



STATE OF WISCONSIN
Department of Employee Trust Funds

Eric O. Stanchfield
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax (608) 267-4549
TTY (608) 267-0676
<http://etf.wi.gov>

CORRESPONDENCE MEMORANDUM

DATE: July 14, 2004
TO: Group Insurance Board
FROM: Audrey Koehn, Director
Disability Programs Bureau
SUBJECT: Income Continuation Insurance (ICI) Supplemental Coverage Amount

At the February 17, 2004, meeting, the Board approved raising the monthly ICI benefit to \$7,500.00 maximum with the employee paying the entire premium above the current \$4,000.00 per month maximum. The \$7,500.00 maximum would cover an annual salary of \$120,000.00. The department has convened a project task team to implement this new coverage level. The planned implementation date is April 1, 2005.

During the course of the project team meetings, the University of Wisconsin requested that we further consider raising the maximum benefit to cover a salary of \$150,000.00 per year. There are approximately 675 State employees who earn more than \$120,000.00 per year. It is unknown how many participating local employees earn over \$120,000.00 annually.

We relayed this suggestion to Jim Searcy and asked for his comments on further increasing ICI coverage limits. Mr. Searcy cautions against any further increases at this time. Because of underwriting concerns, staff recommends that we continue implementation with the limit currently approved by the Board. After several years of experience with the new supplemental coverage we can revisit the issue of the coverage limits.

Attachment

Reviewed and approved by Tom Korpady, Division of Insurance Services.

Signature _____

Date _____

Board	Mtg Date	Item #
GIB	8/24/2004	6