

# Income Continuation Insurance (ICI) Enrollment and Premium Reporting Audit

## Group Insurance Board

Mary Statz, Office of Internal Audit

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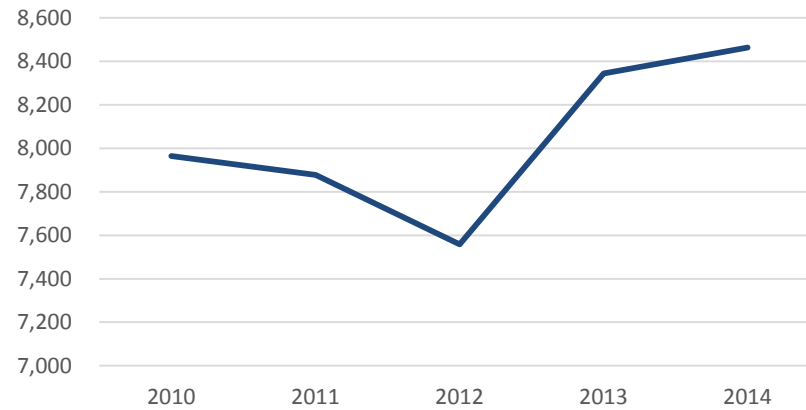


# What is the Income Continuation Insurance Program?

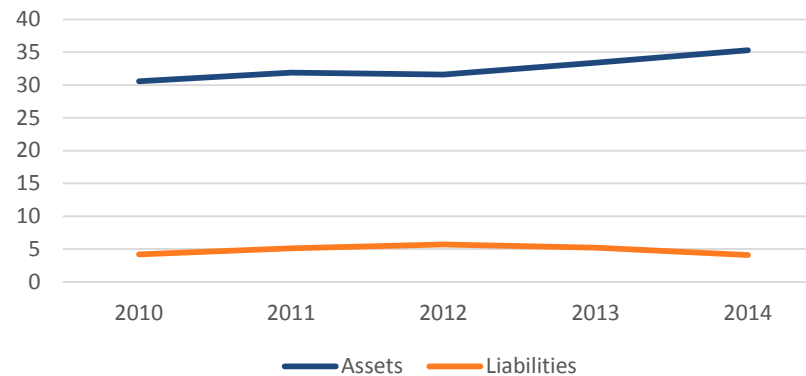
- Established by Wis. Stats 40.61 and 40.62
- Available to State and Local Wisconsin Retirement System participants
- Optional program funded by participant and employer premium contributions
- Provides replacement income for periods of disability

# Local ICI History

Local ICI Participants

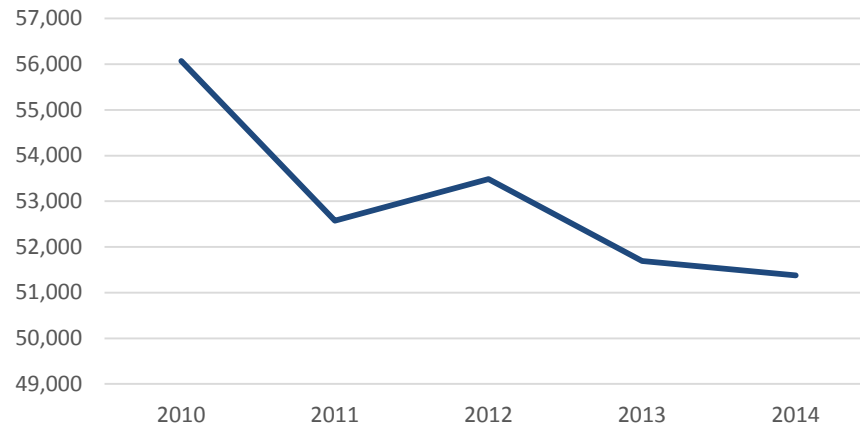


Local ICI Program  
(\$ in millions)

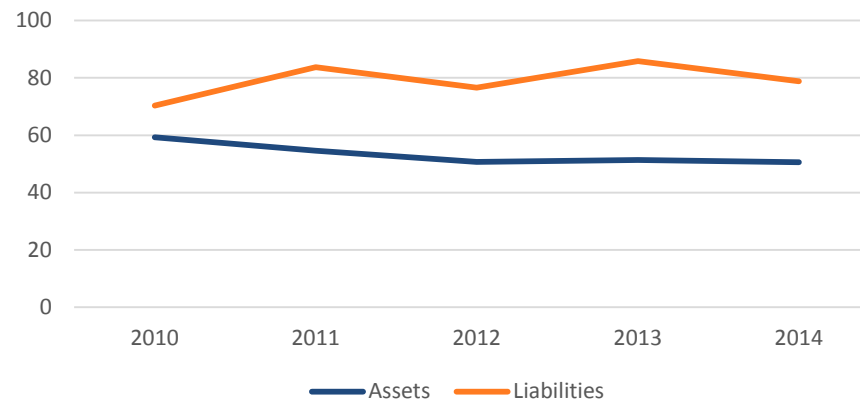


# State ICI History

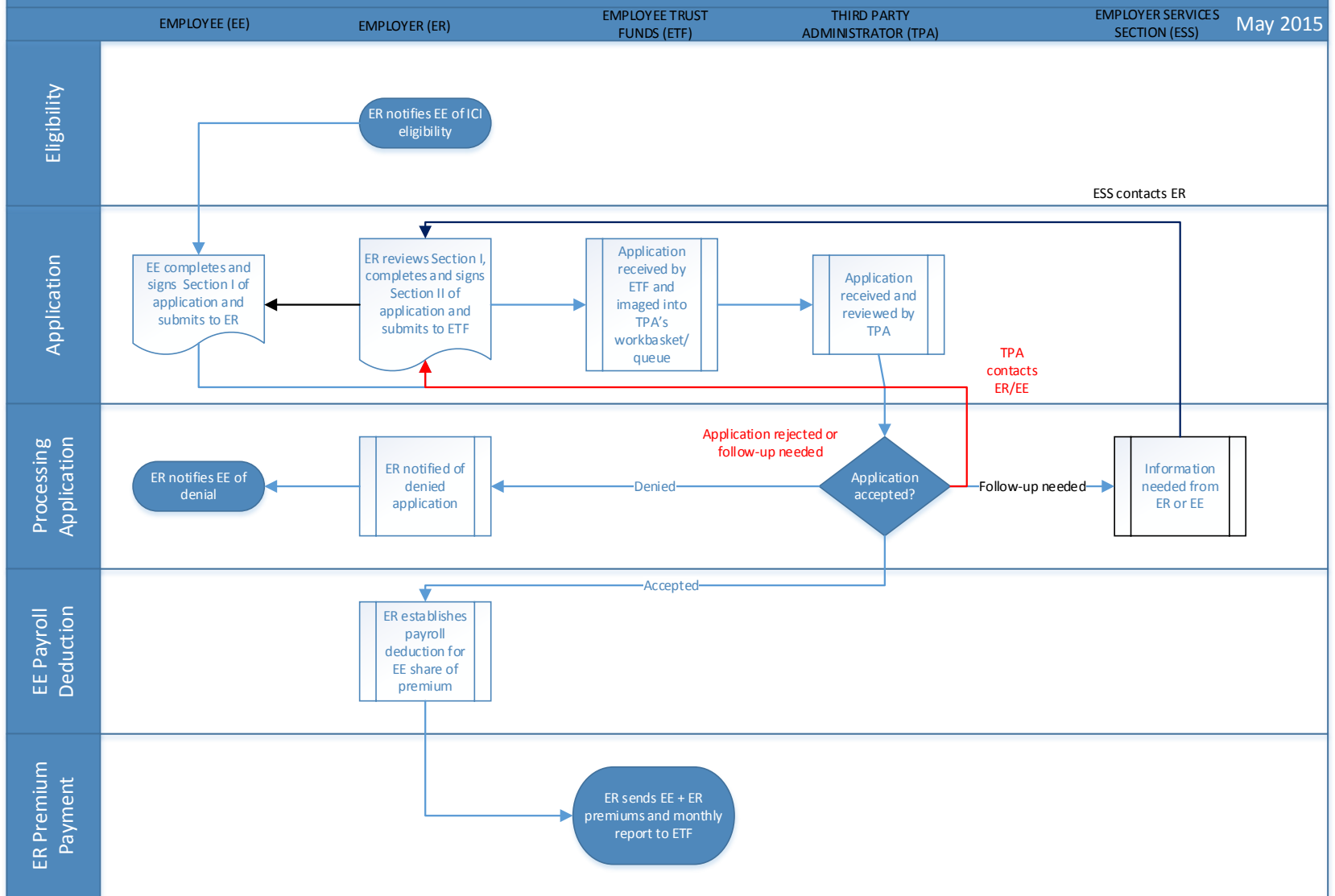
## State ICI Participants



## State ICI Program (\$ in millions)



# Income Continuation Insurance(ICI) Enrollment Process



# Objective

## **Evaluate the accuracy of ICI enrollment and premium reporting**

- Eligibility requirements are met
- Applications are complete
- Aetna processes enrollments timely
- ETF images applications
- Employers report enrollments and pay premiums accurately and timely

# Scope and Testing

## Scope

- 2014 state ICI enrollment process and premium reporting (51,379 participants)
- 2014 local ICI enrollment process (8,463 participants)

## Testing

- State ICI program
- Local ICI program
- Local employers joining ICI program
- ICI enrollment through EOI
- Monthly premium reports and premium payment



# Findings and Conclusion

## Findings

- No single area at ETF appears to have overall accountability for the ICI program
- Internal communication between ETF areas is lacking
- Training for employers and Aetna is inadequate
- Employer monthly premium reports are not verified for correct calculations and premium payments cannot be validated

## Conclusion

The controls evaluated are not adequate to ensure

- Eligibility requirements are met
- Enrollments are processed timely
- Employers report enrollments and pay premiums timely and accurately



# Action Plans

- **Division of Retirement Services**

- Additional training for Aetna and employers
- Updated manuals and procedures
- Monthly audit of ICI applications
- Add ICI enrollment processing to Wipfli engagement
- ESS Employer Compliance Reviews
- Enrollment database

- **Division of Trust Finance**

- Cross-foot premium calculations
- With database, will
  - Consistently calculate premiums
  - Invoice employers for all covered employees

Questions?