

# The Standard

Quarterly Report: Basic Life  
Insurance and Long Term  
Disability:  
Quarter Ending  
March 31, 2021



Board Meeting Date: July 22, 2021

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

Most Recent Five Plan Years: July 01, 2016 to March 31, 2021

This is the third quarter report for the 2020-21 plan year, providing information for the period beginning July 1, 2016 and ending March 31, 2021.

### **Basic Life**

At this point of the current plan year, Basic Life incidence (page 4) is up year-over-year for active members and for retirees. At this time last year, the overall incidence rate was 4.0 claims/1,000 lives; this year, it has increased to 5.4. From a loss ratio perspective (page 5), the loss ratio for active members is up from 26% last year to 33% this year. For retirees, the loss ratio is up, from 242% to 362%. Historically, the highest claim activity for PEBP is in the 3rd quarter of the plan year, and so far, the overall claim incidence is higher. 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 slightly 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 11 new LTD claims for the 2019-20 plan year. For the 2020-21 plan year thus far, we have had 8 new claims incurred (down from the same time period last year). The 2019-20 total plan year resulted in 25 total claims, so we will see how 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 2020-21 plan year is 16%, which is significantly lower than the loss ratio for this period last year of 115% and the entire 2019-20 plan year of 96%. The 16% loss ratio is much lower than each of the last 4 plan years as well, driven by a positive change in active claim reserves.

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

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

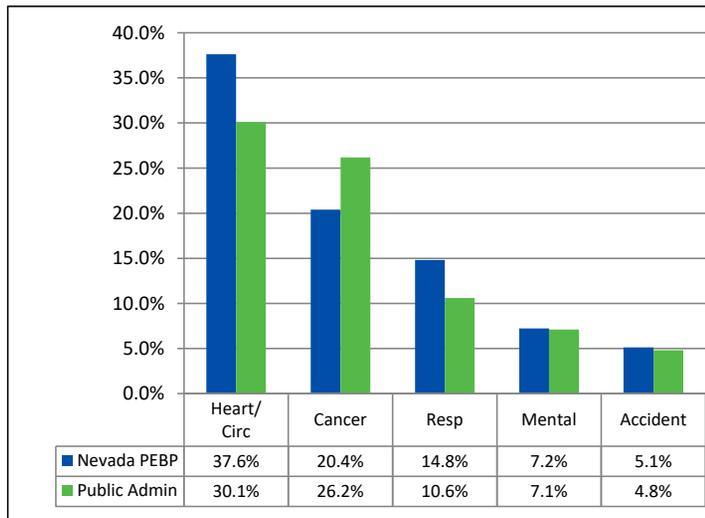
Most Recent Five Plan Years: July 01, 2016 to March 31, 2021

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	47	1.7	39	1.5
Retirees	325	21.8	295	19.5	279	17.8	296	18.8	190	11.9
Totals	376	9.6	336	8.4	326	7.9	343	8.0	229	5.4

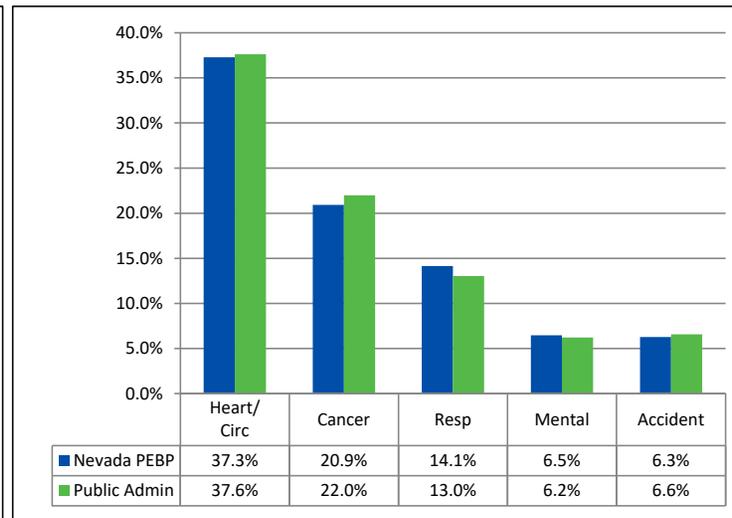
## Basic Life Insurance Claims by Diagnostic Category

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

Top Five Diagnostic Categories by Incidence



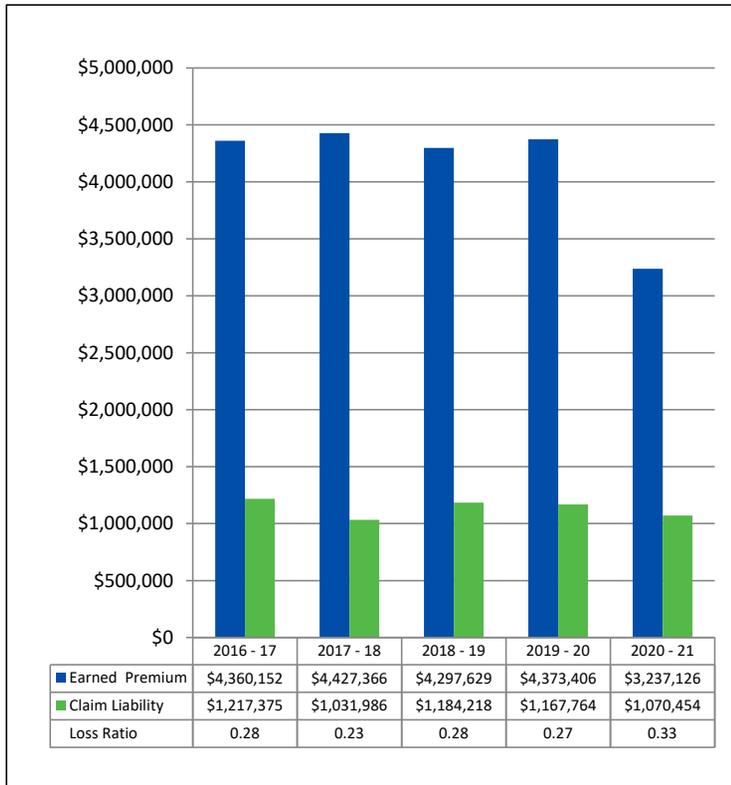
Top Five Diagnostic Categories by Liability



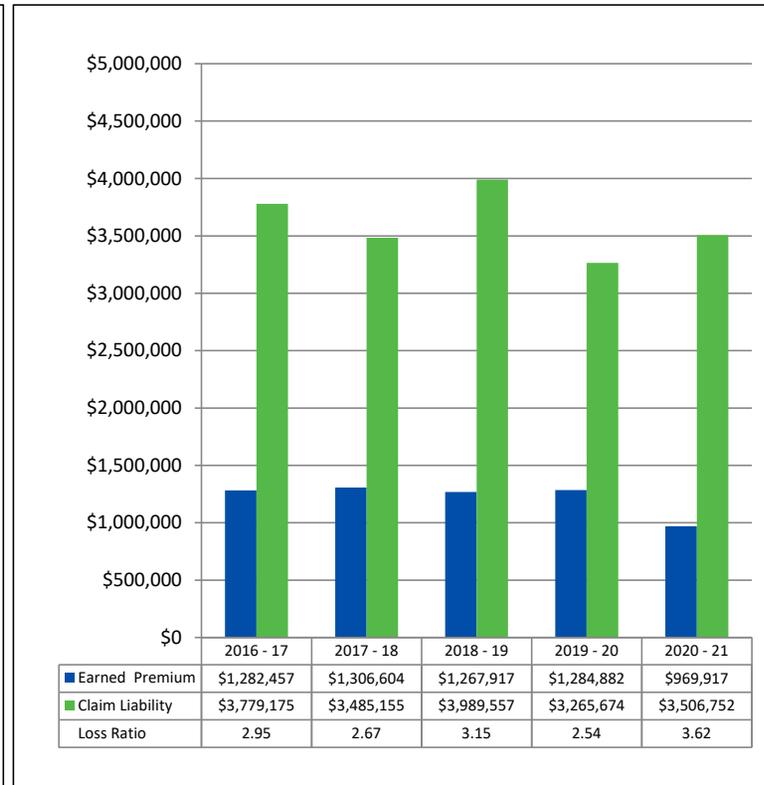
## Basic Life Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2016 to March 31, 2021

### Active Participants



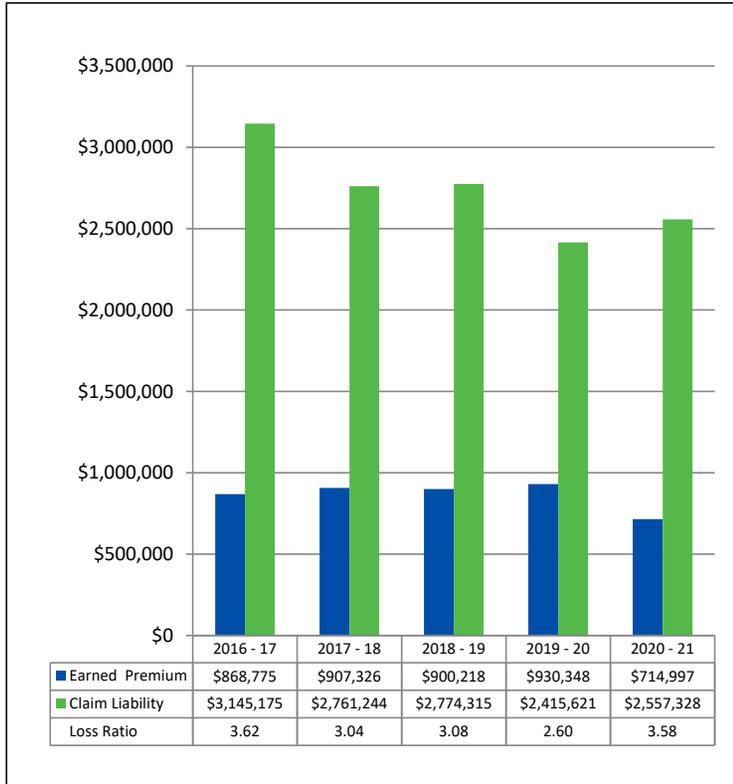
### Retired Participants



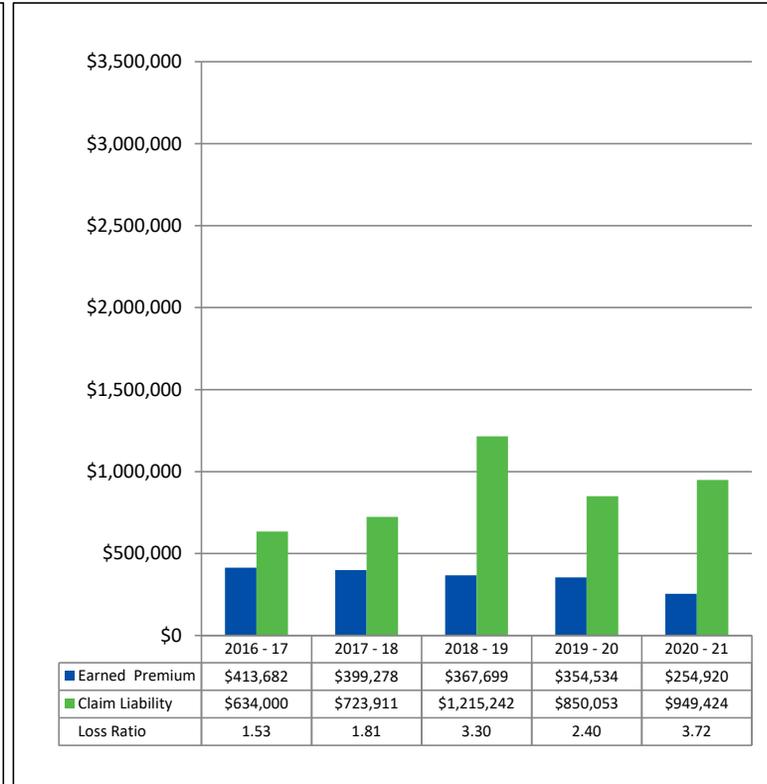
## Basic Life Retiree Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2016 to March 31, 2021

### State Retired Participants



### Non-State Retired Participants



## Long Term Disability Claims by Plan Year

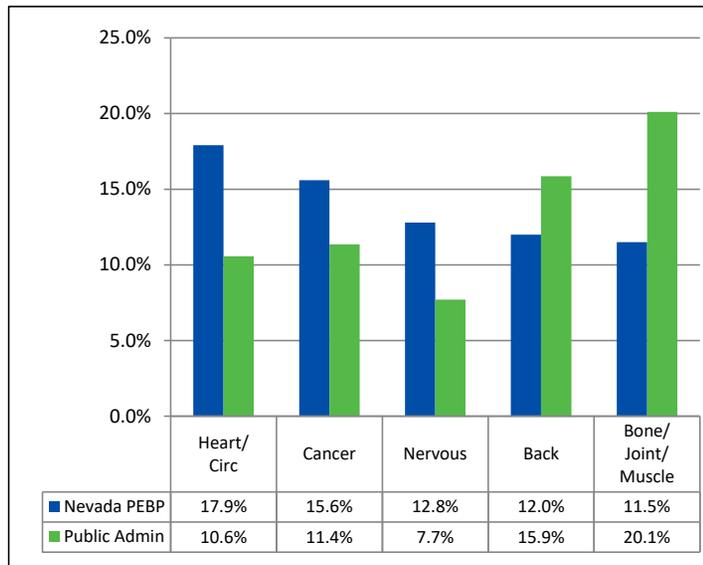
Most Recent Five Plan Years: July 01, 2016 to March 31, 2021

	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	26	1.0	25	0.9	8	0.3

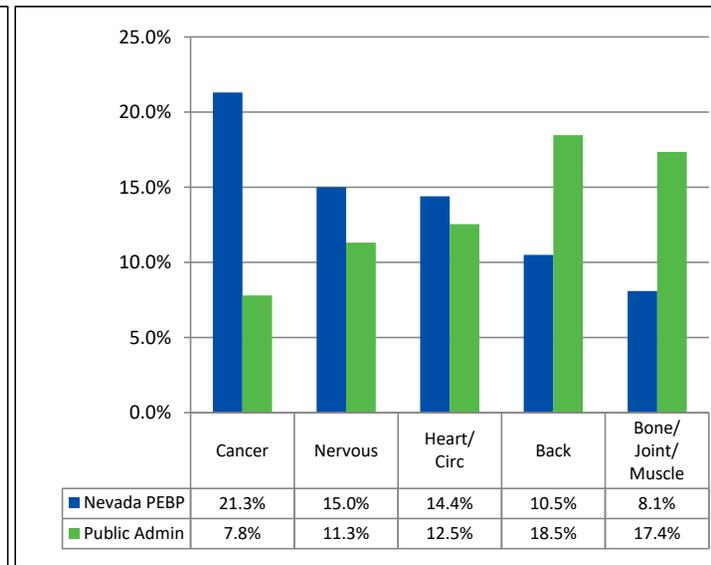
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Public Admin benchmark is from SIC book of business for most recent 5 calendar years

Top Five Diagnostic Categories by Incidence

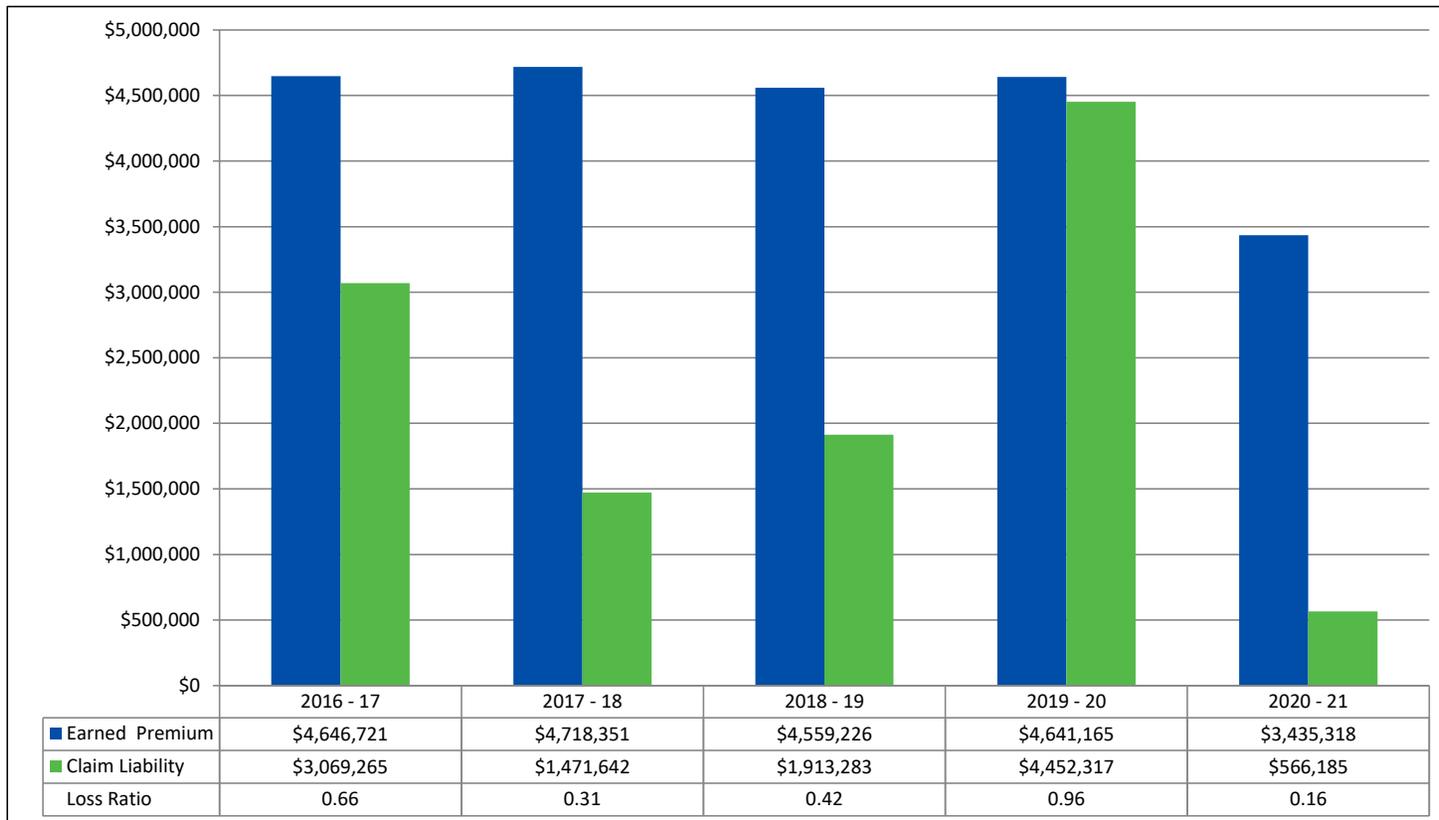


Top Five Diagnostic Categories by Liability



## Long Term Disability Earned Premiums & Liability

Most Recent Five Plan Years: July 01, 2016 to March 31, 2021



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## Claim Appeals

Quarterly Update for Plan Year to Date July 01, 2020 to March 31, 2021

	In Process	Decision	Decision	Total
		Upheld	Overtured	
<b>Claim Appeals</b>				
Life Insurance Claims	0	0	0	0
Long-Term Disability Claims	0	3	2	5
Short-Term Disability Claims	0	0	0	0
<b>Total Appeals</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>5</b>

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