



Thank you for choosing Standard Insurance Company (The Standard) as your employee benefits partner since April 1, 2016. We appreciate your business and the chance to renew our commitment. We strive to provide County of Dane and your employees outstanding value, expertise and personal service.

As always our goal is to help you take care of your business and your employees. Our team remains committed to helping you achieve strategic goals for your benefits program, streamline administration and increase employee satisfaction. In short—better results with less noise. Thank you again for your continued business.

Our Approach to Renewals - Continued Partnership

The renewal rates for your Group Disability insurance will be effective May 1, 2020.

In designing fair renewal pricing, we review three components of rating:

- 1. The Calculated Rate (also called the Manual Rate):** We use your current census file demographics, plan design, industry and location to determine a rate for your coverage based on The Standard's book of business of other similar customers. We do this for groups of all sizes.
- 2. The Experience Rate:** In addition, we use your past claims history to help us determine your renewal rates. Especially for large employers, past claims experience can be a fair and useful predictor of future liability.
- 3. The Blended Rate:** If applicable, we use a formula to determine how credible your Experience Rate is in predicting your future claims and blend it with your Calculated Rate. This produces a Blended Rate that we use to determine your final pricing.

In this package you'll see a demographics table, an experience table, and a renewal action for each of the products reviewed. More experience information can be found in the experience evaluations that follow. Please see the renewal summary for complete list of renewal rates.

Please consider this renewal package the next step in our ongoing conversation about how we can best meet your needs. We may be able to work together to help you get more value out of your benefits program or reduce overall costs. We'd be happy to re-evaluate your plan design and benefits usage and discuss your options.

Your Short Term Disability Renewal

Experience Data for Short Term Disability

Components	From 5/1/2017 to 8/31/2019
Experience Rate	0.255
Credibility	100%
Calculated Rate	0.489
Blended Rate *	0.255

* Blended Rate = (Experience Rate) * (Credibility) + (Manual Rate) * (1-Credibility)

Renewal Action for Short Term Disability

Based on our thorough analysis of the plan we have determined that the current rate is insufficient to cover future expected claim experience. The renewal action will be as follows:

Renewal Date	Class	Current Rate *	Renewal Rate *
5/1/2020	All Eligible	\$0.175 per \$10 of benefit	\$0.175 per \$10 of benefit

Rate will be guaranteed for 2 years until May 1, 2022

The Standard is committed to helping you provide innovative benefits programs that support your employees' needs. We want to make sure you're aware of the services offered with your STD plan as outlined below.

Health Advocacy Select

When employees are receiving disability benefits, we can help them navigate the health care system with Health Advocacy Select, a service provided through a partnership with Health Advocate, a leading health assistance and support company. This highly personalized service offers employees a dedicated personal health advocate who can assist with a wide range of health care issues, from medical paperwork to scheduling appointments and getting second opinions.

Your Long Term Disability Renewal

Experience Data for Long Term Disability

We have used the indexing method to evaluate the Long Term Disability experience. Indexed rates are used to evaluate experience for Policyholders who have multiple rates on a single line of coverage (e.g., age-banded rates or class rates). An indexed rate of 1.00 represents the current rates. The calculated rate, experience rate and the blended rate are percentage increases/decreases compared to the current rates.

Components	From 5/1/2017 to 10/31/2019
Indexed Experience Rate	2.502
Credibility	49%
Indexed Calculated Rate	1.340
Indexed Blended Rate *	1.909

* Blended Rate = (Experience Rate) * (Credibility) + (Manual Rate) * (1-Credibility)

Renewal Action for Long Term Disability

Based on our thorough analysis of the plan we have determined that the current rate is insufficient to cover future expected claim experience. The renewal action will be as follows:

Renewal Date	Class	Current Rate *	Renewal Rate *
5/1/2020	Members Insured Under Employer's STD	0.266 % insured earnings	0.315 % insured earnings
5/1/2020	Members Not Insured Under Employer's STD	0.380 % insured earnings	0.380 % insured earnings

Rate will be guaranteed for 2 years until May 1, 2022

The Standard is committed to offering services that help employees feel successful at work and at home. To make sure you're aware of what's offered with your LTD plan, we've highlighted key services below.

Employee Assistance Program

The Employee Assistance Program (EAP) can help employees and managers resolve personal and workplace issues. The EAP provides 24/7 support from masters-degreed clinicians by phone, online, live chat, email and text. Employees and family members can receive referrals to support groups, a network counselor, or community resources. They can also be connected to your health plan and other benefits you offer. Your program includes face-to-face counseling sessions. EAP services can help with depression, family issues, life improvement, addictions, financial concerns, workplace conflicts and more. They can also be connected to your health plan and other benefits you offer. This service is offered through a vendor not affiliated with The Standard.



Short Term Disability Experience Report

Paid Basis

	5/1/2017 to 4/30/2018	5/1/2018 to 4/30/2019	5/1/2019 to 8/31/2019	TOTALS
Earned Premium	334,517	351,577	120,734	806,828
Paid Claims	188,632	269,644	133,747	592,023
FICA	343	234	0	577
IBNR Change	129,666	7,607	403	137,676
Plan/Demographic Adj				
Incurred Claims	318,641	277,485	134,150	730,276
Loss Ratio	95.3%	78.9%	111.1%	90.5%
Life Years	1,906	1,962	657	4,525
Pending Claim Cnt	0	0	0	0
Approved Claim Cnt	28	25	4	57
Active Claim Cnt	0	7	2	9
Closed Claim Cnt	28	18	2	48
Incidence	14.7	12.7	6.1	12.6

Case Summary

5/1/2017
to
8/31/2019

Earned Premium	\$806,828
Constant Premium	\$806,828
Incurred Claims	\$730,276
Loss Ratio	90.51%
Constant Loss Ratio	90.51%
Experience Rate	0.255
Calc Rate	0.489
Credibility	100%
Blended Rate *	0.255

Blended = ExpRate * Credibility +
CalcRate * (1-Credibility)



Long Term Disability Experience Report

Incurred Basis

	5/1/2017 to 4/30/2018	5/1/2018 to 10/31/2019	TOTALS
Earned Premium	341,924	533,923	875,847
Paid Claims	188,373	16,153	204,526
FICA	0	0	0
Reserves	617,058	333,177	950,235
IBNR Change	0	329,497	329,497
Incurred Claims	776,278	671,158	1,447,436
Loss Ratio	227%	126%	165%
Experience Rate	3.438	1.903	2.502
Life Years	1,961	3,072	5,033
Pending Claim Cnt	0	0	0
Approved Claim Cnt	9	5	14
Active Claim Cnt	5	5	10
Closed Claim Cnt	4	0	4
Incidence	4.59	1.63	2.78

Case Summary

5/1/2017
to
10/31/2019

Earned Premium	\$875,847
Constant Premium	\$875,847
Incurred Claims	\$1,447,436
Loss Ratio	165.26%
Constant Loss Ratio	165.26%
Indexed Experience Rate	2.502
Indexed Calc Rate	1.340
Credibility	49%
Indexed Blended Rate *	1.909

Blended = ExpRate * Credibility + CalcRate * (1 - Credibility)



Thank You and Next Steps

We appreciate the opportunity to continue our partnership with County Of Dane. A summary of our 2020 Renewal Offer is in the chart below. Thank you for allowing The Standard the opportunity to support your insurance needs.

Products & Services *	Through 4/30/2020	Effective 5/1/2020
Short Term Disability	\$0.175 Per \$10 of Benefit	\$0.175 Per \$10 of Benefit
Health Advocate Select	Included in rates for STD	Included in rates for STD
Long Term Disability		
Members insured under Employer's STD Plan	0.266 % Insured Earnings	0.315 % Insured Earnings
Members not insured under Employer's STD Plan	0.38 % Insured Earnings	0.38 % Insured Earnings
Employee Assistance Program (EAP)	Included in rates for LTD	Included in rates for LTD
Travel Assistance	Included in rates for LTD	Included in rates for LTD

Rates will guaranteed for 2 years until May 1, 2022

* The rates above are shown monthly; however the billing frequency for Capital Area Regional Planning Commission Members is Bi-Weekly. Billing frequency for All Other Members is Monthly.

You can count on us to help you retain and attract employees by providing the benefits and services they value – now and for years to come. We're always available to address any questions you have about this renewal or for any service needs. Please reach out to the Chicago group office at (847) 240-2443 and we'll be happy to help.

Incurred Experience Exhibit	Illustration of premium and claims by time period incurred (accrual basis). Reserves and paid claims for each claim are included in the time period which includes the date of disability.
Cash Flow Experience Exhibit	Illustration of premium and claims by time period of claims paid during a specific period without reference to incurred date. Reserves are calculated by subtracting the reserves at the beginning of the analysis period from the reserves at the end of the analysis period.
Loss Ratio	Incurred Claims divided by adjusted earned premium.
Earned and Adjusted Premium	Earned Premium is premium credited for a specified period of time. It does not include overpayments or adjustments from other periods. For experience rating, all earned premiums are adjusted to the current rate or calculated rate, resulting in adjusted earned premium.
Total Incurred Claims	<p>Incurred claims may include:</p> <ul style="list-style-type: none"> • Paid claims • Active reserves or change in reported reserves • Incurred but not reported (IBNR) reserves. • Pending claim reserves • FICA payments • Conversion Charges
Retention	<p>Retention includes expenses associated with the plan. These may include:</p> <ul style="list-style-type: none"> • Acquisition charges • General expense charges • Claims administration expenses • Premium taxes • Commissions
Calculated Rate	Calculated rate, otherwise known as manual rate, is the rate calculated from the use of census data and employer characteristics, including age, gender, plan design, industry, occupation, and benefits. Rates are calculated from actuarial tables, and are based on large blocks of business.
Experience Rate	This is the rate that would have covered claims and plan retention during the time period reviewed. If experience is less than 100% credible, the experience rate is blended with the calculated rate by weighted formula, resulting in the blended rate.
Life Years & Credibility	A life year is defined as one member insured for one year. For example, 1,000 employees insured for 2 years would equal 2,000 life years.
Investment Credit	When evaluating long term disability on an incurred basis, we reduce the experience rate by an investment credit for rating purposes, to reflect investment earnings on reserves. This relates to non-refunding groups only.