



State of Wisconsin
State—Income Continuation Insurance
Program
Fact Sheet 2017

Income Continuation Insurance (ICI) is an optional insurance that provides replacement income for disabilities that are considered short-term in nature, as well as those which may last for extended periods.

Program Review

- Created by Wis. Stat. § 40.62.
- The Department of Employee Trust Funds and the Wisconsin Group Insurance Board (GIB) have statutory authority for program administration and oversight [Wis. Stat. § 40.03 (6)].
- The program is self-insured, financed by employer and employee premium contributions.
- State agencies perform enrollment and premium collection.
- Most of the premium income is allocated to pay benefits, establish reserves, and provide rehabilitative services.
- The GIB contracts with a private administrator to issue eligibility determinations and process claims.

Eligibility and Enrollment

- State employees, University of Wisconsin (UW) faculty and academic staff, and elected state officials and members or employees of the legislature who participate in the Wisconsin Retirement System (WRS) are eligible.
- There are additional enrollment opportunities other than the “initial enrollment period” by demonstrating good health through evidence of insurability or by accruing sufficient sick leave to qualify.
- Coverage may continue during authorized leaves of absence and layoffs.
- Standard ICI coverage is for annual earnings of \$64,000 or less. See reverse side for information on optional supplemental coverage.

Benefits

- Disability means the inability to perform the duties of the claimant's position (short-term) or the complete inability to engage in any substantial gainful activity for which the claimant is reasonably qualified (long-term).
- Monthly benefits equal 75% of previous calendar year salary (rounded to the next highest \$1,000 and divided by 12); a \$75 supplement is added to the normal monthly benefit amount, beginning with the second year of disability.
- There is a maximum monthly benefit of \$4,000 for standard ICI coverage.
- Benefits are payable for the length of disability or until age 65. There is an exception for disabilities beginning at age 62 or later.
- Benefits are paid after a minimum of a 30-calendar day elimination period (or completion of an employee-selected elimination period for UW faculty and academic staff) or upon exhaustion of accumulated sick leave, up to 130 days, whichever is later.
- Program may pay the cost of rehabilitative training.
- Benefits will not duplicate benefits available from other state or federal programs (e.g., WRS, Social Security, Worker's Compensation, etc.).

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Premium

- Monthly premium is based on previous calendar year WRS reported earnings (rounded to the next higher \$1,000 and divided by 12) and accumulated sick leave (selected elimination period for UW faculty and academic staff).
- The state will pay all or part of the total premium for employees who accumulate sufficient sick leave.
- UW faculty and academic staff who have one year of state creditable service receive 100% state-paid premium contribution based on a 180 calendar-day elimination period.

Optional Supplemental Coverage

- Optional coverage is available to employees with annual earnings exceeding \$64,000. Allows coverage of salary up to a maximum of \$120,000.
- Employees pay entire premium for optional supplemental coverage; premiums are in addition to required premium payments for standard coverage. Employers are not permitted to pay any portion of the supplemental ICI premium.
- There is a maximum monthly benefit payable of \$7,500 for standard and supplemental coverage.

Financial Statistics as of December 31, 2016

Total Assets:	\$60.2 million
Estimated Total Liabilities: (Reported Claims + Incurred But Not Reported Claims)	\$83.4 million
Recommended Reserve:	15-25% of estimated liabilities

Claims Statistics

Paid in 2016 by Year Incurred

	2016	2015	2014	2013
Number of Claims	946	676	121	123
Average Monthly Benefit	\$2,720	\$2,168	\$1,434	\$1,189

Total Paid in Year Ended December 31

	2016	2015	2014	2013
Number of Claims	2,578	2,553	2,657	2,578
Average Monthly Benefit	\$1,926	\$1,907	\$1,888	\$1,922

Revenues by Type (In Thousands \$)

Year	Premiums		Investment Income	Total	Covered Employees
	Employee	Employer			
2016	\$11,907	\$8,447	\$3,873	\$24,227	49,724
2015	\$9,535	\$7,254	(\$338)	\$16,451	49,769
2014	\$8,952	\$6,795	\$2,770	\$18,517	51,379
2013	\$8,549	\$6,436	\$6,552	\$21,537	51,692

Expenses by Type (In Thousands \$)

Year	Benefits Paid		Other Expenses	Total
	Short- and Long-term			
2016	\$19,285*		\$0*	\$19,285*
2015	\$19,382		\$0	\$19,382
2014	\$18,759		\$0	\$18,759
2013	\$17,866		\$0	\$17,866

* Total 2016 claims \$ 19,284,590 (includes taxes). Other expenses (pass-through expenses) \$0.