

San Francisco Health Service System Health Service Board

Rates & Benefits

2019 Renewal—Hartford Life and Accident Insurance Company (formerly Aetna Group Insurance) Life and Long-Term Disability Insurances

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Health & Benefits



Introduction

- The San Francisco Health Service System (SFHSS) offers the following life and disability insurance coverages to its members:
 - Basic Life Insurance (paid by the employers);
 - Supplemental Life Insurance (paid by plan members); and
 - Long-Term Disability Insurance (paid by the employers).
- In late 2017, The Hartford Life and Accident Insurance Company (Hartford) acquired Aetna Group Insurance's (Aetna's) group life and disability business—Hartford's integration of Aetna's book of business (including the SFHSS insurances) is underway.
- SFHSS's life and long-term disability insurance policies are in a three-year premium guarantee covering January 1, 2017 through December 31, 2019—this guarantee continues under Hartford.

Recommendation Summary

- Aon recommends that the Health Service Board (HSB) accept renewal of all life insurance and long-term disability insurance premiums included in this presentation for the 2019 plan year—with all premiums continued from SFHSS's 2017 and 2018 plan years.
- The pages that follow document the recommended 2019 life insurance and long-term disability insurance premiums.

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 \$150,000.
- Given the three-year premium guarantee, there is no change to the current premiums.
 - The monthly basic life premiums are as follows:

Benefit Amount	Covered Employees	Current / Renewal Premium ⁽¹⁾
\$25,000	258	\$0.080
\$50,000	20,200	\$0.080
\$125,000	18	\$0.080
\$150,000	448	\$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.
- Given 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	\$0.040	\$0.060
25-29	\$0.050	\$0.070
30-34	\$0.070	\$0.090
35-39	\$0.080	\$0.100
40-44	\$0.100	\$0.120
45-49	\$0.150	\$0.160
50-54	\$0.230	\$0.250
55-59	\$0.430	\$0.470
60-64	\$0.660	\$0.720
65-69	\$1.270	\$1.380
70+	\$2.060	\$2.240

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

Long-Term Disability Insurance

- Long-term disability insurance is 100% employer paid.
- Two designs are available based on eligibility:
 - 60% up to \$5,000 monthly maximum; 180 day elimination period
 - 66.6667% up to \$7,500 monthly maximum; 90 day elimination period
- Given 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
66.6667%	\$0.327

(1) Premium per \$100 of covered payroll

Action Recommendation

- We ask the HSB to approve the basic life insurance, supplemental life insurance, and long-term disability insurance rates as displayed in this presentation for the 2019 plan year.
 - Aetna’s three-year premium guarantee for plan years 2017 through 2019 was approved by the Health Service Board (HSB) at the April 14, 2016 HSB meeting.
 - These premium levels will continue in 2019 through the Hartford acquisition of the overall Aetna group life and disability business, including the life and disability insurances for SFHSS members.
 - All premiums displayed in this presentation are net of commissions (e.g., there are no commissions included in the SFHSS insurance rates in this presentation).