

# Experience Studies for the State of Wisconsin Duty Disability Program

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# Duty Disability Experience Studies

Study	Experience Period
Claim termination rate study – disabled members	2017 through 2Q 2022
Claim termination rate study – survivors	2017 through 2Q 2022
Benefit offset study	2017 through 2021
Future death benefit study – spouses	As of 12/31/2022
Future death benefit study – children	As of 12/31/2022
Overpayment recovery study	As of 12/31/2022

- The results were used to update Duty Disability valuation assumptions.
  - Claim termination rates
  - Probabilities of being approved for offsetting benefits from other sources
  - Estimated offset amounts
  - Estimated overpayment recoveries

# Duty Disability Impact of New Valuation Assumptions

## As of December 31, 2021

Liability Component	Prior	New
Open Claims – Disabled Members	\$435,774,770	\$424,878,607
Open Claims – Survivors	\$24,013,847	\$28,068,374
Future Death Benefits – Spouses	\$26,056,203	\$30,897,797
Future Death Benefits – Children	N/A	\$1,294,959
Overpayment Recovery	N/A	(\$208,016)
<b>Total</b>	<b>\$485,844,820</b>	<b>\$484,931,721</b>

New components for future death benefits for dependent children and overpayment recovery.

# Duty Disability Liability Runout Study

Experience Year	Average Annual Margin	
	Members	Survivors
2017	0.63%	2.99%
2018	0.04%	0.91%
2019	0.57%	0.99%
2020	0.54%	-0.57%
2021	0.72%	2.47%
<b>Average</b>	<b>0.50%</b>	<b>1.36%</b>

Positive overall margins (0.50% and 1.36%) indicate the liabilities provide adequate funding for the runout of open claims during the study period.

# Questions

# Limitations of Analysis

- We relied on information provided by the Department of Employee Trust Funds (ETF). If any of this information is inaccurate or incomplete, our results may be affected and may need to be revised.
- The experience studies use actuarial assumptions that are individually reasonable and that, in combination, offer our best estimate of anticipated experience. To the extent that actual experience varies from the assumptions, the emerging costs of the plan will vary from the projections we have prepared.
- The calculations in this presentation are consistent with our understanding of Duty Disability funding objectives and requirements. Additional determinations may be needed for other purposes.
- Milliman's work product was prepared exclusively for ETF for a specific and limited purpose. It is not for the use or benefit of any third party for any purpose.
- I, Paul Correia, am a Consulting Actuary with Milliman. I am a member of the American Academy of Actuaries, and I meet its Qualification Standards to render the actuarial opinion contained herein.