

# The Standard

Quarterly Report: Basic Life  
Insurance and Long Term  
Disability:  
Quarter Ending  
March 31, 2020



Board Meeting Date: July 23, 2020

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## Basic Life Insurance & Long Term Disability Executive Summary

Most Recent Five Plan Years: July 01, 2015 to March 31, 2020

This is the third quarter report for the 2019-20 plan year, providing information for the period beginning July 1, 2015 and ending March 31, 2020.

### Basic Life

At this point of the current plan year, Basic Life incidence (page 4) is up down-over-year for active members and for retirees. At this time last year, the overall incidence rate was 4.2 claims/1,000 lives; this year, it has decreased slightly to 4.0. From a loss ratio perspective (page 5), the loss ratio for active members is up from 23% last year to 26% this year. For retirees, the loss ratio is down, from 311% to 242%. Historically, the highest claim activity for PEBP is in the 3rd quarter of the plan year, and so far, the overall claim incidence is slightly down. We will see how the final quarter impacts results.

PEBP's life claims are very consistent year-over-year from a diagnosis standpoint (page 4) when compared to the rest of The Standard's public sector block. Incidence and liability continue to remain higher than our block for Circulatory and Respiratory claims and lower for Cancer.

### Long Term Disability

LTD claim incidence (page 7) is reported on an incurred basis, and claims are charged to the plan year in which a disability started. At this time last year, there were 4 LTD claims for the 2018-19 plan year. For the 2019-20 plan year thus far, we have had 11 claims incurred (almost 3 times compared to the same time period last year). The 2018-19 total plan year resulted in 15 total claims, so we will see what effect the final quarter results end up.

LTD loss ratios (page 8) are reported on a cash basis, without regard for the incurred date. The loss ratio for the 2019-20 plan year is 115%, which is significantly higher than the loss ratio for this period last year of 18% and the entire 2018-19 plan year of 42%. The 115% loss ratio is drastically higher than each of the last 4 plan years as well.

PEBP's LTD incidence for Circulatory and Cancer claims is higher than our block. Cancer liability is also 3 times higher than our public block. PEBP continues to have significantly better liability results for Musculoskeletal claims when compared to our block, by almost 50%

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## Basic Life Insurance Claims by Plan Year and Participant Type

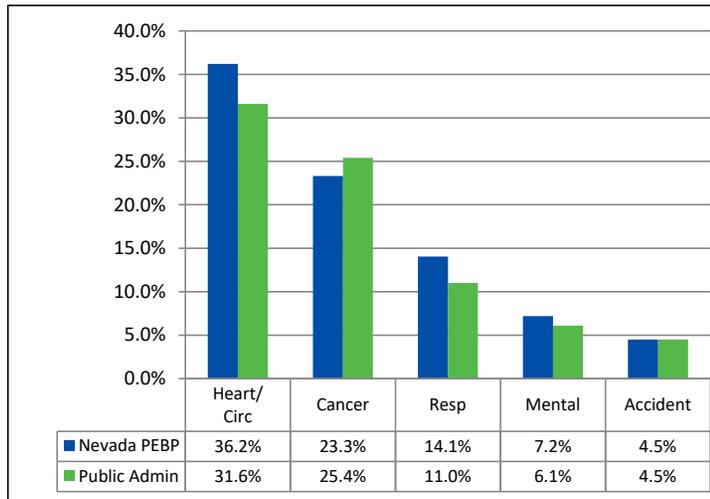
Most Recent Five Plan Years: July 01, 2015 to March 31, 2020

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	47	1.8	25	0.9
Retirees	271	18.4	321	21.6	294	19.4	273	17.4	145	9.2
Totals	312	8.4	372	9.5	335	8.4	320	7.8	170	4.0

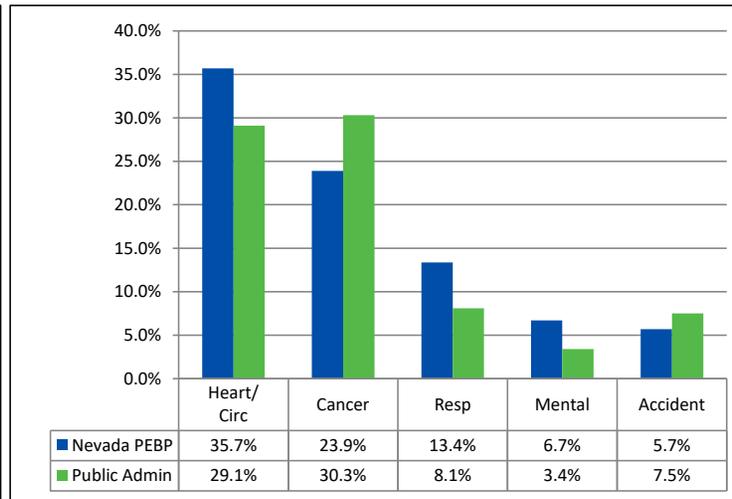
## Basic Life Insurance Claims by Diagnostic Category

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

Top Five Diagnostic Categories by Incidence



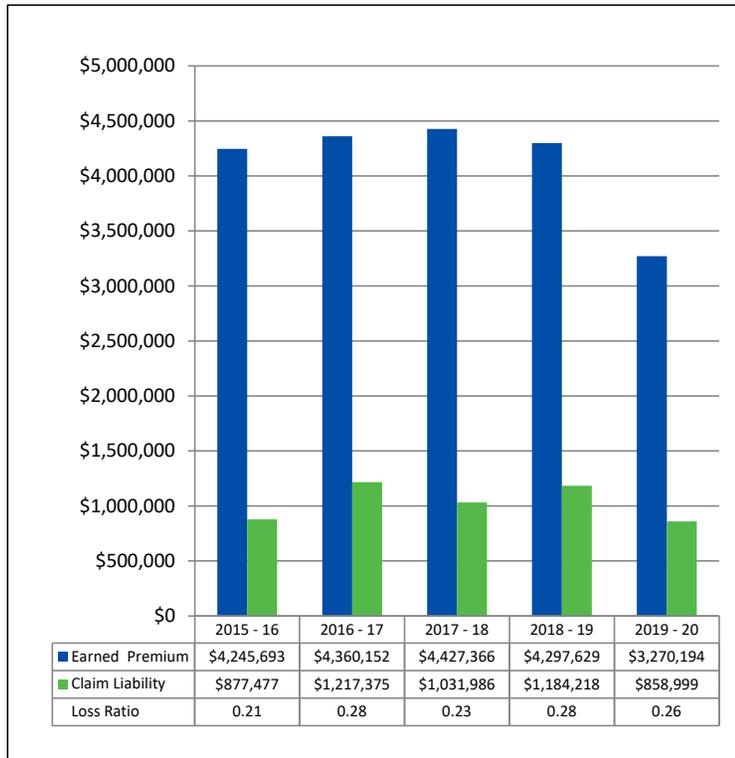
Top Five Diagnostic Categories by Liability



## Basic Life Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2015 to March 31, 2020

### Active Participants



### Retired Participants



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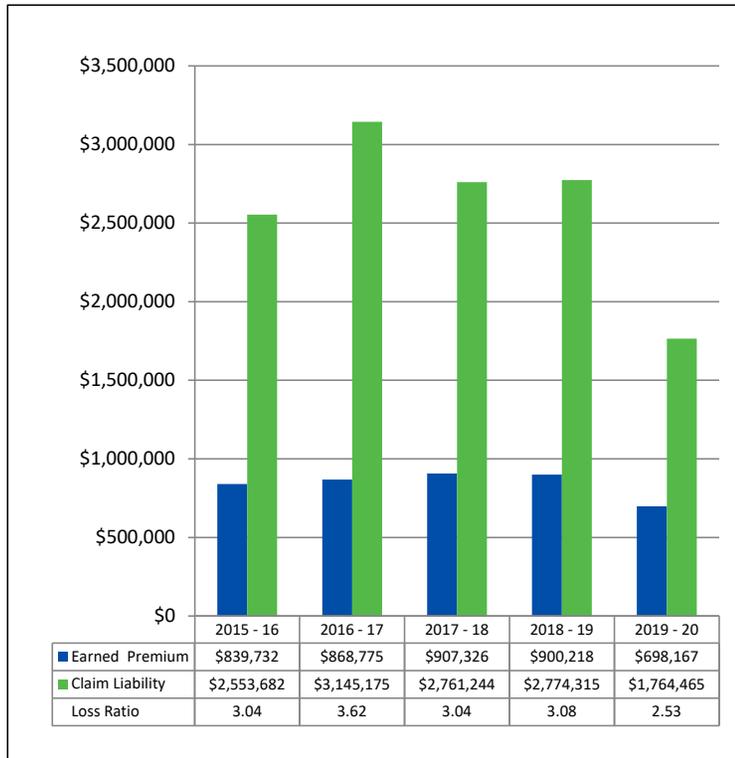
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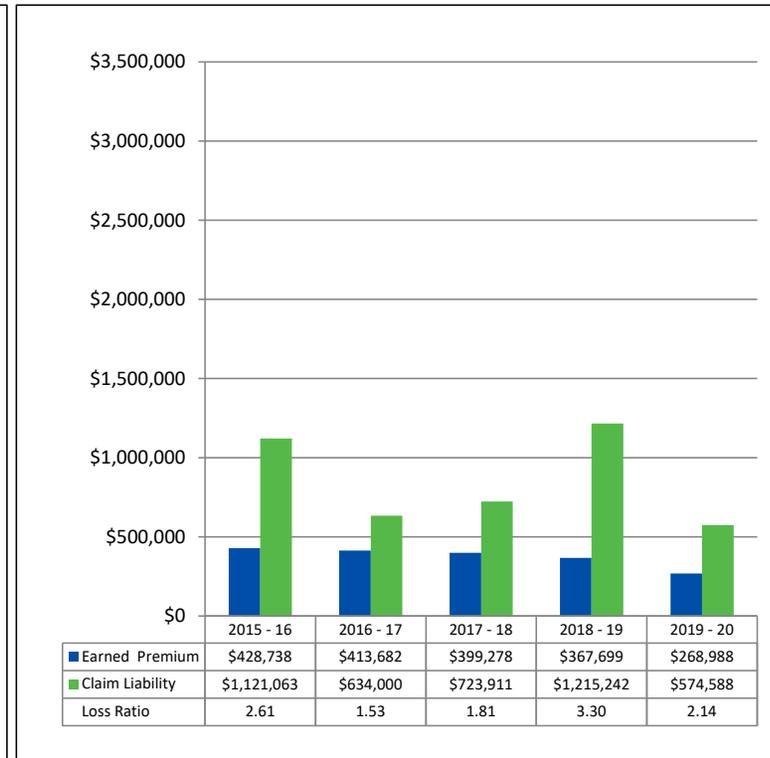
## Basic Life Retiree Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2015 to March 31, 2020

### State Retired Participants



### Non-State Retired Participants



## Long Term Disability Claims by Plan Year

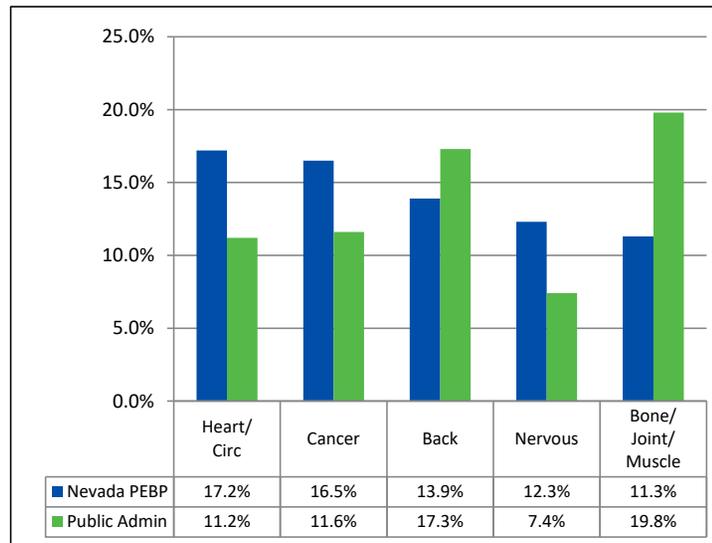
Most Recent Five Plan Years: July 01, 2015 to March 31, 2020

	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	29	1.2	36	1.4	29	1.1	24	0.9	11	0.4

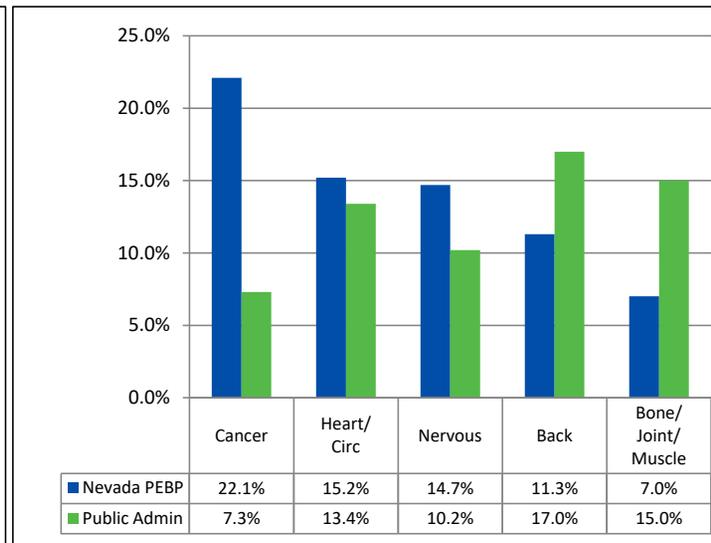
## Long Term Disability Claims by Diagnostic Category

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

Top Five Diagnostic Categories by Incidence

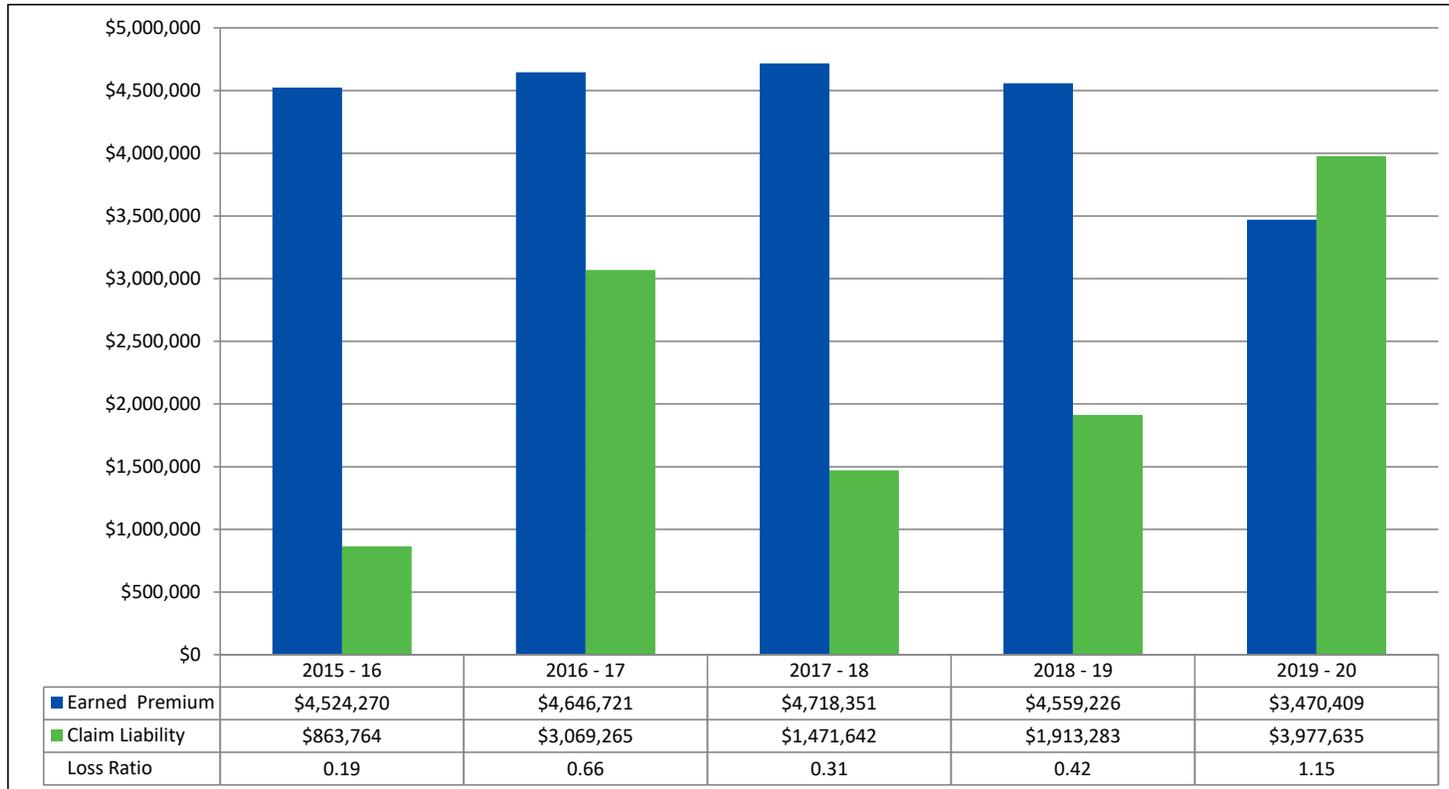


Top Five Diagnostic Categories by Liability



## Long Term Disability Earned Premiums & Liability

Most Recent Five Plan Years: July 01, 2015 to March 31, 2020



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## Claim Appeals

Quarterly Update for Plan Year to Date July 01, 2019 to March 31, 2020

	In Process	Decision		Total
		Upheld	Overtured	
<b>Claim Appeals</b>				
Life Insurance Claims	0	0	0	0
Long-Term Disability Claims	0	1	1	2
Short-Term Disability Claims	0	0	0	0
<b>Total Appeals</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>

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