

Group Life Insurance Program Annual Report

Item 5 – Group Insurance Board

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Office of Strategic Health Policy

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Securian Financial





Action Needed

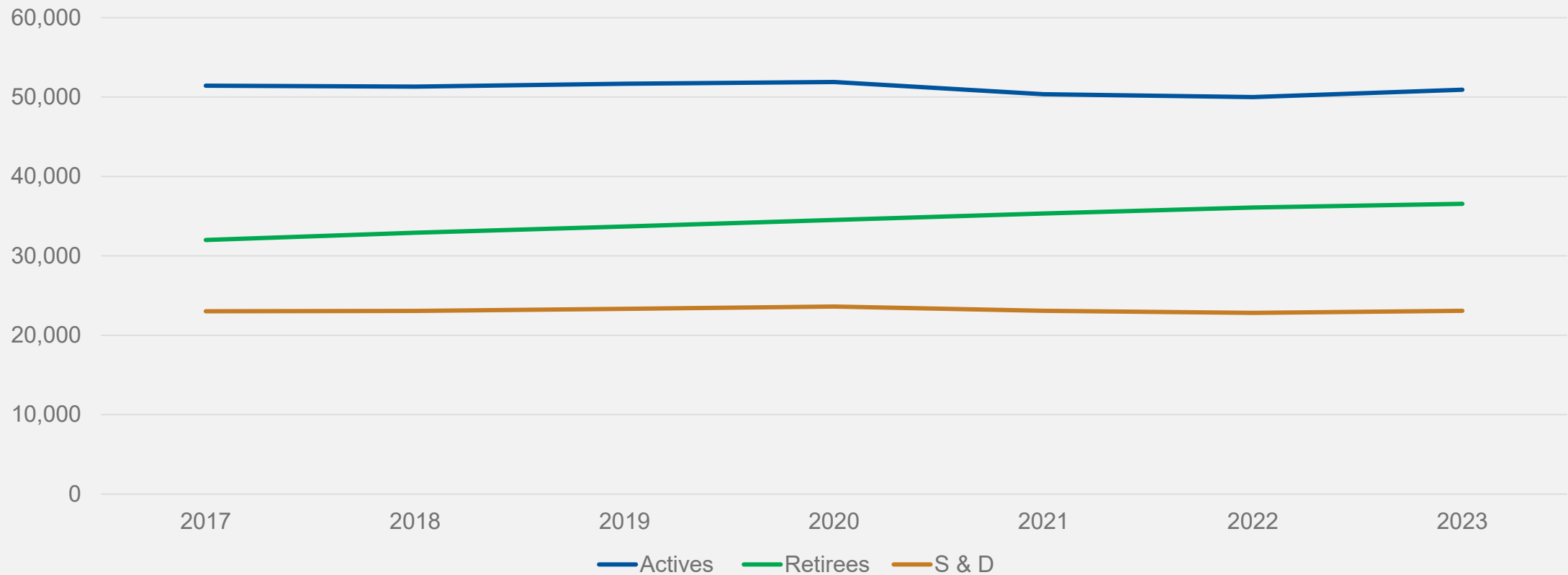
- ETF requests the Board accept the annual Wisconsin Public Employers Group Life Insurance 2023 Policy Year Report.



Enrollment and Valuation Trends

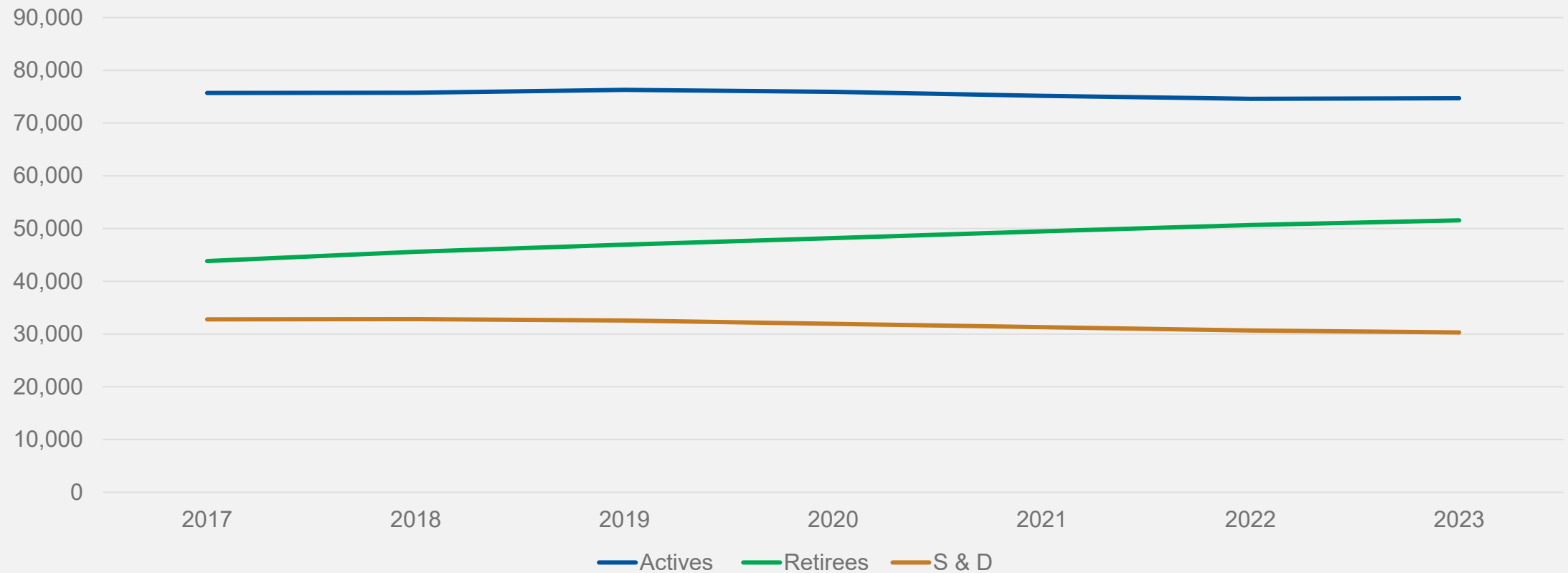
State Plan

Enrollment Plan Years 2017 - 2023



Local Plan

Enrollment Plan Years 2017 - 2023



Group Life Insurance Valuation

Assets as a Percentage of Net Liabilities (\$ Millions)

Date	State Plan	Local Plan
12/31/2023	88.2	110.6
12/31/2022	88.5	105.8
12/31/2021	85.4	117.5
12/31/2020	96.5	108.0
12/31/2019	99.1	106.1
12/31/2018	74.3	115.7
12/31/2017	68.1	105.6

State Plan Premiums

In 2019, the Board approved a 5% annual premium increase through April 1, 2028.

Empathy

- Value-add service available enrolled members and beneficiaries.
- Comprehensive support for preparing for a loss and after the loss of a loved one.
- Access services at the time of claim.
- No additional cost.



Employee Benefits Solutions
Insurance products issued by: Minnesota Life Insurance Company
or Securian Life Insurance Company

Together, Securian Financial and Empathy help support insured individuals and their beneficiaries

Empathy offers a comprehensive support system for preparing for a loss and after the loss of a loved one. 

What is Empathy?
Empathy offers a holistic approach to bereavement support by providing insured individuals and beneficiaries on-demand personalized guidance and care for the administrative, emotional, legal and financial challenges both when preparing for a loss and after their loved one passes away.
Insured individuals and beneficiaries gain access to a dedicated Care Manager, who provides guidance through the emotional and practical challenges of a loss. Users receive a personalized, step-by-step Care Plan tailored to their unique situation and needs.

Grief support
Empathy provides a compassionate and understanding space where families can find support that resonates most with their personal experience of loss and preparing for a loss. Options include:

- On-demand access to the Care Team for personal guidance
- Guided meditations
- In-depth library of resources on bereavement-related topics

And in the days and weeks after loss, when grief and shock can make tasks overwhelming, additional features available include:

- A smart tool for locating and comparing trusted funeral homes and personal assistance planning a funeral
- Receive an expertly crafted obituary honoring their loved one

Performance Standards



2023 Annual Performance Standards

- 36,325 transactions subject to performance standards
- Overall performance success rate of 99.65%
- Met or exceeded 8 of 9 standards

The background of the slide is a photograph of the Wisconsin State Capitol building in Madison, Wisconsin. The building is a grand, classical-style structure with a prominent central dome topped by a golden statue. The facade features numerous arched windows and classical columns. The sky is a clear, bright blue. The text is overlaid on the left side of the image.

Report to the Group Insurance Board of the State of Wisconsin

Securian Financial

Hans Larsen

Actuarial Senior Consultant

August 14th, 2024

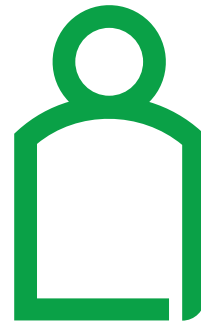


Group Life Insurance Program

State Plan and Local Government Plan Components



**Active
Employees**



Retirees



**Spouse &
Dependents**



2023 Policy Year Report Highlights

State Plan

Employees

- 2023 Claims lower than expected
- Recent three years' mortality experience higher than expected, driven by COVID in 2021 and 2022

Spouse & Dependent

- 2023 Claims in line with expectation of drawing down the reserve
- Recent three years' experience in line with expectation as well

Aviation AD Benefit

- Work-related accidental deaths
- No claims in 2023



2023 Policy Year Report Highlights

State Plan

Plan Growth

- Insurance in force increased 5.2% to \$13.8 billion
- More than 87,000 active and retired insured lives

Other Benefits

- Conversion of post retirement life insurance
- Pay health insurance or long-term care premiums
- 301 retirees utilized

Reserve Funds

- Funding of future benefits is at 88.2%
- Earned 3.03%
- Incorporates schedule of future premium rate increases approved in 2019

❁ Report to the Group Insurance Board

State Plan



Employee Life Insurance

Recommendation:

- No change to previously approved premium increase schedule
- Premium rates will increase according to schedule approved in 2019
 - Premium increases were implemented in order to maintain post-retirement benefit funding

Report to the Group Insurance Board

State Plan



Spouse and Dependents

Recommendation:

- No change to premium rate
- Current premium rate allows for gradual draw down of the stabilization reserve



2023 Policy Year Report Highlights

Local Government Plan

Employees

- 2023 Claims lower than expected
- Recent three years' experience better than expected despite COVID-19

Spouse & Dependents

- 2023 Claims in line with expectation of drawing down the reserve
- Recent three years' experience in line with expectation as well



2023 Policy Year Report Highlights

Local Government Plan

Plan Growth

- 759 local governments participate
- Insurance in force increased by 2.7% to \$13.9 Billion
- More than 126,000 active and retired insured lives

Other Benefits

- Conversion of post retirement life insurance
- Pay health insurance premiums
- 1 participant utilized

Reserve Funds

- Funding of future benefits is at 110.6%
- Earned 3.04%
- Incorporates a premium rate hold strategy through 2025

❁ Report to the Group Insurance Board

Local Government Plan



Employee Life Insurance

Recommendation:

- No change to premium rates in 2025
- Prudent to hold premium rates at current levels, consistent with valuation assumption

Report to the Group Insurance Board

Local Government Plan



Spouse and Dependents

Recommendation:

- No change to premium rates in 2025
- Premium rates are set to gradually draw down the stabilization reserve



Rate Changes for 2025



State Plan

- Continue the employee premium rate increase schedule approved in 2019
- No premium rate changes for the Spouse & Dependent premium rate for 2025

Local Plan

- No premium rate changes for 2025



Questions?



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Action Needed

- ETF requests the Board accept the annual Wisconsin Public Employers Group Life Insurance 2023 Policy Year Report.

Thank you



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