

The Standard

Quarterly Report: Basic Life
Insurance and Long Term
Disability:
Quarter Ending
December 31, 2019



Board Meeting Date: March 31, 2020

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Basic Life Insurance & Long Term Disability Executive Summary

Most Recent Five Plan Years: July 01, 2015 to December 31, 2019

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

Basic Life

At the half-way 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 1.9 claims/1,000 lives; this year, it has increased to 2.2. From a loss ratio perspective (page 5), the loss ratio for active members is up from 18% last year to 26% this year. For retirees, the loss ratio is down, from 272% to 241%. Historically, the highest claim activity for PEBP is in the 3rd quarter of the plan year. We'll see how the next 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 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. As a result, we typically don't have credible incidence information during the first half of the plan year. At this time last year, there were only 2 LTD claims for the 2018-19 plan year, a small percentage of the 15 claims that were incurred during that plan year. For the 2019-20 plan year, we've already had 8 claims incurred (over half compared to the entire plan 2018-19 plan year). This is a considerable increase compared to last year for the same time period, as well.

LTD loss ratios (page 8) are reported on a cash basis, without regard for the incurred date. At the halfway point, the loss ratio for the 2019-20 plan year is 29%, which is slightly lower than the loss ratio for the 2018-19 plan year of 31%. The 29% loss ratio is lower than the five-year average loss ratio of 43%.

LTD claims by diagnosis (page 7) provides an interesting comparison to your Basic Life results. PEBP's LTD liability for Circulatory claims is higher than our block. However, your Cancer liability is also higher than our public block, in contrast to your life claims results. That means you have worse morbidity but better mortality for Cancer claims. PEBP continues to have significantly better 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

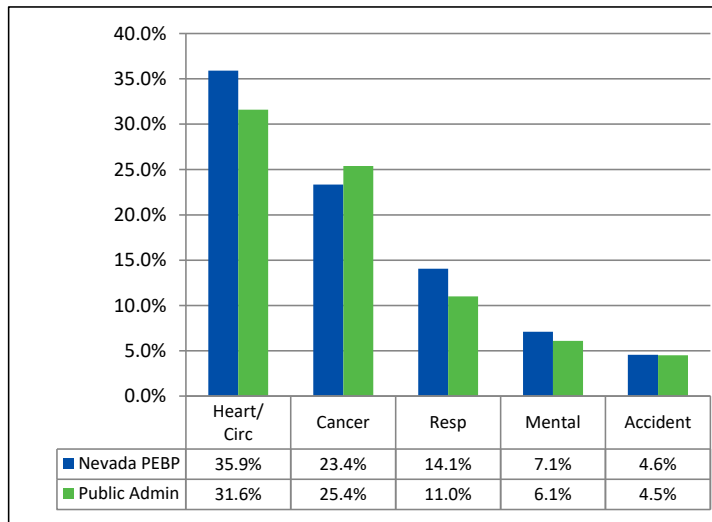
Most Recent Five Plan Years: July 01, 2015 to December 31, 2019

Participant Type	From Jul-15 Through Jun-16		From Jul-16 Through Jun-17		From Jul-17 Through Jun-18		From Jul-18 Through Jun-19		From Jul-19 Through Jun-20	
	Count	Inc./ 1000	Count	Inc./ 1000	Count	Inc./ 1000	Count	Inc./ 1000	Count	Inc./ 1000
Actives	41	1.7	51	2.0	41	1.6	47	1.8	14	0.5
Retirees	271	18.4	321	21.6	294	19.4	273	17.4	80	5.0
Totals	312	8.4	372	9.5	335	8.4	320	7.8	94	2.2

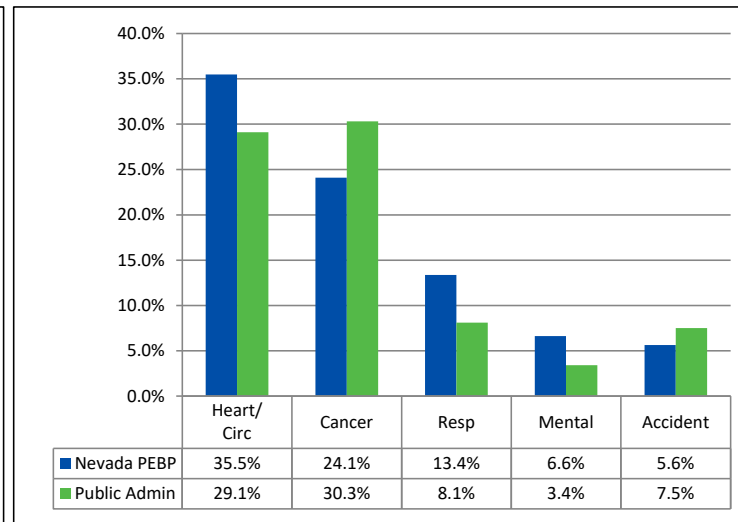
Basic Life Insurance Claims by Diagnostic Category

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

Top Five Diagnostic Categories by Incidence



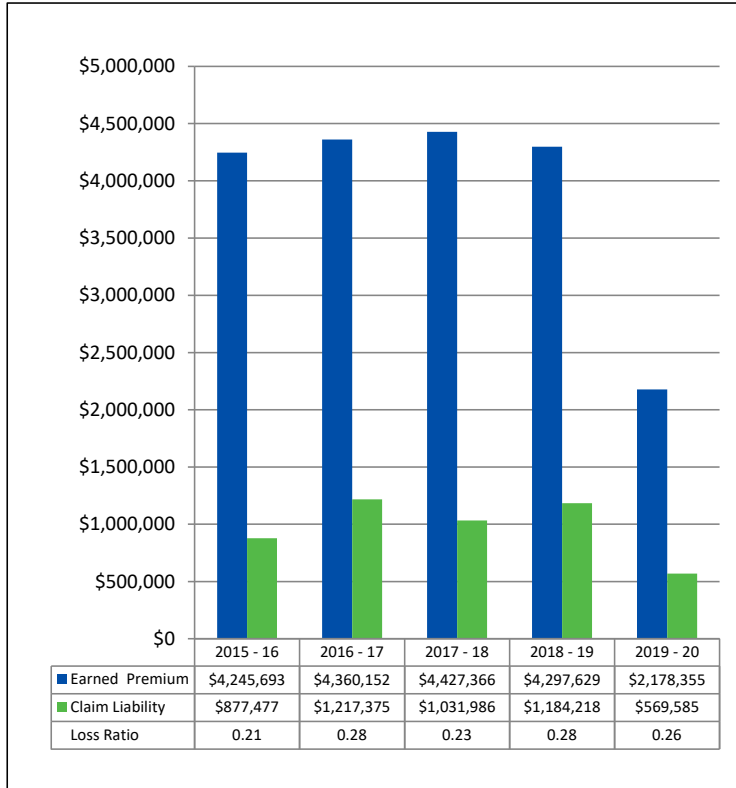
Top Five Diagnostic Categories by Liability



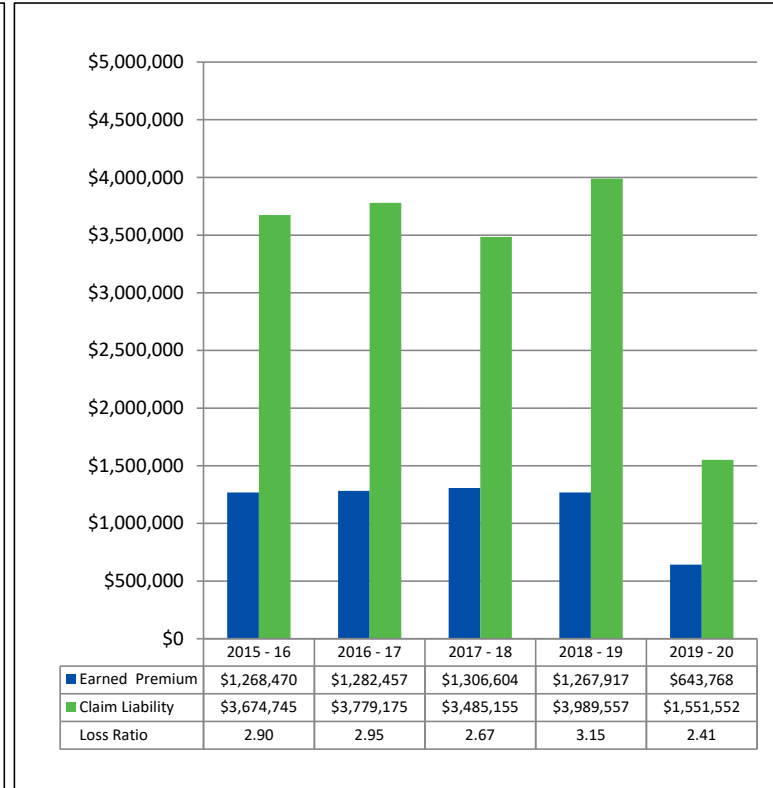
Basic Life Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2015 to December 31, 2019

Active Participants



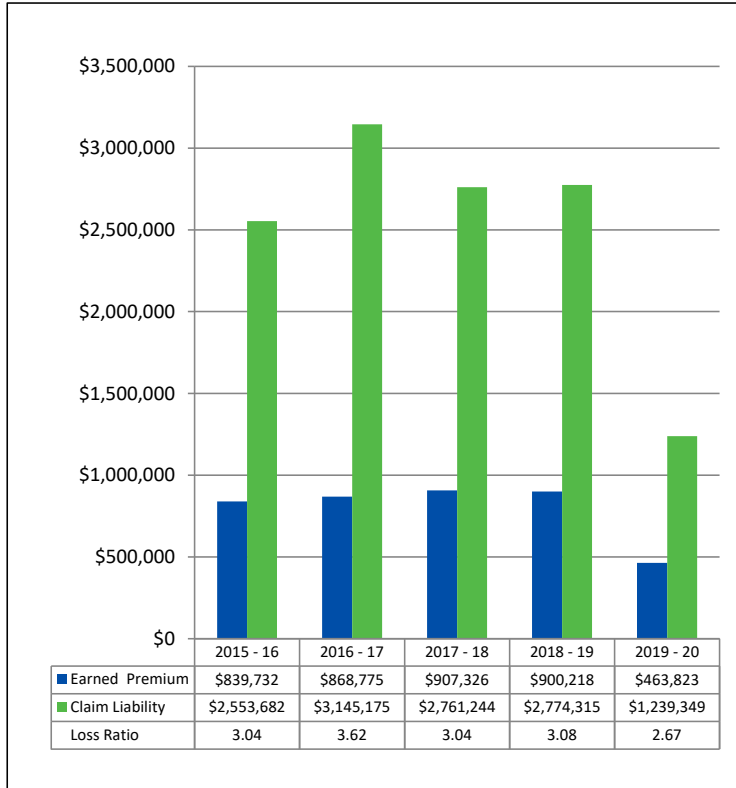
Retired Participants



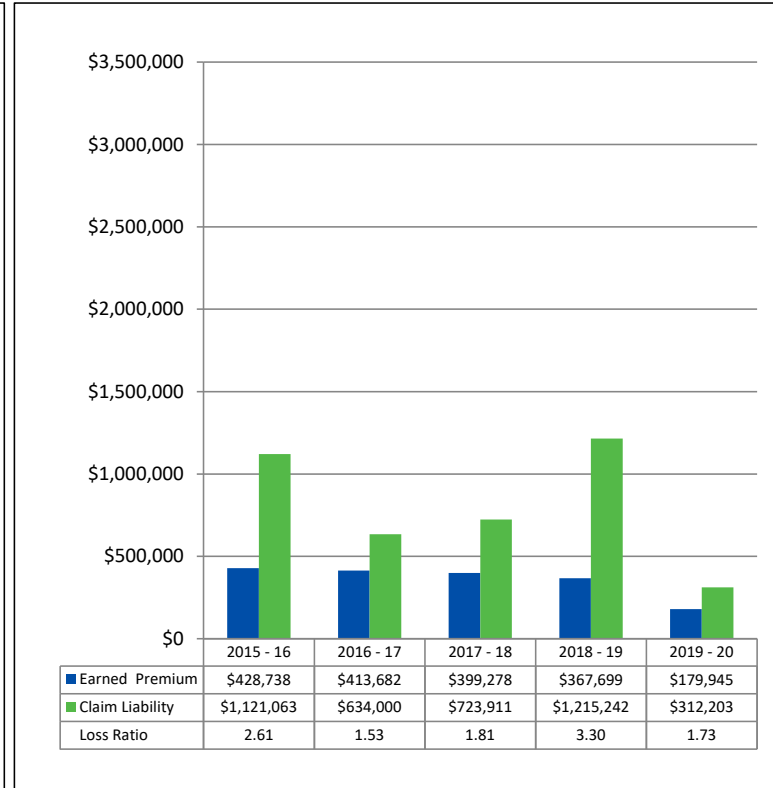
Basic Life Retiree Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2015 to December 31, 2019

State Retired Participants



Non-State Retired Participants



Long Term Disability Claims by Plan Year

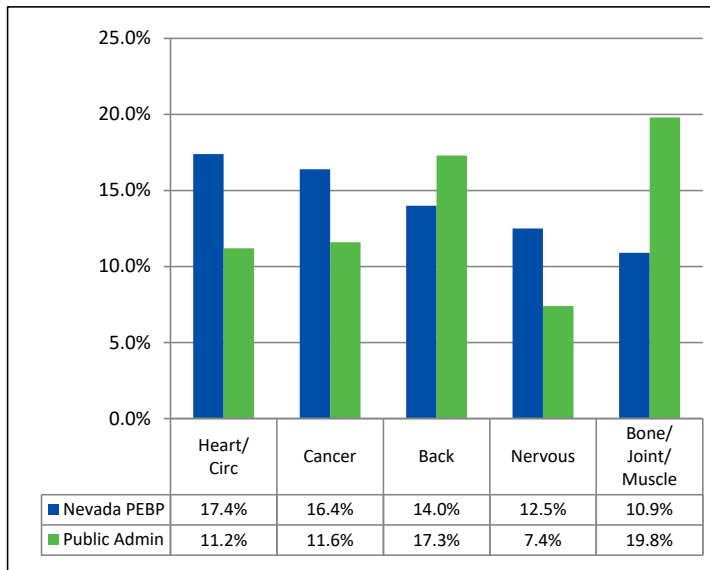
Most Recent Five Plan Years: July 01, 2015 to December 31, 2019

	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	Count	Inc./ 1000	Count	Inc./ 1000	Count	Inc./ 1000	Count	Inc./ 1000
LTD Claims	28	1.1	36	1.4	29	1.1	24	0.9	8	0.3

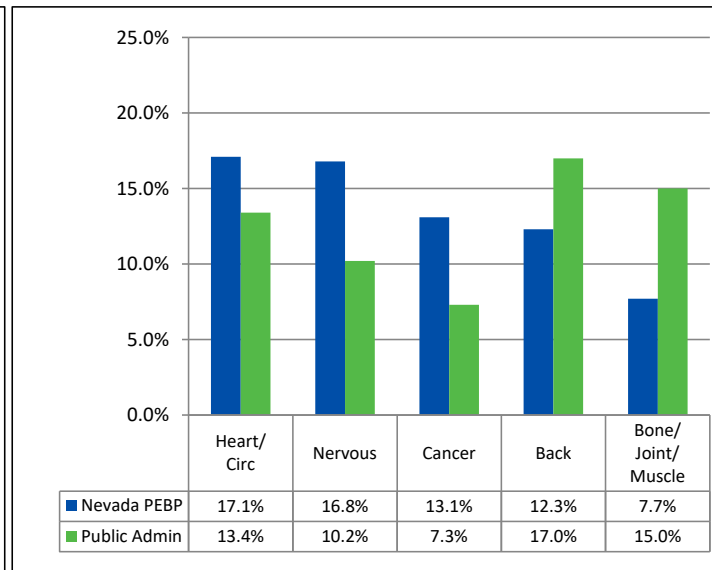
Long Term Disability Claims by Diagnostic Category

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

Top Five Diagnostic Categories by Incidence

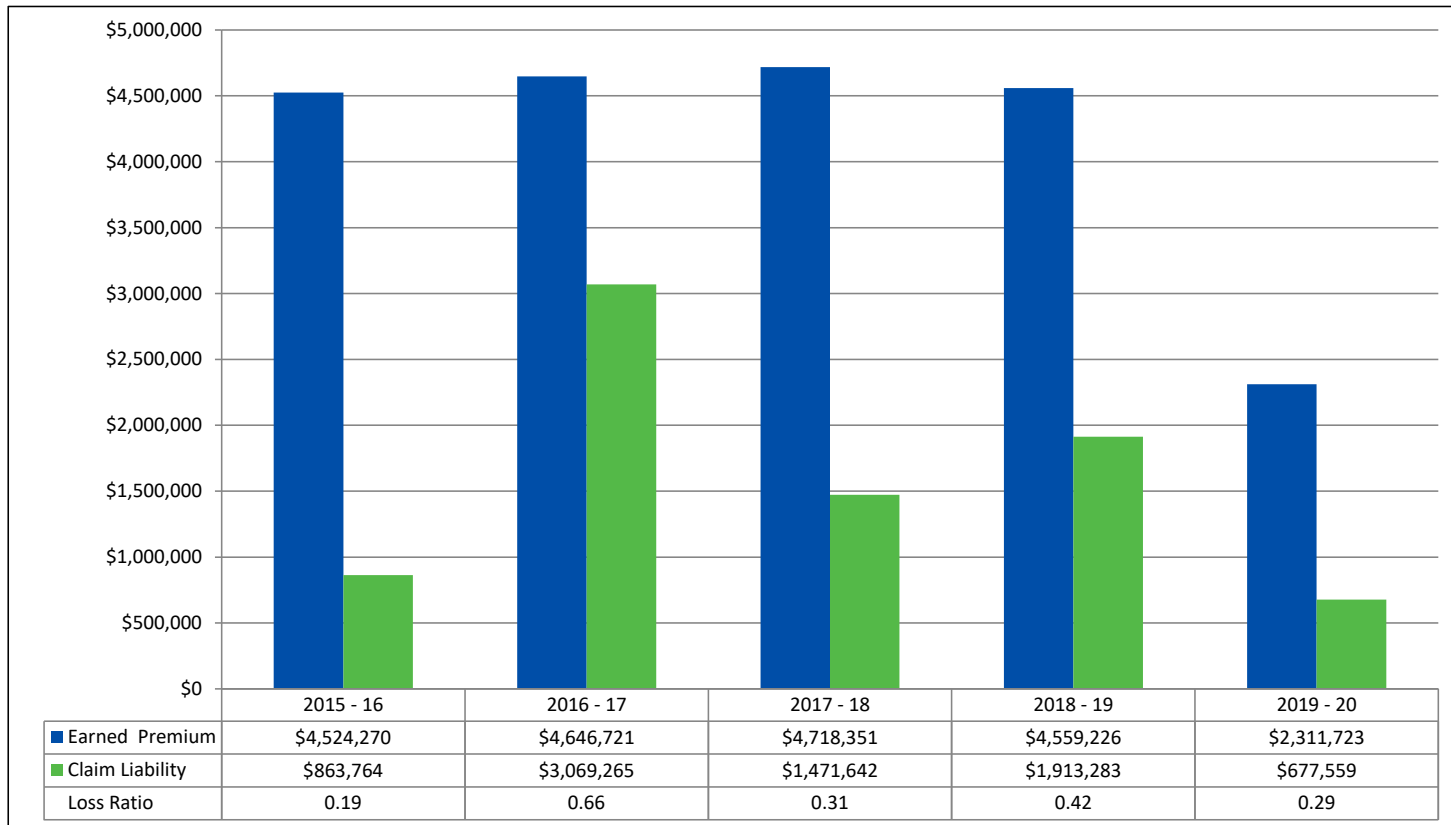


Top Five Diagnostic Categories by Liability



Long Term Disability Earned Premiums & Liability

Most Recent Five Plan Years: July 01, 2015 to December 31, 2019



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Claim Appeals

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

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

Board Meeting Date: March 31, 2020

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STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682
State Actives

REFUNDING EXPERIENCE REPORT

Basic Life
Incurred After 7/1/2008

	7/1/2019 through 12/31/2019	7/1/2008 through 12/31/2019
Earned Premium	2,177,708	38,784,728
Paid Claims	505,989	9,815,031
Change in Active Claim Reserves	53,563	1,366,250
Change in IBNR Reserves	10,034	932,702
Conversions	0	7,100
Total Incurred Claims	569,585	12,121,082
Commissions	0	0
Premium Taxes	76,220	1,357,465
Admin Fees	0	0
Other Expenses and Risk Charges	297,002	4,703,539
Total Expenses and Risk Charges	373,222	6,061,004
Balance	1,234,901	20,602,642
Balance From Previous Period	19,367,741	N/A
Prior Paid Refunds	N/A	0
Net Balance	20,602,642	20,602,642
Incurred loss ratio	26%	31%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682
Non-State Actives

REFUNDING EXPERIENCE REPORT

Basic Life
Incurred After 7/1/2008

	7/1/2019 through 12/31/2019	7/1/2008 through 12/31/2019
Earned Premium	647	250,437
Paid Claims	0	120,000
Change in Active Claim Reserves	0	19,500
Change in IBNR Reserves	0	275
Conversions	0	0
Total Incurred Claims	0	139,775
Commissions	0	0
Premium Taxes	23	8,765
Admin Fees	0	0
Other Expenses and Risk Charges	86	28,002
Total Expenses and Risk Charges	109	36,767
Balance	538	73,895
Balance From Previous Period	73,357	N/A
Prior Paid Refunds	N/A	0
Net Balance	73,895	73,895
Incurred loss ratio	0%	56%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682
State Retirees

REFUNDING EXPERIENCE REPORT

Basic Life
Incurred After 7/1/2008

	7/1/2019 through 12/31/2019	7/1/2008 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	463,823	7,040,180
Paid Claims	1,221,875	22,072,662
Change in Active Claim Reserves	15,625	87,500
Change in IBNR Reserves	1,849	70,061
Conversions	0	2,050
Total Incurred Claims	<hr/> 1,239,349	<hr/> 22,232,273
Commissions	0	0
Premium Taxes	16,234	246,407
Admin Fees	0	0
Other Expenses and Risk Charges	79,969	1,122,191
Total Expenses and Risk Charges	<hr/> 96,203	<hr/> 1,368,598
Balance	(871,730)	(16,560,691)
Balance From Previous Period	(15,688,962)	N/A
Prior Paid Refunds	N/A	0
Net Balance	(16,560,691)	(16,560,691)
Incurred loss ratio	267%	316%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682
Non-State Retirees

REFUNDING EXPERIENCE REPORT

Basic Life
Incurred After 7/1/2008

	7/1/2019 through 12/31/2019	7/1/2008 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	179,945	4,160,538
Paid Claims	343,750	8,323,987
Change in Active Claim Reserves	(31,250)	25,000
Change in IBNR Reserves	(297)	26,868
Conversions	0	0
Total Incurred Claims	<hr/> 312,203	<hr/> 8,375,855
Commissions	0	0
Premium Taxes	6,298	145,619
Admin Fees	0	0
Other Expenses and Risk Charges	29,071	592,597
Total Expenses and Risk Charges	<hr/> 35,369	<hr/> 738,216
Balance	(167,626)	(4,953,534)
Balance From Previous Period	(4,785,907)	N/A
Prior Paid Refunds	N/A	0
Net Balance	(4,953,534)	(4,953,534)
Incurred loss ratio	173%	201%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682
All

REFUNDING EXPERIENCE REPORT

Basic Life
Incurred After 7/1/2008

	7/1/2019 through 12/31/2019	7/1/2008 through 12/31/2019
Earned Premium	2,822,123	50,235,883
Paid Claims	2,071,614	40,331,680
Change in Active Claim Reserves	37,938	1,498,250
Change in IBNR Reserves	11,586	1,029,906
Conversions	0	9,150
Total Incurred Claims	<u>2,121,137</u>	<u>42,868,986</u>
Commissions	0	0
Premium Taxes	98,775	1,758,256
Admin Fees	0	0
Other Expenses and Risk Charges	406,128	6,446,330
Total Expenses and Risk Charges	<u>504,903</u>	<u>8,204,586</u>
Balance	196,083	(837,688)
Balance From Previous Period	(1,033,772)	N/A
Prior Paid Refunds	N/A	0
Net Balance	(837,688)	(837,688)
Incurred loss ratio	75%	85%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682
State Actives

EXPERIENCE REPORT

Basic Life, Prior Basic AD&D and Prior Dependent Life

	7/1/2019 through 12/31/2019	7/1/2003 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	2,177,708	54,990,413
Paid Claims	525,989	16,568,804
Change in Active Claim Reserves	34,063	1,866,750
Change in IBNR Reserves	10,034	932,702
Conversions	0	18,300
Total Incurred Claims	<hr/> 570,085	<hr/> 19,386,556
Commissions	0	0
Premium Taxes	76,220	1,924,665
Admin Fees	0	0
Other Expenses and Risk Charges	297,302	6,346,036
Total Expenses and Risk Charges	<hr/> 373,522	<hr/> 8,270,701
Balance	1,234,101	27,333,157
Incurred loss ratio	26%	35%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682
Non-State Actives

EXPERIENCE REPORT

Basic Life, Prior Basic AD&D and Prior Dependent Life

	7/1/2019 through 12/31/2019	7/1/2003 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	647	790,038
Paid Claims	0	368,000
Change in Active Claim Reserves	0	19,500
Change in IBNR Reserves	0	275
Conversions	0	0
Total Incurred Claims	<hr/> 0	<hr/> 387,775
Commissions	0	0
Premium Taxes	23	27,651
Admin Fees	0	0
Other Expenses and Risk Charges	86	84,694
Total Expenses and Risk Charges	<hr/> 109	<hr/> 112,345
Balance	538	289,918
Incurred loss ratio	0%	49%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682
State Retirees

EXPERIENCE REPORT

Basic Life, Prior Basic AD&D and Prior Dependent Life

	7/1/2019 through 12/31/2019	7/1/2003 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	463,823	9,508,334
Paid Claims	1,221,875	30,964,162
Change in Active Claim Reserves	15,625	87,500
Change in IBNR Reserves	1,849	70,061
Conversions	0	2,050
Total Incurred Claims	<hr/> 1,239,349	<hr/> 31,123,773
Commissions	0	0
Premium Taxes	16,234	332,792
Admin Fees	0	0
Other Expenses and Risk Charges	79,969	1,421,414
Total Expenses and Risk Charges	<hr/> 96,203	<hr/> 1,754,206
Balance	(871,730)	(23,369,645)
Incurred loss ratio	267%	327%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682
Non-State Retirees

EXPERIENCE REPORT

Basic Life, Prior Basic AD&D and Prior Dependent Life

	7/1/2019 through 12/31/2019	7/1/2003 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	179,945	5,328,076
Paid Claims	343,750	10,848,857
Change in Active Claim Reserves	(31,250)	25,000
Change in IBNR Reserves	(297)	26,868
Conversions	0	0
Total Incurred Claims	<hr/> 312,203	<hr/> 10,900,725
Commissions	0	0
Premium Taxes	6,298	186,483
Admin Fees	0	0
Other Expenses and Risk Charges	29,071	724,953
Total Expenses and Risk Charges	<hr/> 35,369	<hr/> 911,436
Balance	(167,626)	(6,484,085)
Incurred loss ratio	173%	205%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682
All

EXPERIENCE REPORT

Basic Life, Prior Basic AD&D and Prior Dependent Life

	7/1/2019 through 12/31/2019	7/1/2003 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	2,822,123	70,616,861
Paid Claims	2,091,614	58,749,823
Change in Active Claim Reserves	18,438	1,998,750
Change in IBNR Reserves	11,586	1,029,906
Conversions	0	20,350
Total Incurred Claims	<hr/> 2,121,637	<hr/> 61,798,829
Commissions	0	0
Premium Taxes	98,775	2,471,591
Admin Fees	0	0
Other Expenses and Risk Charges	406,428	8,577,096
Total Expenses and Risk Charges	<hr/> 505,203	<hr/> 11,048,687
Balance	195,283	(2,230,656)
Incurred loss ratio	75%	88%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682
All Actives

EXPERIENCE REPORT

Additional Life, Additional AD&D and Additional Dependent

	7/1/2019 through 12/31/2019	7/1/2003 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	1,320,234	24,057,786
Paid Claims	486,769	12,775,292
Change in Active Claim Reserves	(132,375)	960,000
Change in IBNR Reserves	213,575	469,369
Conversions	0	8,200
Total Incurred Claims	<hr/> 567,969	<hr/> 14,212,860
Commissions	0	0
Premium Taxes	46,208	842,154
Admin Fees	21,286	3,146,606
Other Expenses and Risk Charges	195,663	2,854,069
Total Expenses and Risk Charges	<hr/> 263,157	<hr/> 6,842,829
Balance	489,108	3,002,096
Incurred loss ratio	43%	59%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682
All Retirees

EXPERIENCE REPORT
Additional Life

	7/1/2019 through 12/31/2019	7/1/2003 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	808,152	11,477,308
Paid Claims	215,000	7,623,529
Change in Active Claim Reserves	(15,000)	0
Change in IBNR Reserves	53,505	121,595
Conversions	0	8,610
Total Incurred Claims	<hr/> 253,505	<hr/> 7,753,734
Commissions	0	0
Premium Taxes	28,285	401,409
Admin Fees	7,250	1,445,073
Other Expenses and Risk Charges	118,708	1,404,120
Total Expenses and Risk Charges	<hr/> 154,243	<hr/> 3,250,602
Balance	400,404	472,972
Incurred loss ratio	31%	68%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Option A

7 Day Benefit Waiting Period

Group Policy 642682

EXPERIENCE REPORT

Short Term Disability

	7/1/2019 through 12/31/2019	7/1/2007 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	95,827	1,822,366
Paid Claims	48,813	937,687
Change in IBNR Reserves	34	30,726
Employer FICA	0	0
Total Incurred Claims	<hr/> 48,848	<hr/> 968,414
Commissions	0	0
Premium Taxes	3,354	63,800
Admin Fees	1,760	188,969
Other Expenses and Risk Charges	24,643	418,418
Total Expenses and Risk Charges	<hr/> 29,758	<hr/> 671,187
Balance	17,222	182,766
Incurred loss ratio	51%	53%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Option B

14 Day Benefit Waiting Period

Group Policy 642682

EXPERIENCE REPORT

Short Term Disability

	7/1/2019 through 12/31/2019	7/1/2007 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	130,884	2,104,588
Paid Claims	124,148	1,330,246
Change in IBNR Reserves	(818)	41,907
Employer FICA	0	0
Total Incurred Claims	<hr/> 123,330	<hr/> 1,372,153
Commissions	0	0
Premium Taxes	4,581	73,680
Admin Fees	2,401	217,363
Other Expenses and Risk Charges	42,855	513,277
Total Expenses and Risk Charges	<hr/> 49,837	<hr/> 804,320
Balance	(42,283)	(71,884)
Incurred loss ratio	94%	65%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Option C

30 Day Benefit Waiting Period

Group Policy 642682

EXPERIENCE REPORT

Short Term Disability

	7/1/2019 through 12/31/2019	7/1/2007 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	151,482	2,476,755
Paid Claims	75,123	1,532,355
Change in IBNR Reserves	(2,115)	63,557
Employer FICA	0	0
Total Incurred Claims	<hr/> 73,008	<hr/> 1,595,912
Commissions	0	0
Premium Taxes	5,302	86,706
Admin Fees	2,774	256,342
Other Expenses and Risk Charges	38,629	599,465
Total Expenses and Risk Charges	<hr/> 46,706	<hr/> 942,513
Balance	31,768	(61,670)
Incurred loss ratio	48%	64%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

All

Group Policy 642682

EXPERIENCE REPORT

Short Term Disability

	7/1/2019 through 12/31/2019	7/1/2007 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	378,193	6,403,709
Paid Claims	248,084	3,800,288
Change in IBNR Reserves	(2,898)	136,191
Employer FICA	0	0
Total Incurred Claims	<hr/> 245,186	<hr/> 3,936,479
Commissions	0	0
Premium Taxes	13,237	224,186
Admin Fees	6,936	662,674
Other Expenses and Risk Charges	106,127	1,531,160
Total Expenses and Risk Charges	<hr/> 126,300	<hr/> 2,418,019
Balance	6,707	49,211
Incurred loss ratio	65%	61%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

State Actives

Group Policy 642682

REFUNDING EXPERIENCE REPORT
Long Term Disability - Incurred After 7/1/2008

	7/1/2019 through 12/31/2019	7/1/2008 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	2,311,037	42,406,110
Paid Claims	945,587	20,409,849
Change in Active Claim Reserves	(298,143)	9,519,022
Change in IBNR Reserves	30,023	2,772,553
Employer FICA	93	8,786
Total Incurred Claims	<hr/> 677,559	<hr/> 32,710,210
Commissions	0	0
Premium Taxes	80,886	1,484,215
Other Expenses and Risk Charges	575,058	10,729,642
Total Expenses and Risk Charges	<hr/> 655,944	<hr/> 12,213,857
Balance	977,533	(2,517,956)
Incurred loss ratio	29%	77%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Non-State Actives

Group Policy 642682

REFUNDING EXPERIENCE REPORT

Long Term Disability - Incurred After 7/1/2008

	7/1/2019 through 12/31/2019	7/1/2008 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	686	219,053
Paid Claims	0	202,064
Change in Active Claim Reserves	0	0
Change in IBNR Reserves	0	817
Employer FICA	0	173
Total Incurred Claims	<hr/> 0	<hr/> 203,054
Commissions	0	0
Premium Taxes	24	7,666
Other Expenses and Risk Charges	143	59,327
Total Expenses and Risk Charges	<hr/> 167	<hr/> 66,993
Balance	519	(50,994)
Incurred loss ratio	0%	93%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

All

Group Policy 642682

REFUNDING EXPERIENCE REPORT
Long Term Disability - Incurred After 7/1/2008

	7/1/2019 through 12/31/2019	7/1/2008 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	2,311,723	42,625,163
Paid Claims	945,587	20,611,913
Change in Active Claim Reserves	(298,143)	9,519,022
Change in IBNR Reserves	30,023	2,773,370
Employer FICA	93	8,958
Total Incurred Claims	<hr/> 677,559	<hr/> 32,913,263
Commissions	0	0
Premium Taxes	80,910	1,491,881
Other Expenses and Risk Charges	575,201	10,788,968
Total Expenses and Risk Charges	<hr/> 656,111	<hr/> 12,280,849
Balance	978,053	(2,568,950)
Incurred loss ratio	29%	77%

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

All

Group Policy 642682

REFUNDING EXPERIENCE REPORT
Long Term Disability - Incurred After 7/1/2008

	7/1/2019 through 12/31/2019	7/1/2008 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	2,311,723	42,625,163
Paid Claims	945,587	20,611,913
Change in Active Claim Reserves	(298,143)	9,519,022
Change in IBNR Reserves	30,023	2,773,370
Employer FICA	93	8,958
Total Incurred Claims	<hr/> 677,559	<hr/> 32,913,263
Commissions	0	0
Premium Taxes	80,910	1,491,881
Other Expenses and Risk Charges	575,201	10,788,968
Total Expenses and Risk Charges	<hr/> 656,111	<hr/> 12,280,849
Balance	978,053	(2,568,950)
Prior Balance Carried Forward	(3,547,003)	N/A
Prior CFR Deposits /(Withdrawals)	N/A	0
Current Refundable Balance	(2,568,950)	(2,568,950)
Current CFR Deposit/(Withdrawal)	0	0
Final Balance	(2,568,950)	(2,568,950)

STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

Group Policy 642682

TOTAL EXPERIENCE REPORT
Long Term Disability

	7/1/2019 through 12/31/2019	7/1/2003 through 12/31/2019
	<hr/>	<hr/>
Earned Premium	2,311,723	55,460,899
Paid Claims	1,042,858	34,075,666
Change in Active Claim Reserves	(382,090)	10,074,769
Change in IBNR Reserves	30,023	2,773,370
Employer FICA	93	15,865
Total Incurred Claims	<hr/> 690,884	<hr/> 46,939,670
Commissions	0	0
Premium Taxes	80,910	1,941,132
Other Expenses and Risk Charges	584,928	14,242,841
Total Expenses and Risk Charges	<hr/> 665,838	<hr/> 16,183,973
Balance	955,001	(7,662,744)
Incurred loss ratio	30%	85%

The Standard

Quarterly Report: Voluntary
Life Insurance and Short Term
Disability:
Quarter Ending
December 31, 2019



Board Meeting Date: March 31, 2020

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Voluntary Life Insurance & Short-Term Disability Executive Summary

Most Recent Five Plan Years: July 01, 2015 to December 31, 2019

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

Voluntary Life

At the halfway point of the current plan year, Voluntary Life claim incidence (page 4) is up compared to last year, from 2.5 claims per thousand to 4.0 claims per thousand. Both active employees and retirees contributed to the higher result; active employee incidence is 1.7 claims compared to 0.4 claims per thousand last year. Retiree incidence is 7.5 claims per thousand, compared to 6.0 last year.

Year-to-date loss ratios (page 5) are also up for both active employees and retirees: from 11% this time last year to 43% this year for active employees and 20% last year to 31% this year for retirees. It's worth noting that last year's results for Voluntary Life improved from the prior year's results. It looks like the current plan year is trending negatively compared to last year for this time period, so we will keep an eye on the results for the remaining periods of this year.

Short Term Disability

STD experience results have become much more consistent over the past several years. Prior to that time, we'd seen a steady increase in claim incidence and loss ratio. Claim incidence (page 6) is up slightly year-over-year, from 1.5 claims per hundred last year to 1.9 this year. The year-to-date loss ratio (page 7) is down, from 71% in 2018-19 to 65% in 2019-20. The loss ratio has been very consistent over the last 3 total periods: 74% for the 2016-17 plan year, 71% for 2017-18 plan year, and 76% for the 2018-19 plan year. Our target loss ratio for STD is around 68%, so the plan has been performing at a slight loss over the past 3 years. Hopefully, this year's experience will continue its positive trend for the remaining two periods.

Experience by plan option remains very inconsistent for the plan year so far, when comparing each plan option, as well as results from last year for each specific option. Option A (7 day waiting period) has a loss ratio of 51% (101% for last year), Option B (14 day waiting period) has a loss ratio of 94% (47% for last year), and Option C has a loss ratio of 48% (74% for last year).

Board Meeting Date: March 31, 2020

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Voluntary Life Insurance Claims by Plan Year and Participant Type

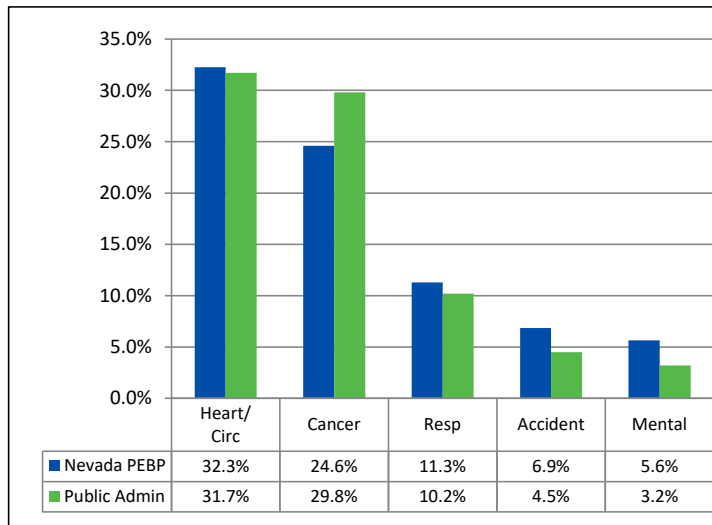
Most Recent Five Plan Years: July 01, 2015 to December 31, 2019

Participant Type	From Jul-15 Through Jun-16		From Jul-16 Through Jun-17		From Jul-17 Through Jun-18		From Jul-18 Through Jun-19		From Jul-19 Through Jun-20	
	Count	Inc./ 1000	Count	Inc./ 1000	Count	Inc./ 1000	Count	Inc./ 1000	Count	Inc./ 1000
Actives	4	1.6	11	4.8	13	5.8	10	4.1	4	1.7
Retirees	53	30.3	35	21.5	57	35.8	39	26.1	11	7.5
Totals	57	13.5	46	11.7	70	18.3	49	12.5	15	4.0

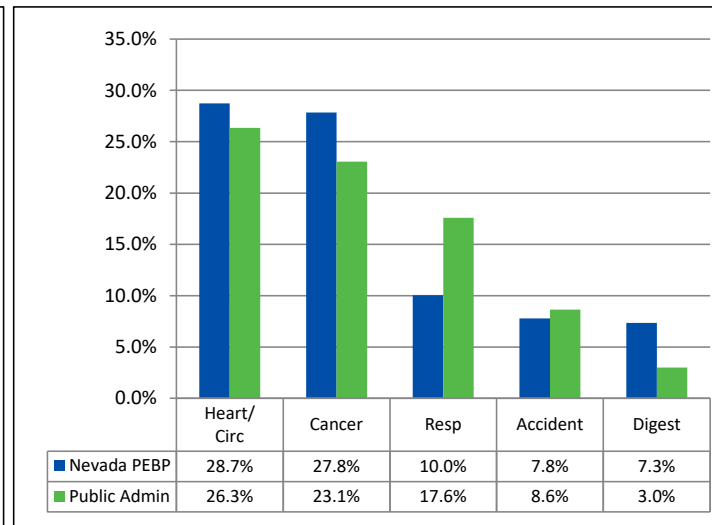
Voluntary Life Insurance Claims by Diagnostic Category

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



Board Meeting Date: March 31, 2020

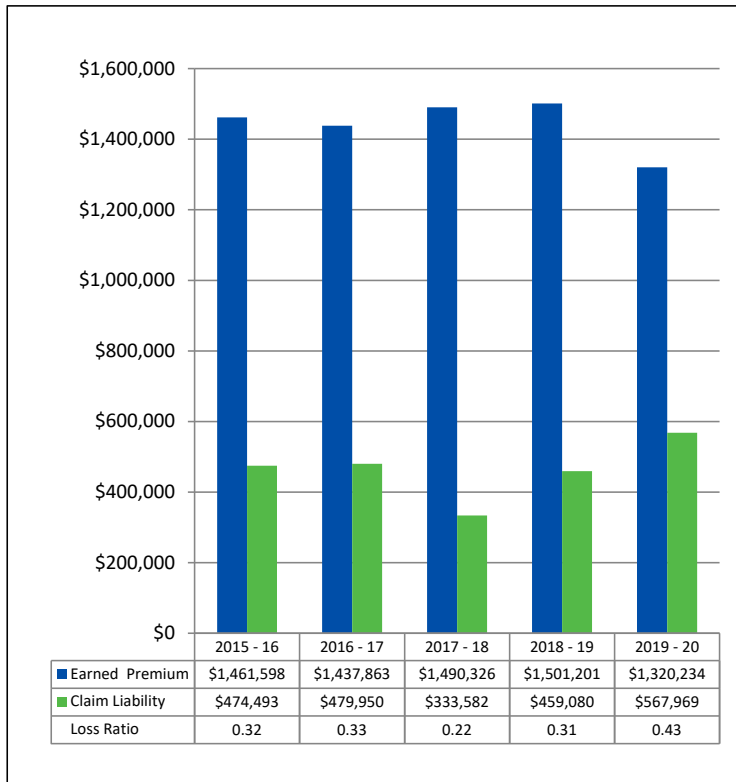
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Voluntary Life Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2015 to December 31, 2019

Active Participants



Retired Participants



Short Term Disability Claims by Plan Year

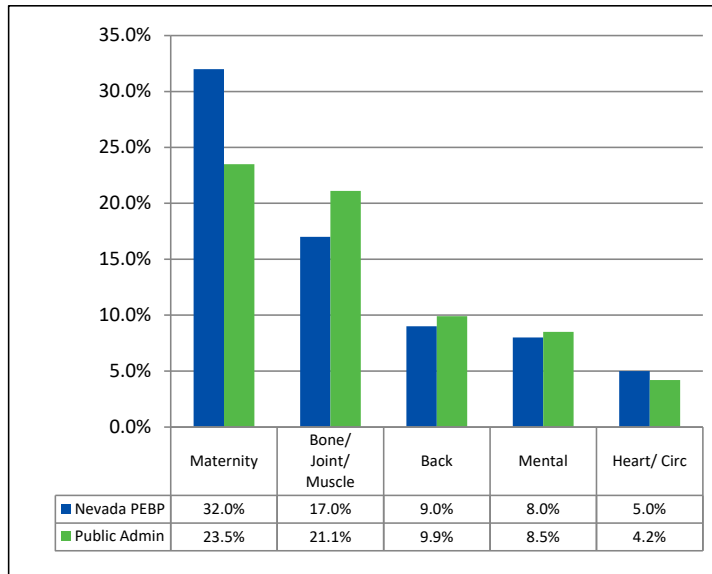
Most Recent Five Plan Years: July 01, 2015 to December 31, 2019

	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./ 100	Count	Inc./ 100	Count	Inc./ 100	Count	Inc./ 100	Count	Inc./ 100
STD Claims	55	3.8	77	4.9	99	6.5	84	4.2	34	1.9

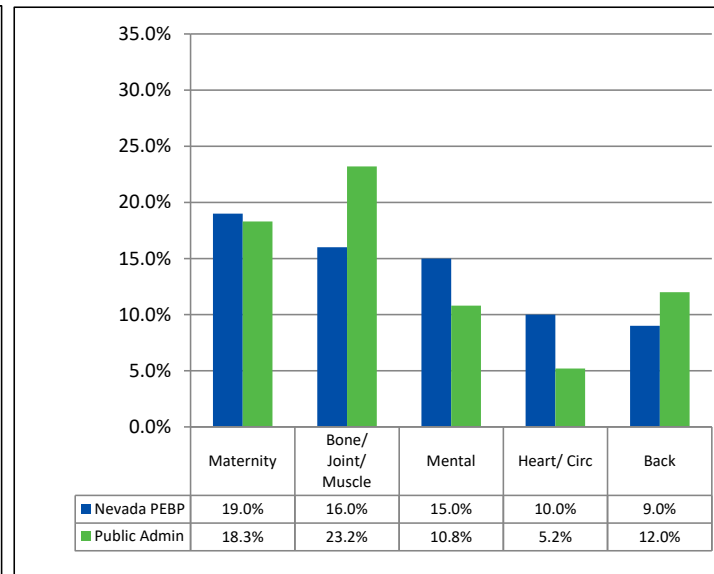
Short Term Disability Claims by Diagnostic Category

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Top Five Diagnostic Categories by Incidence

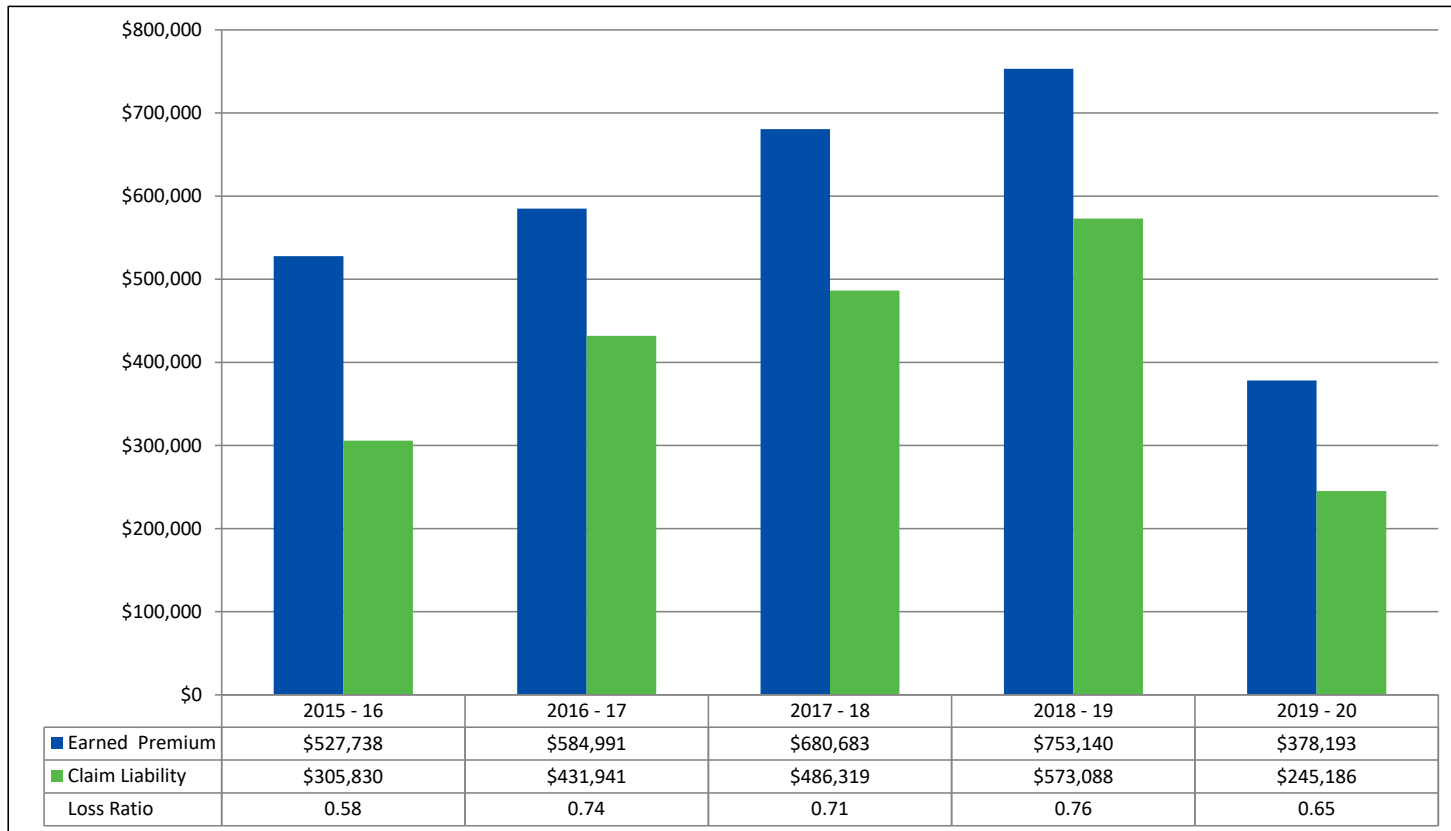


Top Five Diagnostic Categories by Liability



Short Term Disability Earned Premiums & Liability

Most Recent Five Plan Years: July 01, 2015 to December 31, 2019



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