

The Standard

Quarterly Report: Basic Life
Insurance and Long Term
Disability:
Quarter Ending
June 30, 2021



Board Meeting Date: September 23, 2021

Page: 1

Report Table of Contents

Basic Life Insurance & Long Term Disability Executive Summary	Page 3
Basic Life Insurance Claims by Plan Year and Participant Type	Page 4
Basic Life Insurance Claims by Diagnostic Category	Page 4
Basic Life Insurance Earned Premiums & Liability by Participant Type	Page 5
Basic Life Retiree Insurance Earned Premiums & Liability by Participant Type	Page 6
Long Term Disability Claims by Plan Year	Page 7
Long Term Disability Claims by Diagnostic Category	Page 7
Long Term Disability Earned Premiums & Liability	Page 8
Claim Appeals	Page 9

Board Meeting Date: September 23, 2021

Page: 2



Basic Life Insurance & Long Term Disability Executive Summary

Most Recent Five Plan Years: July 01, 2016 to June 30, 2021

This is the final report for the 2020-21 plan year, providing updated information for the period beginning July 1, 2016 and ending June 30, 2021.

Basic Life

In total, Basic Life claim incidence and loss ratios decreased slightly in the 2020-21 plan year compared to the prior plan year. Incidence (page 4) was up for actives (2.0 compared to 1.7/1,000) and down for retirees (16.7 compared to 18.9/1,000). The loss ratios (page 5) for actives and retirees both trended up, with the active loss ratio up slightly at 33% compared to 27% last year and retiree loss ratio up more significantly at 345% compared to 254%. The overall loss ratio for Basic Life increased for this period, 106% compared to 78% last year. The Basic Life plan suffered a large loss of \$1,518,963 for the plan year compared to a negative \$22,600 last year, so the experience has deteriorated compared to the prior plan year.

When looking at the retiree liability for the plan year, the incidence has decreased from 298 claims/\$1,000 for the prior plan year to 267 claims for this plan year. The loss ratio increased for the retiree plan overall, applying to both the state and non-state retirees: loss ratios increased this plan year compared to the prior plan year, 331% compared to 260% for state retirees and 386% compared to 240% 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 2020-21 plan year may result in a large decrease in incidence, 12 claims for this plan year versus 27 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 2020-21 plan year (35%) was down over the 2019-20 plan year (96%). The claim liability also decreased significantly for the period, representing 35% of the prior year's liability.

For the 2020-21 plan year, LTD claims and expenses were less than premiums by \$1.6 million, decreasing the all year's deficit to \$3.2 million.

Board Meeting Date: September 23, 2021

Page: 3



Basic Life Insurance Claims by Plan Year and Participant Type

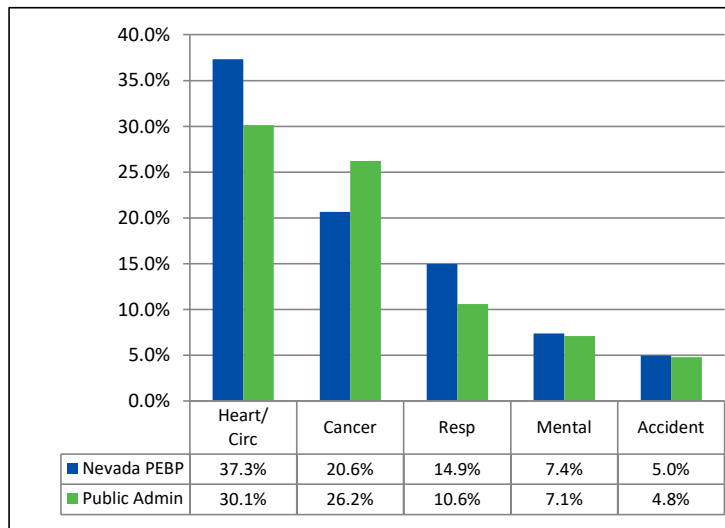
Most Recent Five Plan Years: July 01, 2016 to June 30, 2021

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	Count	Inc./ 1000	Count	Inc./ 1000	Count	Inc./ 1000	Count	Inc./ 1000
Actives	51	2.0	41	1.6	47	1.8	47	1.7	52	2.0
Retirees	325	21.8	295	19.5	279	17.8	298	18.9	267	16.7
Totals	376	9.6	336	8.4	326	7.9	345	8.0	319	7.6

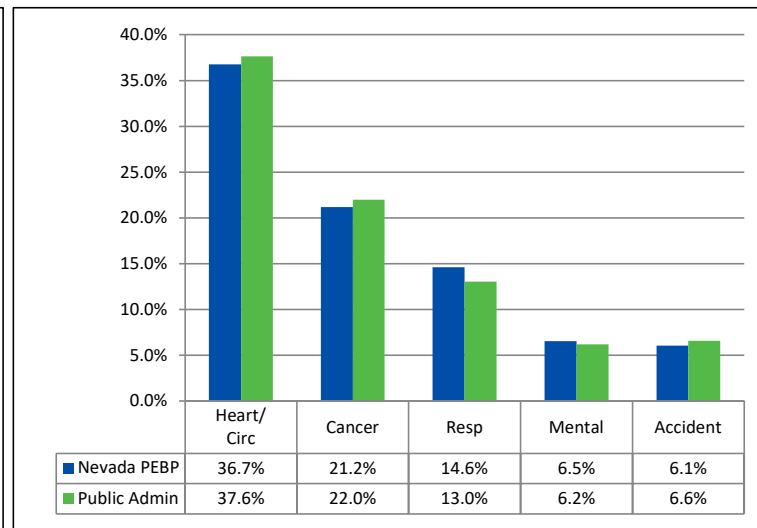
Basic Life Insurance Claims by Diagnostic Category

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

Top Five Diagnostic Categories by Incidence



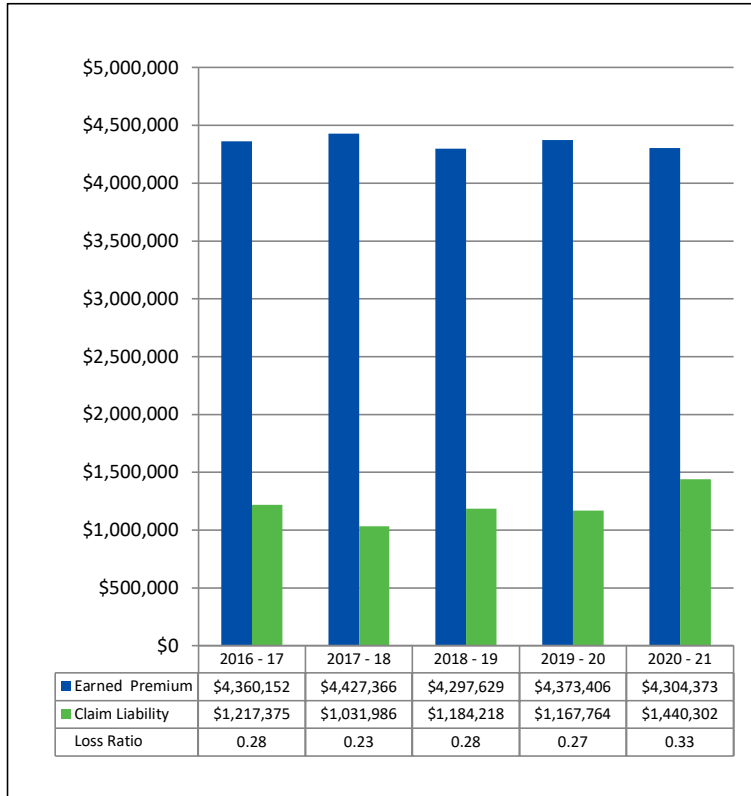
Top Five Diagnostic Categories by Liability



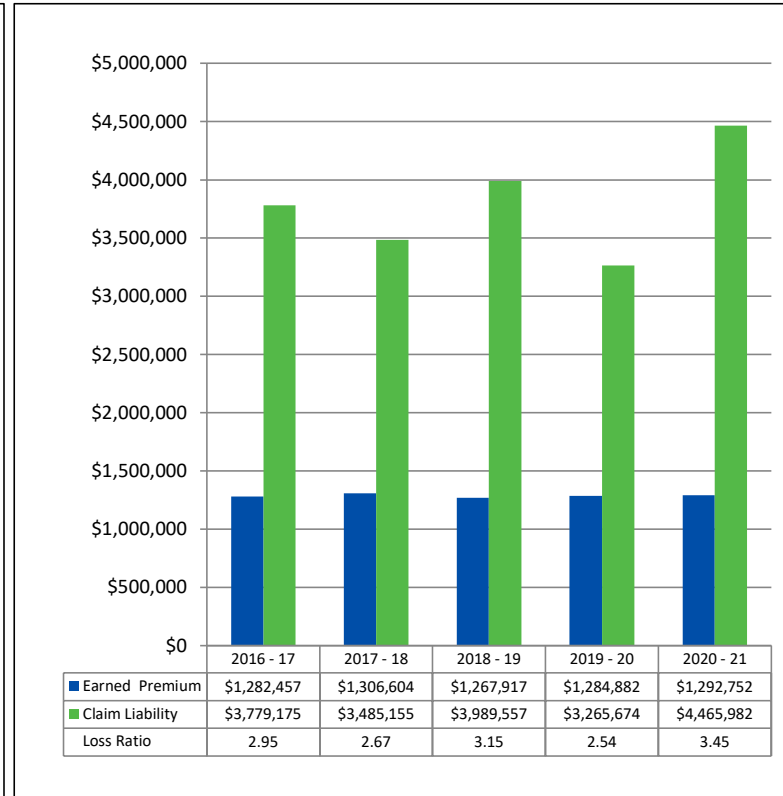
Basic Life Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2016 to June 30, 2021

Active Participants



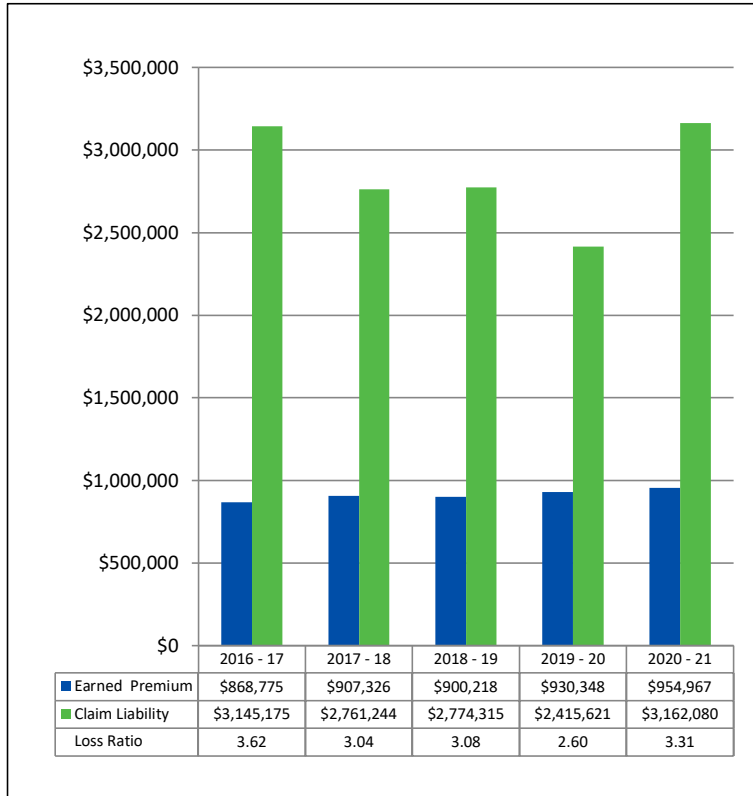
Retired Participants



Basic Life Retiree Insurance Earned Premiums & Liability by Participant Type

Most Recent Five Plan Years: July 01, 2016 to June 30, 2021

State Retired Participants



Non-State Retired Participants



Long Term Disability Claims by Plan Year

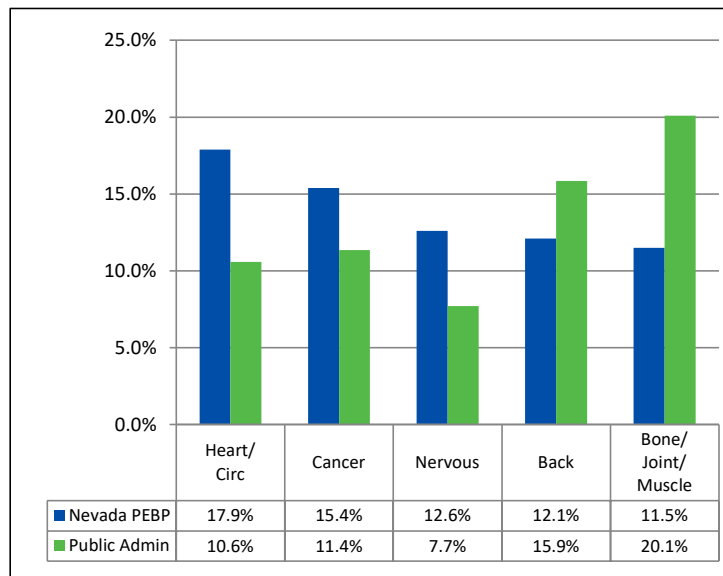
Most Recent Five Plan Years: July 01, 2016 to June 30, 2021

	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	Count	Inc./ 1000	Count	Inc./ 1000	Count	Inc./ 1000	Count	Inc./ 1000
LTD Claims	36	1.4	29	1.1	26	1.0	27	1.0	12	0.5

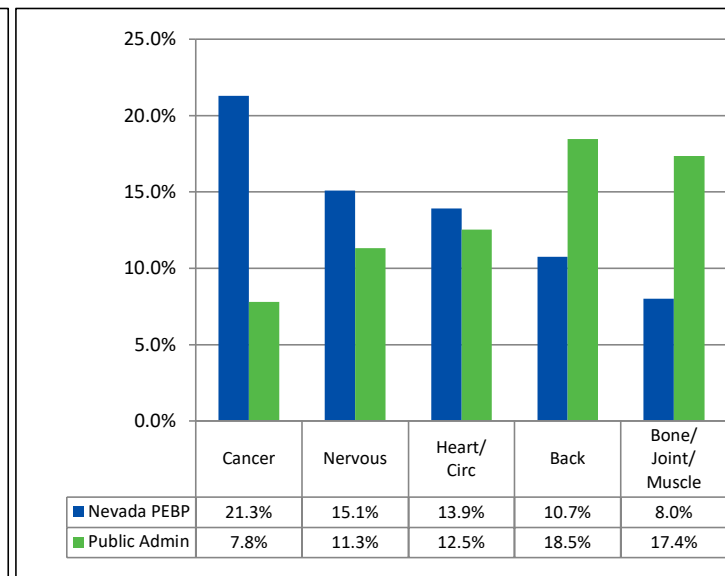
Long Term Disability Claims by Diagnostic Category

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

Top Five Diagnostic Categories by Incidence

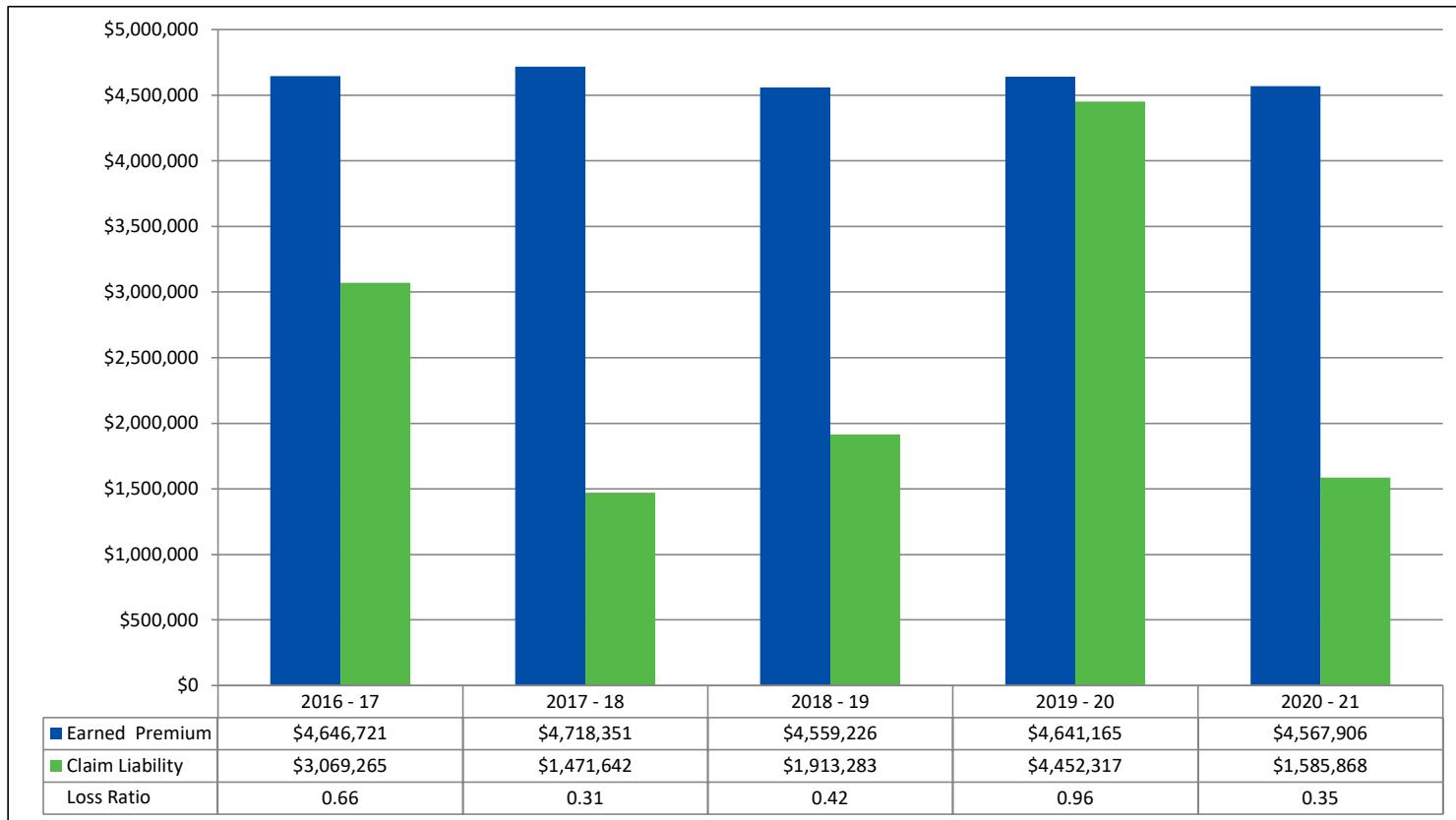


Top Five Diagnostic Categories by Liability



Long Term Disability Earned Premiums & Liability

Most Recent Five Plan Years: July 01, 2016 to June 30, 2021



Board Meeting Date: September 23, 2021

Page: 8



Claim Appeals

Quarterly Update for Plan Year to Date July 01, 2020 to June 30, 2021

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

Board Meeting Date: September 23, 2021

Page: 9

