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Correspondence Memorandum

Date: April 6, 2018

To: Group Insurance Board

From: Jim Guidry, Director
 Benefit Services Bureau
 Division of Retirement Services

Subject: Acceptance of State and Local Income Continuation Insurance (ICI)
 Actuarial Valuations

Staff requests that the Group Insurance Board (Board) approve both the State and Local ICI Actuarial Reviews as of December 31, 2017.

The Board, at its May 19, 2015 meeting, approved a motion to increase State ICI premiums 20% in each year from 2016-2020 to help address the program's funding shortfall. ETF recommends that the Board's 2015 premium rate decision remain in effect. This will maintain 20% premium increases for 2019-2020. Maintaining this decision does not require a new vote of the board.


ETF and its actuary, Milliman, Inc., have recommended design changes to the State ICI program that in addition to premium increases will address the deficit position of the program. The board approved the proposed design changes at the February 8, 2017, meeting and ETF has developed statute changes that will enable these design changes to move forward. ETF has been and will continue to seek legislative support for these changes. The 2017-2018 regular legislative session has concluded and the 2019-2020 session will begin in January 2019.

ETF staff recommends a continuation of the premium holiday for the Local ICI plan.

Also at its February 8, 2017, meeting the Board approved moving oversight of the ICI program to the ETF Board. However, the statutory changes required to transfer this oversight has not been completed and the Board's authority remains in place.

A brief summary is found on page six of each report.

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services

 Electronically Signed 4/23/18

Board	Mtg Date	Item #
GIB	5.16.18	6A

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Staff from ETF and Milliman will be at the Board meeting to answer any questions.

Attachments: State and Local ICI Actuarial Valuations