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Correspondence Memorandum

Date: October 15, 2015

To: Group Insurance Board

From: Sherry Etes, Program Manager
Wisconsin Public Employers Group Life Insurance Program

Subject: Wisconsin Public Employers (WPE) Group Life Insurance
Plan Changes and Policy Amendments

Staff recommends the Group Insurance Board (Board) adopt the plan change and corresponding policy amendments listed below.

The State Transforming Agency Resources (STAR) project has requested a change to the effective date for new employee life insurance coverage from the Board. This change will align with STAR's overall enrollment automation and PeopleSoft system. Staff requests the following plan change become effective January 1, 2016.

Effective Date for Coverage

The effective date for life insurance for a new employee will be the first day of the month following 30 days from the date of hire. The effective date for life insurance enrollment due to a qualifying family status change event will be the first day of the month following 30 days from the date of the qualifying event. The new effective date language will also apply to employees returning from an unpaid leave of absence where coverage lapsed.

For claims purposes, an employee's election date will be the point of reference for providing coverage and paying claims. Election date is the date of online enrollment or the date the paper application is received by the employer, but not earlier than the date of hire or the date of the qualifying family status change event.

Coverage approved through employer error will continue to be effective on the first of the month following the date the employer error application is received by the employer, as defined in Wis. Stats. 40.70 (7).

Coverage approved through Evidence of Insurability will continue to be effective on the first of the month following the date that the coverage is approved.

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

Electronically signed: 10/29/15

Board	Mtg Date	Item #
GIB	11.17.15	6

Group Life Insurance Plan Changes

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The proposed contract language with tracked changes can be found in attachment A.

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

Attachment A: Proposed Changes to Minnesota Life Insurance Company Policy

Effective Date of Insurance Coverage

The effective date of insurance under this policy for any eligible employee who files an application in accordance with the open enrollment provision under the section entitled "Enrollment for Insurance" shall be ~~the first day of the calendar month which begins on or after the later of: the date that all of the following conditions are met:~~

- ~~1) The date the employee attains eligibility; or~~
- ~~2) The date the application form is received by the employer.~~

- 1) The employee meets all eligibility requirements of this policy, and
- 2) The employee makes application, while living, for insurance in accordance with the enrollment provisions of this policy; and
- 3) The Company is satisfied with the employee's evidence of insurability, if evidence of insurability is required.

For an employee who is required to submit evidence of insurability under the section entitled "Enrollment for Insurance," the effective date of insurance shall be the ~~first day of the calendar month which begins on or after the~~ date the application is approved by the Company.

~~For an employee who is required to submit evidence of insurability under the section entitled "Enrollment for Insurance", the effective date of insurance shall be the date the application is approved by the Company.~~

~~Insurance may take effect prior to the first premium due date provided all of the above requirements are met. Insurance will continue in effect from the first premium due date and later provided premiums are paid when due.~~

Insurance shall not become effective if the applicant is no longer an employee of a participating employer on the insurance effective date.

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EFFECTIVE DATE OF INSURANCE

If an eligible employee enrolls for Spouse and Dependent coverage ~~on an application in accordance with the enrollment provisions under the preceding section entitled "Enrollment", the effective date of insurance shall be the date that all of the following conditions are met: within the applicable 30-day period specified in the preceding section, coverage shall be effective on the first day of the calendar month which begins on or after the date the application form is received by the employer. If evidence of insurability is required, coverage shall be effective on the first day of the calendar month following the date coverage is approved by the Company.~~

- 1) The spouse and dependent children meet all eligibility requirements of this policy, and
- 2) The employee makes application for insurance in accordance with the enrollment requirements of this policy, and
- 3) The spouse and dependent children are living on the date that the employee makes application for insurance; and
- 4)4) The Company is satisfied with the spouse and/or dependent child's evidence of insurability, if evidence of insurability is required.

~~For a spouse/dependent who is required to submit evidence of insurability under the section entitled "Enrollment", the effective date of insurance shall be the date the application is approved by the Company.~~

~~Insurance may take effect prior to the first premium due date provided all of the above requirements are met. Insurance will continue in effect from the first premium due date and later provided premiums are paid when due.~~

~~Insurance shall not become effective if the applicant is no longer an employee of a participating employer or if the applicant is no longer a spouse/dependent of an employee on the insurance effective date.~~

Premiums

The total monthly premium due from an employer for each plan shall be the sum of the total monthly premium rates shown in the Addendum, "Premium Rates," multiplied by the life insurance in force for that month on insured employees, spouses and dependents. Premiums will be collected for all time periods during which coverages have been in effect. However, insurance may take effect prior to the first premium due date as provided in the section entitled "Effective Date of Insurance". No premiums are due for the Postretirement Basic Plan and Accidental Death and Dismemberment coverages.

State agencies and local government employers shall submit premium remittances and reports required in the administration of group life insurance to the Company no later than the 20⁴th day of the calendar month for coverage in the following month.