

# The Standard

Quarterly Report: Basic Life  
Insurance and Long Term  
Disability:  
Quarter Ending  
June 30, 2020



Board Meeting Date: September 24, 2020

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## **Basic Life Insurance & Long Term Disability Executive Summary**

Most Recent Five Plan Years: July 01, 2015 to June 30, 2020

This is the final report for the 2019-20 plan year, providing updated information for the period beginning July 1, 2015 and ending June 30, 2020.

### **Basic Life**

Basic Life claim incidence and loss ratios decreased slightly in the 2019-20 plan year compared to the prior plan year. Incidence (page 4) was down slightly for actives (1.4 compared to 1.5/1,000) and retirees (13.2 compared to 14.8/1,000). The loss ratios (page 5) for actives and retirees both trended down, with the active loss ratio down slightly at 27% compared to 28% last year and retiree loss ratio more significantly at 254% compared to 315%. The overall loss ratio for Basic Life decreased for this period, 78% compared to 93% last year. The Basic Life plan suffered a small loss of \$22,600 for the plan year compared to a negative \$651,000 last year, so the experience has improved compared to the prior plan year.

When looking at the retiree liability for the plan year, the incidence has decreased from 276 claims/\$1,000 for the prior plan year to 208 claims for this plan year. Although the loss ratio still remains high for the retiree plan overall, both the state and non-state retiree loss ratios decreased this plan year compared to the prior plan year, 260% compared to 308% for state retirees and 240% compared to 330% for non-state retirees (page 6).

### **Long Term Disability**

LTD claim incidence (page 7) is reported on an incurred basis; claims are charged to the plan year in which the disability began. While we do not have complete information, it appears the 2019-20 plan year may result in a decrease in incidence, 19 claims for this plan year versus 25 for the prior plan year based on the most recent claim data.

LTD loss ratios (page 8) are reported on a cash basis, without regard for incurred date. The loss ratio for the 2019-20 plan year (96%) was up over the 2018-19 plan year (42%). Despite the decrease in claim incidence, the claim liability is significantly higher, over double compared to the prior year.

For the 2019-20 plan year, LTD claims and expenses exceeded premiums by \$1.4 million, increasing the all year's deficit to \$4.8 million.

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

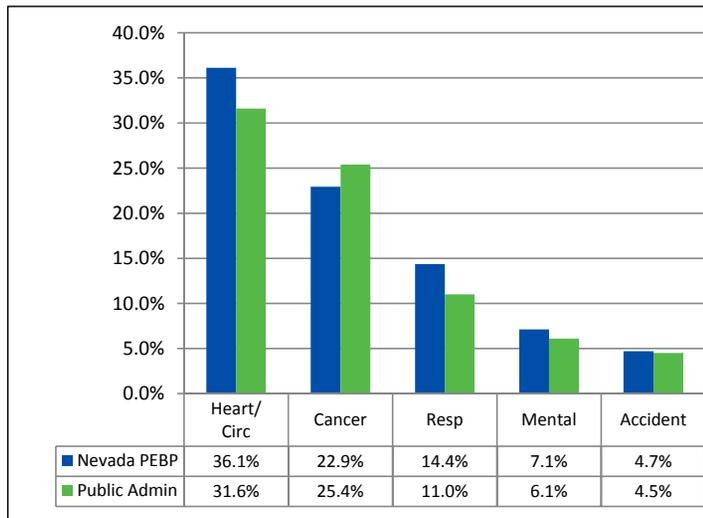
Most Recent Five Plan Years: July 01, 2015 to June 30, 2020

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	38	1.4
Retirees	274	18.6	325	21.8	295	19.5	276	17.6	208	13.2
Totals	315	8.5	376	9.6	336	8.4	323	7.9	246	5.7

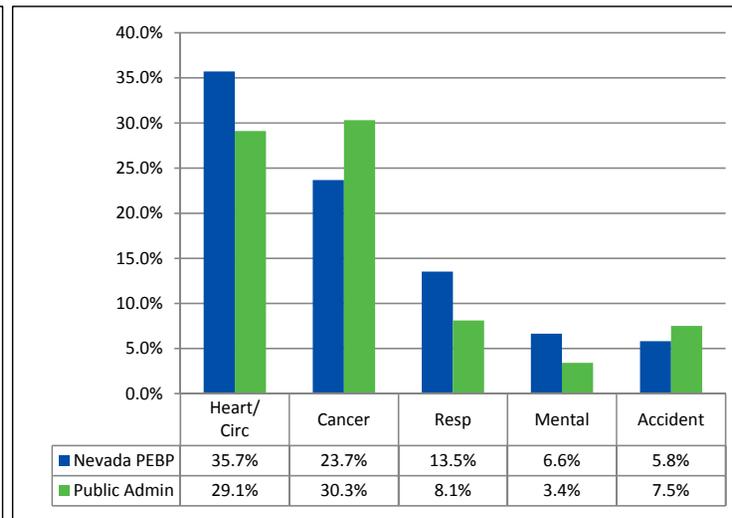
## Basic Life Insurance Claims by Diagnostic Category

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

Top Five Diagnostic Categories by Incidence



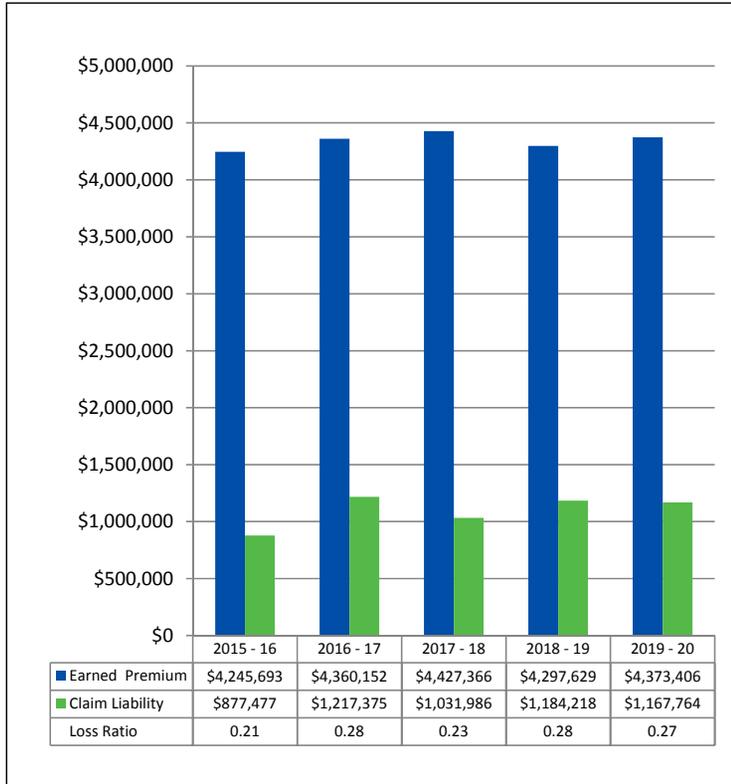
Top Five Diagnostic Categories by Liability



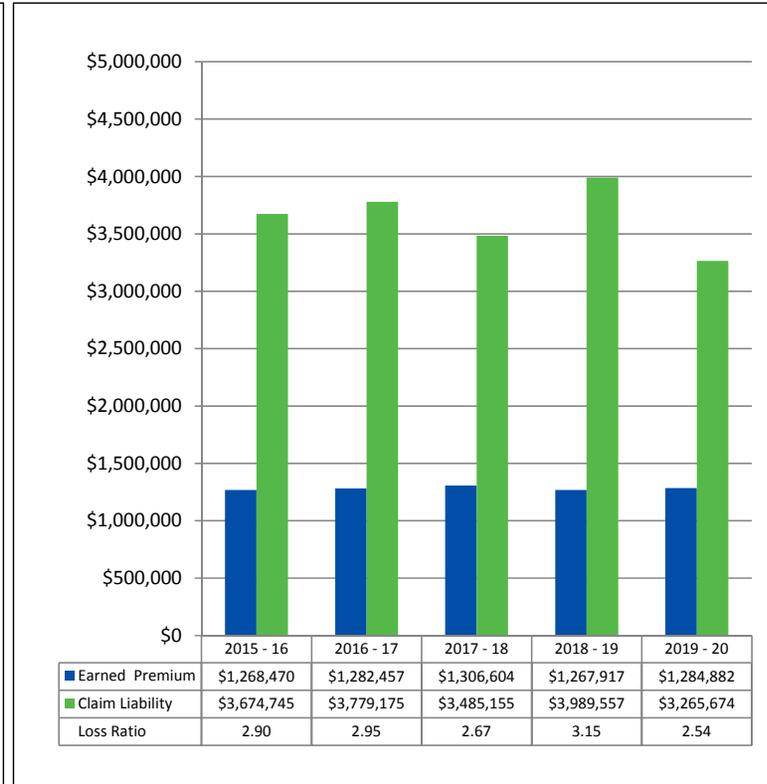
## Basic Life Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2015 to June 30, 2020

### Active Participants



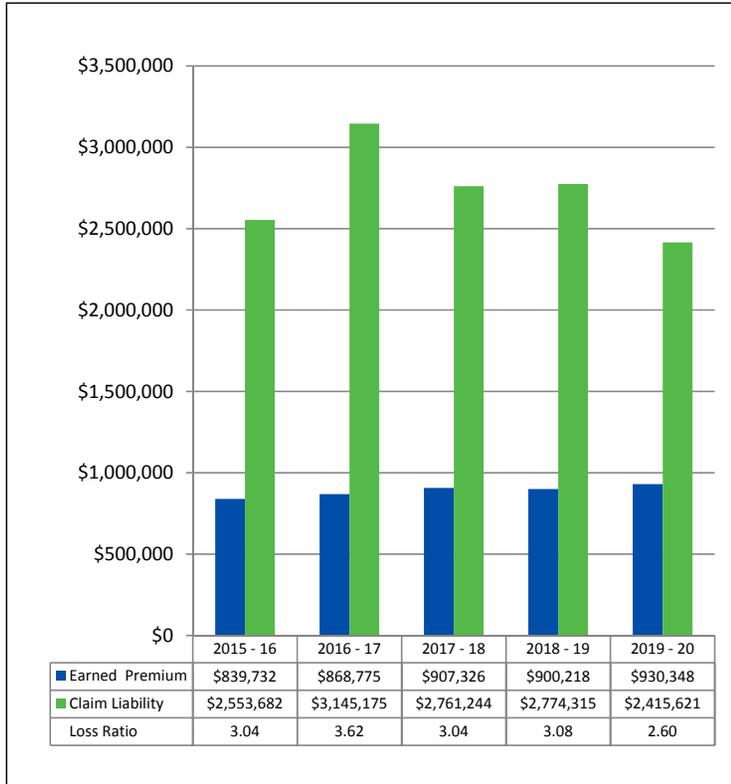
### Retired Participants



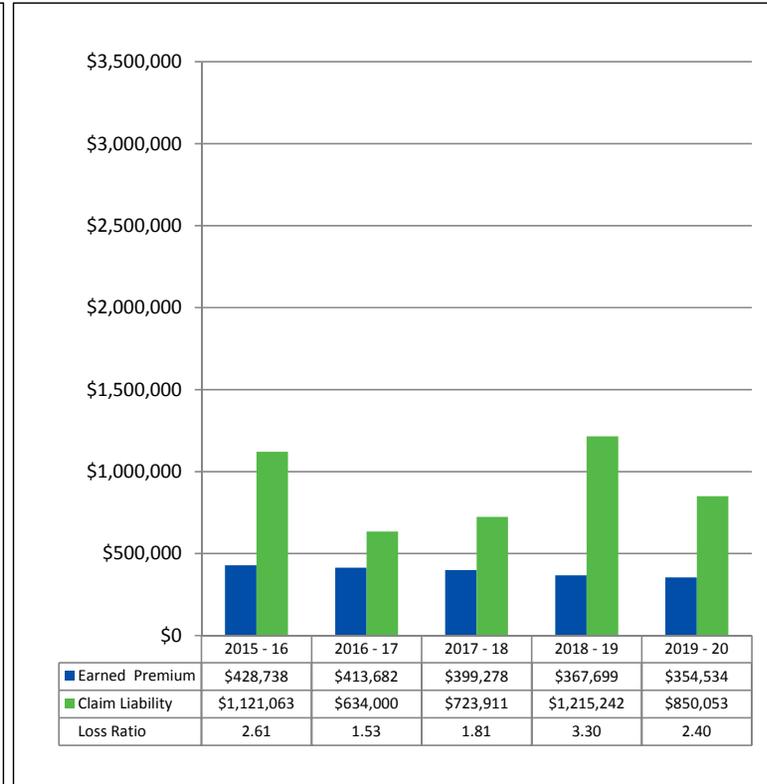
## Basic Life Retiree Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2015 to June 30, 2020

### State Retired Participants



### Non-State Retired Participants



## Long Term Disability Claims by Plan Year

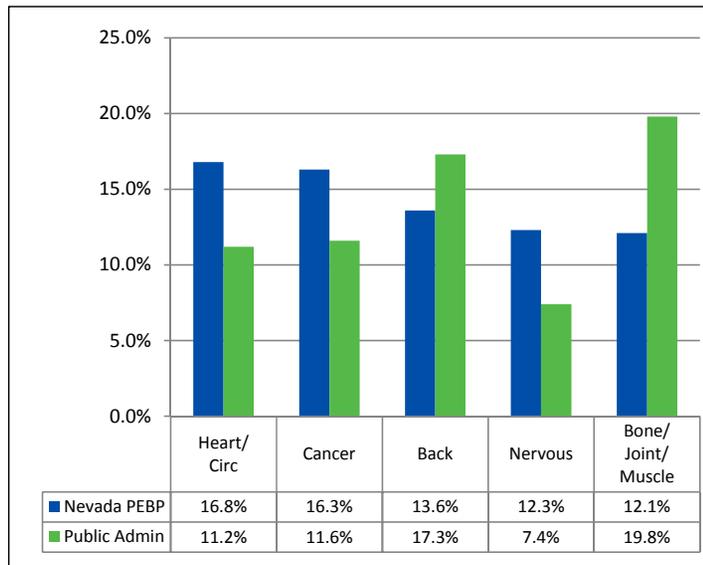
Most Recent Five Plan Years: July 01, 2015 to June 30, 2020

	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	25	1.0	19	0.7

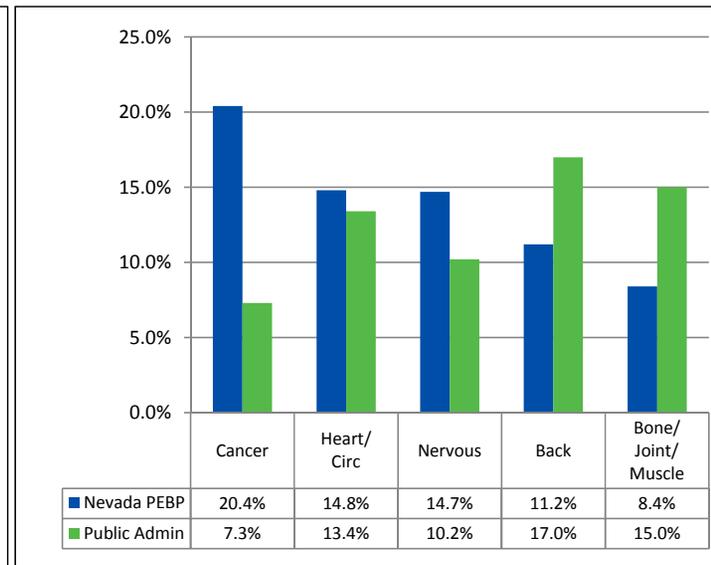
## Long Term Disability Claims by Diagnostic Category

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

Top Five Diagnostic Categories by Incidence

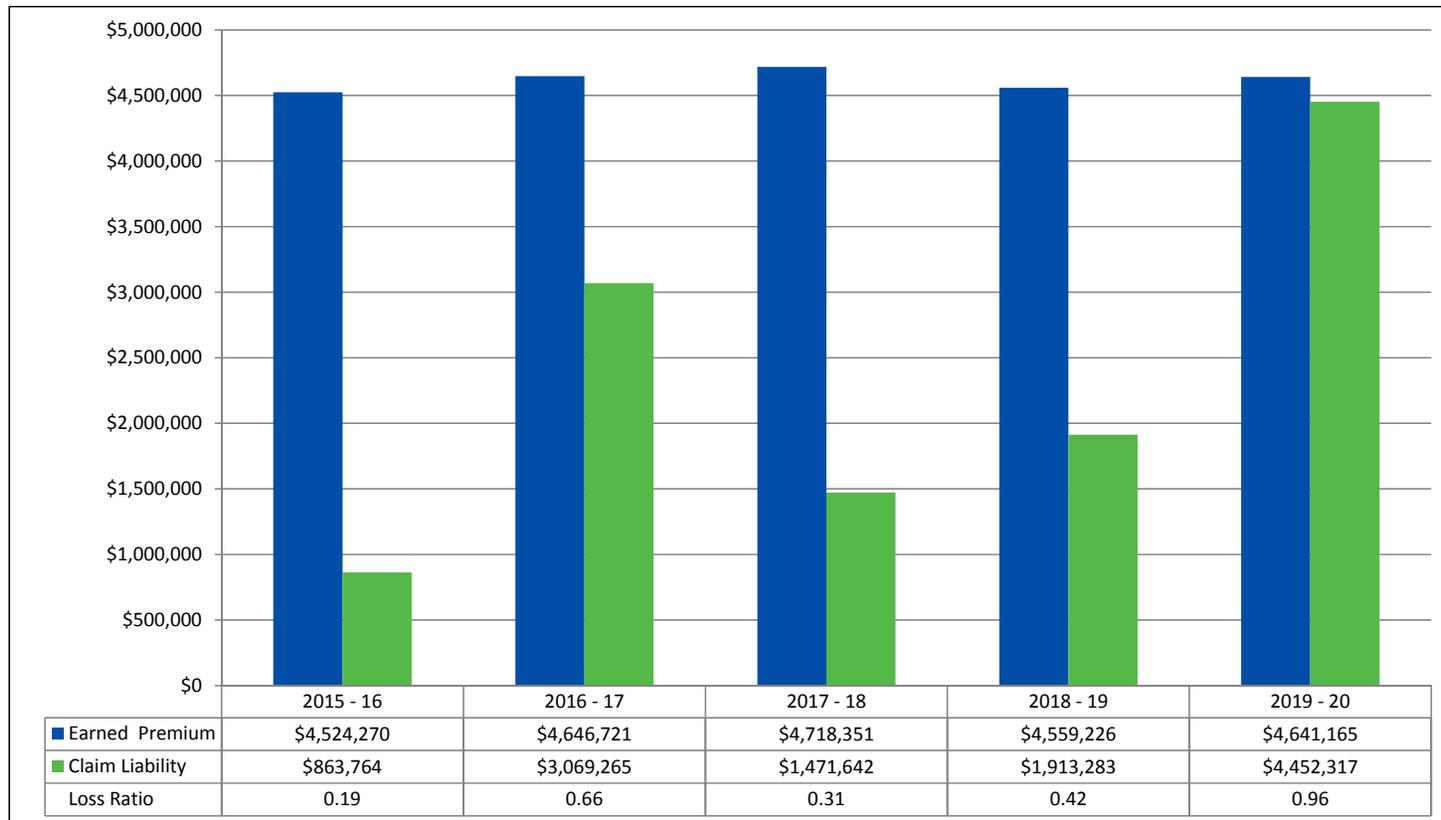


Top Five Diagnostic Categories by Liability



## Long Term Disability Earned Premiums & Liability

Most Recent Five Plan Years: July 01, 2015 to June 30, 2020



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## Claim Appeals

Quarterly Update for Plan Year to Date July 01, 2019 to June 30, 2020

Claim Appeals	In Process	Decision	Decision	Total
		Upheld	Overtured	
Life Insurance Claims	0	0	0	0
Long-Term Disability Claims	0	2	1	3
Short-Term Disability Claims	0	0	0	0
<b>Total Appeals</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</b>

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