

The Standard

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



Board Meeting Date: November 23, 2020

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Basic Life Insurance & Long Term Disability Executive Summary

Most Recent Five Plan Years: July 01, 2016 to September 30, 2020

This is the initial report for the 2020-21 plan year, providing information for the most recent 5-year plan period, beginning July 1, 2016 and ending September 30, 2020.

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. There were 5 employee claims incurred during the first quarter, along with 31 retiree claims. For the recently completed 2019-20 plan year, the overall Basic Life incidence was down, 5.7 claims per 1,000 insureds compared to the most recent five-year average of 8.0. Incidence for both employees and retirees contributed to those results with active employees at 1.4 claims and retirees at 13.2 claims per 1,000, compared to five-year averages of 1.7 and 18.14, respectively.

The Basic Life loss ratio for active employees (page 5) for the most recent quarter was 24%. For the 2019-20 plan year, the loss ratio for active employees was 27%, a slight decrease from the prior year which was 28%. Retirees resulted in a 377% loss ratio for the most recent quarter, compared to a 254% loss ratio for the 2019-20 plan year. Overall, the most recent quarter's combined Basic Life loss ratio was 105%, compared to most recent 2019-20 plan year loss ratio of 78%.

Long Term Disability

With only one quarter of information, there is little credibility to LTD claim experience for the current plan year. We approved 1 new claim incurred during the quarter. Low claim incidence is common in the first quarter results when you look at the same periods in prior years. LTD claim incidence (page 7) for the 2019-20 plan year resulted in 21 new claims during the entire plan year, an incidence of 0.8 claims per 100, below the five-year average of 1.08.

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 resulted in 96%. This trended higher than the 42% loss ratio in the 2018-2019 plan year. The first quarter loss ratio is 0% for the 2020-21 plan year. This is primarily due to a significant decrease in active claim reserves offsetting the total claim cost for this period.

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Basic Life Insurance Claims by Plan Year and Participant Type

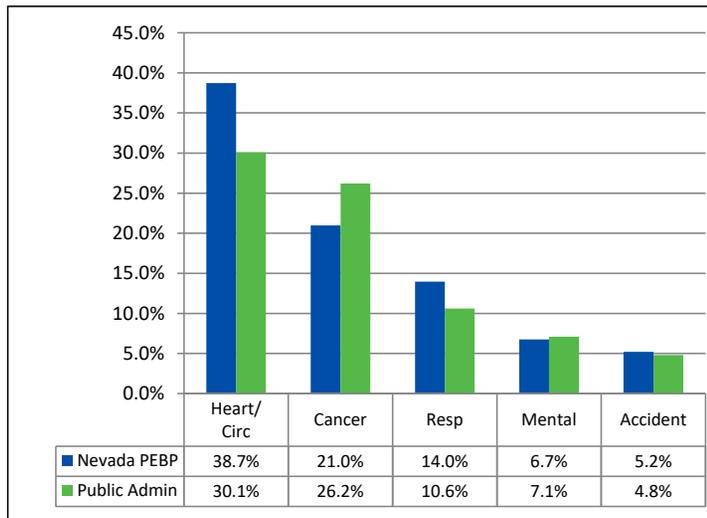
Most Recent Five Plan Years: July 01, 2016 to September 30, 2020

Participant Type	From Jul-16		From Jul-17		From Jul-18		From Jul-19		From Jul-20	
	Through Jun-17		Through Jun-18		Through Jun-19		Through Jun-20		Through Jun-21	
Participant Type	Count	Inc./ 1000								
Actives	51	2.0	41	1.6	47	1.8	46	1.7	5	0.2
Retirees	325	21.8	295	19.5	278	17.7	272	17.2	31	1.9
Totals	376	9.6	336	8.4	325	7.9	318	7.4	36	0.8

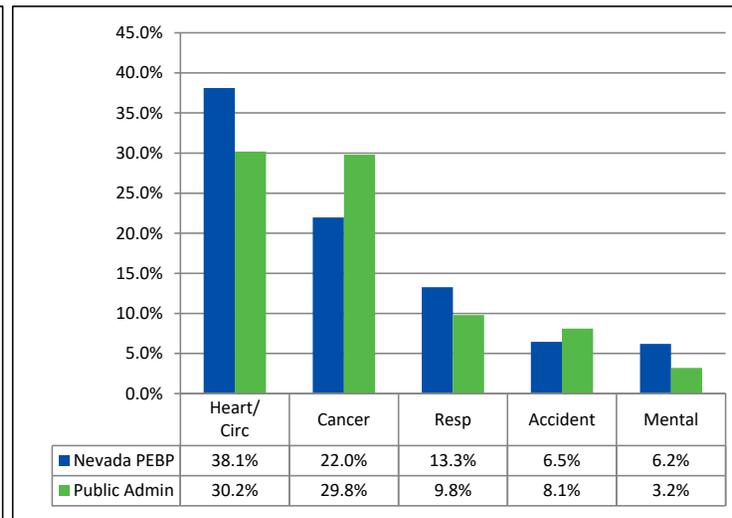
Basic Life Insurance Claims by Diagnostic Category

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

Top Five Diagnostic Categories by Incidence



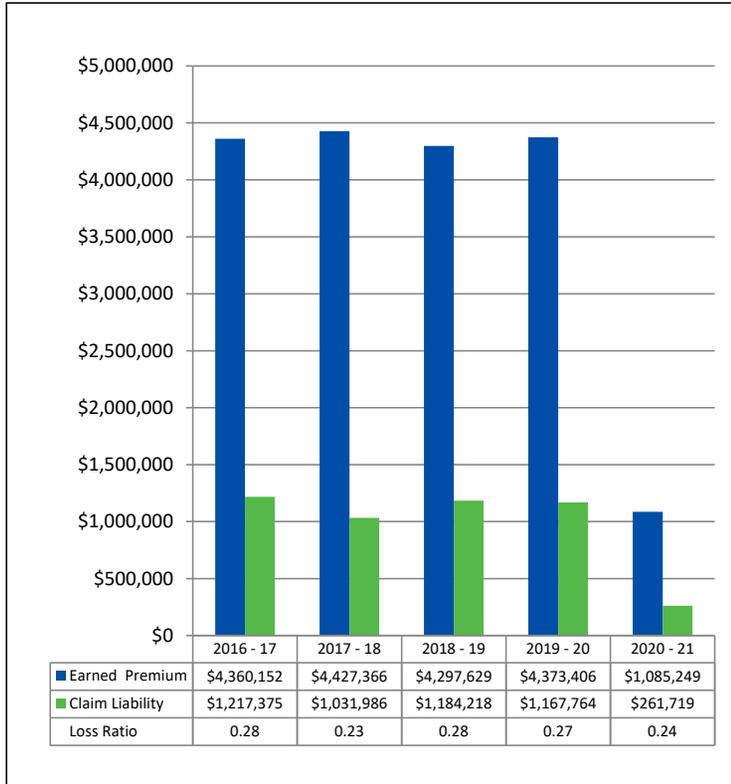
Top Five Diagnostic Categories by Liability



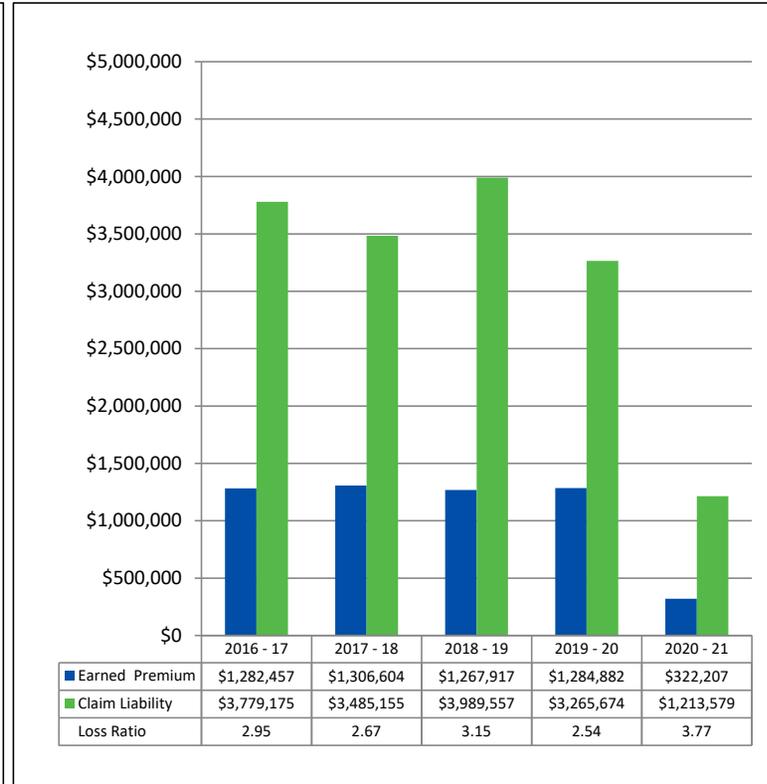
Basic Life Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2016 to September 30, 2020

Active Participants



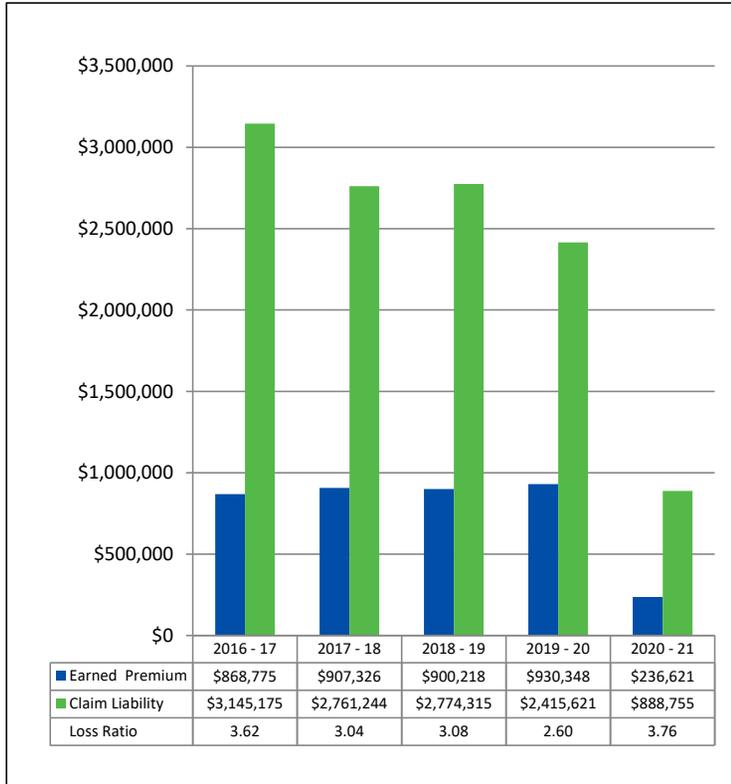
Retired Participants



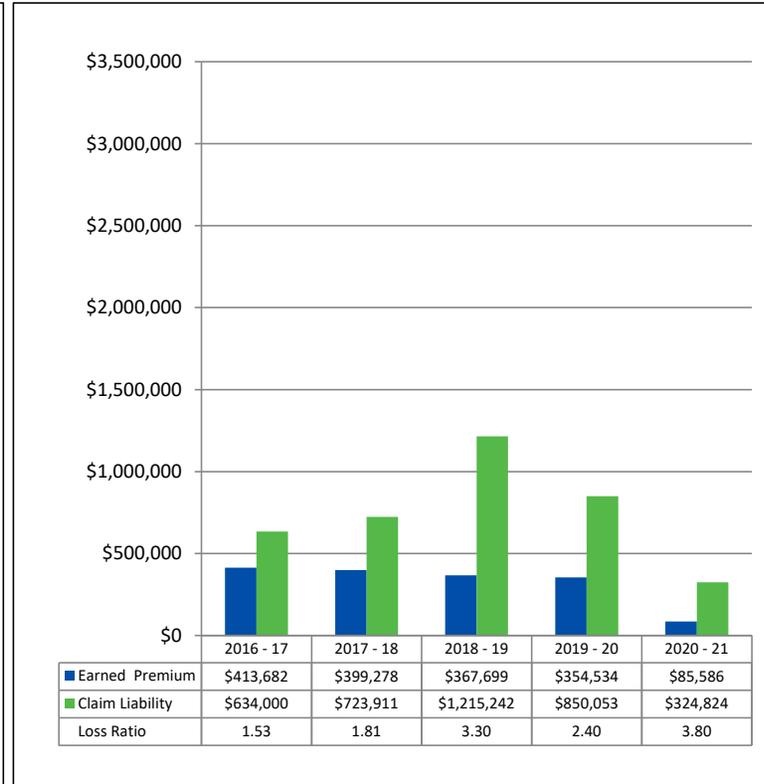
Basic Life Retiree Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2016 to September 30, 2020

State Retired Participants



Non-State Retired Participants



Long Term Disability Claims by Plan Year

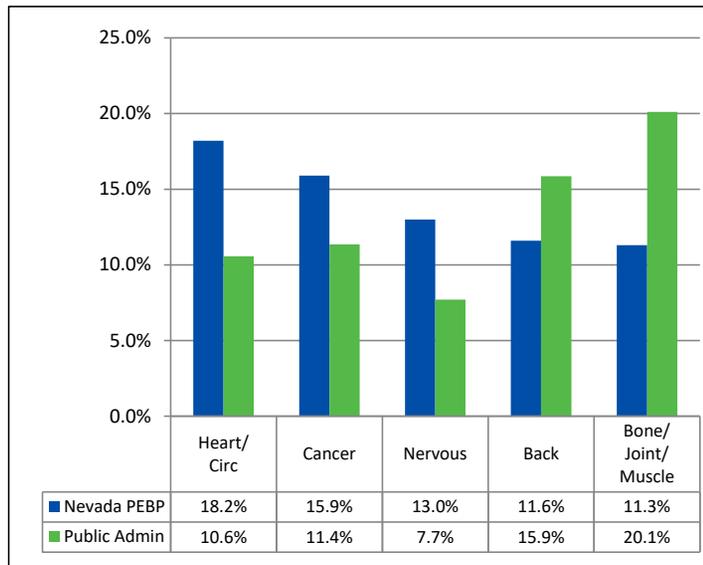
Most Recent Five Plan Years: July 01, 2016 to September 30, 2020

	From Jul-16		From Jul-17		From Jul-18		From Jul-19		From Jul-20	
	Through Jun-17		Through Jun-18		Through Jun-19		Through Jun-20		Through Jun-21	
	Count	Inc./ 1000								
LTD Claims	36	1.4	29	1.1	25	1.0	21	0.8	1	0.0

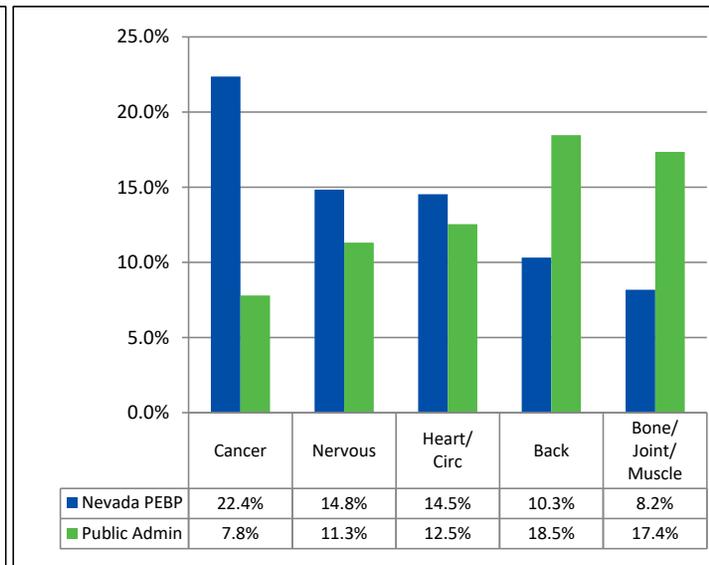
Long Term Disability Claims by Diagnostic Category

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Top Five Diagnostic Categories by Incidence

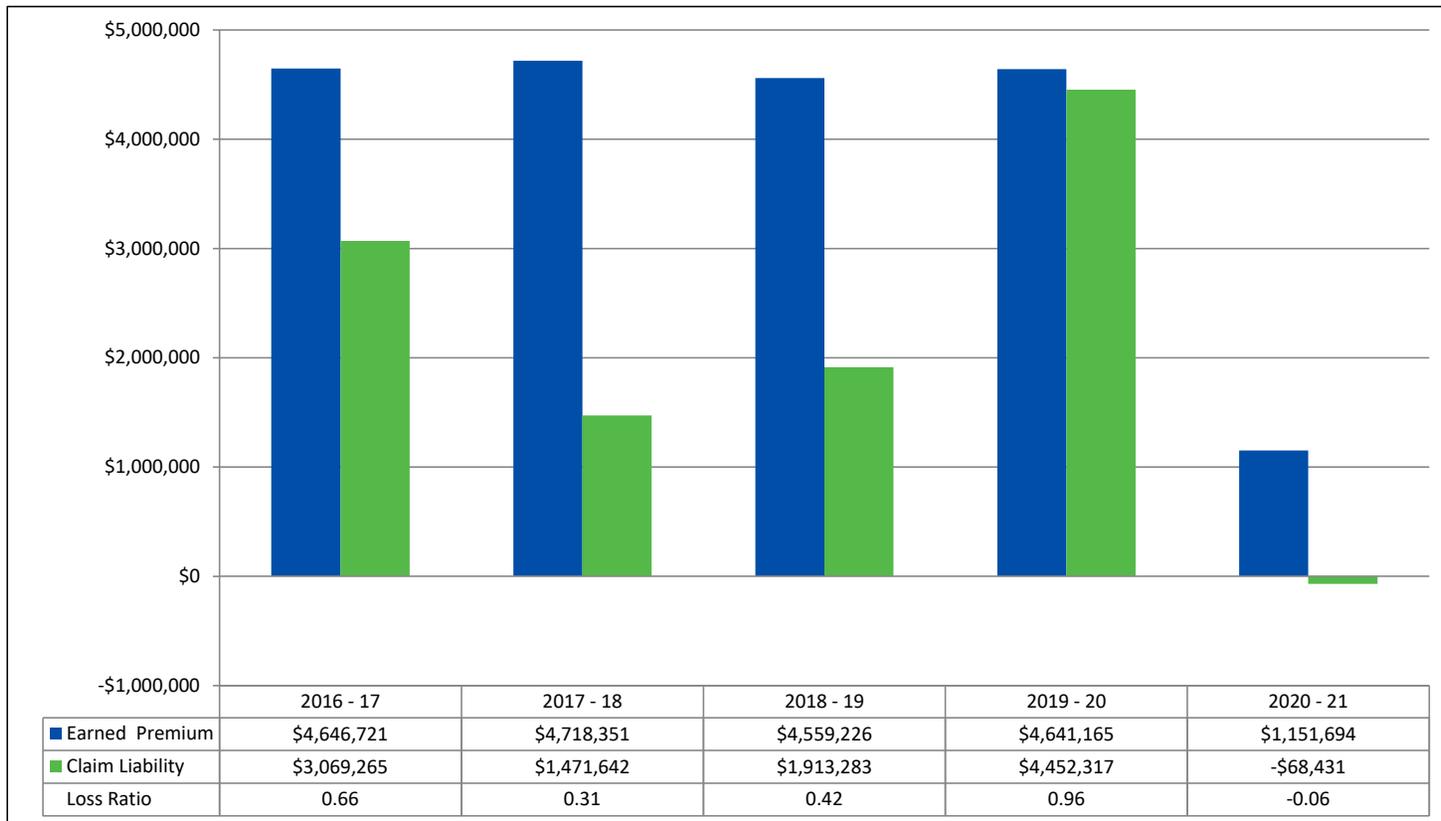


Top Five Diagnostic Categories by Liability



Long Term Disability Earned Premiums & Liability

Most Recent Five Plan Years: July 01, 2016 to September 30, 2020



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Claim Appeals

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

	In Process	Decision	Decision	Total
		Upheld	Overtured	
Claim Appeals				
Life Insurance Claims	0	0	0	0
Long-Term Disability Claims	0	1	0	1
Short-Term Disability Claims	0	0	0	0
Total Appeals	0	1	0	1

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