



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

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

1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

CORRESPONDENCE MEMORANDUM

DATE: July 31, 2015

TO: Group Insurance Board

FROM: Angel Johnson, Program Manager
Wisconsin Public Employers Group Life Insurance Program

SUBJECT: Wisconsin Public Employers (WPE) Group Life Insurance
2014 Policy Year Report and Recommendations

Staff recommends no changes to rates under the state and local government portions of the Group Life Insurance Program. In addition, staff recommends accepting the annual report from Minnesota Life Insurance Company (MLIC).

MLIC recommends maintaining the existing premium rates and benefits of the state plan for the plan year from April 1, 2016 through March 31, 2017. MLIC also recommends maintaining the existing premium rates and benefits of the local government plans for the plan year from July 1, 2016 through June 30, 2017.

The results of the 2014 policy year experience and MLIC recommendations will be presented by Paul Rudeen, Vice President and Actuary for MLIC, at the August 25 Group Insurance Board (Board) meeting. The 2014 policy year highlights and experience details can be found in the Financial Experience Report (Attachment A).

State Plan Experience

Total lives covered in the State plan have increased by more than 400 for active employees and 800 for retirees, with a total life insurance in force increase of 3% to over \$10.5 billion in 2014. Claims for the employee plan were fewer than projected, while claims for the spouse and dependent plan were on target with projections.

The overall average interest earnings rate on all reserve funds held for the plan was 3.82%. The plan ended 2014 with funding of future benefits within an acceptable range. MLIC recommends rates for the State plan to continue at current levels in the 2016 plan year.

Reviewed and approved by Lisa Ellinger, Director, Office of Strategic Health Policy

Electronically signed:
8/10/2015

Board	Mtg Date	Item #
GIB	08.25.15	6B

Local Government Plan Experience

The number of insured lives in the local government plan increased by more than 700 for active employees and 1,200 for retirees in 2014. The total life insurance in force increased by 3% to \$11.4 billion. Claims for active employees were lower than expected, while claims for spouses and dependents were higher than targeted but within an acceptable range.

The overall average interest earnings rate on all reserve funds held for the plan was 3.76%. The local government plan finished 2014 with funding of future benefits within an acceptable range. MLIC recommends rates for the local government plan to continue at current levels in the 2016 plan year.

MLIC Performance Standards for Customer Service

The contract with MLIC included nine performance standards for timely provision of customer service. These are outlined in Attachment A. MLIC achieved results of 100% in five of the seven performance standards. The remaining two performance standards also met expectations and are listed below:

- Death and dismemberment claims within ten calendar days after receipt of all necessary proof; goal of 95% and MLIC achieved a result of 98.37%
- Make final disposition of all evidence of insurability applications (with notification mailed to the application) within seven calendar days after receipt of necessary information; goal of 99% and MLIC achieved a result of 99.86%

MLIC managed 26,129 transactions subject to the nine performance standards in 2014, and achieved the standard in 99.87% of those transactions.

In 2014, MLIC performed a client satisfaction survey of participating employers with the goal of 90% satisfaction with overall service, processing of enrollments and evidence of insurability, process of claims, and support and training. In 2014, MLIC achieved results of 96% satisfaction with the client satisfaction survey.

Staff will be at the Board meeting to answer any questions.

Attachment A: Minnesota Life Financial Experience Report (January 1, 2014 through December 31, 2014)
Attachment B: Minnesota Life State Recommendations
Attachment C: Minnesota Life Local Recommendations

FINANCIAL EXPERIENCE REPORT

State of Wisconsin – Group Insurance Board

January 1, 2014 through December 31, 2014

Policy Number: 2832

Submitted by

Minnesota Life Insurance Company

June 30, 2015

MINNESOTA LIFE

The Group Insurance Board
801 West Badger Road
Madison, WI 53713

RE: EMPLOYEE LIFE INSURANCE PLAN
2014 POLICY YEAR HIGHLIGHTS

Ladies and Gentlemen:

This report presents the 2014 policy year experience on the group life insurance plans for employees of the State of Wisconsin and participating local government employers. The most important developments on the plans during 2014 are summarized in this letter. Details may be found in the policy year report on the page(s) indicated following each section. Historical experience is presented on pages 19-33 for the State plan and on pages 47-59 for the local government plan.

STATE PLAN

PLAN GROWTH

- The total number of insured active employees increased by over 400, while the number of insured retirees increased by over 800. On December 31, 2014, over 49,000 active employees, plus over 28,000 retired employees, were insured under the plan. Total life insurance in force on active employees, retirees, spouses and dependents increased by 3% to over \$10.5 billion. (Pages 5 and 13)

CLAIMS

- In 2014, the employee plan had an excellent result, driven by low death claims. (Pages 6, 7, 14 and 15)
- Claims on the spouse and dependent plan were at target. (Page 11)

OTHER BENEFITS

- In April 2010, the Board approved the addition of an aviation AD&D benefit for work related accidental deaths. The 2014 policy year is the fourth in which a separate experience

calculation has been performed for that benefit. There were no claims for this benefit in 2014. (Page 9)

- Retired State employees are allowed to convert the value of their postretirement life insurance to an account to pay health insurance or long-term care insurance premiums. During 2014, a total of 202 retired State employees utilized this option, including 55 new elections in 2014 and 147 continuations of earlier elections. As of December 31, 2014, there were 155 retired State employees utilizing this option. Of these 155 retired employees, 130 employees used the account to pay health insurance premiums and 25 used it for long-term care insurance premiums. Converted values for these employees are deducted from the plan's reserves at the time this option is elected. (Pages 16 and 63)

FUNDING STATUS

- The overall average interest earnings rate on all reserve funds held for the plan was 3.82%. This result reflects a conservative investment strategy involving primarily high-grade corporate bonds and residential mortgages.
- The plan ended 2014 with funding of future benefits within an acceptable range. (Page 17)

LOCAL GOVERNMENT PLAN

PLAN GROWTH

- The plan continued its steady, modest growth. In 2014, twelve local government employers entered the plan, one local government employer withdrew, and one local government merged with another. Twelve participating employers increased the benefits they offer to their employees. On December 31, 2014, a total of 729 local government employers participated.
- The total number of insured active employees increased by over 700, while the number of insured retirees increased by over 1,200. On December 31, 2014, over 72,000 active employees, plus over 39,000 retired employees, were insured under the plan. Total life insurance in force on active employees, retirees, spouses and dependents increased by 3% to \$11.4 billion. (Pages 35 and 41)

CLAIMS

- In 2014, the employee plan had an excellent result, driven by low death claims. (Pages 36, 37, 42 and 43)

- Claims in 2014 on the spouse and dependent plan were higher than the current target level, which anticipates using the plan's reserves to cover excess claims. (Page 39)

OTHER BENEFITS

- Retired local employees are allowed to convert the value of their postretirement life insurance to pay health insurance premiums. Usage of this provision among local government retirees has been minimal, as only a small number participate in the Board's health insurance plans. The long-term care insurance plan offered through ETF is not available to local government employees. Only three people used this option during 2014. (Pages 44 and 63)

FUNDING STATUS

- The overall average interest earnings rate on all reserve funds held for the plan was 3.76%. This result reflects a conservative investment strategy involving primarily high-grade corporate bonds and residential mortgages.
- The plan ended 2014 with funding of future benefits within an acceptable range. (Page 45)

Respectfully submitted,



Paul Rudeen, FSA
Vice President and Actuary
Group Insurance Division

PR:pt

CONTENTS
2014 POLICY YEAR REPORT

	<u>Page</u>
I. Plan Summary	1
II. State of Wisconsin Plan - Active Employees	
A. Employee Coverage	5
B. Spouse and Dependent Coverage	5
C. Premium Summary	6
D. Employee Claims	6
E. Employer Aviation AD&D Claims	6
F. Spouse and Dependent Claims	6
G. Financial Experience - Active Employee Insurance	7
H. Reserve Summary	8
I. Stop-Loss Calculation for Employee Insurance	8
J. Financial Experience - Employer Aviation AD&D Insurance	9
K. Financial Experience - Spouse and Dependent Insurance	11
L. Stop-Loss Calculation for Spouse and Dependent Insurance	11
III. State of Wisconsin Plan - Retirees	
A. Retiree Coverage	13
B. Premium Summary	14
C. Retiree Claims	14
D. Financial Experience - Pre-Age 65 Retiree Insurance	15
E. Financial Experience - Post-Age 65 Retiree Insurance	16
F. Summary of Assets and Liabilities for Post-Retirement Benefits on December 31	17
G. Stop-Loss Calculation for Employee Insurance	17

CONTENTS (cont'd)

2014 POLICY YEAR REPORT

IV.	State of Wisconsin Plan - Historical Experience	
A.	Cumulative Financial Experience on Active Employee Insurance	19
B.	Historical Statistics - Active Employee Insurance	20
C.	Cumulative Financial Experience on Employer Aviation AD&D Insurance	22
D.	Historical Statistics - Employer Aviation AD&D Insurance	23
E.	Cumulative Financial Experience on Spouse and Dependent Insurance	25
F.	Historical Statistics - Spouse and Dependent Insurance	26
G.	Cumulative Financial Experience on Retiree Insurance	27
H.	Historical Statistics - Retiree Insurance	28
I.	Cumulative Financial Experience on Employee Insurance (Active and Retiree)	31
J.	Historical Statistics - Active Employee and Retiree Insurance	32
V.	Local Government Plan - Active Employees	
A.	Employee Coverage	35
B.	Spouse and Dependent Coverage	35
C.	Premium Summary	36
D.	Employee Claims	36
E.	Spouse and Dependent Claims	36
F.	Financial Experience - Active Employee Insurance	37
G.	Reserve Summary	38
H.	Stop-Loss Calculation for Employee Insurance	38
I.	Financial Experience - Spouse and Dependent Insurance	39
J.	Stop-Loss Calculation for Spouse and Dependent Insurance	39

CONTENTS (cont'd)

2014 POLICY YEAR

VI. Local Government Plan - Retirees	
A. Retiree Coverage	41
B. Premium Summary	42
C. Retiree Claims	42
D. Financial Experience - Pre-Age 65 Retiree Insurance	43
E. Financial Experience - Post-Age 65 Retiree Insurance	44
F. Summary of Assets and Liabilities for Post-Retirement Benefits on December 31	45
G. Stop-Loss Calculation for Employee Insurance	45
VII. Local Government Plan - Historical Experience	
A. Cumulative Financial Experience on Active Employee Insurance	47
B. Historical Statistics - Active Employee Insurance	48
C. Cumulative Financial Experience on Spouse and Dependent Insurance	50
D. Historical Statistics - Spouse and Dependent Insurance	51
E. Cumulative Financial Experience on Retiree Insurance	53
F. Historical Statistics - Retiree Insurance	54
G. Cumulative Financial Experience on Employee Insurance (Active and Retiree)	57
H. Historical Statistics - Active Employee and Retiree Insurance	58
VIII. Funding Assumptions	61
IX. Conversion of Postretirement Life Insurance Values to Pay Health or Long-Term Care Insurance Premiums	
A. Number of Retirees Utilizing Benefit	63
B. Conversion Account Activity	63
C. Cumulative Number of Retirees Utilizing Benefit	64
D. Cumulative Conversion Account Activity	64

THIS PAGE INTENTIONALLY
LEFT BLANK

GROUP LIFE INSURANCE PLANS

I. Plan Summary

The group life insurance plan for State of Wisconsin employees began on January 1, 1958; the group life insurance plan for local government employees began on January 1, 1960. These plans provide term life insurance for both active and retired employees. Employees may also insure their spouses and dependent children.

A. State of Wisconsin - Employee Insurance

Both active and retired State employees are eligible for a basic term insurance plan. Employees also receive accidental death and dismemberment insurance equal to their life insurance until age 65. If an insured employee continues in employment, benefits continue beyond age 65 until the earlier of retirement or attainment of age 70. The waiver of premium benefit provides free insurance to disabled employees under age 70.

Insurance for all employees under age 65 and for active employees ages 65 to 69 is equal to earnings under the Wisconsin Retirement System for the previous calendar year rounded to the next higher thousand dollars. At age 65, insurance reduces to 75% of the insurance then in force. At age 66, insurance reduces to 50% of the insurance in force prior to age 65. For active employees over age 65, these reductions are delayed until the earlier of retirement or attainment of age 70. A retired employee retains lifetime coverage in a reduced amount.

A supplemental insurance plan provides added term insurance for active employees equal to 100% of insurance under the basic plan. Prior to April 24, 1990, an employee could alternatively select supplemental insurance equal to 50% of insurance under the basic plan. Employees enrolled under that alternative may maintain that level of coverage. The supplemental insurance terminates on the later of the employee's 65th birthday or retirement but in no event beyond the employee's 70th birthday.

An additional insurance plan offers extra coverage on an employee-pay-all basis. Effective May 1, 1998, an employee may elect up to three units of additional insurance. Each unit provides coverage equal to 100% of insurance under the basic plan. The additional insurance terminates on the later of the employee's 65th birthday or retirement. An employee who continues in active employment beyond age 70 may maintain the additional insurance coverage by continued payment of premiums.

Employees pay premiums to cover the major portion of the cost of the basic and supplemental coverages during active employment. Employees pay premiums to cover the entire cost of the additional insurance. Employee premium rates in effect during 2014 were as shown in the table on the following page.

GROUP LIFE INSURANCE PLANS

<u>Attained</u> <u>Age</u>	<u>Monthly Premium per \$1,000 of Insurance</u>		
	<u>1-1-2014 through 12-31-2014</u>		
	<u>Basic</u>	<u>Supplemental</u>	<u>Additional</u>
Under 30	\$.04	\$.04	\$.06
30-34	.04	.04	.06
35-39	.04	.04	.06
40-44	.06	.06	.09
45-49	.10	.10	.15
50-54	.16	.16	.24
55-59	.22	.22	.33
60-64	.30	.30	.45
65-69	.39	.39	.59

Retired employees pay no further premiums. The State contributes premiums equal to 65.25% of employee contributions for basic insurance and 37.25% of employee contributions for supplemental insurance. These contributions are allocated to cover the cost of continuing the basic plan after retirement, to cover the State's portion of the cost of the basic and supplemental plans for active employees, and to cover the cost of the employer aviation AD&D insurance.

B. State of Wisconsin - Spouse and Dependent Insurance

The spouse and dependent insurance plan for State employees was introduced in 1981. Insured State employees may purchase life insurance benefits for spouses and dependents. A dependent child is eligible until age 19 or until age 25 as long as the dependent is a full-time student. A physically or mentally disabled dependent may qualify to continue the coverage past age 25. Premiums for this insurance are paid entirely by employees.

An insured employee may elect either one or two units of coverage. Each unit provides \$10,000 of life insurance for an insured spouse and \$5,000 for each insured dependent child. During 2014, the monthly premium was \$2.50 for each unit of coverage.

C. Local Government Employers - Employee Insurance

All three insurance plans are available to employees of local government employers. A local government employer may elect to offer only the basic plan or may offer the basic plan with either or both the supplemental plan and the additional plan. The employer may select a benefit reduction schedule for the basic plan identical to the State plan or a plan with an age 67 benefit reduction to 25% of insurance in force prior to age 65.

GROUP LIFE INSURANCE PLANS

Employees pay premiums to cover the entire cost of basic, supplemental and additional insurance during active employment. Employee premium rates in effect during 2014 were as follows:

Monthly Premium per \$1,000 of Insurance for Basic, Supplemental and Additional

<u>Attained Age</u>	<u>01-01-2014 through 12-31-2014</u>
Under 30	.05
30-34	.06
35-39	.07
40-44	.08
45-49	.12
50-54	.22
55-59	.39
60-64	.49
65-69	.57

The employer's contribution for the basic plan with a 50% ultimate benefit at ages 66 and later is 40% of employee contributions. For the plan with a benefit reduction to 25% at age 67 and later, the contribution is 20% of employee contributions.

D. Local Government Employers - Spouse and Dependent Insurance

The spouse and dependent insurance plan for local government employees was introduced in 1983. The benefits are the same as those under the plan for State employees.

During 2014, the monthly premium was \$1.75 for each unit of coverage.

GROUP LIFE INSURANCE PLANS

E. Funding Status

The cost of insurance for retired employees is funded in advance by employer premium contributions and by dividends from the premiums paid by active employees. Each year the values of the plans' assets are compared to the present values of future benefit liabilities for retired employees and the present values of future benefits in excess of future premiums for active employees. The following table summarizes this comparison as of December 31, 2014:

	State Plan	Local Government Employers Plan
1. Assets		
a. Retiree Premium Deposit Fund	\$ 364,891,996	\$ 189,909,860
b. Active Premium Deposit Fund Available for Post-Retirement Funding	11,168,671	11,053,067
c. Contingent Liability Reserve	0	53,223,215
d. Active Stabilization Reserve Available for Post-Retirement Funding	<u>21,399,759</u>	<u>27,109,592</u>
e. Total	\$ <u>397,460,426</u>	\$ <u>281,295,734</u>
2. Liabilities		
a. Post-Age 65 Retirees	\$ 269,797,552	\$ 156,106,106
b. Pre-Age 65 Retirees	61,843,110	42,740,671
c. Active Employees	<u>188,553,687</u>	<u>42,068,768</u>
d. Total	\$ <u>520,194,349</u>	\$ <u>240,915,545</u>
3. Unfunded Accrued Liability (2d - 1e)	\$ 122,733,923	\$ (40,380,189)
4. Total Assets as a Percent of Total Liabilities (1e / 2d)	76.4%	116.8%

F. Underwriters

The group life insurance plan is underwritten by Minnesota Life Insurance Company. With the consent of the Group Insurance Board, the EPIC Life Insurance Company reinsured a portion of the plan during 2014.

G. Financial Basis

The financial agreement between the Group Insurance Board and Minnesota Life establishes the basis for plan finances. All calculations in this policy year report are made in accordance with the financial agreement and amendments approved by the Group Insurance Board.

STATE OF WISCONSIN

II. State of Wisconsin Plan - Active Employees*

Report on operations for 2014, the fifty-seventh year of the plan.

A. Employee Coverage

	<u>12-31-2013</u>	<u>12-31-2014</u>
1. Employees Insured for Pre-Retirement Insurance		
Basic Plan	49,279	49,683
Supplemental Plan	35,153	35,352
Additional Plan	24,323	24,334
2. Pre-Retirement Life and AD&D Insurance		
Basic Plan	\$ 2,870,723,000	\$ 2,949,671,000
Supplemental Plan	2,091,735,000	2,143,765,000
Additional Plan	3,218,831,000	3,358,591,000

B. Spouse and Dependent Coverage

1. Employees Insured	23,203	23,478
2. Estimated Spouse and Dependent Life Insurance	\$ 562,840,000	\$ 570,825,000

*The active employee plan financial report includes:

- All active employees at ages under 70.
- All active employees at age 70 and over who continue to participate in the additional life insurance benefit.
- Spouses and dependents of active employees.
- All premium contributions by the State toward the cost of pre-retirement life insurance for active employees.

STATE OF WISCONSIN

C. Premium Summary

Employee Contributions

Basic Plan	\$ 4,640,632	
Supplemental Plan	3,387,177	
Additional Plan	6,864,147	
Spouse and Dependent Plan	<u>1,216,922</u>	
		\$ 16,108,878

State Contributions

Basic Plan	\$ 1,624,221	
Supplemental Plan	1,185,512	
Basic Aviation AD&D Plan	104,414	
Supplemental Aviation AD&D Plan	<u>76,212</u>	
		\$ <u>2,990,359</u>

Total Premium \$ 19,099,237

D. Employee Claims

	<u>Basic Plan</u>	<u>Supplemental Plan</u>	<u>Additional Plan</u>	<u>Total</u>
Life	\$ 3,592,954	\$ 2,701,696	\$ 3,207,864	\$ 9,502,514
AD&D	479,511	353,332	389,050	1,221,893
Living Benefit	191,000	144,000	432,000	767,000
Disability	<u>321,886</u>	<u>289,181</u>	<u>901,170</u>	<u>1,512,237</u>
Total	\$ 4,585,351	\$ 3,488,209	\$ 4,930,084	\$ 13,003,644

E. Employer Aviation AD&D Claims

	<u>Basic Plan</u>	<u>Supplemental Plan</u>	<u>Additional Plan</u>	<u>Total</u>
AD&D	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total	\$ 0	\$ 0	\$ 0	\$ 0

F. Spouse and Dependent Claims

	<u>Spouse</u>	<u>Dependent</u>		<u>Total</u>
Life	\$ 991,161	\$ 80,086		\$ 1,071,247
Living Benefit	<u>20,000</u>	<u>0</u>		<u>20,000</u>
Total	\$ 1,011,161	\$ 80,086		\$ 1,091,247

STATE OF WISCONSIN

G. Financial Experience - Active Employee Insurance

1. Premium

Employee Contributions	\$ 14,891,956	
Employer Contributions	2,809,733	
	<u>17,701,689</u>	
Total Premium		\$ 17,701,689

2. Claim Charges

Death Claims	\$ 9,502,514	
AD&D Claims	1,221,893	
Living Benefit Claims	767,000	
Increase in Disability Claim Reserve	1,512,237	
Pooled Claims	(4,392)	
Pool Charge	903,382	
Conversion Charge	30,300	
Catastrophic Loss Credit	0	
	<u>13,932,934</u>	
Total Claim Charges		\$ 13,932,934

3. Expense Charges

Minnesota Life Expenses	\$ 740,816	
Reinsurance Expense	3,179	
Risk Charge	0	
	<u>743,995</u>	
Total Expense Charges		\$ 743,995

4. Tax Charges

State Premium Tax	\$ 354,034	
Federal Income Tax	6,541	
	<u>360,575</u>	
Total Tax Charges		\$ 360,575

5. Interest Credits/Charges

On Premium	\$ 96,641	
On Disability Claim Reserve	1,105,436	
On Claims Paid	(43,305)	
On Expense Charges, Pool Charge & Conversion Charge	(12,767)	
	<u>1,146,005</u>	
Total Interest Credits/Charges		\$ 1,146,005

6. State Internal Administration Expense

\$ 515,107

7. Audit/Consultant Service Charge

\$ 0

8. Contribution to Stabilization Reserve [(1)-(2)-(3)-(4)+(5)-(6)-(7)]

\$ 3,295,083

STATE OF WISCONSIN

H. Reserve Summary

1. Premium Deposit Fund

Balance on 12-31-2013	\$	10,752,168
Interest Credit		416,503
Withdrawals on 12-31-2014		<u>0</u>
Balance on 12-31-2014	\$	11,168,671

2. Stabilization Reserve

Balance on 12-31-2013	\$	26,006,603
Interest Credit		948,918
Contribution on 12-31-2014		3,295,083
Withdrawals on 12-31-2014		<u>0</u>
Balance on 12-31-2014	\$	30,250,604

Interest Rate on Premium Deposit Fund and Stabilization Reserve in 2014 3.71%

I. Stop-Loss Calculation for Active Employee Insurance

Stop-Loss Limit	\$	24,898,330
Claim Charges	\$	13,915,415
Expense Charges		<u>1,098,029</u>
Total Charges	\$	15,013,444
Catastrophic Loss Credit	\$	0

STATE OF WISCONSIN

J. Financial Experience - Employer Aviation AD&D Insurance

1. Premium		\$	180,626
2. Claim Charges			
AD&D Claims	\$		0
Pooled Claims			0
Pool Charge		12,405	
Catastrophic Loss Credit		<u>0</u>	
Total Claim Charges		\$	12,405
3. Expense Charges			
Risk Charge	\$	<u>1,219</u>	
Total Expense Charges		\$	1,219
4. Tax Charges			
State Premium Tax	\$	<u>3,613</u>	
Total Tax Charges		\$	3,613
5. Interest Credits/Charges			
On Premium	\$	988	
On Claims Paid		0	
On Expense Charges & Tax Charges		<u>(86)</u>	
Total Interest Credits/Charges		\$	902
6. Addition to Stabilization Reserve [(1)-(2)-(3)-(4)+(5)]		\$	164,291
7. Stabilization Reserve			
Stabilization Reserve on 12-31-2013		\$	451,968
Addition to Reserve on 12-31-2014			164,291
Interest on Stabilization Reserve in 2014			<u>13,058</u>
Stabilization Reserve on 12-31-2014		\$	629,317

THIS PAGE INTENTIONALLY
LEFT BLANK

STATE OF WISCONSIN

K. Financial Experience - Spouse and Dependent Insurance

1. Premium		\$ 1,216,922
2. Claim Charges		
Death Claims	\$ 1,071,247	
Living Benefit Claims	20,000	
Conversion Charge	15,120	
Catastrophic Loss Credit	<u>0</u>	
Total Claim Charges		\$ 1,106,367
3. Expense Charges		
Minnesota Life Expenses	\$ 22,513	
Risk Charge	<u>2,434</u>	
Total Expense Charges		\$ 24,947
4. Tax Charges		
State Premium Tax	\$ 24,338	
Federal Income Tax	<u>961</u>	
Total Tax Charges		\$ 25,299
5. Interest Credits/Charges		
On Premium	\$ 6,697	
On Claims Paid	(4,616)	
On Expense Charges & Conversion Charge	<u>(895)</u>	
Total Interest Credits/Charges		\$ 1,186
6. State Internal Administration Expense		\$ 113,603
7. Audit/Consultant Service Charge		\$ 0
8. Addition to Stabilization Reserve [(1)-(2)-(3)-(4)+(5)-(6)-(7)]		\$ (52,108)
9. Stabilization Reserve		
Stabilization Reserve on 12-31-2013		\$ 404,936
Addition to Reserve on 12-31-2014		(52,108)
Interest on Stabilization Reserve in 2014		<u>13,328</u>
Stabilization Reserve on 12-31-2014		\$ 366,156

L. Stop-Loss Calculation for Spouse and Dependent Insurance

Stop-Loss Limit		\$ 1,581,998
Claim Charges		1,106,367
Expense Charges		<u>49,285</u>
Total Charges		\$ 1,155,652
Catastrophic Loss Credit		\$ 0

THIS PAGE INTENTIONALLY
LEFT BLANK

STATE OF WISCONSIN

III. State of Wisconsin Plan - Retirees*

Report on operations for 2014, the fifty-seventh year of the plan.

A. Retiree Coverage

	<u>12-31-2013</u>	<u>12-31-2014</u>
1. Retirees Insured for Pre-Age 65 Insurance		
Basic Plan	7,237	6,969
Supplemental Plan	4,787	4,606
Additional Plan	1,974	1,903
2. Pre-Age 65 Life and AD&D Insurance		
Basic Plan	\$ 456,440,000	\$ 442,634,000
Supplemental Plan	295,864,000	287,845,000
Additional Plan	205,600,000	204,505,000
3. Retirees Insured for Post-Age 65 Insurance	20,025	21,168
4. Post-Age 65 Life Insurance	\$ 536,245,750	\$ 581,764,582

*The retiree plan financial report includes:

- All retirees at age 65 and over, and all active employees at age 70 and over, who receive a post-retirement life insurance benefit with no further premium payments.
- All retirees under age 65 who receive post-retirement life insurance benefits based on continued premium payments.
- All funding contributions by the State toward future post-retirement life insurance for currently active employees.

STATE OF WISCONSIN

B. Premium Summary

Pre-Age 65 Retiree Contributions

Basic Plan	\$ 1,682,802	
Supplemental Plan	1,186,222	
Additional Plan	<u>487,058</u>	
		\$ 3,356,082
State Contributions to Premium Deposit Fund		\$ 1,299,230
Total Premium		\$ 4,655,312

C. Retiree Claims

	<u>Basic Plan</u>	<u>Supplemental Plan</u>	<u>Additional Plan</u>	<u>Total</u>
1. Pre-Age 65 Life and AD&D Insurance				
Life	\$ 1,687,057	\$ 1,111,500	\$ 941,567	\$ 3,740,124
AD&D	46,086	46,086	0	92,172
Living Benefit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 1,733,143	\$ 1,157,586	\$ 941,567	\$ 3,832,296
2. Post-Age 65 Life Insurance				
Life	\$ 14,772,467			\$ 14,772,467
Living Benefit	<u>24,500</u>			<u>24,500</u>
Total	\$ 14,796,967			\$ 14,796,967

STATE OF WISCONSIN

D. Financial Experience - Pre-Age 65 Retiree Insurance

1. Premium

Pre-Age 65 Contributions	\$ 3,356,082	
Withdrawal from Premium Deposit Fund on 12-31-2014	982,981	
	<u>982,981</u>	
Total Premium		\$ 4,339,063

2. Claim Charges

Death Claims	\$ 3,740,124	
AD&D Claims	92,172	
Living Benefit Claims	0	
Pooled Claims	0	
Pool Charge	91,464	
Conversion Charge	0	
Catastrophic Loss Credit	0	
	<u>0</u>	
Total Claim Charges		\$ 3,923,760

3. Expense Charges

Minnesota Life Expenses	\$ 194,825	
Reinsurance Expense	836	
Risk Charge	0	
	<u>0</u>	
Total Expense Charges		\$ 195,661

4. Tax Charges

State Premium Tax	\$ 86,782	
Federal Income Tax	1,385	
	<u>1,385</u>	
Total Tax Charges		\$ 88,167

5. Interest Credits/Charges

On Premium	\$ 20,758	
On Claims Paid	(8,663)	
On Expense Charges, Pool Charge & Conversion Charge	(2,581)	
	<u>(2,581)</u>	
Total Interest Credits/Charges		\$ 9,514

6. State Internal Administration Expense \$ 104,989

7. Actuarial Service Charge \$ 36,000

8. Experience Credit [(1)-(2)-(3)-(4)+(5)-(6)-(7)] \$ 0

The Experience Credit is deposited in the Contingent Liability Reserve.

STATE OF WISCONSIN

E. Financial Experience - Post-Age 65 Retiree Insurance

1. Premium Deposit Fund

Premium Deposit Fund on 12-31-2013	\$	366,652,383
Contributions for Active Employees During 2014		1,299,230
Withdrawal on 12-31-2014 for Pre-Age 65 Retiree Insurance		(982,981)
Post-Age 65 Death Claims		(14,796,967)
Minnesota Life Expenses on Post-Age 65 Retiree Death Claims		(235,234)
State Premium Tax		(307,095)
Risk Charge		(15,476)
Withdrawals of Postretirement Life Insurance Values to pay Health and Long-Term Care Insurance Premiums		(758,413)
Interest on Premium Deposit Fund in 2014		<u>14,036,549</u>
Premium Deposit Fund on 12-31-2014	\$	364,891,996

Interest Rate on Premium Deposit Fund Reserve in 2014		3.89%
---	--	-------

STATE OF WISCONSIN

F. Summary of Assets and Liabilities for Post-Retirement Benefits on December 31

	<u>2013</u>	<u>2014</u>
1. Assets		
a. Retiree Premium Deposit Fund	\$ 366,652,383	\$ 364,891,996
b. Active Premium Deposit Fund Available for Post-Retirement Funding	10,752,168	11,168,671
c. Contingent Liability Reserve	0	0
d. Active Stabilization Reserve Available for Post-Retirement Funding	<u>17,512,078</u>	<u>21,399,759</u>
e. Total	\$ 394,916,629	\$ 397,460,426
2. Liabilities		
a. Post-Age 65 Retirees	\$ 248,492,805	\$ 269,797,552
b. Pre-Age 65 Retirees	64,252,945	61,843,110
c. Active Employees	<u>192,340,330</u>	<u>188,553,687</u>
d. Total	\$ 505,086,080	\$ 520,194,349
3. Unfunded Accrued Liability [2(d) - 1(e)]	\$ 110,169,451	\$ 122,733,923
4. Total Assets as a Percent of Total Liabilities [1(e)/2(d)]	78.2%	76.4%

Definitions of asset values:

- Retiree Premium Deposit Fund: total retiree premium deposit fund assets
- Active Premium Deposit Fund Available for Post-Retirement Funding: active premium deposit fund assets in excess of the active target reserve level. The target level of active premium deposit fund plus active stabilization reserve equals 50% of active plan premium.
- Contingent Liability Reserve: total contingent liability reserve assets
- Active Stabilization Reserve Available for Post-Retirement Funding: active stabilization reserve assets in excess of the active target reserve level. The target level of active premium deposit fund plus active stabilization reserve equals 50% of active plan premium.

Definitions of liability values:

- Post-Age 65 Retirees: present value of future claims
- Pre-Age 65 Retirees: present value of future claims minus present value of future premiums
- Active Employees: present values of future active employment claims and future post-retirement claims for active employees minus present values of future State and employee premium contributions

Funding Assumptions appear on page 61 of this report.

G. Stop-Loss Calculation for Retiree Insurance

Stop-Loss Limit	\$ 24,817,799
Claim Charges	\$ 18,638,448
Expense Charges	<u>840,248</u>
Total Charges	\$ 19,478,696
Catastrophic Loss Credit	\$ 0

THIS PAGE INTENTIONALLY
LEFT BLANK

STATE OF WISCONSIN

IV. Historical Experience

A. Cumulative Financial Experience on Active Employee Insurance - 2008 through 2014

Employee Contributions		\$ 106,672,497
State Contributions		
Basic Plan	\$ 12,228,540	
Supplemental Plan	8,769,047	
	20,997,587	
Total Premium		\$ 127,670,084
Reserve Brought Forward on January 1, 2008		\$ 8,057,225
Death Claims	\$ 77,895,886	
AD&D Claims	6,088,724	
Living Benefit Claims	4,109,000	
Increase in Disability Claim Reserve	9,388,253	
Pooled Claims	(429,104)	
Pool Charge	4,417,299	
Conversion Charge	53,280	
Catastrophic Loss Credit	0	
	0	
Total Claim Charges		\$ 101,523,338
Premium Deposit Fund on 12-31-2014	\$ 11,168,671	
Stabilization Reserve on 12-31-2014	30,250,604	
	30,250,604	
Total		\$ 41,419,275
Payments to State		
State Premium Tax	\$ 2,553,403	
State Internal Administration Expense	1,501,782	
Actuarial Service Charge	0	
Audit/Consultant Service Charge	9,177	
Legal Expense	0	
	0	
Total		\$ 4,064,362
Excess of Disbursement and Reserves Over Premium and Reserve Brought Forward on January 1, 2008		\$ 11,279,666
Minnesota Life Expenses	\$ 4,869,795	
Reinsurance Expense	21,332	
Risk Charge	117,026	
Federal Income Tax Charge	206,947	
	206,947	
Total	\$ 5,215,100	
Interest Credited to Plan	16,494,766	
Interest Credited to Plan Less Cost		\$ 11,279,666

STATE OF WISCONSIN

B. Historical Statistics - Active Employee Insurance - 2008 and Later

<u>Year</u>	<u>Insurance in Force At End of Year</u>	<u>Premium</u>			
		<u>Employee Contributions</u>	<u>State Contributions</u>		<u>Total</u>
			<u>Basic Plan</u>	<u>Supplemental Premium</u>	
2014	8,452,027,000	\$14,891,956	\$1,624,221	\$1,185,512	\$17,701,689
2013	8,181,289,000	14,270,577	1,570,301	1,148,173	16,989,051
2012	7,809,378,000	13,858,600	1,542,392	1,131,700	16,532,692
2011	7,884,065,000	15,323,502	1,887,488	1,130,589	18,341,579
2010	8,152,346,000	17,069,440	1,954,805	1,452,757	20,477,002
2009	8,098,961,000	16,364,530	1,893,115	1,408,385	19,666,030
2008	7,527,518,000	<u>14,893,892</u>	<u>1,756,218</u>	<u>1,311,931</u>	<u>17,962,041</u>
Totals		\$106,672,497	\$12,228,540	\$8,769,047	\$127,670,084

Claims

<u>Year</u>	<u>Death Losses</u>			<u>Living Benefits</u>	<u>Disability Losses</u>	<u>Total Claims</u>
	<u>Life</u>	<u>AD&D</u>	<u>Total</u>			
2014	\$9,502,514	\$1,221,893	\$10,724,407	\$767,000	\$1,512,237	\$13,003,644
2013	12,685,738	158,866	12,844,604	215,000	322,717	13,382,321
2012	12,293,688	1,176,864	13,470,552	1,185,000	1,342,529	15,998,081
2011	12,844,361	994,280	13,838,641	1,191,000	1,184,198	16,213,839
2010	11,065,435	654,500	11,719,935	162,000	1,495,964	13,377,899
2009	11,008,714	934,814	11,943,528	264,000	1,696,753	13,904,281
2008	<u>8,495,436</u>	<u>947,507</u>	<u>9,442,943</u>	<u>325,000</u>	<u>1,833,855</u>	<u>11,601,798</u>
Totals	\$77,895,886	\$6,088,724	\$83,984,610	\$4,109,000	\$9,388,253	\$97,481,863

<u>Year</u>	<u>Total Claims</u>	<u>Conversion Charge</u>	<u>Pooled Claims</u>	<u>Pool Charge</u>	<u>Total Claim Charges</u>
2014	\$13,003,644	\$30,300	(\$4,392)	\$903,382	\$13,932,934
2013	13,382,321	8,700	(20,911)	731,188	14,101,298
2012	15,998,081	14,280	13,466	728,305	16,754,132
2011	16,213,839	0	(417,267)	662,830	16,459,402
2010	13,377,899	0	0	622,396	14,000,295
2009	13,904,281	0	0	415,524	14,319,805
2008	<u>11,601,798</u>	<u>0</u>	<u>0</u>	<u>353,674</u>	<u>11,955,472</u>
Totals	\$97,481,863	\$53,280	(\$429,104)	\$4,417,299	\$101,523,338

STATE OF WISCONSIN

B. Historical Statistics - Active Employee Insurance - 2008 and Later (cont'd)

Year	Overhead Cost						State Internal Administration Expense	Audit/ Consultant Charge	Interest Credits/ Charges
	Insurance Company Expense	Reinsurance Expense	Risk Charge	State Premium Tax	Federal Income Tax	Total			
2014	\$740,816	\$3,179	\$0	\$354,034	\$6,541	\$1,104,570	\$515,107	\$0	\$40,569
2013	710,992	3,051	0	339,781	3,025	1,056,849	0	0	39,815
2012	676,289	2,888	0	330,654	1,791	1,011,622	225,516	0	23,343
2011	715,322	3,023	0	366,832	26,714	1,111,891	263,769	3,062	65,019
2010	713,009	3,237	22,909	409,540	58,728	1,207,423	190,230	6,115	114,323
2009	684,771	3,109	45,156	393,321	59,908	1,186,265	180,736	0	143,259
2008	<u>628,596</u>	<u>2,845</u>	<u>48,961</u>	<u>359,241</u>	<u>50,240</u>	<u>1,089,883</u>	<u>126,424</u>	<u>0</u>	<u>224,462</u>
Totals	\$4,869,795	\$21,332	\$117,026	\$2,553,403	\$206,947	\$7,768,503	\$1,501,782	\$9,177	\$650,790

Year	Reserves			
	Disability Reserve	Stabilization Reserve	Premium Deposit Fund	Total
2014	\$30,346,336	\$30,250,604	\$11,168,671	\$71,765,611
2013	28,834,099	26,006,603	10,752,168	65,592,870
2012	28,511,382	22,123,903	10,326,781	60,962,066
2011	27,168,853	21,512,559	9,895,287	58,576,699
2010	25,984,655	18,903,224	9,447,632	54,335,511
2009	24,488,691	11,882,916	8,981,728	45,353,335
2008	22,791,938	6,199,293	8,514,260	37,505,491

Year	Interest Credits on Reserves			
	Disability Reserve	Stabilization Reserve	Premium Deposit Fund	Total
2014	\$1,105,436	\$948,918	\$416,503	\$2,470,857
2013	1,151,615	860,366	425,387	2,437,368
2012	1,176,622	869,957	431,494	2,478,073
2011	1,222,715	818,146	447,655	2,488,516
2010	1,265,665	567,381	465,904	2,298,950
2009	1,245,596	315,544	467,468	2,028,608
2008	<u>1,184,569</u>	<u>0</u>	<u>457,035</u>	<u>1,641,604</u>
Totals	\$8,352,218	\$4,380,312	\$3,111,446	\$15,843,976

STATE OF WISCONSIN

C. Cumulative Financial Experience on Employer Aviation AD&D Insurance - 2011 through 2014

Employer Contribution		\$	667,707
AD&D Claims	\$		0
Pooled Claims			0
Pool Charge			49,620
Catastrophic Loss Credit			<u>0</u>
 Total Claim Charges		 \$	 49,620
 Stabilization Reserve on 12-31-2014		 \$	 629,317
 Payments to State			
State Premium Tax	\$		<u>13,354</u>
 Total		 \$	 13,354
 Payment from Stabilization Reserve for Premiums		 \$	 0
 Excess of Disbursement and Reserves over Premium		 \$	 24,584
 Risk Charge	 \$		 <u>4,507</u>
 Total	 \$		 4,507
 Interest Credited to Plan			 <u>29,091</u>
 Interest Credited to Plan Less Cost		 \$	 24,584

STATE OF WISCONSIN

D. Historical Statistics - Employer Aviation AD&D Insurance

<u>Year</u>	<u>Employer Contributions</u>	<u>Death Losses</u>	<u>Pooled Claims</u>	<u>Pool Charge</u>	<u>Total Claim Charges</u>
2014	\$180,626	\$0	\$0	\$12,405	\$12,405
2013	174,759	0	0	12,405	12,405
2012	171,906	0	0	12,405	12,405
2011	<u>140,416</u>	<u>0</u>	<u>0</u>	<u>12,405</u>	<u>12,405</u>
Totals	\$667,707	\$0	\$0	\$49,620	\$49,620

<u>Year</u>	<u>Overhead Cost</u>			
	<u>Risk Charge</u>	<u>Catastrophic Loss Credit</u>	<u>State Premium Tax</u>	<u>Total</u>
2014	\$1,219	\$0	\$3,613	\$4,832
2013	1,180	0	3,495	4,675
2012	1,160	0	3,438	4,598
2011	<u>948</u>	<u>0</u>	<u>2,808</u>	<u>3,756</u>
Totals	\$4,507	\$0	\$13,354	\$17,861

<u>Year</u>	<u>Interest Credits</u>		
	<u>Stabilization Reserve</u>	<u>On Stabilization Reserve</u>	<u>Current Premium Less Charges</u>
2014	\$629,317	\$13,058	\$902
2013	451,968	8,266	867
2012	285,156	4,352	857
2011	125,044	<u>0</u>	<u>789</u>
Totals		\$25,676	\$3,415

THIS PAGE INTENTIONALLY
LEFT BLANK

STATE OF WISCONSIN

E. Cumulative Financial Experience on Spouse and Dependent Insurance - 1981 through 2014

Employee Contribution		\$ 30,283,047
Death Claims	\$ 28,779,734	
Living Benefit Claims	130,000	
Conversion Charge	227,475	
Catastrophic Loss Credit	<u>(313,347)</u>	
Total Claim Charges		\$ 28,823,862
Stabilization Reserve on 12-31-2014		\$ 366,156
Payments to State		
State Premium Tax	\$ 605,662	
State Internal Administration Expense	1,226,917	
Audit/Consultant Service Charge	<u>15,767</u>	
Total		\$ 1,848,346
Payment from Stabilization Reserve for Premiums		\$ 35,399
Excess of Disbursement and Reserves over Premium		\$ 790,716
Minnesota Life Expenses	\$ 550,459	
Risk Charge	53,596	
Federal Income Tax Charge	<u>64,731</u>	
Total	\$ 668,786	
Interest Credited to Plan	<u>1,459,502</u>	
Interest Credited to Plan Less Cost		\$ 790,716

STATE OF WISCONSIN

F. Historical Statistics - Spouse and Dependent Insurance

<u>Year</u>	<u>Employee Contributions</u>	<u>Death Losses</u>	<u>Living Benefits</u>	<u>Conversion Costs</u>	<u>Total Claim Charges</u>
2014	\$1,216,922	\$1,071,247	\$20,000	\$15,120	\$1,106,367
2013	1,221,519	1,308,985	20,000	5,340	1,334,325
2012	1,233,041	1,027,236	0	7,200	1,034,436
2011	1,275,001	1,241,135	20,000	1,200	1,262,335
2010	1,253,513	939,101	20,000	0	959,101
2009	1,052,748	1,115,936	0	0	1,115,936
2008	1,038,545	1,182,121	20,000	0	1,202,121
2007	1,026,775	1,094,710	0	0	1,094,710
2006	1,019,099	1,003,482	0	0	1,003,482
2005	1,032,840	1,075,980	0	0	1,075,980
1981- 2004	<u>18,913,044</u>	<u>17,719,801</u>	<u>30,000</u>	<u>198,615</u>	<u>17,948,416</u>
Total	\$30,283,047	\$28,779,734	\$130,000	\$227,475	\$29,137,209

Overhead Cost

<u>Year</u>	<u>Insurance Company Expense</u>	<u>Risk Charge</u>	<u>Catastrophic Loss Credit</u>	<u>State Premium Tax</u>	<u>Federal Income Tax</u>	<u>Total</u>	<u>State Internal Administration Expense</u>	<u>Audit/ Consultant Charge</u>
2014	\$22,513	\$2,434	\$0	\$24,338	\$961	\$50,246	\$113,603	\$0
2013	22,598	2,443	0	24,430	1,048	50,519	0	0
2012	22,811	2,466	0	24,661	1,108	51,046	52,096	0
2011	23,588	2,550	0	25,500	1,595	53,233	69,352	221
2010	23,876	2,507	0	25,070	1,567	53,020	36,037	452
2009	24,213	2,105	0	21,055	(430)	46,943	43,980	0
2008	23,887	2,077	0	20,771	(473)	46,262	24,797	0
2007	23,616	2,054	0	20,535	(486)	45,719	50,720	0
2006	23,439	2,038	0	20,382	(451)	45,408	45,654	1,891
2005	23,755	2,066	0	20,657	(177)	46,301	43,261	0
1981- 2004	<u>316,163</u>	<u>30,856</u>	<u>(313,347)</u>	<u>378,263</u>	<u>60,469</u>	<u>472,404</u>	<u>747,417</u>	<u>13,203</u>
Total	\$550,459	\$53,596	(\$313,347)	\$605,662	\$64,731	\$961,101	\$1,226,917	\$15,767

Interest Credits

<u>Year</u>	<u>Insurance In Force At End of Year</u>	<u>Stabilization Reserve</u>	<u>On Stabilization Reserve</u>	<u>Current Premium Less Charges</u>
2014	\$570,825,000	\$366,156	\$13,328	\$1,186
2013	562,840,000	404,936	18,683	1,354
2012	561,610,000	548,224	17,311	2,006
2011	567,755,000	433,444	24,058	1,695
2010	601,900,000	517,831	18,277	5,463
2009	605,205,000	289,188	26,401	3,383
2008	594,715,000	413,515	37,004	2,552
2007	592,020,000	608,594	45,352	4,356
2006	584,735,000	723,260	45,668	4,996
2005	582,575,000	749,932	51,404	6,243
1981- 2004	592,275,000	824,987	<u>1,023,407</u>	<u>105,375</u>
Total			\$1,320,893	\$138,609

STATE OF WISCONSIN

G. Cumulative Financial Experience on Retiree Insurance - 2008 through 2014

Retiree Contributions		\$ 24,386,188
State Contributions		<u>9,778,757</u>
Total Premium		\$ 34,164,945
Reserve Brought Forward on January 1, 2008		\$ 329,768,061
Death Claims	\$ 104,820,832	
AD&D Claims	1,046,649	
Living Benefit Claims	111,250	
Pooled Claims	0	
Pool Charge	396,890	
Conversion Charge	0	
Catastrophic Loss Credit	<u>0</u>	
Total Claim Charges		\$ 106,375,621
Contingent Liability Reserve on 12-31-2014	\$ 0	
Premium Deposit Fund on 12-31-2014	<u>364,891,996</u>	
Total		\$ 364,891,996
Payments to State		
State Premium Tax	\$ 2,240,425	
State Internal Administration Expense	280,323	
Actuarial Service Charge	<u>138,740</u>	
Total		\$ 2,659,488
Withdrawals of Postretirement Life Insurance Values to Pay Health and Long-Term Care Insurance Premiums		\$ 3,985,210
Excess of Disbursement and Reserves Over Premium and Reserve Brought Forward on January 1, 2008		\$ 113,979,309
Minnesota Life Expenses	\$ 2,567,173	
Reinsurance Expense	5,722	
Risk Charge	200,973	
Federal Income Tax Charge	<u>58,555</u>	
Total	\$ 2,832,423	
Interest Credited to Plan	<u>116,811,732</u>	
Interest Credited to Plan Less Cost		\$ 113,979,309

STATE OF WISCONSIN

H. Historical Statistics - Retiree Insurance - 2008 and Later

Year	Insurance In Force at End of Year		Premium		
	Pre-Age 65	Post-Age 65	Pre-Age 65 Retiree Contributions	State Contributions for Active Employees	Total Premium
2014	934,984,000	581,764,582	\$3,356,082	\$1,299,230	\$4,655,312
2013	957,904,000	536,245,750	3,485,410	1,254,575	4,739,985
2012	1,002,851,000	493,214,250	3,741,193	1,231,835	4,973,028
2011	1,049,228,000	449,896,500	3,803,006	1,509,822	5,312,828
2010	807,734,000	396,600,250	3,531,803	1,563,881	5,095,684
2009	767,497,000	371,714,750	3,316,473	1,514,440	4,830,913
2008	740,099,000	348,802,000	<u>3,152,221</u>	<u>1,404,974</u>	<u>4,557,195</u>
Totals			\$24,386,188	\$9,778,757	\$34,164,945

Claims

Year	Death Losses				Pre-Age 65 Living Benefits	Post-Age 65 Living Benefits	Total Claims
	Pre-Age 65 Life	Pre-Age 65 AD&D	Post -Age 65 Life	Total			
2014	\$3,740,124	\$92,172	\$14,772,467	\$18,604,763	\$0	\$24,500	\$18,629,263
2013	4,492,915	125,384	12,894,445	17,512,744	0	17,000	17,529,744
2012	4,842,877	82,782	12,039,820	16,965,479	0	0	16,965,479
2011	3,904,690	290,730	9,880,703	14,076,123	0	0	14,076,123
2010	3,290,890	238,764	10,472,997	14,002,651	0	0	14,002,651
2009	2,558,329	216,817	9,299,657	12,074,803	0	50,250	12,125,053
2008	<u>3,942,991</u>	<u>0</u>	<u>8,687,927</u>	<u>12,630,918</u>	<u>0</u>	<u>19,500</u>	<u>12,650,418</u>
Totals	\$26,772,816	\$1,046,649	\$78,048,016	\$105,867,481	\$0	\$111,250	\$105,978,731

Year	Total Claims	Conversion Charge	Pooled Claims	Pool Charge	Total Claim Charges
2014	\$18,629,263	\$0	\$0	\$91,464	\$18,720,727
2013	17,529,744	0	0	75,289	17,605,033
2012	16,965,479	0	0	70,191	17,035,670
2011	14,076,123	0	0	59,925	14,136,048
2010	14,002,651	0	0	44,041	14,046,692
2009	12,125,053	0	0	36,768	12,161,821
2008	<u>12,650,418</u>	<u>0</u>	<u>0</u>	<u>19,212</u>	<u>12,669,630</u>
Totals	\$105,978,731	\$0	\$0	\$396,890	\$106,375,621

STATE OF WISCONSIN

H. Historical Statistics - Retiree Insurance - 2008 and Later (cont'd)

Year	Overhead Cost					Total	Actuarial Service Charge	State Internal Administration Expense	Interest Credits/Charges
	Insurance Company Expense	Reinsurance Expense	Risk Charge	State Premium Tax	Federal Income Tax				
2014	\$430,059	\$836	\$15,476	\$393,878	\$1,385	\$841,634	\$36,000	\$104,989	\$9,514
2013	407,919	851	14,631	368,093	3,239	794,733	12,000	0	7,098
2012	397,630	868	14,728	357,523	6,785	777,534	22,000	45,964	4,922
2011	373,492	875	100,229	299,388	12,431	786,415	0	53,761	6,767
2010	341,652	806	22,142	295,725	12,331	672,656	41,435	38,772	13,322
2009	317,468	764	17,105	260,348	11,673	607,358	0	36,837	24,523
2008	<u>298,953</u>	<u>722</u>	<u>16,662</u>	<u>265,470</u>	<u>10,711</u>	<u>592,518</u>	<u>27,305</u>	<u>0</u>	<u>15,954</u>
Totals	\$2,567,173	\$5,722	\$200,973	\$2,240,425	\$58,555	\$5,072,848	\$138,740	\$280,323	\$82,100

Year	Reserves		
	Contingent Liability Reserve	Premium Deposit Fund	Total
2014	\$0	\$364,891,996	\$364,891,996
2013	0	366,652,383	366,652,383
2012	0	366,110,007	366,110,007
2011	0	363,777,660	363,777,660
2010	0	357,229,357	357,229,357
2009	0	349,424,958	349,424,958
2008	6,269,070	332,961,288	339,230,358

Year	Interest Credits on Reserves			Withdrawals to Pay Health and LTC Premiums
	Contingent Liability Reserve	Premium Deposit Fund	Total	
2014	\$0	\$14,036,549	\$14,036,549	\$758,413
2013	0	14,923,289	14,923,289	716,230
2012	0	15,739,647	15,739,647	504,082
2011	0	16,791,512	16,791,512	586,579
2010	0	17,976,631	17,976,631	481,683
2009	351,100	18,252,922	18,604,022	458,842
2008	<u>772,679</u>	<u>17,885,303</u>	<u>18,657,982</u>	<u>479,381</u>
Totals	\$1,123,779	\$115,605,853	\$116,729,632	\$3,985,210

THIS PAGE INTENTIONALLY
LEFT BLANK

STATE OF WISCONSIN

I. Cumulative Financial Experience on Employee Insurance (Active Employees and Retirees) - 1958 through 2007

Employee Contributions		\$ 304,103,381
State Contributions		
Basic Plan	\$ 82,390,479	
Supplemental Plan	<u>36,340,802</u>	
		<u>118,731,281</u>
 Total Premium		 \$ 422,834,662
Death Claims	\$ 398,102,916	
AD&D Claims	20,768,912	
Living Benefit Claims	4,066,000	
Increase in Disability Claim Reserve	20,958,083	
Pooled Claims	(119,478)	
Pool Charge	1,065,368	
Conversion Charge	362,072	
Catastrophic Loss Credit	<u>0</u>	
 Total Claim Charges		 \$ 445,203,873
Contingent Liability Reserve on 12-31-2007	\$ 14,533,673	
Premium Deposit Fund on 12-31-2007	<u>323,291,613</u>	
 Total		 \$ 337,825,286
Payments to State		
State Premium Tax	\$ 9,230,199	
State Internal Administration Expense	3,885,022	
Actuarial Service Charge	38,388	
Audit/Consultant Service Charge	51,734	
Legal Expense	<u>39,790</u>	
 Total		 \$ 13,245,133
Payment from Contingent Liability Reserve for Premiums		\$ 3,530,569
Withdrawals of Postretirement Life Insurance Values to Pay Health and Long-Term Care Insurance Premiums		\$ 4,522,251
Excess of Disbursement and Reserves Over Premium		\$ 381,492,450
Minnesota Life Expenses	\$ 10,830,892	
Reinsurance Expense	180,635	
Risk Charge	1,584,835	
Federal Income Tax Charge	<u>971,199</u>	
 Total		 \$ 13,567,561
Interest Credited to Plan	<u>395,060,011</u>	
Interest Credited to Plan Less Cost		\$ 381,492,450

STATE OF WISCONSIN

J. Historical Statistics - Active Employee and Retiree Insurance - through 2007

Insurance In Force at End of Year			<u>Premium</u>				
<u>Year</u>	<u>Pre-Retirement</u>	<u>Post-Retirement</u>	<u>Year</u>	<u>Employee Contributions</u>	<u>Basic Plan</u>	<u>Supplemental Plan</u>	<u>Total Premium</u>
2007	7,803,344,000	320,232,500	2007	\$16,156,764	\$2,955,765	\$1,232,334	\$20,344,863
2006	7,329,155,000	295,682,250	2006	14,974,540	2,779,424	1,163,077	18,917,041
2005	6,999,101,000	277,559,750	2005	14,094,642	2,675,764	1,126,915	17,897,321
2004	6,760,990,000	261,620,000	2004	13,436,167	2,609,471	1,103,938	17,149,576
2003	6,377,422,000	248,541,250	2003	13,564,722	2,682,055	1,139,067	17,385,844
2002	6,100,363,000	234,159,250	2002	13,377,914	2,672,759	1,141,597	17,192,270
2001	5,601,752,000	219,827,750	2001	12,057,622	2,448,473	1,054,664	15,560,759
2000	4,965,080,000	207,848,750	2000	10,944,386	2,273,603	985,914	14,203,903
1999	4,593,228,000	195,619,000	1999	10,249,171	2,217,950	941,962	13,409,083
1998	4,252,269,000	184,580,000	1998	10,102,741	2,235,849	970,180	13,308,770
1997	3,681,951,000	176,424,750	1958-1997	<u>175,144,712</u>	<u>56,839,366</u>	<u>25,481,154</u>	<u>257,465,232</u>
			Total	\$304,103,381	\$82,390,479	\$36,340,802	\$422,834,662

Claims

Death Losses							
<u>Year</u>	<u>Pre-Retirement Life</u>	<u>Pre-Retirement AD&D</u>	<u>Post-Retirement Life</u>	<u>Total</u>	<u>Living Benefits</u>	<u>Disability Losses</u>	<u>Total Claims</u>
2007	\$15,424,394	\$578,367	\$8,774,275	\$24,777,036	\$512,000	\$1,047,671	\$26,336,707
2006	14,953,112	1,119,759	8,480,232	24,553,103	576,000	2,314,751	27,443,854
2005	13,479,300	1,788,385	7,520,973	22,788,658	340,500	2,283,776	25,412,934
2004	13,872,722	940,858	7,554,908	22,368,488	601,500	(602,109)	22,367,879
2003	14,695,689	780,605	6,867,758	22,344,052	488,500	1,435,671	24,268,223
2002	11,458,035	1,041,829	6,811,293	19,311,157	242,500	690,982	20,244,639
2001	10,842,443	469,215	6,156,890	17,468,548	361,500	1,312,119	19,142,167
2000	9,303,701	738,921	6,183,157	16,225,779	166,000	714,191	17,105,970
1999	11,419,416	1,166,970	5,990,105	18,576,491	77,250	672,318	19,326,059
1998	10,449,799	1,216,350	5,146,711	16,812,860	141,000	1,497,976	18,451,836
1958-1997	<u>152,380,988</u>	<u>10,927,653</u>	<u>50,337,015</u>	<u>213,645,656</u>	<u>559,250</u>	<u>9,590,737</u>	<u>223,795,643</u>
Total	\$278,279,599	\$20,768,912	\$119,823,317	\$418,871,828	\$4,066,000	\$20,958,083	\$443,895,911

<u>Year</u>	<u>Total Claims</u>	<u>Conversion Charge</u>	<u>Pooled Claims</u>	<u>Pool Charge</u>	<u>Total Claim Charges</u>
2007	\$26,336,707	\$0	\$0	\$298,751	\$26,635,458
2006	27,443,854	0	0	243,030	27,686,884
2005	25,412,934	0	0	213,495	25,626,429
2004	22,367,879	0	(40,116)	172,047	22,499,810
2003	24,268,223	0	(79,362)	138,045	24,326,906
2002	20,244,639	0	0	0	20,244,639
2001	19,142,167	1,800	0	0	19,143,967
2000	17,105,970	5,400	0	0	17,111,370
1999	19,326,059	14,820	0	0	19,340,879
1998	18,451,836	21,000	0	0	18,472,836
1958-1997	<u>223,795,643</u>	<u>319,052</u>	<u>0</u>	<u>0</u>	<u>224,114,695</u>
Total	\$443,895,911	\$362,072	(\$119,478)	\$1,065,368	\$445,203,873

STATE OF WISCONSIN

J. Historical Statistics - Active Employee and Retiree Insurance - through 2007 (cont'd)

Year	Overhead Cost						State Internal Administration Expense	Actuarial Service Charge	Audit/Consultant Charge	Legal Expense	Interest Credits/Charges
	Insurance Company Expense	Reinsurance Expense	Risk Charge	State Premium Tax	Federal Income Tax	Total					
2007	\$868,193	\$3,255	\$48,189	\$543,582	\$46,634	\$1,509,853	\$249,586	\$23,937	\$0	\$0	\$90,476
2006	810,168	3,027	34,416	566,203	39,071	1,452,885	223,343	0	8,698	0	86,556
2005	761,403	2,864	17,262	523,708	34,781	1,340,018	208,373	0	0	0	99,255
2004	723,308	2,703	0	459,084	33,016	1,218,111	181,758	905	0	39,790	47,974
2003	681,447	3,043	6,533	495,966	42,214	1,229,203	253,423	1,700	18,633	0	83,487
2002	640,332	4,893	60,795	411,517	46,884	1,164,421	150,150	1,745	0	0	46,486
2001	576,218	5,323	56,204	387,097	34,496	1,059,338	107,850	1,650	0	0	67,341
2000	532,568	13,125	52,944	344,786	28,148	971,571	38,008	1,402	8,727	0	53,830
1999	472,366	14,071	26,028	389,658	33,123	935,246	0	1,391	0	0	49,296
1998	414,812	13,309	56,964	375,376	46,762	907,223	137,490	1,153	0	0	94,563
1958- 1997	<u>4,350,077</u>	<u>115,022</u>	<u>1,225,500</u>	<u>4,733,222</u>	<u>586,070</u>	<u>11,009,891</u>	<u>2,335,041</u>	<u>4,505</u>	<u>15,676</u>	<u>0</u>	<u>1,836,172</u>
Total	\$10,830,892	\$180,635	\$1,584,835	\$9,230,199	\$971,199	\$22,797,760	\$3,885,022	\$38,388	\$51,734	\$39,790	\$2,555,436

Year	Reserves			Total
	Disability Reserve	Contingent Liability Reserve	Premium Deposit Fund	
2007	\$20,958,083	\$14,533,673	\$323,291,613	\$358,783,369
2006	19,910,412	22,320,164	303,582,094	345,812,670
2005	17,595,661	29,423,280	288,655,047	335,673,988
2004	15,311,885	35,338,788	273,479,546	324,130,219
2003	15,913,994	40,413,306	256,750,262	313,077,562
2002	14,478,323	44,476,613	241,655,917	300,610,853
2001	13,787,341	48,211,931	223,143,852	285,143,124
2000	12,475,222	50,992,413	206,330,935	269,798,570
1999	11,761,031	53,505,251	189,675,567	254,941,849
1998	11,088,713	55,999,169	177,584,817	244,672,699
1997	9,590,737	57,505,153	166,585,300	233,681,190

Year	Interest Credits on Reserves				Withdrawals to Pay Health and LTC Premiums
	Disability Reserve	Contingent Liability Reserve	Premium Deposit Fund	Total	
2007	\$1,149,269	\$1,305,400	\$17,715,113	\$20,169,782	\$263,259
2006	975,149	1,681,973	16,073,075	18,730,197	538,053
2005	890,137	1,904,463	15,960,456	18,755,056	316,819
2004	937,441	2,796,523	15,200,843	18,934,807	537,217
2003	948,032	3,105,807	15,745,232	19,799,071	407,499
2002	938,590	3,352,789	15,343,979	19,635,358	536,412
2001	890,592	3,621,720	14,805,993	19,318,305	601,165
2000	837,693	3,782,331	13,637,481	18,257,505	241,630
1999	745,309	3,732,430	12,112,018	16,589,757	173,788
1998	653,225	3,848,131	11,326,953	15,828,309	219,407
1958- 1997	<u>10,979,387</u>	<u>81,367,379</u>	<u>114,139,662</u>	<u>206,486,428</u>	<u>687,002</u>
Total	\$19,944,824	\$110,498,946	\$262,060,805	\$392,504,575	\$4,522,251

THIS PAGE INTENTIONALLY
LEFT BLANK

WISCONSIN LOCAL GOVERNMENTS

V. Wisconsin Local Government Plan - Active Employees*

Report on operations for 2014, the fifty-fifth year of the plan.

A. Employee Coverage

	<u>12-31-2013</u>	<u>12-31-2014</u>
1. Employees Insured for Pre-Retirement Insurance (1)		
Basic Plan	72,162	72,879
Supplemental Plan	24,200	24,337
Additional Plan	32,122	32,248
2. Pre-Retirement Life and AD&D Insurance (1)		
Basic Plan	\$ 3,668,216,000	\$ 3,779,000,000
Supplemental Plan	1,297,245,000	1,338,848,000
Additional Plan	3,842,650,000	3,953,776,000

B. Spouse and Dependent Coverage

1. Employees Insured	33,297	33,117
2. Estimated Spouse and Dependent Life Insurance	\$ 810,265,000	\$ 805,950,000

*The active employee plan financial report includes:

- All active employees at ages under 70.
- All active employees at age 70 and over who continue to participate in the additional life insurance benefit.
- Spouses and dependents of active employees.

WISCONSIN LOCAL GOVERNMENTS

C. Premium Summary

Employee Contributions

Basic Plan	\$ 6,300,596	
Supplemental Plan	2,494,801	
Additional Plan	6,832,114	
Spouse and Dependent Plan	<u>1,208,721</u>	\$ 16,836,232

Employer Contributions to Premium

Basic Plan	\$ 1,540,743	
Supplemental Plan	<u>16,335</u>	<u>1,557,078</u>

Total Premium \$ 18,393,310

D. Employee Claims

	<u>Basic Plan</u>	<u>Supplemental Plan</u>	<u>Additional Plan</u>	<u>Total</u>
Life	\$ 4,325,191	\$ 1,303,112	\$ 3,690,975	\$ 9,319,278
AD&D	277,553	261,515	302,674	841,742
Living Benefit	290,000	139,000	479,000	908,000
Disability	<u>293,245</u>	<u>239,507</u>	<u>951,426</u>	<u>1,484,178</u>
Total	\$ 5,185,989	\$ 1,943,134	\$ 5,424,075	\$ 12,553,198

E. Spouse and Dependent Claims

	<u>Spouse</u>	<u>Dependent</u>	
Life	\$ 1,089,357	\$ 156,439	\$ 1,245,796
Living Benefit	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total	\$ 1,109,357	\$ 156,439	\$ 1,265,796

WISCONSIN LOCAL GOVERNMENTS

F. Financial Experience - Active Employee Insurance

1. Premium

Employee Contributions	\$ 15,627,511	
Employer Contributions	<u>1,557,078</u>	
 Total Premium		 \$ 17,184,589

2. Claim Charges

Death Claims	\$ 9,319,278	
AD&D Claims	841,742	
Living Benefit Claims	908,000	
Pooled Claims	387	
Pool Charge	84,519	
Increase in Disability Claim Reserve	1,484,178	
Conversion Charge	0	
Catastrophic Loss Credit	<u>0</u>	
 Total Claim Charges		 \$ 12,638,104

3. Expense Charges

Minnesota Life Expenses	\$ 1,380,953	
Reinsurance Expense	3,061	
Risk Charge	<u>0</u>	
 Total Expense Charges		 \$ 1,384,014

4. Tax Charges

State Premium Tax	\$ 343,692	
Federal Income Tax	<u>7,381</u>	
 Total Tax Charges		 \$ 351,073

5. Interest Credits/Charges

On Premium	\$ 97,999	
On Disability Claim Reserve	842,622	
On Claims Paid	(41,647)	
On Expense Charges, Pool Charge & Conversion Charge	<u>(11,673)</u>	
 Total Interest Credits/Charges		 \$ 887,301

6. State Internal Administration Expense \$ 515,107

7. Audit/Consultant Service Charge \$ 0

8. Contribution to Stabilization Reserve [(1)-(2)-(3)-(4)+(5)-(6)-(7)] \$ 3,183,592

WISCONSIN LOCAL GOVERNMENTS

G. Reserve Summary

1. Premium Deposit Fund

Balance on 12-31-2013	\$	10,651,475
Interest Credit		401,592
Withdrawals on 12-31-2014		<u>0</u>
Balance on 12-31-2014	\$	11,053,067

2. Stabilization Reserve

Balance on 12-31-2013	\$	31,467,384
Interest Credit		1,050,910
Contribution on 12-31-2014		3,183,592
Withdrawals on 12-31-2014		<u>0</u>
Balance on 12-31-2014	\$	35,701,886

Interest Rate on Premium Deposit Fund and Stabilization Reserve in 2014		3.45%
---	--	-------

H. Stop-Loss Calculation for Active Employee Insurance

Stop-Loss Limit	\$	22,500,649
Claim Charges	\$	12,300,394
Expense Charges		<u>1,727,706</u>
Total Charges	\$	14,028,100
Catastrophic Loss Credit	\$	0

WISCONSIN LOCAL GOVERNMENTS

I. Financial Experience - Spouse and Dependent Insurance

1. Premium		\$ 1,208,721
2. Claim Charges		
Death Claims	\$ 1,245,796	
Living Benefit Claims	20,000	
Conversion Charge	<u>2,700</u>	
Total Claim Charges		\$ 1,268,496
3. Expense Charges		
Minnesota Life Expenses	\$ 64,062	
Risk Charge	<u>2,417</u>	
Total Expense Charges		\$ 66,479
4. Tax Charges		
State Premium Tax	\$ 24,174	
Federal Income Tax	<u>(1,569)</u>	
Total Tax Charges		\$ 22,605
5. Interest Credits/Charges		
On Premium	\$ 6,985	
On Claims Paid	(5,773)	
On Expense Charges & Conversion Charge	<u>(1,027)</u>	
Total Interest Credits/Charges		\$ 185
6. State Internal Administration Expense		\$ 113,603
7. Audit/Consultant Service Charge		\$ 0
8. Addition to Stabilization Reserve [(1)-(2)-(3)-(4)+(5)-(6)-(7)]		\$ (262,277)
9. Stabilization Reserve		
Stabilization Reserve on 12-31-2013		\$ 1,659,775
Addition to Reserve on 12-31-2014		(262,277)
Interest on Stabilization Reserve in 2014		<u>65,312</u>
Stabilization Reserve on 12-31-2014		\$ 1,462,810

J. Stop-Loss Calculation for Spouse and Dependent Insurance

Stop-Loss Limit		\$ 1,752,646
Claim Charges		1,228,895
Expense Charges		<u>90,653</u>
Total Charges		\$ 1,319,548
Catastrophic Loss Credit		\$ 0

THIS PAGE INTENTIONALLY
LEFT BLANK

WISCONSIN LOCAL GOVERNMENTS

VI. Wisconsin Local Government Plan - Retirees*

Report on operations for 2014, the fifty-fifth year of the plan.

A. Retiree Coverage

	<u>12-31-2013</u>	<u>12-31-2014</u>
1. Retirees Insured for Pre-Age 65 Insurance		
Basic Plan	11,357	11,008
Supplemental Plan	1,911	1,951
Additional Plan	3,044	2,993
2. Pre-Age 65 Life and AD&D Insurance		
Basic Plan	\$ 671,913,000	\$ 661,538,000
Supplemental Plan	115,033,000	119,161,000
Additional Plan	304,031,000	310,110,000
3. Retirees Insured for Post-Age 65 Insurance	27,049	28,634
4. Post-Age 65 Insurance	\$ 369,512,250	\$ 401,638,500

*The retiree plan financial report includes:

- All retirees at age 65 and over, and all active employees at age 70 and over, who receive a post-retirement life insurance benefit with no further premium payments.
- All retirees under age 65 who receive post-retirement life insurance benefits based on continued premium payments.
- All funding contributions by employers toward future post-retirement life insurance for currently active employees.

WISCONSIN LOCAL GOVERNMENTS

B. Premium Summary

Pre-Age 65 Retiree Contributions

Basic Plan	\$ 4,260,697	
Supplemental Plan	293,868	
Additional Plan	<u>904,989</u>	\$ 5,459,554

Employer Contributions to Premium Deposit Fund \$ 1,776,490

Total Premium \$ 7,236,044

C. Retiree Claims

	<u>Basic Plan</u>	<u>Supplemental Plan</u>	<u>Additional Plan</u>	<u>Total</u>
1. Pre-Age 65 Life and AD&D Insurance				
Life	\$ 2,431,715	\$ 342,379	\$ 1,101,637	\$ 3,875,731
AD&D	275,691	72,000	279,058	626,749
Living Benefit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 2,707,406	\$ 414,379	\$ 1,380,695	\$ 4,502,480
2. Post-Age 65 Life Insurance				
Life	\$ 7,337,281			\$ 7,337,281
Living Benefit	<u>0</u>			<u>0</u>
Total	\$ 7,337,281			\$ 7,337,281

WISCONSIN LOCAL GOVERNMENTS

D. Financial Experience - Pre-Age 65 Retiree Insurance

1. Premium

Pre-Age 65 Contributions	\$ 5,459,554	
Total Premium		\$ 5,459,554

2. Claim Charges

Death Claims	\$ 3,875,731	
AD&D Claims	626,749	
Living Benefit Claims	0	
Pooled Claims	0	
Pool Charge	13,199	
Conversion Charge	0	
Catastrophic Loss Credit	<u>0</u>	
Total Claim Charges		\$ 4,515,679

3. Expense Charges

Minnesota Life Expenses	\$ 581,489	
Reinsurance Expense	1,289	
Risk Charge	<u>0</u>	
Total Expense Charges		\$ 582,778

4. Tax Charges

State Premium Tax	\$ 109,191	
Federal Income Tax	<u>15,675</u>	
Total Tax Charges		\$ 124,866

5. Interest Credits/Charges

On Premium	\$ 29,667	
On Claims Paid	(13,506)	
On Expense Charges, Pool Charge & Conversion Charge	<u>(4,494)</u>	
Total Interest Credits/Charges		\$ 11,667

6. State Internal Administration Expense \$ 142,028

7. Actuarial Service Charge \$ 36,000

8. Experience Credit [(1)-(2)-(3)-(4)+(5)-(6)-(7)] \$ 69,870

The Experience Credit is deposited in the Contingent Liability Reserve.

WISCONSIN LOCAL GOVERNMENTS

E. Financial Experience - Post-Age 65 Retiree Insurance

1. Premium Deposit Fund

Premium Deposit Fund on 12-31-2013	\$	181,280,272
Contributions for Active Employees During 2014		1,776,490
Withdrawals on 12-31-2014		0
Withdrawals of Postretirement Life Insurance Values to pay Health and Long-Term Care Insurance Premiums		(10,260)
Interest on Premium Deposit Fund in 2014		<u>6,863,358</u>
Premium Deposit Fund on 12-31-2014	\$	189,909,860

2. Contingent Liability Reserve

Contingent Liability Reserve on 12-31-2013	\$	58,638,249
Contributions on 12-31-2014		69,870
Post-Age 65 Death Claims		(7,337,281)
Minnesota Life Expenses		(267,237)
State Premium Tax		(155,325)
Risk Charge		(6,425)
Interest on Contingent Liability Reserve in 2014		<u>2,281,364</u>
Contingent Liability Reserve on 12-31-2014	\$	53,223,215

Interest Rate on Premium Deposit Fund and Contingent Liability Reserve in 2014		3.84%
--	--	-------

WISCONSIN LOCAL GOVERNMENTS

F. Summary of Assets and Liabilities for Post-Retirement Benefits on December 31

	<u>2013</u>	<u>2014</u>
1. Assets		
a. Retiree Premium Deposit Fund	\$ 181,280,272	\$ 189,909,860
b. Active Premium Deposit Fund Available for Post-Retirement Funding	10,651,475	11,053,067
c. Contingent Liability Reserve	58,638,249	53,223,215
d. Active Stabilization Reserve Available for Post-Retirement Funding	<u>23,047,446</u>	<u>27,109,592</u>
e. Total	\$ 273,617,442	\$ 281,295,734
2. Liabilities		
a. Post-Age 65 Retirees	\$ 143,806,994	\$ 156,106,106
b. Pre-Age 65 Retirees	45,184,313	42,740,671
c. Active Employees	<u>62,521,899</u>	<u>42,068,768</u>
d. Total	\$ 251,513,206	\$ 240,915,545
3. Unfunded Accrued Liability [2(d) - 1(e)]	\$ (22,104,236)	\$ (40,380,189)
4. Total Assets as a Percent of Total Liabilities [1(e)/2(d)]	108.8%	116.8%

Definitions of asset values:

- Retiree Premium Deposit Fund: total retiree premium deposit fund assets
- Active Premium Deposit Fund Available for Post-Retirement Funding: active premium deposit fund assets in excess of the active target reserve level. The target level of active premium deposit fund plus active stabilization reserve equals 50% of active plan premium.
- Contingent Liability Reserve: total contingent liability reserve assets
- Active Stabilization Reserve Available for Post-Retirement Funding: active stabilization reserve assets in excess of the active target reserve level. The target level of active premium deposit fund plus active stabilization reserve equals 50% of active plan premium.

Definitions of liability values:

- Post-Age 65 Retirees: present value of future claims
- Pre-Age 65 Retirees: present value of future claims minus present value of future premiums
- Active Employees: present values of future active employment claims and future post-retirement claims for active employees minus present values of future State and employee premium contributions

Funding Assumptions appear on page 61 of this report.

G. Stop-Loss Calculation for Retiree Insurance

Stop-Loss Limit	\$ 18,220,664
Claim Charges	\$ 11,839,396
Expense Charges	<u>1,120,956</u>
Total Charges	\$ 12,960,352
Catastrophic Loss Credit	\$ 0

THIS PAGE INTENTIONALLY
LEFT BLANK

WISCONSIN LOCAL GOVERNMENTS

VII. Historical Experience

A. Cumulative Financial Experience on Active Employee Insurance - 2008 through 2014

Employee Contributions		\$ 111,956,295
Employer Contributions		<u>9,856,250</u>
Total Premium		\$ 121,812,545
Reserve Brought Forward on January 1, 2008		\$ 7,995,249
Death Claims	\$ 67,740,450	
AD&D Claims	5,730,008	
Living Benefit Claims	3,403,000	
Increase in Disability Claim Reserve	6,471,501	
Pooled Claims	(82,122)	
Pool Charge	377,053	
Conversion Charge	63,060	
Catastrophic Loss Credit	<u>0</u>	
Total Claim Charges		\$ 83,702,950
Premium Deposit Fund on 12-31-2014	\$ 11,053,067	
Stabilization Reserve on 12-31-2014	<u>35,701,886</u>	
Total		\$ 46,754,953
Payments to State		
State Premium Tax	\$ 2,436,252	
State Internal Administration Expense	1,501,782	
Actuarial Service Charge	0	
Audit/Consultant Service Charge	13,444	
Research Survey Cost	<u>0</u>	
Total		\$ 3,951,478
Excess of Disbursement and Reserves Over Premium and Reserve Brought Forward on January 1, 2008		\$ 4,601,587
Minnesota Life Expenses	\$ 9,156,956	
Reinsurance Expense	20,378	
Risk Charge	80,806	
Catastrophic Loss	0	
Federal Income Tax Charge	<u>220,842</u>	
Total		\$ 9,478,982
Interest Credited to Plan		<u>14,080,569</u>
Interest Credited to Plan Less Cost		\$ 4,601,587

WISCONSIN LOCAL GOVERNMENTS

B. Historical Statistics - Active Employee Insurance - 2008 and Later

<u>Year</u>	<u>Insurance in Force at End of Year</u>	<u>Premium</u>		
		<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Total Premium</u>
2014	\$9,071,624,000	\$15,627,511	\$1,557,078	\$17,184,589
2013	8,808,111,000	15,302,736	1,537,139	16,839,875
2012	8,309,500,000	15,569,667	1,555,163	17,124,830
2011	8,654,114,000	16,740,728	1,408,259	18,148,987
2010	8,586,067,000	16,895,496	1,371,228	18,266,724
2009	8,280,640,000	16,275,592	1,294,951	17,570,543
2008	7,811,801,000	<u>15,544,565</u>	<u>1,132,432</u>	<u>16,676,997</u>
Totals		\$111,956,295	\$9,856,250	\$121,812,545

Claims

<u>Year</u>	<u>Death Losses</u>			<u>Living Benefits</u>	<u>Disability Losses</u>	<u>Total Claims</u>
	<u>Life</u>	<u>AD&D</u>	<u>Total</u>			
2014	\$9,319,278	\$841,742	\$10,161,020	\$908,000	\$1,484,178	\$12,553,198
2013	10,259,826	1,040,611	11,300,437	0	6,079	11,306,516
2012	8,753,139	674,179	9,427,318	642,000	1,174,943	11,244,261
2011	8,835,570	674,431	9,510,001	68,000	1,215,476	10,793,477
2010	10,419,788	1,148,439	11,568,227	1,332,000	942,703	13,842,930
2009	8,830,683	237,777	9,068,460	185,000	1,069,766	10,323,226
2008	<u>11,322,166</u>	<u>1,112,829</u>	<u>12,434,995</u>	<u>268,000</u>	<u>578,356</u>	<u>13,281,351</u>
Totals	\$67,740,450	\$5,730,008	\$73,470,458	\$3,403,000	\$6,471,501	\$83,344,959

<u>Year</u>	<u>Total Claims</u>	<u>Conversion Charge</u>	<u>Pooled Claims</u>	<u>Pool Charge</u>	<u>Total Claim Charges</u>
2014	\$12,553,198	\$0	\$387	\$84,519	\$12,638,104
2013	11,306,516	600	(2,331)	73,447	11,378,232
2012	11,244,261	6,900	0	71,793	11,322,954
2011	10,793,477	17,040	(80,178)	55,483	10,785,822
2010	13,842,930	11,040	0	42,860	13,896,830
2009	10,323,226	25,380	0	25,007	10,373,613
2008	<u>13,281,351</u>	<u>2,100</u>	<u>0</u>	<u>23,944</u>	<u>13,307,395</u>
Totals	\$83,344,959	\$63,060	(\$82,122)	\$377,053	\$83,702,950

WISCONSIN LOCAL GOVERNMENTS

B. Historical Statistics - Active Employee Insurance - 2008 and Later (cont'd)

Year	Overhead Costs						State Internal Administration Expense	Audit/ Consultant Service Charge	Interest Credits/ Charges
	Insurance Company Expense	Reinsurance Expense	Risk Charge	State Premium Tax	Federal Income Tax	Total			
2014	\$1,380,953	\$3,061	\$0	\$343,692	\$7,381	\$1,735,087	\$515,107	\$0	\$44,679
2013	1,321,269	2,890	0	336,798	8,552	1,669,509	0	0	47,584
2012	1,310,049	2,822	0	342,497	17,592	1,672,960	225,516	0	51,340
2011	1,388,398	2,991	0	362,980	36,880	1,791,249	263,769	5,239	87,014
2010	1,329,765	3,078	24,714	365,334	47,967	1,770,858	190,230	5,955	98,413
2009	1,255,064	2,849	31,721	351,411	50,468	1,691,513	180,736	2,250	147,950
2008	<u>1,171,458</u>	<u>2,687</u>	<u>24,371</u>	<u>333,540</u>	<u>52,002</u>	<u>1,584,058</u>	<u>126,424</u>	<u>0</u>	<u>130,121</u>
Totals	\$9,156,956	\$20,378	\$80,806	\$2,436,252	\$220,842	\$11,915,234	\$1,501,782	\$13,444	\$607,101

Year	Reserves			
	Disability Reserve	Stabilization Reserve	Premium Deposit Fund	Total
2014	\$23,622,649	\$35,701,886	\$11,053,067	\$70,377,602
2013	22,138,471	31,467,384	10,651,475	64,257,330
2012	22,132,392	25,834,701	10,238,389	58,205,482
2011	20,957,449	20,189,994	9,813,308	50,960,751
2010	19,741,973	13,292,179	9,371,161	42,405,313
2009	18,799,270	9,368,979	8,910,328	37,078,577
2008	17,729,504	2,772,172	8,447,660	28,949,336

Year	Interest Credits on Reserves			
	Disability Reserve	Stabilization Reserve	Premium Deposit Fund	Total
2014	\$842,622	\$1,050,910	\$401,592	\$2,295,124
2013	887,019	905,946	413,086	2,206,051
2012	904,315	785,652	425,081	2,115,048
2011	935,213	572,680	442,147	1,950,040
2010	984,110	437,826	460,833	1,882,769
2009	985,322	141,104	462,668	1,589,094
2008	<u>982,931</u>	<u>0</u>	<u>452,411</u>	<u>1,435,342</u>
Totals	\$6,521,532	\$3,894,118	\$3,057,818	\$13,473,468

WISCONSIN LOCAL GOVERNMENTS

C. Cumulative Financial Experience on Spouse and Dependent Insurance - 1983 through 2014

Employee Contribution		\$ 39,316,111
Death Claims	\$ 36,442,692	
Living Benefit Claims	205,000	
Conversion Charge	<u>318,645</u>	
Total Claim Charges		\$ 36,966,337
Stabilization Reserve on 12-31-2014		\$ 1,462,810
Payments to State		
State Premium Tax	\$ 786,324	
State Internal Administration Expense	1,171,596	
Audit/Consultant Service Charge	<u>16,000</u>	
Total		\$ 1,973,920
Payment from Stabilization Reserve for Premiums		\$ 41,392
Excess of Disbursement and Reserves over Premium		\$ 1,128,348
Minnesota Life Expenses	\$ 1,653,478	
Risk Charge	72,907	
Federal Income Tax Charge	<u>69,806</u>	
Total	\$ 1,796,191	
Interest Credited to Plan	<u>2,924,539</u>	
Interest Credited to Plan Less Cost		\$ 1,128,348

WISCONSIN LOCAL GOVERNMENTS

D. Historical Statistics - Spouse and Dependent Insurance

<u>Year</u>	<u>Employee Contributions</u>	<u>Death Losses</u>	<u>Living Benefits</u>	<u>Conversion Costs</u>	<u>Total Claim Charges</u>
2014	\$1,208,721	\$1,245,796	\$20,000	\$2,700	\$1,268,496
2013	1,216,332	1,330,896	20,000	2,160	1,353,056
2012	1,248,127	1,180,227	0	14,400	1,194,627
2011	1,297,655	1,631,968	0	22,200	1,654,168
2010	1,329,441	1,448,386	10,000	9,300	1,467,686
2009	1,341,736	1,539,639	20,000	8,820	1,568,459
2008	1,337,106	1,617,363	0	9,690	1,627,053
2007	1,428,404	1,690,331	20,000	14,700	1,725,031
2006	1,492,339	1,311,196	35,000	19,590	1,365,786
2005	1,483,313	1,426,228	20,000	25,800	1,472,028
1983- 2004	<u>25,932,937</u>	<u>22,020,662</u>	<u>60,000</u>	<u>189,285</u>	<u>22,269,947</u>
Total	\$39,316,111	\$36,442,692	\$205,000	\$318,645	\$36,966,337

<u>Year</u>	<u>Insurance Company Expense</u>		<u>Overhead Cost</u>		<u>Total</u>	<u>State Internal Administration Expense</u>	<u>Audit/ Consultant Charge</u>
	<u>Risk Charge</u>	<u>State Premium Tax</u>	<u>Federal Income Tax</u>				
2014	\$64,062	\$2,417	\$24,174	(\$1,569)	\$89,084	\$113,603	\$0
2013	64,466	2,433	24,327	(1,756)	89,470	0	0
2012	66,151	2,496	24,963	(1,637)	91,973	52,095	0
2011	68,776	2,595	25,953	(1,246)	96,078	69,352	294
2010	70,593	2,659	26,589	(1,138)	98,703	36,037	612
2009	71,246	2,683	26,835	(1,564)	99,200	43,980	0
2008	71,000	2,674	26,742	(2,358)	98,058	24,797	0
2007	70,813	2,857	28,568	(2,033)	100,205	50,720	0
2006	69,394	2,985	29,847	(1,726)	100,500	45,654	1,891
2005	68,974	2,967	29,666	(1,788)	99,819	43,261	0
1983- 2004	<u>968,003</u>	<u>46,141</u>	<u>518,660</u>	<u>86,621</u>	<u>1,619,425</u>	<u>692,097</u>	<u>13,203</u>
Total	\$1,653,478	\$72,907	\$786,324	\$69,806	\$2,582,515	\$1,171,596	\$16,000

<u>Year</u>	<u>Insurance In Force At End of Year</u>	<u>Stabilization Reserve</u>	<u>Interest Credits</u>	
			<u>On Stabilization Reserve</u>	<u>Current Premium Less Charges</u>
2014	\$805,950,000	\$1,462,810	\$65,312	\$185
2013	810,265,000	1,659,775	76,939	1,253
2012	819,980,000	1,807,777	83,235	1,510
2011	852,035,000	1,813,600	107,302	(1,396)
2010	882,590,000	2,229,931	125,084	1,942
2009	897,225,000	2,376,502	144,205	(2,608)
2008	895,485,000	2,604,808	163,295	4,027
2007	893,160,000	2,850,288	180,878	5,548
2006	877,340,000	3,111,414	166,291	8,815
2005	868,055,000	2,957,800	177,232	8,179
1983- 2004	<u>855,995,000</u>	<u>2,904,184</u>	<u>1,377,398</u>	<u>229,913</u>
Total			\$2,667,171	\$257,368

THIS PAGE INTENTIONALLY
LEFT BLANK

WISCONSIN LOCAL GOVERNMENTS

E. Cumulative Financial Experience on Retiree Insurance - 2008 through 2014

Retiree Contributions		\$	33,306,830
Employer Contributions			<u>12,871,732</u>
Total Premium		\$	46,178,562
Reserve Brought Forward on January 1, 2008		\$	208,679,884
Death Claims	\$		76,522,042
AD&D Claims			2,262,578
Living Benefit Claims			120,750
Pooled Claims			0
Pool Charge			47,045
Conversion Charge			0
Catastrophic Loss Credit			<u>0</u>
Total Claim Charges		\$	78,952,415
Contingent Liability Reserve on 12-31-2014	\$		53,223,215
Premium Deposit Fund on 12-31-2014			<u>189,909,860</u>
Total		\$	243,133,075
Payments to State			
State Premium Tax	\$		1,734,867
State Internal Administration Expense			379,221
Actuarial Service Charge			115,870
Audit/Consultant Service Charge			0
Research Survey Cost			<u>0</u>
Total		\$	2,229,958
Withdrawals of Postretirement Life Insurance Values to Pay Health Insurance Premiums		\$	13,943
Excess of Disbursement and Reserves Over Premium and Reserve Brought Forward on January 1, 2008		\$	69,470,945
Minnesota Life Expenses	\$		5,001,053
Reinsurance Expense			7,742
Risk Charge			121,655
Catastrophic Loss			0
Federal Income Tax Charge			<u>134,617</u>
Total	\$		5,265,067
Interest Credited to Plan			<u>74,736,012</u>
Interest Credited to Plan Less Cost		\$	69,470,945

WISCONSIN LOCAL GOVERNMENTS

F. Historical Statistics - Retiree Insurance - 2008 and Later

<u>Year</u>	<u>Insurance In Force at End of Year</u>		<u>Pre-Age 65 Retiree Contributions</u>	<u>PDF Contributions</u>	<u>Total Premium</u>
	<u>Pre-Age 65</u>	<u>Post-Age 65</u>			
2014	1,090,809,000	401,638,500	\$5,459,554	\$1,776,490	\$7,236,044
2013	1,090,977,000	369,512,250	5,505,225	1,743,698	7,248,923
2012	1,020,957,000	339,426,250	5,400,091	1,814,635	7,214,726
2011	917,858,000	296,558,250	4,655,484	1,895,348	6,550,832
2010	800,016,000	263,634,750	4,332,956	1,928,846	6,261,802
2009	744,181,000	247,986,000	4,061,882	1,906,415	5,968,297
2008	714,345,000	230,296,250	<u>3,891,638</u>	<u>1,806,300</u>	<u>5,697,938</u>
Totals			\$33,306,830	\$12,871,732	\$46,178,562

Claims

<u>Year</u>	<u>Death Losses</u>						
	<u>Pre-Age 65 Life</u>	<u>Pre-Age 65 AD&D</u>	<u>Post -Age 65 Life</u>	<u>Total</u>	<u>Pre-Age 65 Living Benefits</u>	<u>Post-Age 65 Living Benefits</u>	<u>Total Claims</u>
2014	\$3,875,731	\$626,749	\$7,337,281	\$11,839,761	\$0	\$0	\$11,839,761
2013	4,196,353	264,010	7,415,466	11,875,829	0	17,250	11,893,079
2012	4,950,514	113,582	6,588,265	11,652,361	0	13,000	11,665,361
2011	5,810,820	513,478	6,141,237	12,465,535	0	12,500	12,478,035
2010	6,091,729	364,772	5,939,071	12,395,572	0	15,250	12,410,822
2009	3,577,600	206,391	5,551,594	9,335,585	0	35,000	9,370,585
2008	<u>4,607,218</u>	<u>173,596</u>	<u>4,439,163</u>	<u>9,219,977</u>	<u>0</u>	<u>27,750</u>	<u>9,247,727</u>
Totals	\$33,109,965	\$2,262,578	\$43,412,077	\$78,784,620	\$0	\$120,750	\$78,905,370

<u>Year</u>	<u>Total Claims</u>	<u>Conversion Charge</u>	<u>Pooled Claims</u>	<u>Pool Charge</u>	<u>Total Claim Charges</u>
2014	\$11,839,761	\$0	\$0	\$13,199	\$11,852,960
2013	11,893,079	0	0	7,732	11,900,811
2012	11,665,361	0	0	8,896	11,674,257
2011	12,478,035	0	0	6,052	12,484,087
2010	12,410,822	0	0	3,851	12,414,673
2009	9,370,585	0	0	3,678	9,374,263
2008	<u>9,247,727</u>	<u>0</u>	<u>0</u>	<u>3,637</u>	<u>9,251,364</u>
Totals	\$78,905,370	\$0	\$0	\$47,045	\$78,952,415

WISCONSIN LOCAL GOVERNMENTS

F. Historical Statistics - Retiree Insurance - 2008 and Later (cont'd)

Year	Overhead Cost						State Internal Administration Expense	Actuarial Service Charge	Interest Credits/ Charges
	Insurance Company Expense	Reinsurance Expense	Risk Charge	State Premium Tax	Federal Income Tax	Total			
2014	\$848,726	\$1,289	\$6,425	\$264,516	\$15,675	\$1,136,631	\$142,028	\$36,000	\$11,667
2013	828,185	1,244	20,021	267,149	19,318	1,135,917	0	12,000	11,576
2012	785,780	1,189	29,194	256,922	22,779	1,095,864	62,181	22,000	5,425
2011	713,181	1,079	30,153	271,532	19,193	1,035,138	72,728	0	12,776
2010	654,086	1,055	14,297	268,565	19,479	957,482	52,451	18,565	12,474
2009	612,443	968	9,505	205,157	19,697	847,770	49,833	0	11,698
2008	<u>558,652</u>	<u>918</u>	<u>12,060</u>	<u>201,026</u>	<u>18,476</u>	<u>791,132</u>	<u>0</u>	<u>27,305</u>	<u>16,703</u>
Totals	\$5,001,053	\$7,742	\$121,655	\$1,734,867	\$134,617	\$6,999,934	\$379,221	\$115,870	\$82,319

Year	Reserves		
	Contingent Liability Reserve	Premium Deposit Fund	Total
2014	\$53,223,215	\$189,909,860	\$243,133,075
2013	58,638,249	181,280,272	239,918,521
2012	63,563,611	172,545,902	236,109,513
2011	67,625,600	164,069,046	231,694,646
2010	70,833,865	157,167,232	228,001,097
2009	73,364,357	150,285,432	223,649,789
2008	75,189,487	140,921,026	216,110,513

Year	Interest Credits on Reserves			Withdrawals to Pay Health and LTC Premiums
	Contingent Liability Reserve	Premium Deposit Fund	Total	
2014	\$2,281,364	\$6,863,358	\$9,144,722	\$10,260
2013	2,606,565	6,990,672	9,597,237	0
2012	2,921,314	7,127,704	10,049,018	0
2011	3,294,095	7,427,799	10,721,894	0
2010	3,750,711	7,773,175	11,523,886	3,683
2009	4,068,966	7,762,181	11,831,147	0
2008	<u>4,229,674</u>	<u>7,556,115</u>	<u>11,785,789</u>	<u>0</u>
Totals	\$23,152,689	\$51,501,004	\$74,653,693	\$13,943

THIS PAGE INTENTIONALLY
LEFT BLANK

WISCONSIN LOCAL GOVERNMENTS

G. Cumulative Financial Experience on Employee Insurance (Active Employees and Retirees) - 1960 through 2007

Employee Contributions		\$ 247,240,031
Employer Contributions		
Premium Credited to Plan	\$ 34,214,362	
Premium Deposit Fund	<u>35,774,042</u>	
		<u>69,988,404</u>
Total Premium		\$ 317,228,435
Death Claims	\$ 273,752,066	
AD&D Claims	16,867,867	
Living Benefit Claims	3,510,750	
Increase in Disability Claim Reserve	17,151,148	
Pooled Claims	0	
Pool Charge	99,732	
Conversion Charge	338,490	
Catastrophic Loss Credit	<u>(178,106)</u>	
Total Claim Charges		\$ 311,541,947
Contingent Liability Reserve on 12-31-2007	\$ 75,683,793	
Premium Deposit Fund on 12-31-2007	<u>140,991,340</u>	
Total		\$ 216,675,133
Payments to State		
State Premium Tax	\$ 6,679,342	
State Internal Administration Expense	3,892,703	
Actuarial Service Charge	38,388	
Audit/Consultant Service Charge	51,735	
Research Survey Cost	<u>10,520</u>	
Total		\$ 10,672,688
Payment from Contingent Liability Reserve for Premiums		\$ 1,883,923
Withdrawals of Postretirement Life Insurance Values to Pay Health Insurance Premiums		\$ 56,310
Excess of Disbursement and Reserves Over Premium		\$ 223,601,566
Minnesota Life Expenses	\$ 18,448,064	
Reinsurance Expense	131,816	
Risk Charge	1,357,265	
Catastrophic Loss	178,106	
Federal Income Tax Charge	<u>952,651</u>	
Total	\$ 21,067,902	
Interest Credited to Plan	<u>244,669,468</u>	
Interest Credited to Plan Less Cost		\$ 223,601,566

WISCONSIN LOCAL GOVERNMENTS

H. Historical Statistics - Active Employee and Retiree Insurance - through 2007

Year	Insurance In Force at End of Year		Year	Premium			Total Premium
	Pre-Retirement	Post-Retirement		Employee Contributions	Employer Contributions	Employer PDF Contributions	
2007	\$8,106,420,000	\$209,309,500	2007	\$18,514,622	\$1,104,737	\$1,732,601	\$21,351,960
2006	7,605,139,000	190,202,187	2006	16,955,065	950,272	1,610,684	19,516,021
2005	7,197,947,000	173,746,187	2005	15,776,326	880,599	1,523,359	18,180,284
2004	6,704,793,000	161,093,937	2004	14,659,344	833,183	1,488,778	16,981,305
2003	6,344,520,000	152,082,937	2003	13,898,798	804,687	1,461,837	16,165,322
2002	5,965,707,000	141,320,687	2002	12,512,375	741,180	1,374,756	14,628,311
2001	5,505,865,000	134,879,000	2001	11,320,435	571,653	1,274,766	13,166,854
2000	4,964,213,000	125,537,000	2000	10,116,720	537,353	1,378,975	12,033,048
1999	4,559,369,000	115,355,750	1999	9,455,950	525,820	1,329,891	11,311,661
1998	3,729,857,000	106,349,250	1998	8,935,636	520,786	1,305,749	10,762,171
1996	3,388,947,000	101,841,000	1960 -1997	<u>115,094,760</u>	<u>26,744,092</u>	<u>21,292,646</u>	<u>163,131,498</u>
			Total	\$247,240,031	\$34,214,362	\$35,774,042	\$317,228,435

Claims							
Death Losses							
Year	Pre-Retirement Life	Pre-Retirement AD&D	Post-Retirement Life	Total	Living Benefits	Disability Losses	Total Claims
2007	\$13,661,977	\$1,192,492	\$5,305,187	\$20,159,656	\$511,000	\$1,327,477	\$21,998,133
2006	12,342,722	1,580,258	4,521,061	18,444,041	901,000	1,430,034	20,775,075
2005	10,388,980	879,966	4,145,891	15,414,837	124,500	804,850	16,344,187
2004	12,627,796	1,015,277	4,283,601	17,926,674	200,000	(605,989)	17,520,685
2003	12,350,259	1,669,819	3,986,298	18,006,376	487,000	549,221	19,042,597
2002	9,734,737	1,236,492	3,852,234	14,823,463	458,750	1,332,365	16,614,578
2001	9,365,292	628,839	3,562,572	13,556,703	123,000	1,869,808	15,549,511
2000	7,971,710	769,460	3,348,041	12,089,211	23,750	1,086,269	13,199,230
1999	7,612,827	720,856	3,340,578	11,674,261	283,750	332,907	12,290,918
1998	7,828,959	587,626	3,261,026	11,677,611	177,000	901,549	12,756,160
1960- 1997	<u>93,984,509</u>	<u>6,586,782</u>	<u>36,275,809</u>	<u>136,847,100</u>	<u>221,000</u>	<u>8,122,657</u>	<u>145,190,757</u>
Total	\$197,869,768	\$16,867,867	\$75,882,298	\$290,619,933	\$3,510,750	\$17,151,148	\$311,281,831

Year	Total Claims	Conversion Charge	Pooled Claims	Pool Charge	Total Claim Charges
2007	\$21,998,133	\$11,160	\$0	\$23,273	\$22,032,566
2006	20,775,075	57,600	0	25,208	20,857,883
2005	16,344,187	26,640	0	19,746	16,390,573
2004	17,520,685	26,640	0	17,119	17,564,444
2003	19,042,597	16,860	0	14,386	19,073,843
2002	16,614,578	22,500	0	0	16,637,078
2001	15,549,511	16,380	0	0	15,565,891
2000	13,199,230	8,940	0	0	13,208,170
1999	12,290,918	4,740	0	0	12,295,658
1998	12,756,160	1,500	0	0	12,757,660
1960- 1997	<u>145,190,757</u>	<u>145,530</u>	<u>0</u>	<u>0</u>	<u>145,336,287</u>
Total	\$311,281,831	\$338,490	\$0	\$99,732	\$311,720,053

WISCONSIN LOCAL GOVERNMENTS

H. Historical Statistics - Active Employee and Retiree Insurance - through 2007 (cont'd)

Year	Overhead Cost						State Administration Expense	Actuarial Service Charge	Audit/Consultant Charge	Research Survey Cost	Interest Credits/Charges
	Insurance Company Expense	Reinsurance Expense	Risk Charge*	State Premium Tax	Federal Income Tax	Total					
2007	\$1,642,242	\$3,416	\$65,405	\$468,673	\$72,165	\$2,251,901	\$249,586	\$23,936	\$0	\$0	\$191,898
2006	1,494,687	3,123	47,586	444,260	64,454	2,054,110	223,343	0	8,699	0	110,645
2005	1,389,672	2,909	42,714	349,646	61,415	1,846,356	208,373	0	0	0	143,998
2004	1,285,912	2,675	29,069	371,621	59,267	1,748,544	181,758	905	0	0	89,217
2003	1,221,501	2,639	54,756	401,966	60,462	1,741,324	253,424	1,700	18,633	0	121,600
2002	1,117,501	4,175	46,950	348,868	52,727	1,570,221	150,150	1,745	0	0	87,189
2001	1,003,151	4,517	47,021	325,213	44,602	1,424,504	107,850	1,650	0	0	92,006
2000	919,839	11,163	46,654	276,155	41,480	1,295,291	38,007	1,402	8,727	0	74,225
1999	842,497	11,704	39,389	256,390	45,544	1,195,524	0	1,391	0	0	61,178
1998	781,429	10,963	67,869	269,165	51,662	1,181,088	137,490	1,153	0	0	66,448
1960- 1997	<u>6,749,633</u>	<u>74,532</u>	<u>869,852</u>	<u>3,167,385</u>	<u>398,873</u>	<u>11,260,275</u>	<u>2,342,722</u>	<u>4,506</u>	<u>15,676</u>	<u>10,520</u>	<u>1,711,724</u>
Total	\$18,448,064	\$131,816	\$1,357,265	\$6,679,342	\$952,651	\$27,569,138	\$3,892,703	\$38,388	\$51,735	\$10,520	\$2,750,128

*Risk charge reflects reduction for 1987 catastrophic loss credit of \$178,106.

Year	Reserves			Total
	Disability Reserve	Contingent Liability Reserve	Premium Deposit Fund	
2007	\$17,151,148	\$75,683,793	\$140,991,340	\$233,826,281
2006	15,823,671	75,175,650	131,607,871	222,607,192
2005	14,393,637	75,305,226	123,117,809	212,816,672
2004	13,588,787	72,017,608	114,855,712	200,462,107
2003	14,194,776	70,683,368	107,040,743	191,918,887
2002	13,645,555	70,171,487	100,249,667	184,066,709
2001	12,313,190	69,463,315	92,628,705	174,405,210
2000	10,443,382	68,348,884	85,827,691	164,619,957
1999	9,357,113	66,759,288	78,788,609	154,905,010
1998	9,024,206	65,206,883	72,488,388	146,719,477
1997	8,122,657	64,306,104	67,178,644	139,607,405

Year	Interest Credits on Reserves			Total	Withdrawals to Pay Health Premiums
	Disability Reserve	Contingent Liability Reserve	Premium Deposit Fund		
2007	\$929,813	\$4,325,062	\$7,670,212	\$12,925,087	\$19,344
2006	818,117	4,180,360	6,879,378	11,877,855	0
2005	816,982	4,115,015	6,738,738	11,670,735	0
2004	823,287	4,424,860	6,337,309	11,585,456	11,118
2003	867,360	4,707,408	6,542,089	12,116,857	11,898
2002	827,016	4,782,466	6,363,346	11,972,828	0
2001	745,750	4,865,755	6,146,276	11,757,781	1,301
2000	667,981	4,744,914	5,660,107	11,073,002	0
1999	610,273	4,391,757	4,970,330	9,972,360	0
1998	551,337	4,327,436	4,580,522	9,459,295	12,649
1960- 1997	<u>7,916,027</u>	<u>72,558,458</u>	<u>47,033,599</u>	<u>127,508,084</u>	<u>0</u>
Total	\$15,573,943	\$117,423,491	\$108,921,906	\$241,919,340	\$56,310

THIS PAGE INTENTIONALLY
LEFT BLANK

STATE OF WISCONSIN
AND LOCAL GOVERNMENTS

VIII. Funding Assumptions

A. Salaries increase annually in accordance with the following schedule:

	Percentage Increase	
<u>Age</u>	<u>State</u>	<u>Local</u>
20	7.7	9.0
25	7.0	8.0
30	5.9	6.4
35	5.0	5.2
40	4.5	4.5
45	4.2	4.0
50	3.9	3.7
55	3.7	3.5
60	3.5	3.4
65	3.4	3.3

B. Annual employee withdrawal rates are as follows:

	Withdrawals Per 1,000	
<u>Age</u>	<u>State</u>	<u>Local</u>
20	34	28
25	34	28
30	32	25
35	28	21
40	23	17
45	18	14
50	15	12
55	13	12
60	13	12

C. Annual interest rates are projected portfolio rates, assuming new money rates grade to 5.75% in 0.50% per year increments, beginning with the 2014 new money rate of 2.83%.

D. Expected mortality and morbidity are based on studies of the actual experience of the plan during the years 2009 through 2013. Mortality and morbidity rates are expected to improve 2% per year through 2022. Premium contribution rates are assumed to remain at their current levels.

E. Annual accidental death rates of .12 deaths per thousand for State employees and .14 deaths per thousand for employees of participating public employers are assumed at all ages under 65. These rates are based on plan experience during 2009 through 2013.

F. No explicit allowance is made for insurance company expenses or State premium taxes.

THIS PAGE INTENTIONALLY
LEFT BLANK

STATE OF WISCONSIN
AND WISCONSIN LOCAL GOVERNMENTS

IX. Conversion of Postretirement Life Insurance Values to Pay Health or Long-Term Care Insurance Premiums

Report on operations for 2014, the twentieth year of the benefit

	<u>State Retirees</u>	<u>Local Retirees</u>
A. Number of Retirees Utilizing Benefit		
1. Utilization on December 31, 2013	147	2
2. Conversions Effective in 2014	55	1
3. Terminations During 2014		
a. Exhaustion of Conversion Account Balance	42	0
b. Death	2	0
c. Revocation of Conversion	0	0
d. Reversion to Life Insurance Plan Reserve	<u>3</u>	<u>0</u>
e. Total Terminations (a+b+c+d)	47	0
4. Adjustments	0	0
5. Utilization on December 31, 2014 (1+2-3e+4)	155	3
B. Conversion Account Activity		
1. Conversion Account Balances on December 31, 2013	\$ 890,958.33	\$ 5,666.80
2. Conversion Account Balances Established in 2014	\$ 758,413.00	\$ 10,260.00
3. Payments From Conversion Accounts During 2014		
a. Health Insurance Premiums	\$ 645,893.04	\$ 5,872.50
b. Long-term Care Insurance Premiums	45,691.85	0.00
c. Death Benefits	2,127.40	0.00
d. Revocation of Conversion	0.00	0.00
e. Reversion to Life Insurance Plan Reserve	34,725.00	0.00
f. Adjustments	0.00	0.00
g. Total Payments (a+b+c+d+e+f)	<u>\$ 728,437.29</u>	<u>\$ 5,872.50</u>
4. Conversion Account Balances on December 31, 2014 (1+2-3g)	\$ 920,934.04	\$ 10,054.30

STATE OF WISCONSIN
AND WISCONSIN LOCAL GOVERNMENTS

	<u>State Retirees</u>	<u>Local Retirees</u>
C. Cumulative Number of Retirees Utilizing Benefit - 1995 through 2014		
1. Conversions	749	10
2. Terminations		
a. Exhaustion of Conversion Account Balance	551	8
b. Death	36	0
c. Revocation of Conversion	3	1
d. Reversion to Life Insurance Plan Reserve	<u>7</u>	<u>0</u>
e. Total Terminations (a+b+c+d)	597	9
3. Adjustments	3	2
4. Utilization on December 31, 2014 (1-2e+3)	155	3
 D. Cumulative Conversion Account Activity - 1995 through 2014		
1. Conversion Account Balances Established	\$ 8,508,853.50	\$ 70,252.50
2. Payments From Conversion Accounts		
a. Health Insurance Premiums	\$ 6,402,330.10	\$ 60,191.70
b. Long-term Care Insurance Premiums	953,737.01	0.00
c. Death Benefits	150,354.10	0.00
d. Revocation of Conversion	26,678.90	0.00
e. Reversion to Life Insurance Plan Reserve	55,201.67	0.00
f. Adjustments	<u>(382.32)</u>	<u>6.50</u>
g. Total Payments (a+b+c+d+e+f)	\$ 7,587,919.46	\$ 60,198.20
3. Conversion Account Balances on December 31, 2014 (1-2g)	\$ 920,934.04	\$ 10,054.30