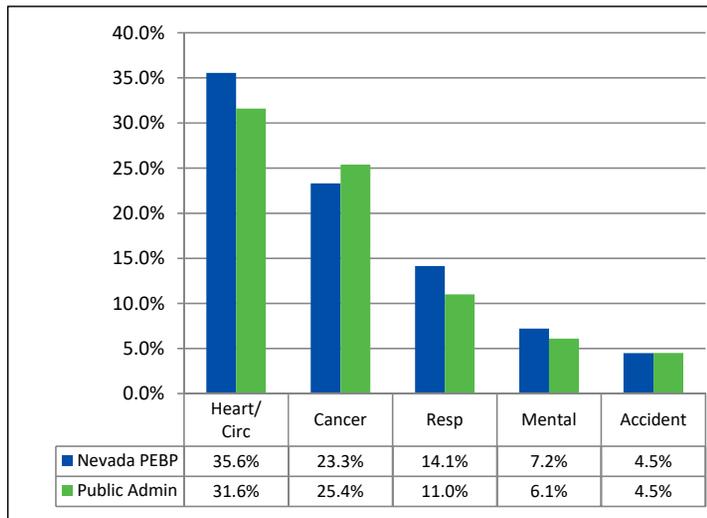
Most Recent Five Plan Years: July 01, 2015 to September 30, 2019

Participant Type	From Jul-15		From Jul-16		From Jul-17		From Jul-18		From Jul-19	
	Through Jun-16		Through Jun-17		Through Jun-18		Through Jun-19		Through Jun-20	
Participant Type	Count	Inc./ 1000								
Actives	41	1.7	51	2.0	41	1.6	46	1.7	7	0.3
Retirees	271	18.4	321	21.6	294	19.4	270	17.2	25	1.6
Totals	312	8.4	372	9.5	335	8.4	316	7.7	32	0.7

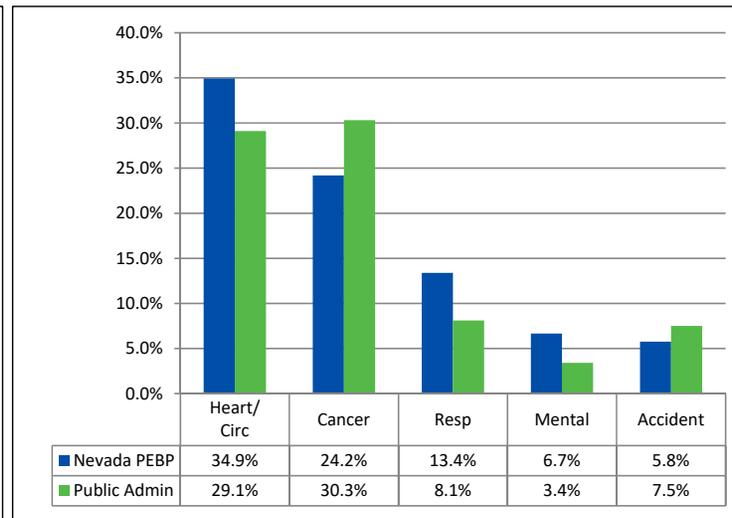
Basic Life Insurance Claims by Diagnostic Category

Public Admin benchmark is from SIC book of business for most recent 5 calendar years

Top Five Diagnostic Categories by Incidence



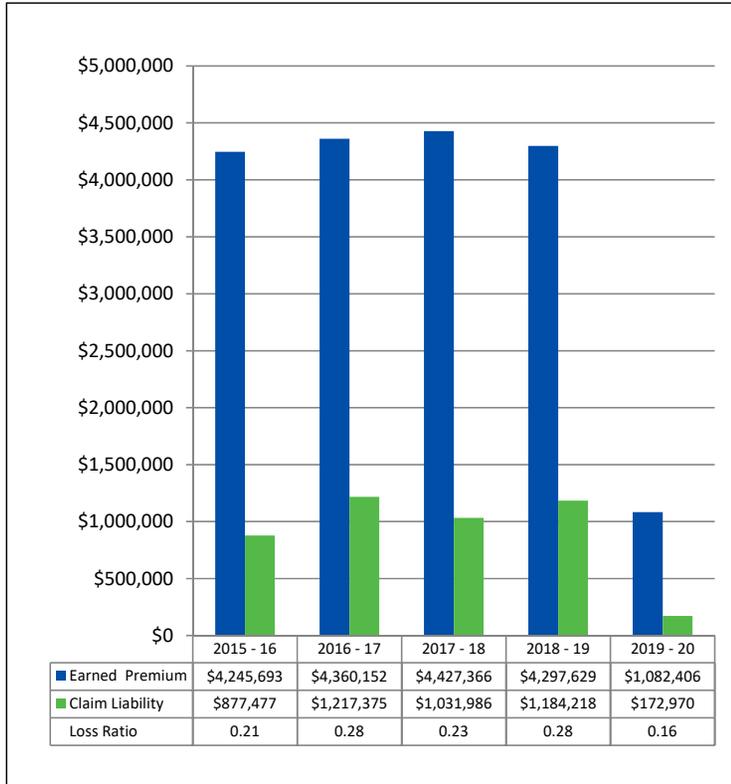
Top Five Diagnostic Categories by Liability



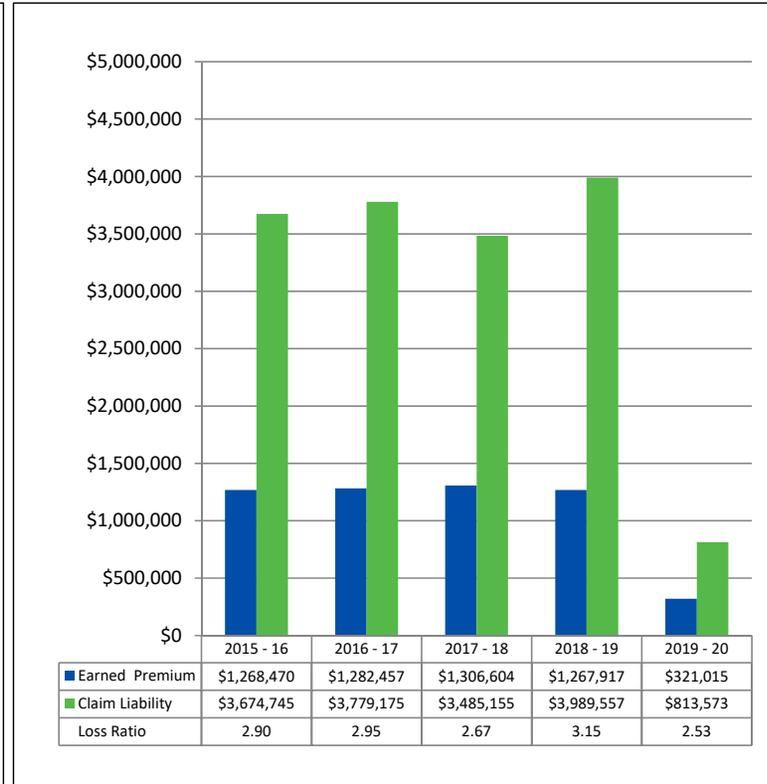
Basic Life Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2015 to September 30, 2019

Active Participants



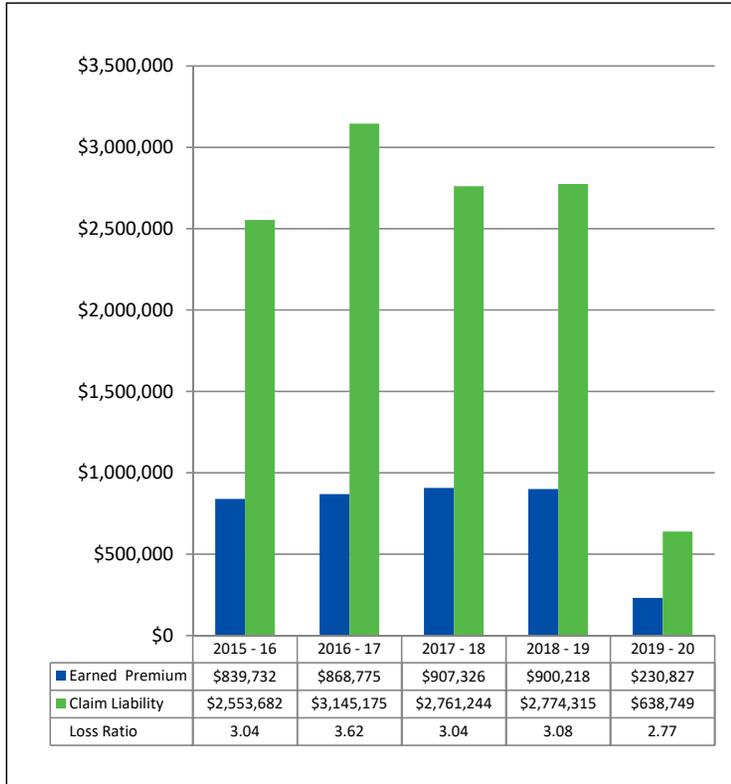
Retired Participants



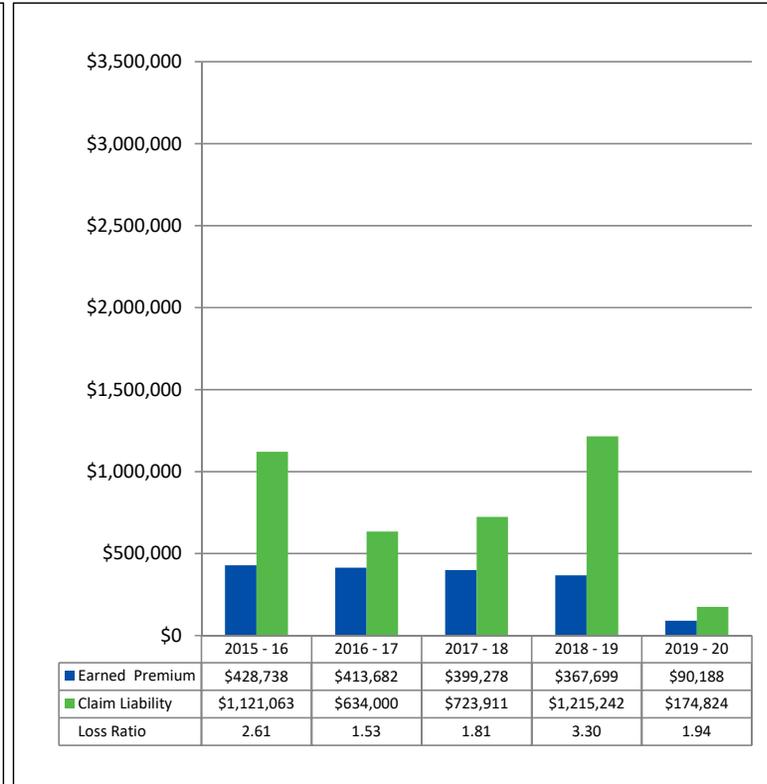
Basic Life Retiree Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2015 to September 30, 2019

State Retired Participants



Non-State Retired Participants



Long Term Disability Claims by Plan Year

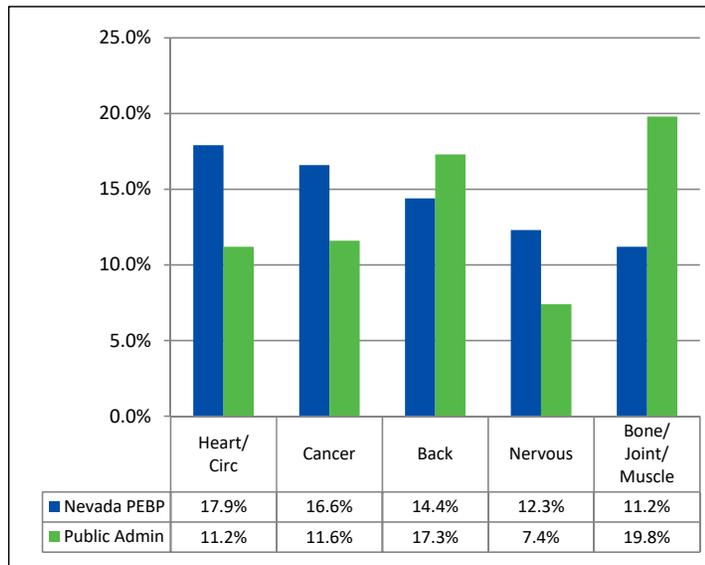
Most Recent Five Plan Years: July 01, 2015 to September 30, 2019

	From Jul-15		From Jul-16		From Jul-17		From Jul-18		From Jul-19	
	Through Jun-16		Through Jun-17		Through Jun-18		Through Jun-19		Through Jun-20	
	Count	Inc./ 1000								
LTD Claims	28	1.1	36	1.4	29	1.1	18	0.7	3	0.1

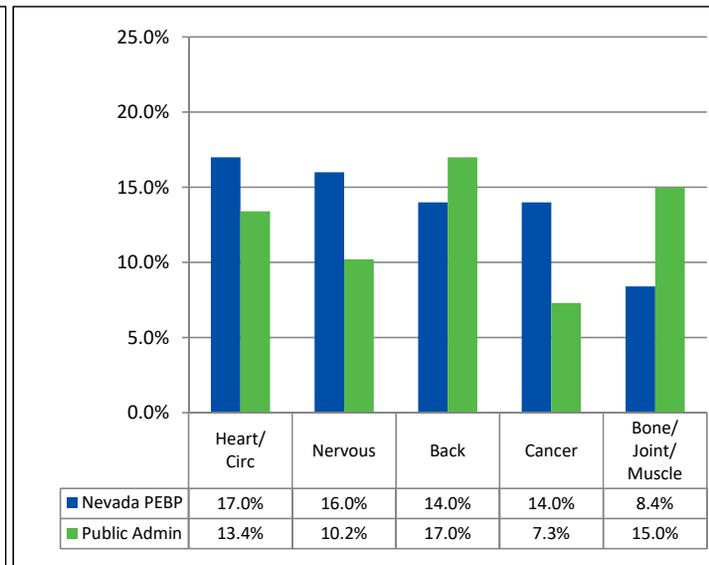
Long Term Disability Claims by Diagnostic Category

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Top Five Diagnostic Categories by Incidence

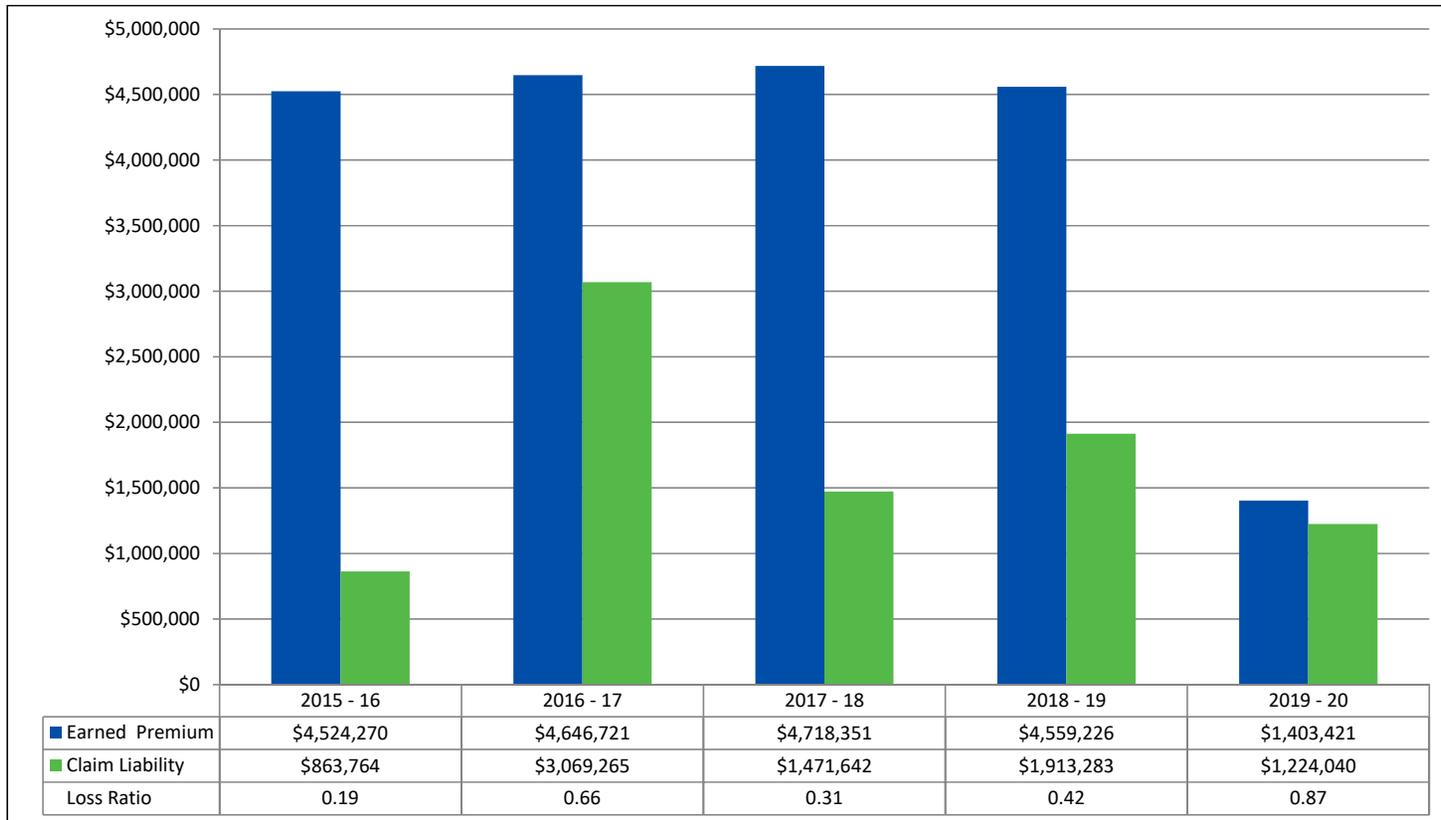


Top Five Diagnostic Categories by Liability



Long Term Disability Earned Premiums & Liability

Most Recent Five Plan Years: July 01, 2015 to September 30, 2019



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Claim Appeals

Quarterly Update for Plan Year to Date July 01, 2019 to September 30, 2019

	In Process	Decision	Decision	Total
		Upheld	Overtured	
Claim Appeals				
Life Insurance Claims	0	0	0	0
Long-Term Disability Claims	0	0	0	0
Short-Term Disability Claims	0	0	0	0
Total Appeals	0	0	0	0

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