

LTC Program: Semi-Annual Program Update

January 1 through June 30, 2013



Long-Term Care Program Update

Semi-Annual

Program Statistics

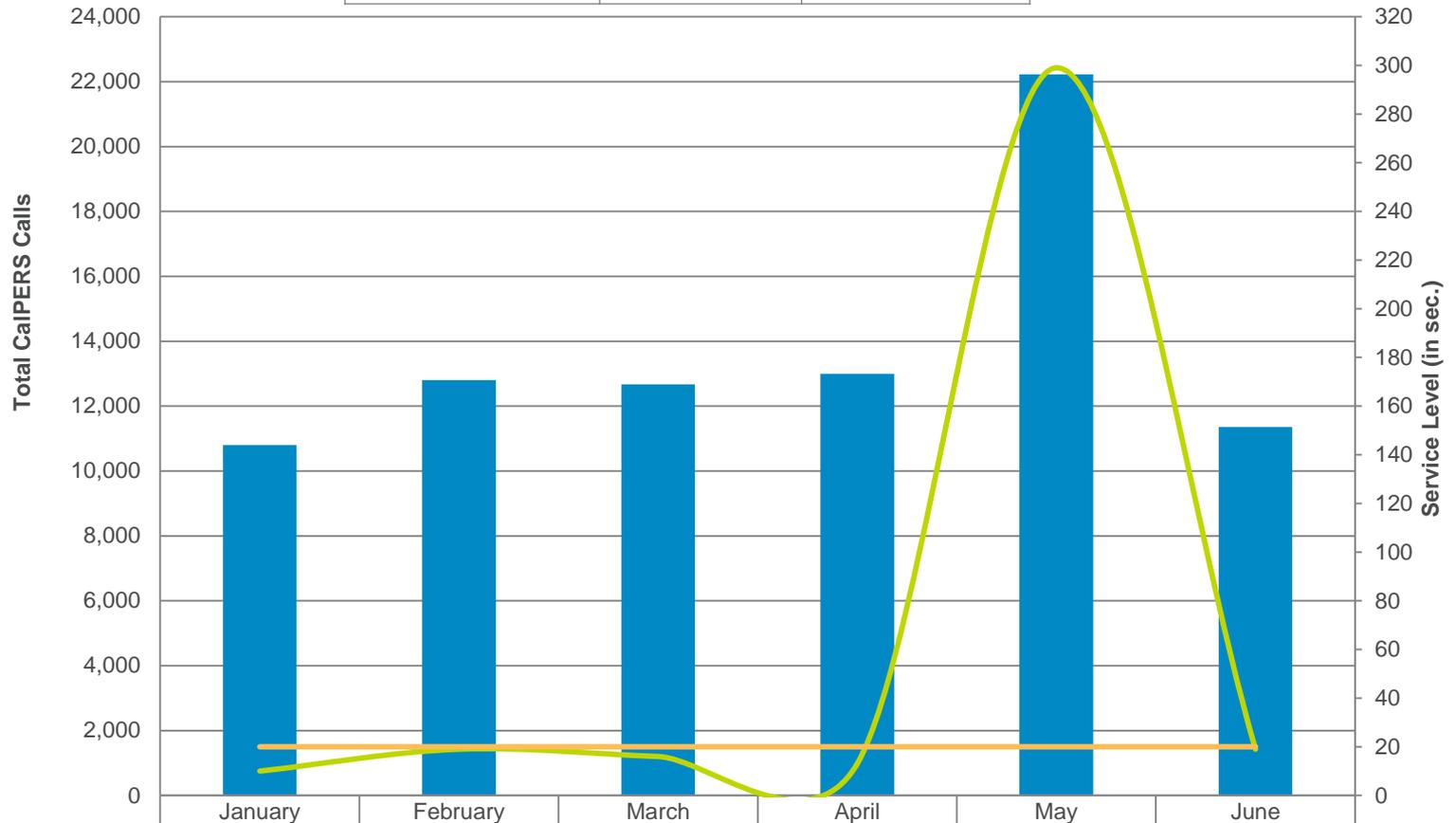
- 144,936 active program members
 - Over \$141 million in premium
 - \$2,199 average premium
 - Invested asset value of \$3.7 billion
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Claim and Care Management

- 5,876 members in active claim
 - 49,374 volume of claim payments
 - \$98+ million paid in member benefits
 - \$1.2+ billion paid in member benefits since inception
 - 95% of covered claims paid in 5 days
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Customer Service Semi-Annual Results

Total Calls	2012	2013
Jan-Jun	58,470	82,835

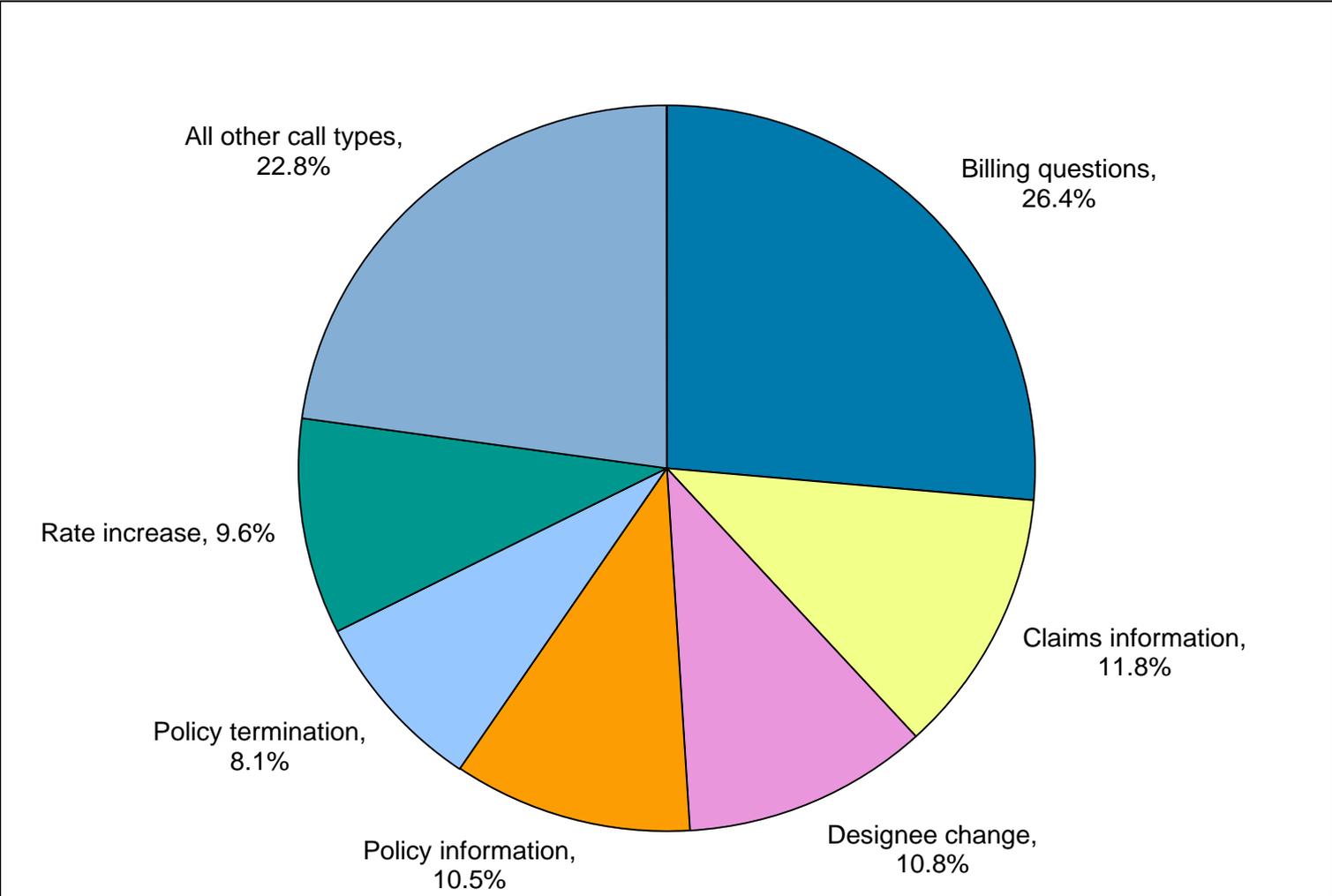


Total Calls	10,800	12,800	12,671	12,993	22,221	11,350
Service Level (in sec.)	10	19	16	13	299	19
SL Standard (in sec.)	20	20	20	20	20	20
Abandoned Rate	0.4%	0.7%	0.5%	0.6%	9.5%	1.3%

Service Level Agreement: 98% of calls answered with an average speed of answer of 20 seconds or less

Call Types Semi-Annual Results

Most Frequent Call Types

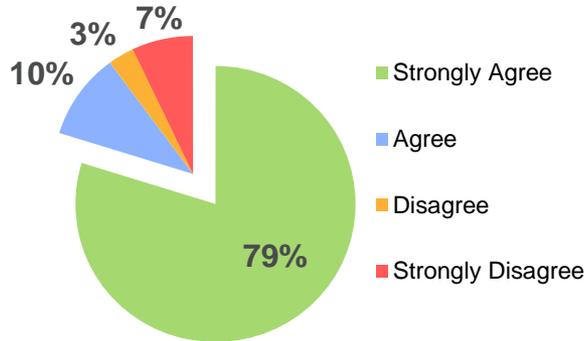


CalPERS Customer Service Survey Results

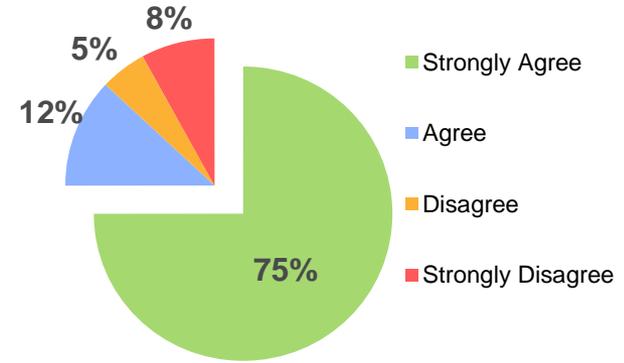
Semi-Annual Results

Total 2013 survey respondents: 505

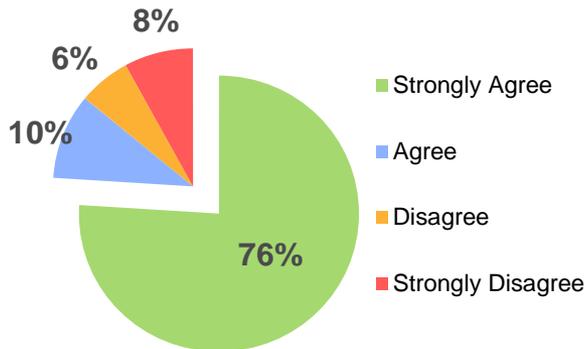
The employee I spoke to was courteous and helpful



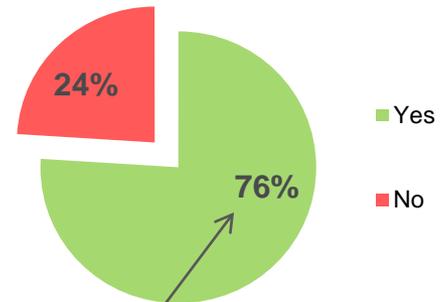
The employee I spoke with had the knowledge and skill to address my needs



My question, concern or issue was handled well



I would recommend the CalPERS Long-Term Care Program to others

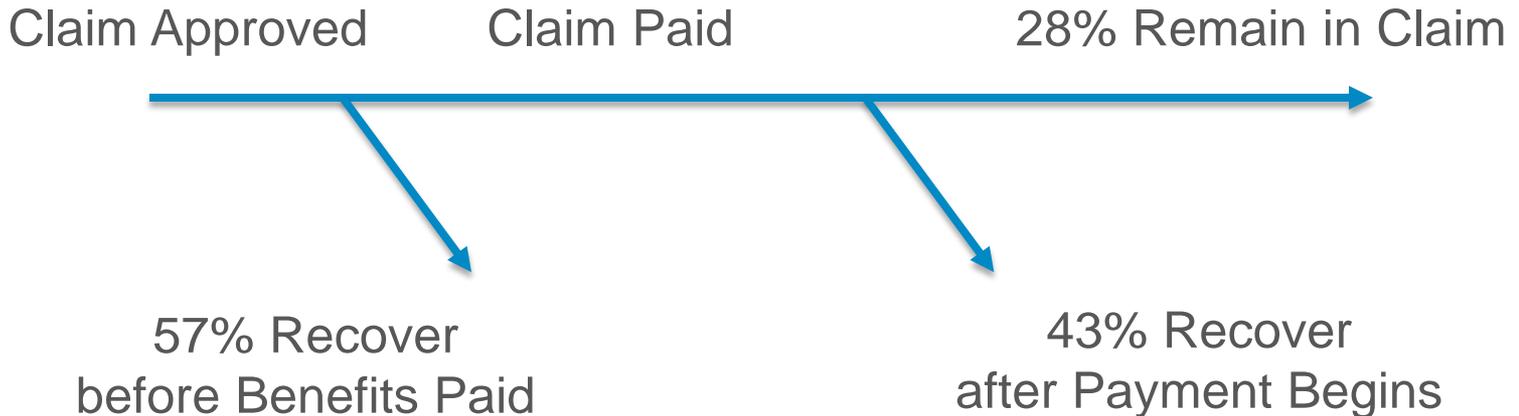


An 11% decrease from same period 2012

Recovery from Claim Since Inception of the Program

Recovery Continues Throughout the Life of a Claim

- 28% of closed claimants have recovered:
 - 57% before benefit payments are made
 - 43% after benefits payments have begun
- The percent change from 2012 is negligible



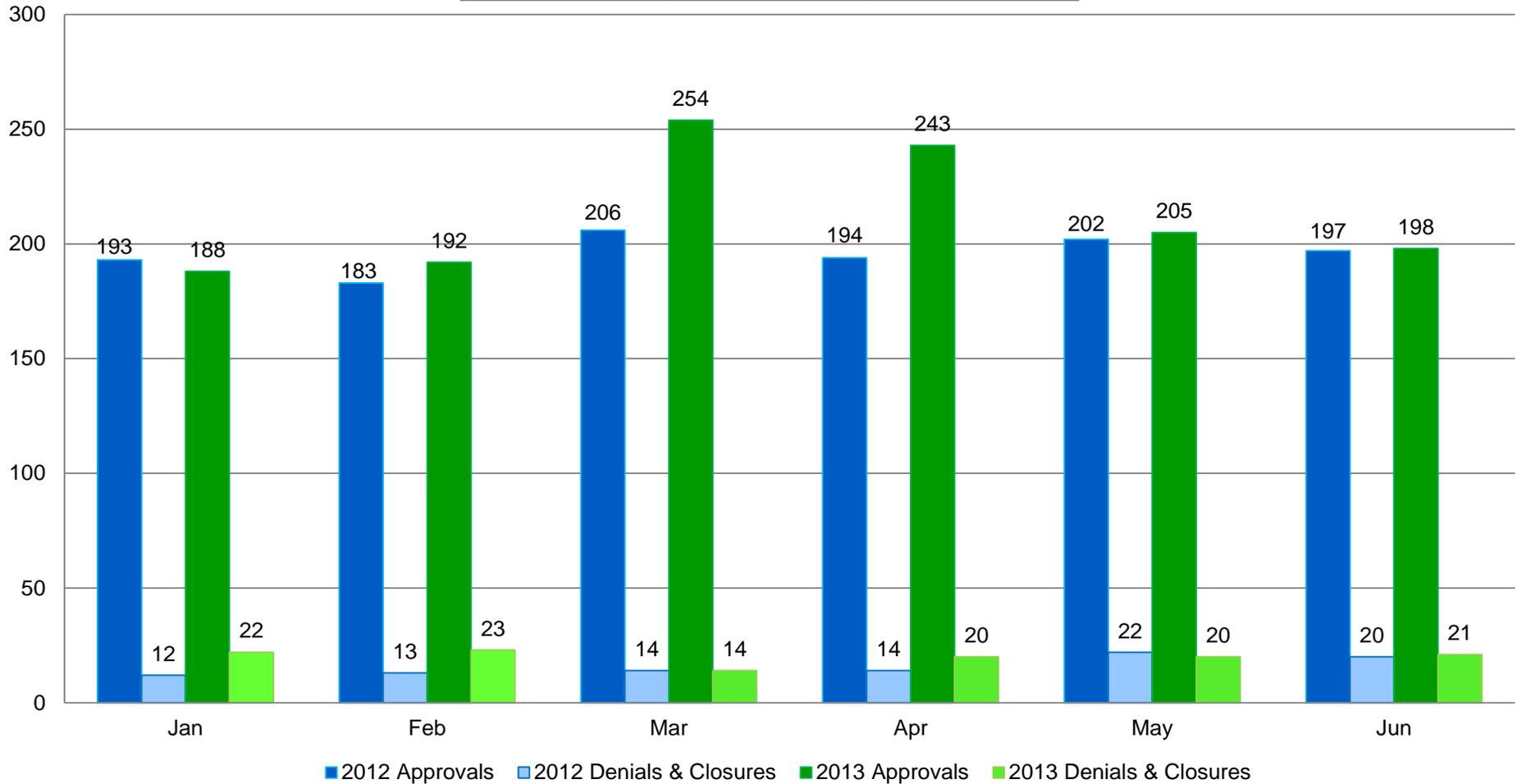
Clinical Profile of Claims Since Inception of the Program

Pure Dementia is the Leading Disabling Condition for Paid Claims

Disabling Condition	% of Total Approved Claims	% of Total Paid Claims	Total Paid Claims
Pure Dementia	24%	32%	\$391,012,649
Stroke	10%	13%	\$154,645,855
Fractures/Injuries	7%	6%	\$78,391,213
Parkinson's Disease	5%	6%	\$70,636,537
Arthritis, Rheumatic Disease	6%	5%	\$66,987,074
Cancer	14%	3%	\$42,250,191
Cardiomyopathy, CHF	4%	3%	\$34,960,172
Disorders of the Spine	3%	3%	\$34,771,199
Dementia - falls, fractures or injury	2%	3%	\$30,699,639
Respiratory Disease	4%	2%	\$29,234,148

Initial Benefit Eligibility Decisions Semi-Annual Results

Jan-Jun	2012	2013
Approvals	1,175	1,280
Denials	95	120

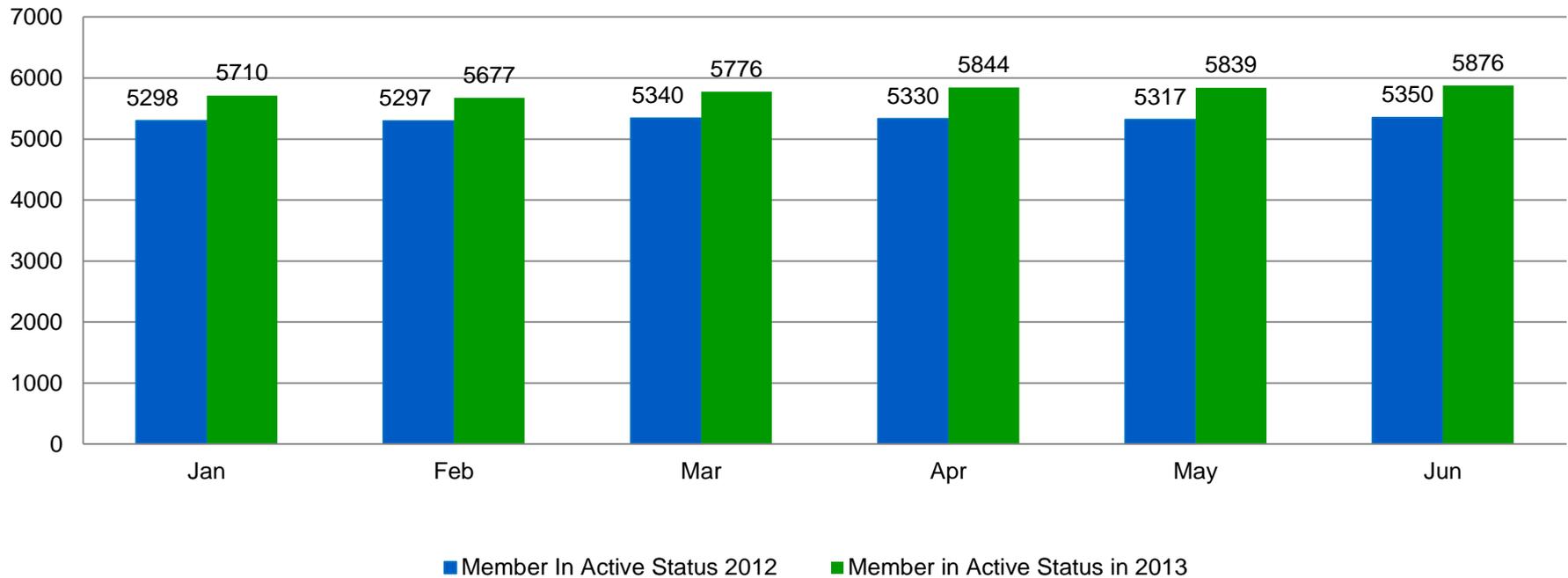


Policyholders in Active Claim Status

Semi-Annual Results

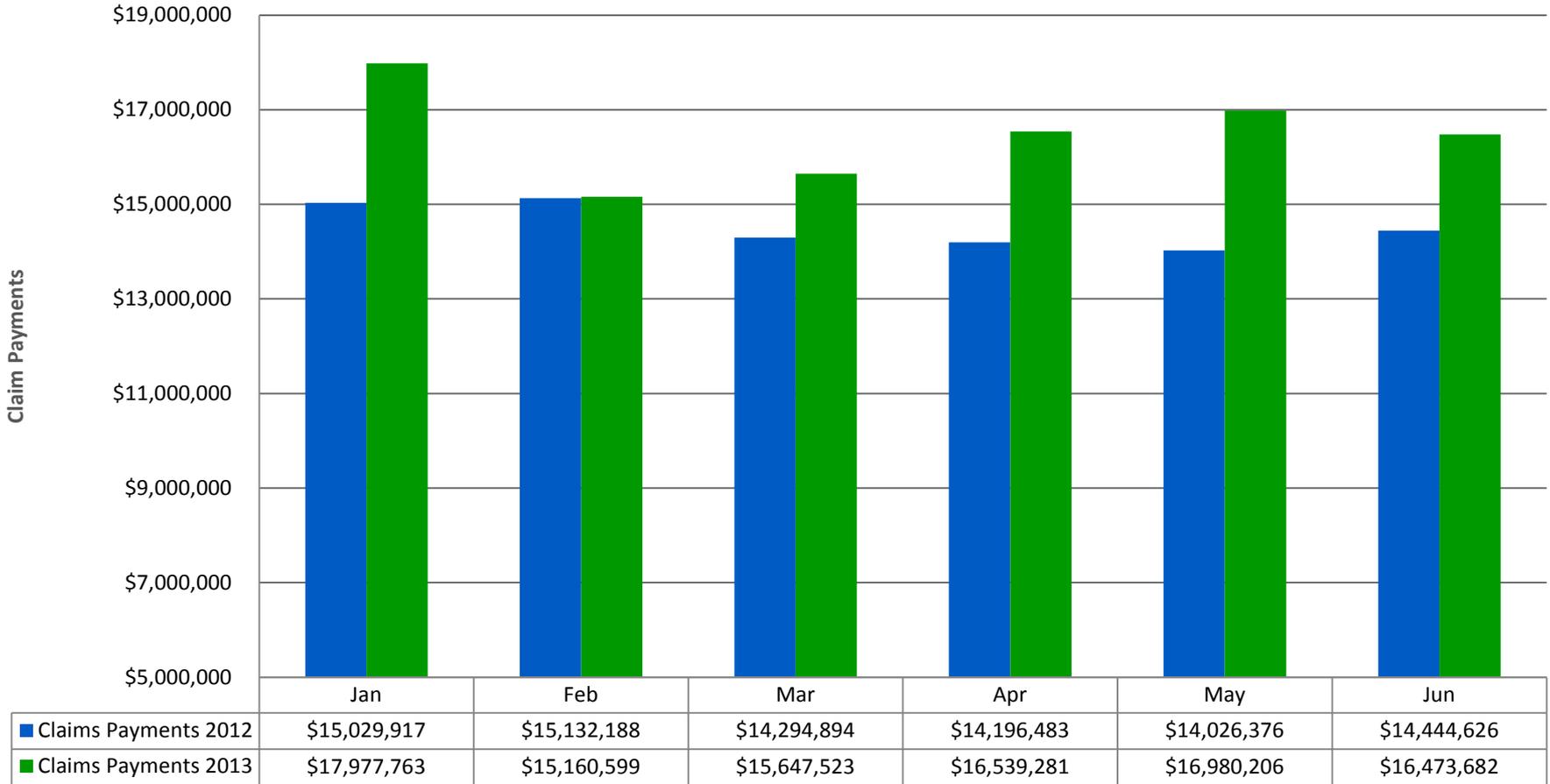
Active claims trend upward with the continued aging of the block of business

At June 30	2012	2013
Active Claims	5,350	5,876



Claim Payments Semi-Annual Results

Jan-Jun	2012	2013
Claim Payments	\$87,124,484	\$98,779,054
Average Payment	\$ 1,710	\$ 2,027



Average Dollars Paid per Claim Semi-Annual Results

CalPERS Average:

2012	2013	Percent Difference
\$1,994	\$2,027	1.7%

- 2013 LTC Industry Average: \$2,210
- CalPERS trend more favorable than the carrier averages

	2012	2013	Percent Change
Carrier #1	\$2,172	\$2,203	1.4%
Carrier #2	\$2,409	\$2,656	10.3%
Carrier #3	\$1,938	\$2,005	3.5%
Carrier #4	\$1,743	\$1,970	13.0%
Carrier #5	\$1,985	\$2,051	3.3%

Claim Dollars Paid by Service Type

Semi-Annual Results

Alternative Living Facilities* (ALF) account for the highest paid dollar amount

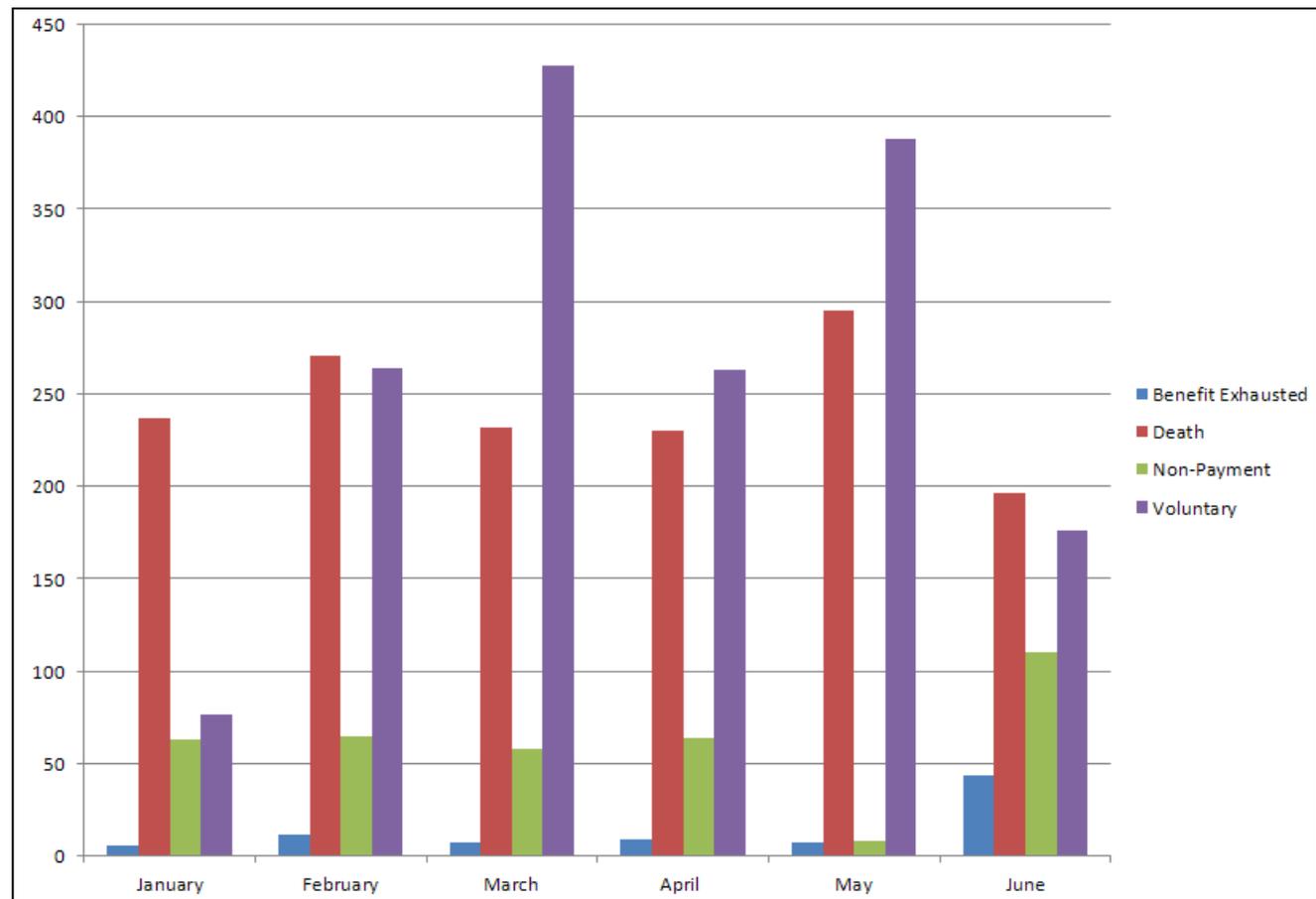
Claim Dollars Paid by Service Type						
	Nursing Home	Home Health Care	Alternate Living Facility	Respite	Other Benefits	Total
1 st Quarter 2012	\$8,581,958	\$13,441,661	\$21,634,860	\$688,163	\$110,358	\$44,457,000
2 nd Quarter 2012	\$8,026,253	\$12,488,417	\$21,402,306	\$631,857	\$118,652	\$42,667,485
1st & 2nd Quarter 2012	\$16,608,211	\$25,930,078	\$43,037,166	\$1,320,020	\$229,010	\$87,124,484
1 st Quarter 2013	\$8,581,958	\$13,441,661	\$21,634,860	\$688,163	\$110,358	\$44,457,000
2 nd Quarter 2013	\$8,026,253	\$12,488,417	\$21,402,306	\$631,857	\$118,652	\$42,667,485
1st & 2nd Quarter 2013	\$18,712,096	\$35,288,647	\$59,079,074	\$2,066,742	\$296,885	\$98,779,054
Difference 2012 vs. 2013	\$2,103,885	\$9,358,569	\$16,041,908	\$746,722	\$67,875	\$28,318,959

*ALFs include: Residential Care Facilities, Group Homes, Adult Foster Homes, etc.

Terminations Semi-annual Results

Jan-Jun	2012	2013
Terminations	2,166	3,510

- 2012 (Jan – Jun): 1.1 percent of Policyholders choose voluntary termination
- 2013 (Jan – Jun): 2.1 percent of Policyholders choose voluntary termination
- 2013 voluntary terminations spiked due to 5 percent rate increase



Voluntary Terminations Semi-Annual Results

Jan-Jun	2012	2013
Voluntary Terminations	329	1,596
Annual Premiums	\$ 723,574	\$3,567,614

Terminated Members by Plan Type

	2012		2013	
	# of Members	Annual Premium	# of Members	Annual Premium
LTC1	261	\$ 564,231	1,427	\$ 3,158,611
LTC2	32	\$ 72,069	121	\$ 306,694
LTC3	36	\$ 87,274	48	\$ 102,309

LTC1 is the original plan series offered from 1995 – 2002

LTC2 is the plan series offered from 2003 – 2004

LTC3 is the plan series offered from 2005 - 2008

Program Terminations Due to Exhausted Benefits Semi-Annual Results

Jan-Jun	2012	2013
Terminations, Exhausted Benefits	53	85
Annual Premiums	\$100,403	\$183,675

Terminated Members by Plan Type

	2012		2013	
	# of Members	Annual Premium	# of Members	Annual Premium
LTC1	33	\$ 65,347	81	\$ 170,118
LTC2	19	\$ 33,007	0	\$ 0
LTC3	1	\$ 2,049	4	\$ 13,557

LTC1 is the original plan series offered from 1995 – 2002

LTC2 is the plan series offered from 2003 – 2004

LTC3 is the plan series offered from 2005 – 2008

Terminations Due to Death Semi-Annual Results

Jan-Jun	2012	2013
Terminations Due to Death	1,382	1,461
Annual Premiums	\$ 3,950,678	\$ 4,288,376

Terminated Members by Plan Type

0	2012		2013	
	# of Members	Annual Premium	# of Members	Annual Premium
LTC1	1,202	\$ 3,462,218	1,336	\$ 3,949,048
LTC2	94	\$ 277,123	30	\$ 106,599
LTC3	86	\$ 211,337	95	\$ 232,729

LTC1 is the original plan series offered from 1995 – 2002

LTC2 is the plan series offered from 2003 – 2004

LTC3 is the plan series offered from 2005 - 2008

Non-Payment Terminations Semi-Annual Results

Jan-Jun	2012	2013
Terminations Due to Non-Payment	402	368
Annual Premiums	\$ 750,513	\$ 707,575

Terminated Members by Plan Type

	2012		2013	
	# of Members	Annual Premium	# of Members	Annual Premium
LTC1	300	\$ 540,525	307	\$ 585,018
LTC2	54	\$ 118,282	32	\$ 69,935
LTC3	48	\$ 91,706	29	\$ 52,622

LTC1 is the original plan series offered from 1995 – 2002

LTC2 is the plan series offered from 2003 – 2004

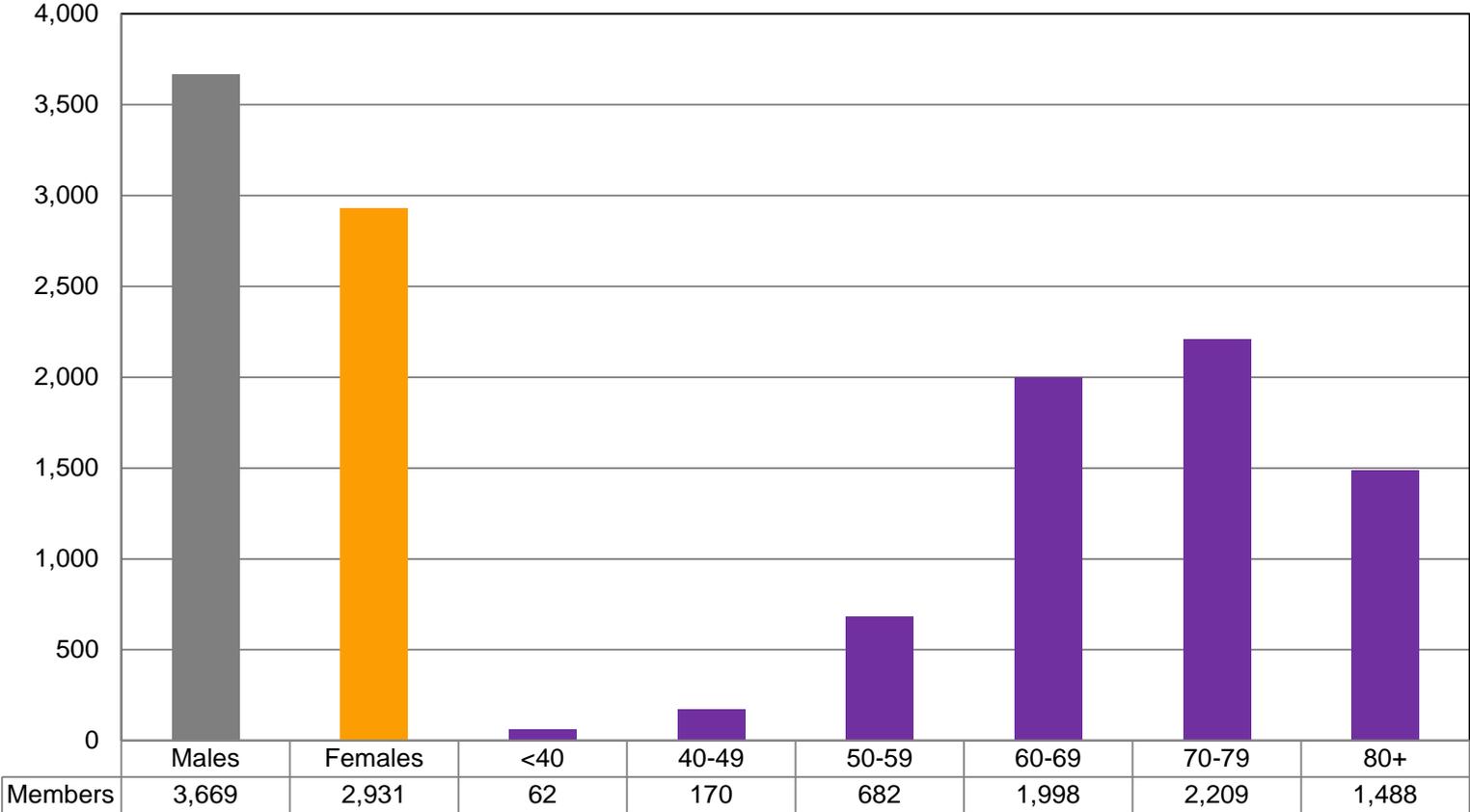
LTC3 is the plan series offered from 2005 - 2008

Innovations Update

Univita Living

Semi-Annual Results

At June 30	2012	2013
Number enrolled in Univita Living	5,845	6,608



Find Services is the number one activity utilized by policyholders – 1,721