

## Public Agenda Item #17d

### Review, Discussion and Consideration of the Texas Employees Group Benefits Program:

Basic and Optional Term Life, Accidental Death and Dismemberment Plans  
Monitoring Strategy Overview

December 2, 2016

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# Basic and Optional Term Life, Accidental Death and Dismemberment (AD&D) Plans



Texas Employees Group Benefits Program offers Basic and Optional Term Life, AD&D and Voluntary AD&D Insurance.

- The employer provides funding for Basic Term Life.
- Other plans are optional and solely funded by program participants.
- Plans are administered by Minnesota Life Insurance Company, an affiliate of Securian Financial Group, Inc.



# Basic and Optional Term Life, AD&D Plans

## Enrollment



### Life and AD&D Benefit Plans

Member Enrollment

August 31, 2016

Coverage Plan Description		Funding	Number of Members	Cumulative Value of Benefits (\$)
Life	Basic Life	Fully Insured	321,737	\$ 1,346,652,500
Life	Optional Life & AD&D	Fully Insured	214,454	20,343,858,700
Life	Voluntary AD&D	Fully Insured	133,454	18,502,521,250
Life	Dependent Life & AD&D	Fully Insured	111,598	486,000,000

# Basic and Optional Term Life, AD&D Plans



## Monitoring

### Monthly Administrative Performance Report (MAPR)

- 22 Criteria are monitored for contractual compliance
- Criteria are organized into four major categories:



Account Management



Customer Service



Operations



Systems and Data Management



# Monthly Administrative Performance Report (MAPR)

## Heat Map Summary

Basic & Optional Term Life, AD&D  
Minnesota Life Insurance Company

HEAT MAP COLOR LEGEND
No applicable activity.
Performance met standards.
Performance did not meet standards; PG assessment waived.
Performance did not meet standards; not a PG metric.
Performance did not meet standards; PG assessment pending.
Performance did not meet standards; PG assessed.

		Assessment Frequency	09-2015	10-2015	11-2015	12-2015	01-2016	02-2016	03-2016	04-2016	05-2016	06-2016	07-2016	08-2016	
ACCOUNT MANAGEMENT	Written notice of changes	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Process claim payments timely	Monthly	100%	99.4%	100%	100%	100%	99.3%	99.5%	99.8%	99.7%	99.3%	100%	99.8%	
	Communication materials: approval process	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	<100%	100%	
	Communication materials: dissemination	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Communication materials: quality	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Communication materials: timeliness	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	ERS-specific website: quality	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Answer calls within 20 seconds	Monthly	99.9%	96.0%	96.6%	95.9%	94.1%	96.4%	93.0%	94.8%	97.1%	95.0%	93.0%	90.8%	
	Manage call blockage below 0.5%	Quarterly		0.0%			0.0%		0.0%		0.0%		0.0%		
	Manage EOI underwriting process	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Program reporting	Monthly	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	GBP-specific website: availability	Annually							99.8%						
	GBP-specific website: quality	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Annual enrollment attendance	Any Incident	100%	100%									100%	100%	100%
	Manage grievance process	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	SRV	Maintain a designated Customer Service Unit	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
OPS.	Process claim payments accurately	Annually						100%							
	Process EOI applications accurately	Annually						98.8%							
SYSTEM & DATA MGMT.	Ensure claims system availability	Annual						100%							
	Process eligibility files accurately, timely	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Resolve transaction errors accurately, timely	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Provide timely notification of file or transaction errors	Any Incident	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

# Basic and Optional Term Life, AD&D Plans

## Performance Guarantees



Level of Severity	Definition	Allocation of Risk
Severity 1 Emergency	<ul style="list-style-type: none"><li>• Mission critical systems are down</li><li>• Substantial loss of service</li><li>• Business Operations have been severely disrupted</li></ul>	50% of the aggregate annual amount at risk
Severity 2 Critical	<ul style="list-style-type: none"><li>• Major functionality is severely impaired</li><li>• Operations can continue in a restricted fashion</li></ul>	25% of the aggregate annual amount at risk
Severity 3 Moderate	<ul style="list-style-type: none"><li>• Business Operations are adversely impaired</li><li>• Temporary work-around, acceptable to ERS, is immediately available</li></ul>	Occurrence 1: 3% Occurrence 2: 5% Occurrence 3: 6% Occurrence 4: 9%
Severity 4 Minor	<ul style="list-style-type: none"><li>• Business Operations have been adversely affected in a limited manner</li><li>• Modification of current policies and/or processes is required</li></ul>	2% of the aggregate annual amount at risk

Questions?