

Financial security
for the long run®



Report to the Group Insurance Board of the State of Wisconsin

Minnesota Life Insurance Company
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- 2015 Policy Year Report Highlights Letter
- Life Insurance Plan
 - State employees; spouses and dependents
- Life Insurance Plan
 - Local government employees; spouses and dependents

- State Plan and Local Government Plan
 - Each plan has 3 components
 - Active employees
 - Retirees
 - Spouse and dependents

- State Plan
 - Employee
 - Results consistent with pricing strategy
 - Recommend no change to premium rate

 - Spouse and Dependent
 - Results consistent with pricing strategy
 - Recommend no change to premium rate

- Local Government Plan
 - Employee
 - Results consistent with pricing strategy
 - Recommend no change to premium rate
 - Spouse and Dependent
 - Results consistent with pricing strategy
 - Recommend no change to premium rate

- State Plan
 - Employees
 - Claims result better than target
 - Spouse and Dependents
 - Claims result better than target
 - Aviation AD Benefit
 - Work-related accidental deaths
 - Approved by Board in April 2010
 - No claims in 2015

- State Plan
 - Plan Growth
 - Insurance in force increased 2% to \$10.7 billion
 - More than 78,000 insured lives
 - Other Benefits
 - Conversion of post retirement life insurance
 - Pay health insurance or long term care premiums
 - 215 retirees utilized
 - Reserve Funds
 - Earned 3.63%
 - Funding of future benefits is within an acceptable range

- Local Government Plan
 - Employees
 - Very good result in 2015
 - Spouse and Dependents
 - Claims at target
 - Pricing anticipates using reserves to cover excess claims

- Local Government Plan
 - Plan Growth
 - 5 local governments entered; 7 increased coverages
 - 734 local governments participate
 - Insurance in force increased 3% to \$11.7 billion
 - More than 114,000 insured lives
 - Other Benefits
 - Conversion of post retirement life insurance
 - Pay health insurance premiums
 - 3 participants utilized
 - Reserve Funds
 - Earned 3.55%
 - Funding of future benefits is within an acceptable range

- Employee Life Insurance
 - 2015 results and 2013-2015 results better than target level
 - Continued low interest rate environment places pressure on post-retirement funding
 - Prudent to hold premium rates at current levels
 - Recommend no change to premium rates in 2017

- Stop-Loss Provisions
 - Limit the charge to plan in one year for claims and expenses
 - Recommend no change to stop-loss rates in 2017
 - Consistent with plan results and recommendation for employee rates

- Spouse and Dependents
 - 2015 results were better than target
 - Results during 2013-2015 are consistent with plan's current pricing basis
 - Recommend no change to premium rate in 2017

- Employee Life Insurance
 - 2015 results and 2013-2015 results better than target level
 - Continued low interest rate environment places pressure on post-retirement funding
 - Prudent to hold premium rates at current levels
 - Recommend no change to premium rates in 2017

- Stop Loss Provisions
 - Limit the charge to plan in one year for claims and expenses
 - Recommend no change to stop-loss rates in 2017
 - Consistent with recommendation for employee rates

- Spouse and Dependents
 - Plan has a large stabilization reserve

 - 2015 results better than expected
 - Slight increase to the stabilization reserve
 - Recent experience consistent with strategy of drawing down the reserve

 - Recommend no change to rates in 2017

- Each component of plan is on track financially
- Recommendations for 2017
 - No changes to rates under either State or Local Government portions of plan
- We will continue to monitor results

Questions

Minnesota Life Insurance Company

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Securian Life Insurance Company

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