

San Francisco Health Service System Health Service Board

Rates & Benefits

2018 Renewal—Aetna Life and Disability

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Introduction

- The San Francisco Health Service System (HSS) offers the following life and disability coverages to its members:
 - Basic Life Insurance
 - Voluntary / Supplemental Life Insurance
 - Long-Term Disability (LTD)
- HSS' life and disability policies are with Aetna Group Insurance (Aetna)
- A three year rate guarantee was approved by the Health Service Board (HSB) during the 2016 Rates and Benefits process (January 1, 2017 - December 31, 2019) and added a smoker and non-smoker premiums for the supplemental life plan
- This report summarizes Aetna's renewal response and Aon's recommended premium actions for 2018

Basic Life Insurance

- Basic life insurance is 100% employer paid
- Four benefit amounts are available based on eligibility: \$25,000; \$50,000; \$125,000; and \$250,000
- Due to the three-year premium guarantee, there is no change to the current premiums
 - The monthly basic life premiums are as follows:

Benefit Amount	Current / Renewal Premium ⁽¹⁾
\$25,000	\$0.080
\$50,000	\$0.080
\$125,000	\$0.080
\$250,000	\$0.080

(1) Premium per \$1,000 of coverage

Supplemental Life Insurance

- Supplemental life insurance is 100% employee paid
- Benefit options range from \$10,000 to \$300,000
- Due to the three-year premium guarantee, there is no change to the current premiums
 - The monthly supplemental life premiums are as shown to the right:

Age Band	Current / Renewal Premium ⁽¹⁾	
	Non-Smoker	Smoker
<25	\$0.050	\$0.070
25-29	\$0.060	\$0.080
30-34	\$0.080	\$0.100
35-39	\$0.090	\$0.110
40-44	\$0.110	\$0.130
45-49	\$0.160	\$0.180
50-54	\$0.240	\$0.270
55-59	\$0.470	\$0.510
60-64	\$0.740	\$0.790
65-69	\$1.450	\$1.510
70+	\$2.380	\$2.450

(1) Premium per \$1,000 of coverage

Long-Term Disability

- Long-term disability coverage offered through Aetna is 100% employer paid
- There are two plans available:
 - 60% up to a monthly maximum of \$5,000
 - 66.67% up to a monthly maximum of \$7,500
- Due to the three-year premium guarantee, there is no change to the current premiums
 - The monthly long-term disability premiums are as follows:

Coverage	Current / Renewal Premium ⁽¹⁾
60%	\$0.363
66.67%	\$0.327

(1) Premium per \$100 of covered payroll

Recommendations

- Due to Aetna's three-year premium guarantee, which was approved by the HSB at the April 14, 2016 board meeting, no further action is required at this time
- Note that all premiums are net of commissions