

Long-Term Care (LTC) Program: Semi-Annual Program Update

July 1 through December 31, 2013



Long-Term Care Program Update

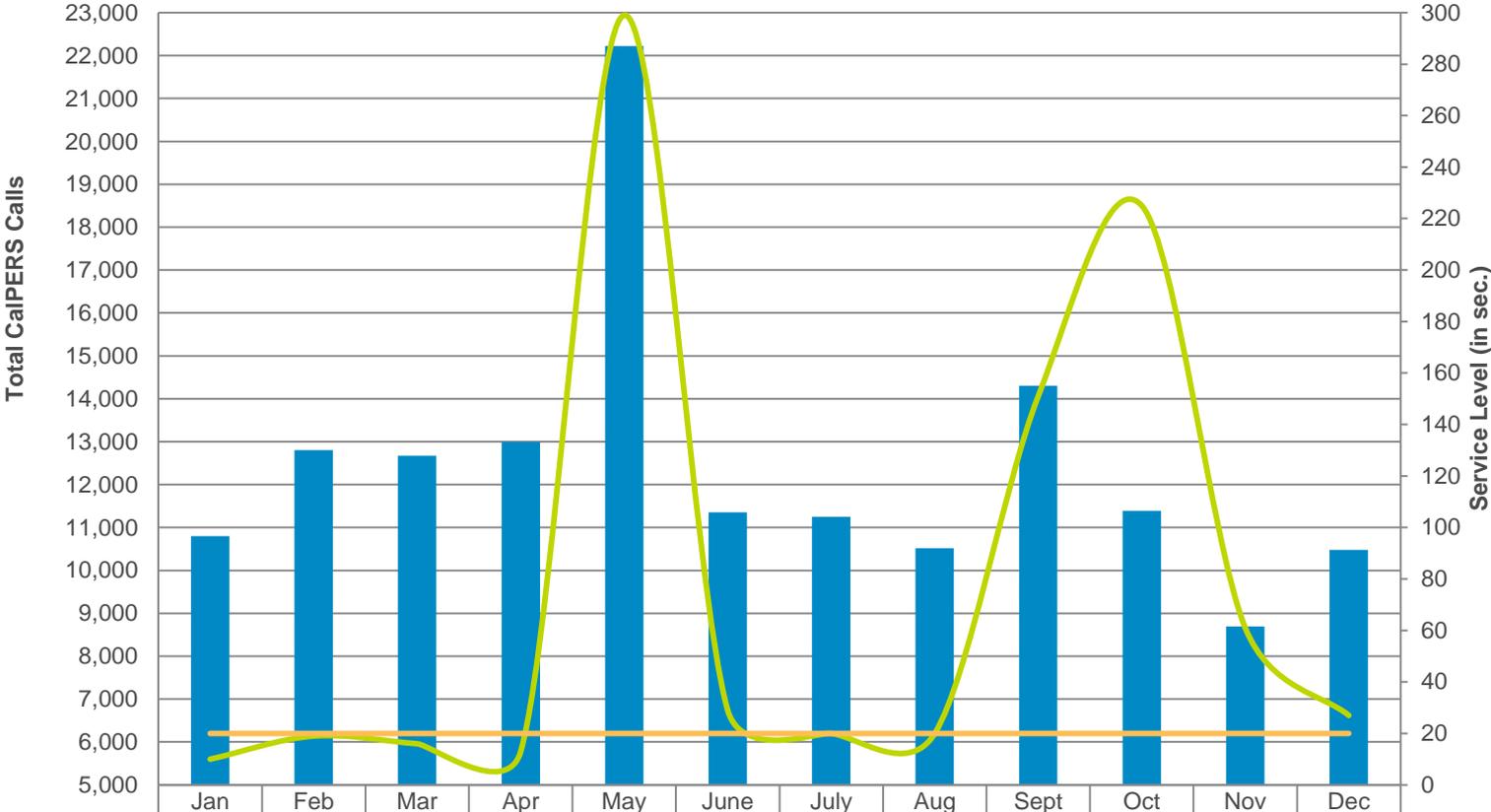
Semi-Annual

Program Statistics	<ul style="list-style-type: none"> • 142,050 active program participants • Over \$168 million in premium • \$2,177 average premium • Invested asset value of \$3.8 billion 	Change from Jan-June -2,886 participants + \$27 million + \$22.00 on average + \$0.1 billion
Claim and Care Management	<ul style="list-style-type: none"> • 6,164 participants in active claim • 50,073 volume of claim payments • \$103+ million paid in participant benefits • \$1.3+ billion paid in participant benefits since inception • 95% of covered claims paid in 5 days 	-288 participants +699 payments + \$5 million + \$0.1 billion No change

Customer Service Semi-Annual Results

Total Calls	2012	2013
Jan - June	58,470	82,835
July - Dec	58,961	66,629
Annual Total	117,431	149,464

- High volume periods were May and September due to premium increases and BIO offer.

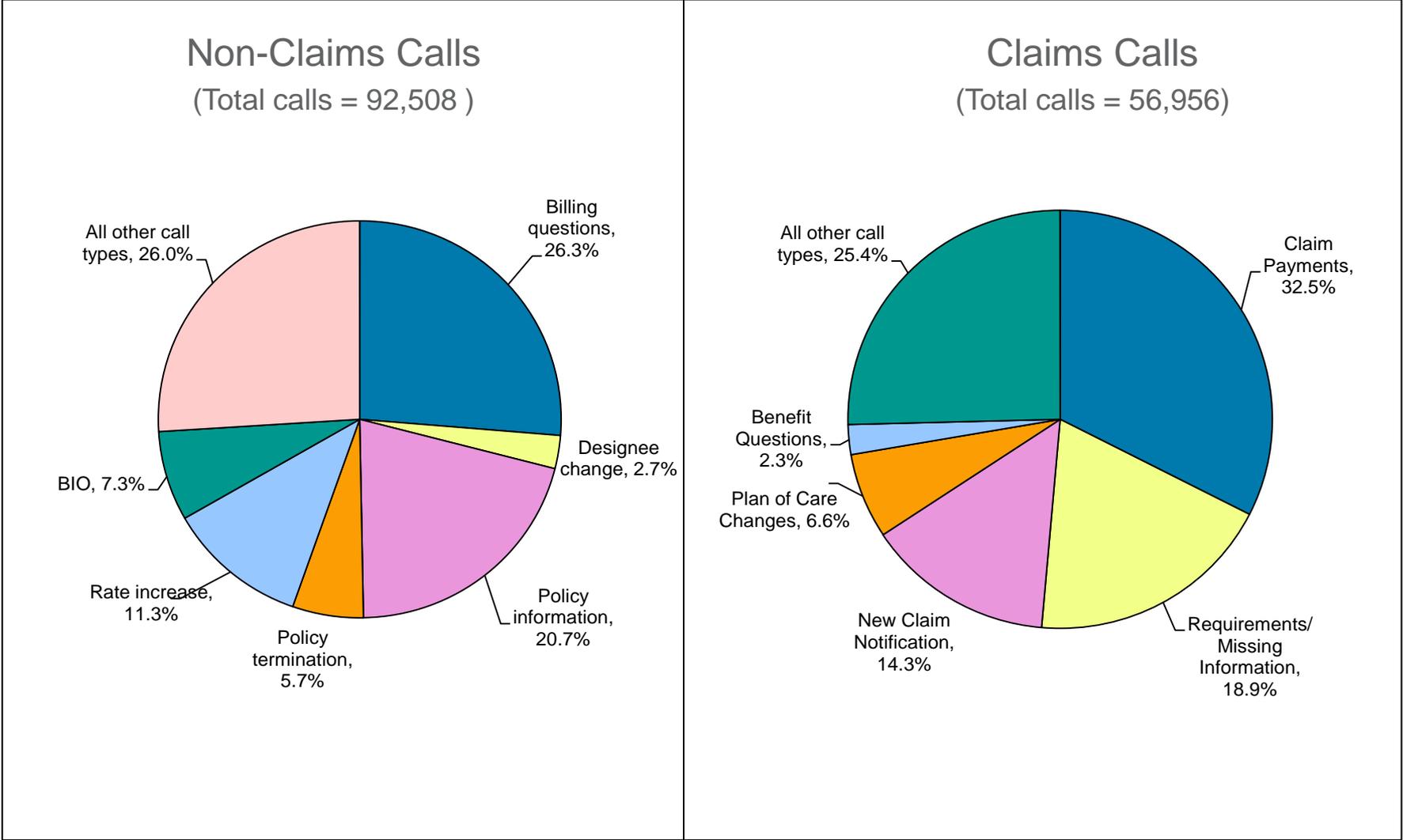


Total Calls	10,800	12,800	12,671	12,993	22,221	11,350	11,249	10,517	14,304	11,387	8,691	10,481
Service Level (in sec.)	10	19	16	13	299	29	20	20	151	225	61	27
SL Standard (in sec.)	20	20	20	20	20	20	20	20	20	20	20	20
Abandoned Rate	0.4%	0.7%	0.5%	0.6%	9.5%	1.3%	0.8%	0.9%	7.4%	9.1%	1.7%	1.4%

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

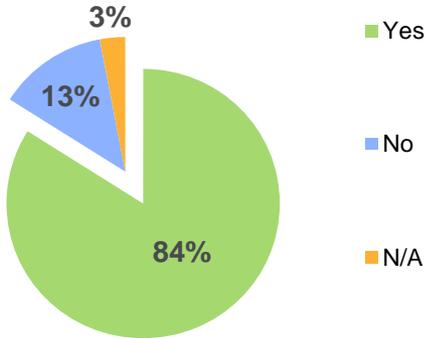


CalPERS Customer Service Survey Results

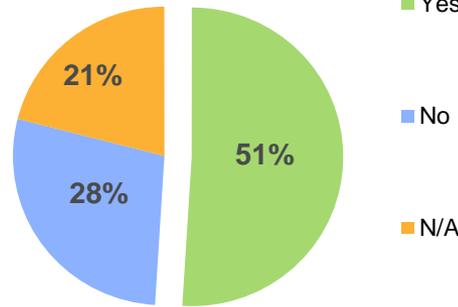
Semi-Annual Results

Total 2013 survey respondents: 539

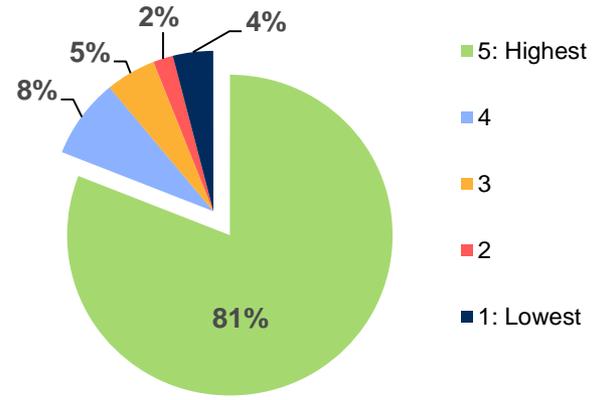
Was the automated phone system easy to navigate and use?



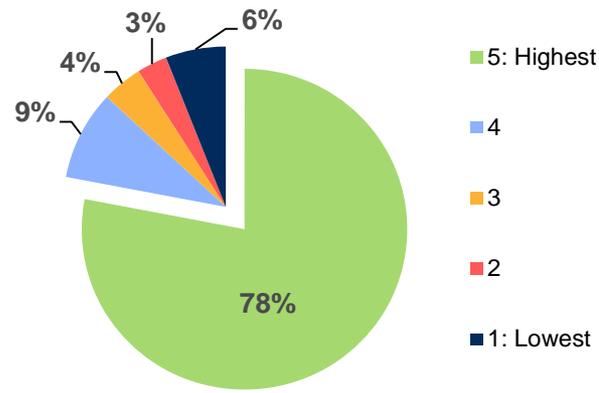
Did the automated phone system provide you with the information you were seeking?



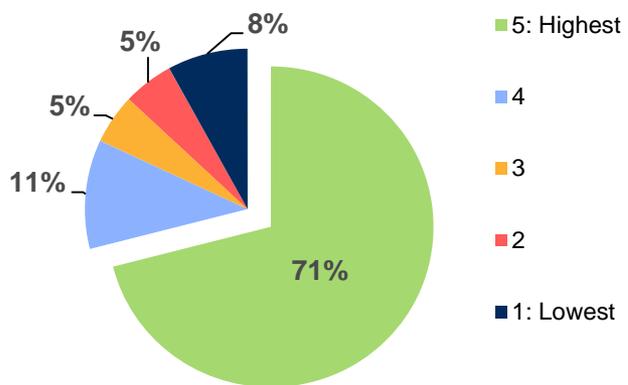
Please rate the courtesy and professionalism of the representative you spoke with



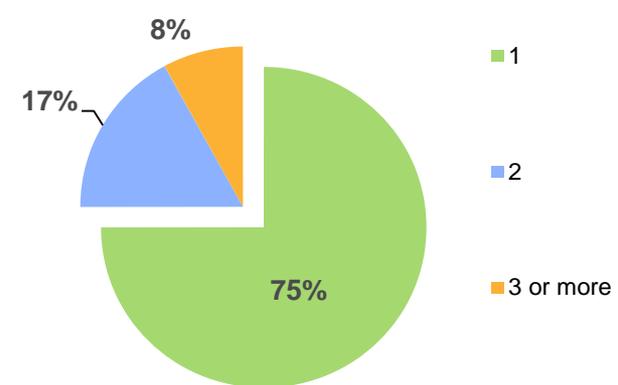
Please rate ability of the representative to understand and resolve your inquiry



Considering your entire call, what is your overall rating of your experience?



How many calls have you made about the issue you called about today counting this one?

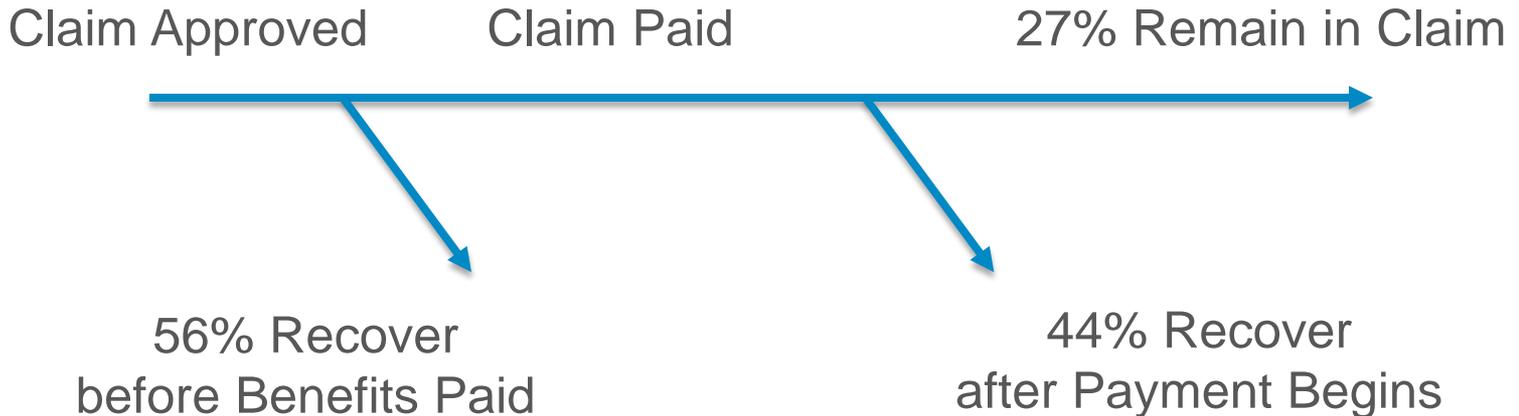


Recovery from Claim

Since Inception of the Program through 12/31/13

Recovery Continues Throughout the Life of a Claim

- 27% of closed claimants have recovered:
 - 56% before benefit payments are made
 - 44% after benefits payments have begun
- The percent change from 2012 is negligible
- Recoveries differ by +/- 1% from prior period



Clinical Profile of Claims

Since Inception of the Program through 12/31/13

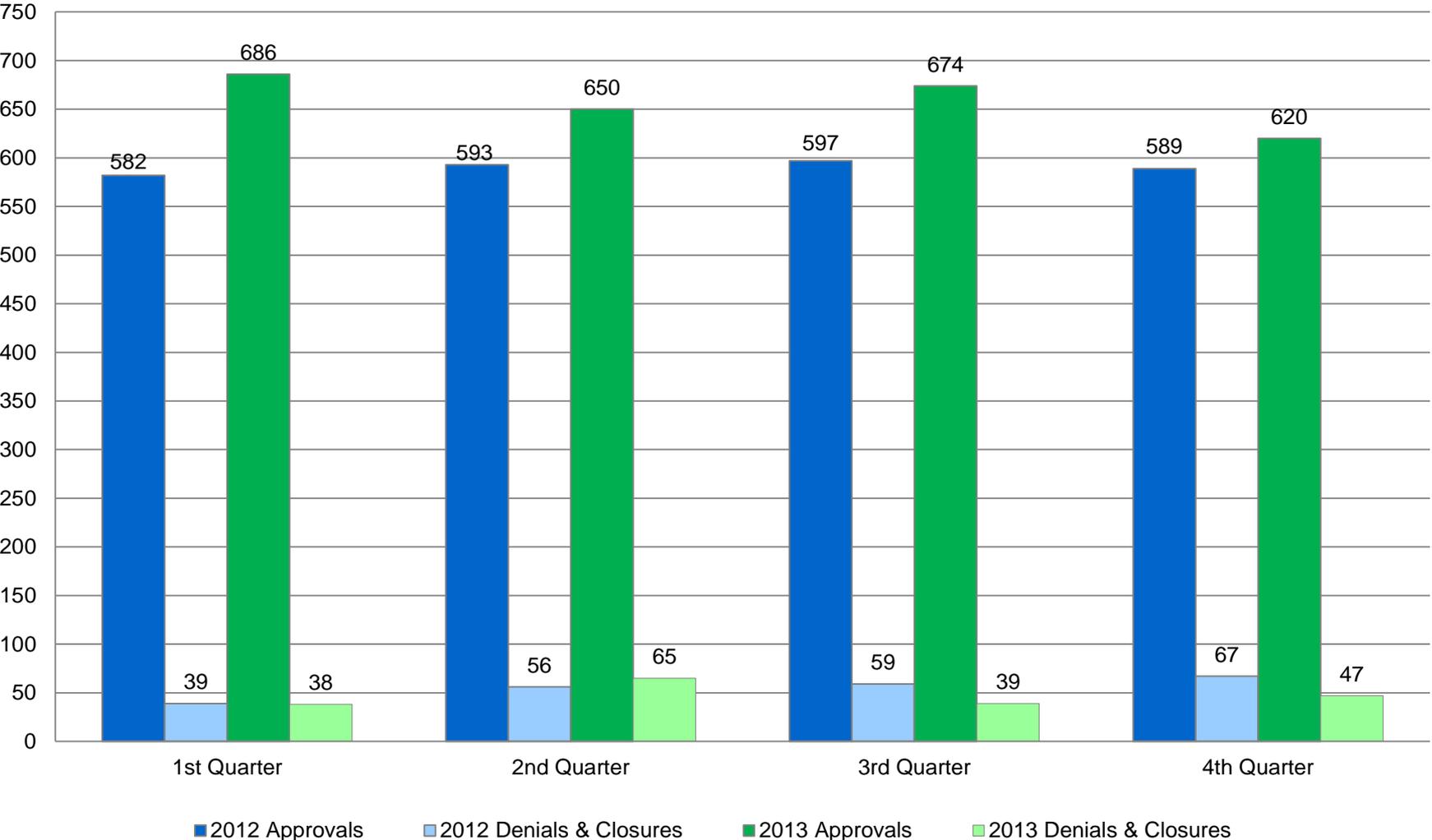
Pure Dementia is the Leading Disabling Condition for Paid Claims

Disabling Condition	% of Total Approved Claims	% of Total Paid Claims	Total Paid Claims	% Change from June 2013
Pure Dementia	24%	32%	\$425,153,445	8.7%
Stroke	10%	12%	\$164,619,723	6.4%
Fractures/Injuries	7%	6%	\$85,063,375	8.5%
Parkinson's Disease	5%	6%	\$76,597,750	8.4%
Arthritis, Rheumatic Disease	6%	6%	\$74,829,258	11.7%
Cancer	13%	3%	\$44,941,609	6.4%
Cardiomyopathy, Congestive Failure	4%	3%	\$38,412,723	9.9%
Disorders of the Spine	3%	3%	\$38,217,939	9.9%
Dementia with Falls, Fractures, Injuries	2%	3%	\$33,338,385	8.6%
Respiratory Disease	3%	2%	\$31,565,381	8.0%

This does not represent all claims

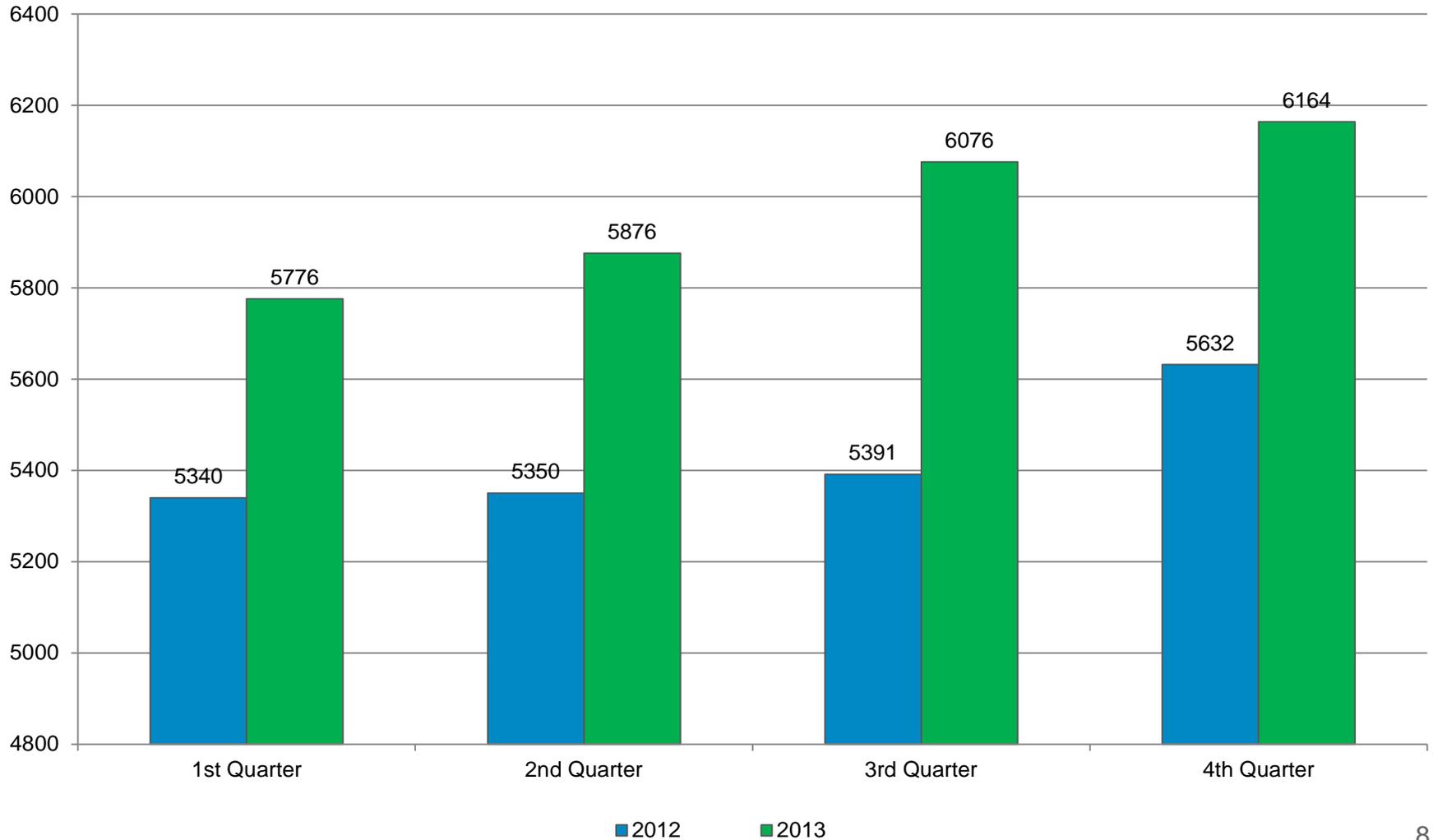
Initial Benefit Eligibility Decisions Quarterly Results

Eligibility Decisions	2012		2013	
	Jan – June	July – Dec	Jan – June	July - Dec
Approvals	1,175	1,186	1,336	1,294
Denials	95	126	103	86



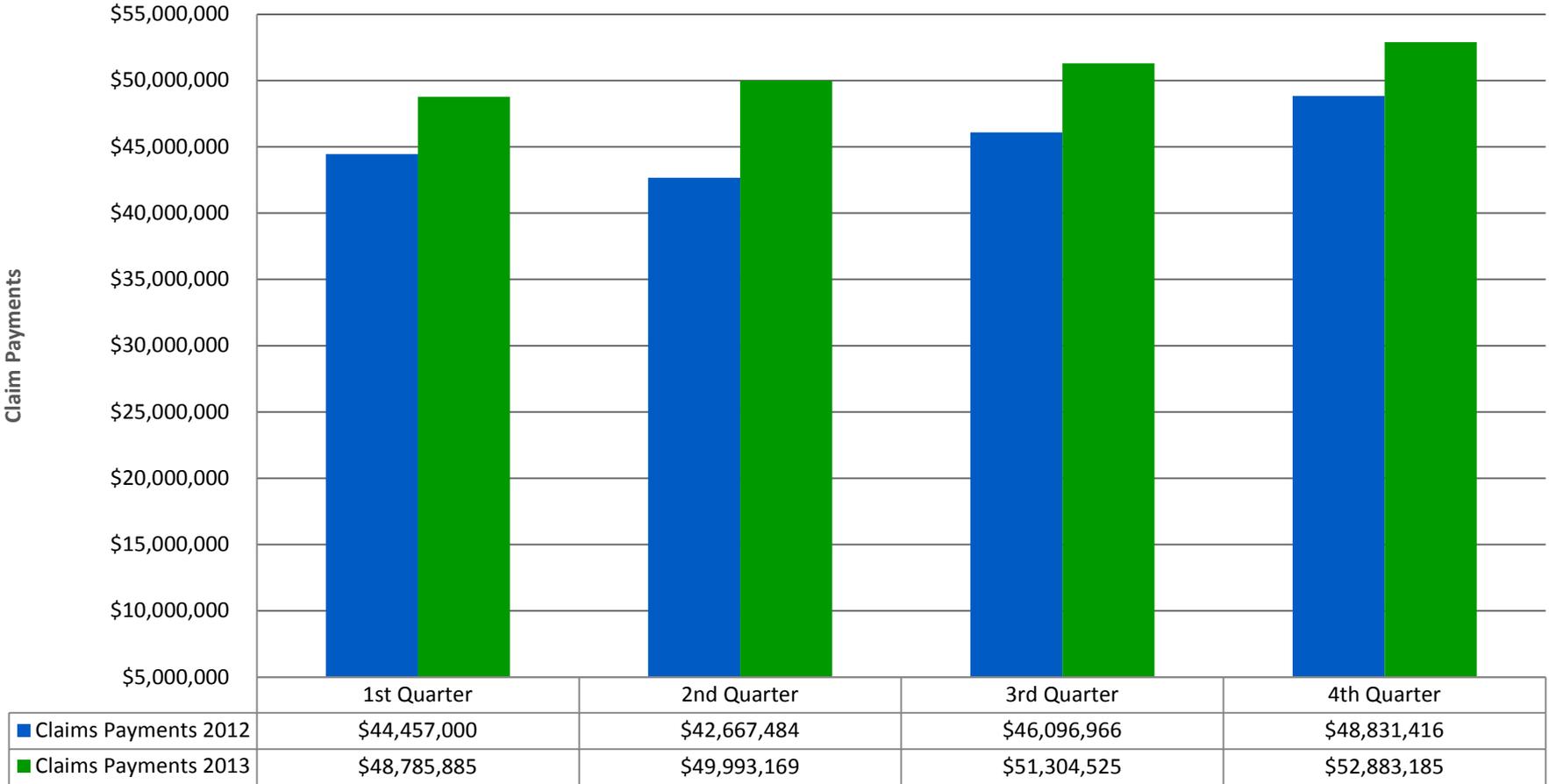
Participants in Active Claim Status Quarterly Results

Total in Active Claim	2012	2013
At June 30	5,350	5,876
At Dec 31	5,632	6,164



Claim Payments Semi-Annual Results

	Jan-June 2012	July-Dec 2012	Jan-June 2013	July-Dec 2013	Total 2012	Total 2013
Claim Payments	\$87,124,484	\$94,928,382	\$98,779,054	\$104,187,710	\$182,052,866	\$202,966,764
Average Payment	\$1,710	\$2,033	\$2,027	\$2,081	\$2,014	\$2,054



Average Dollars Paid per Claim Semi-Annual Results

CalPERS Average:

2012	2013	Percent Difference
\$2,033	\$2,081	2.3%

- 2013 LTC Industry Average: \$2,237
- CalPERS trend more favorable than the carrier averages

	2012	2013	Percent Change
Carrier #1 Volume of LTC lives: 668	\$2,188	\$2,254	2.9%
Carrier #2 Volume of LTC lives: 9,235	\$2,423	\$2,662	9.0%
Carrier #3 Volume of LTC lives: 9,441	\$1,946	\$2,008	3.1%
Carrier #4 Volume of LTC lives: 25	\$1,761	\$1,993	11.6%
Carrier #5 Volume of LTC lives: 295	\$1,998	\$2,067	3.3%

Claim Dollars Paid by Service Type

Semi-Annual Results

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

Claim Dollars Paid by Service Type						
	Nursing Home	Home Health Care	Assisted Living Facility	Respite	Other Benefits	Total
3 rd Quarter 2012	\$8,448,652	\$13,674,069	\$23,322,565	\$519,795	\$131,885	\$46,096,966
4 th Quarter 2012	\$8,716,192	\$14,741,465	\$24,633,289	\$601,328	\$139,142	\$48,831,416
3rd & 4th Quarter 2012 Total	\$17,164,844	\$28,415,534	\$47,955,854	\$1,121,123	\$271,027	\$94,928,382
3 rd Quarter 2013	\$8,788,247	\$15,908,202	\$25,672,755	\$806,231	\$129,090	\$51,304,525
4 th Quarter 2013	\$9,250,506	\$16,487,649	\$26,181,794	\$862,017	\$101,219	\$52,883,185
3rd & 4th Quarter 2013 Total	\$18,038,753	\$32,395,851	\$51,854,549	\$1,668,248	\$230,309	\$104,187,710
Difference 2012 vs. 2013	\$873,909	\$3,980,317	\$3,898,695	\$547,125	(\$40,718)	\$9,259,328

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

Claim Dollars Paid by Service Type

Annual Results

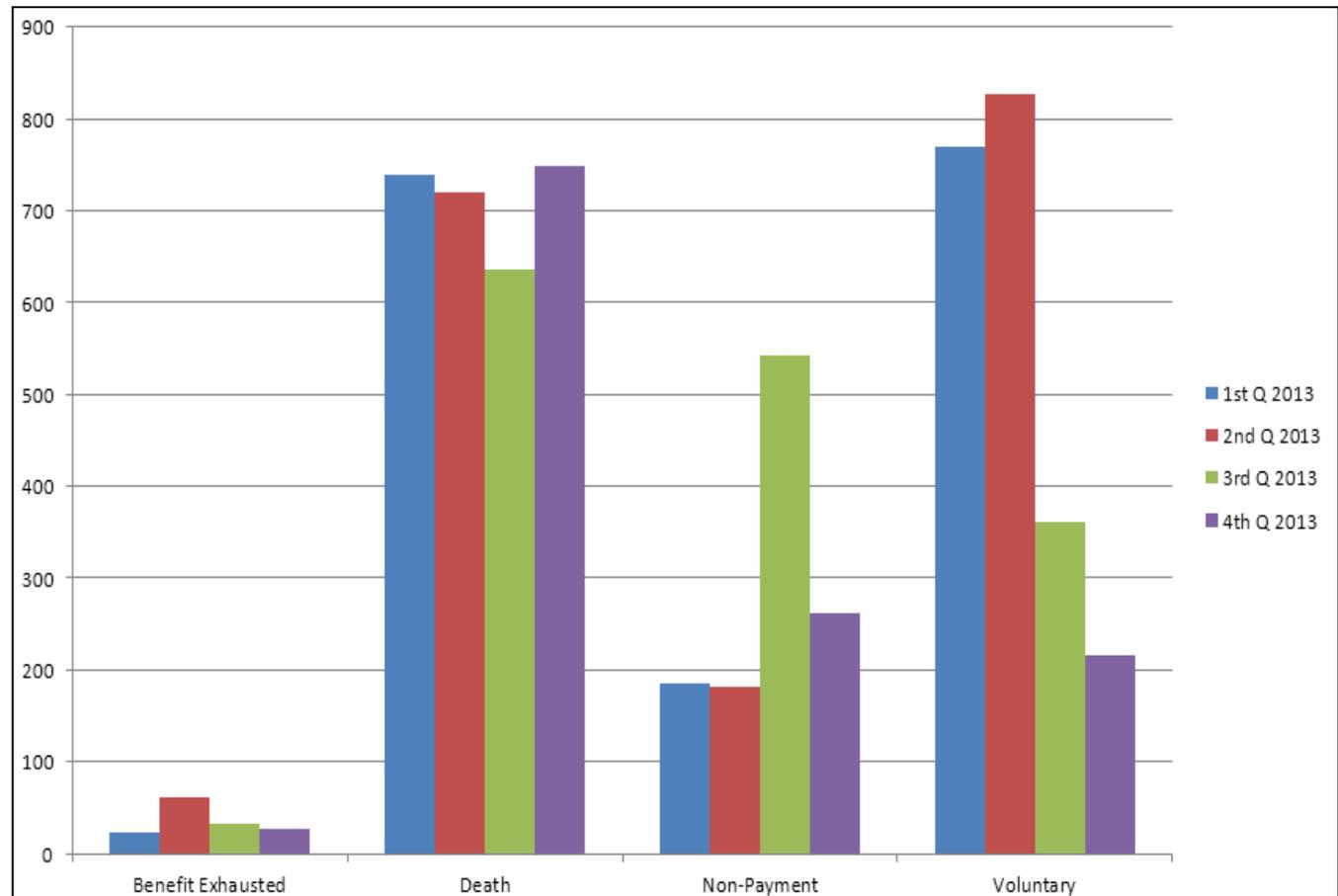
Assisted Living Facilities* (ALF) account for the highest paid dollar amount

Claim Dollars Paid by Service Type						
	Nursing Home	Home Health Care	Assisted Living Facility	Respite	Other Benefits	Total
Jan - June 2012	\$16,608,211	\$25,930,078	\$43,037,166	\$1,320,020	\$229,010	\$87,124,485
July – Dec 2012	\$17,164,844	\$28,415,534	\$47,955,854	\$1,121,123	\$271,027	\$94,928,382
Total 2012	\$33,773,055	\$54,345,612	\$90,993,020	\$2,441,143	\$500,037	\$182,052,867
Jan – June 2013	\$18,712,096	\$35,288,647	\$59,079,074	\$2,066,742	\$296,885	\$115,443,444
July – Dec 2013	\$18,038,753	\$32,395,851	\$51,854,549	\$1,668,248	\$230,309	\$104,187,710
Total 2013	\$36,750,849	\$67,684,498	\$110,933,623	\$3,734,990	\$527,194	\$219,631,154
Difference 2012 vs. 2013	\$2,977,794	\$13,338,886	\$19,940,603	\$1,293,847	\$27,157	\$37,578,287

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

Terminations Semi-annual Results

Terminations	2012	2013
Jan – June	2,166	3,510
July - Dec	2,045	2,825



- 2012 : 18 percent of terminations were due to non-payment
- 2013: 19 percent of terminations were due to non-payment
- 2012: 17 percent of terminations were due to voluntary
- 2013: 34 percent of terminations were due to voluntary

Voluntary Terminations Semi-Annual Results

	Jan-June 2012	July-Dec 2012	Jan-June 2013	July-Dec 2013
Voluntary Terminations	329	389	1,596	578
Annual Premiums	\$723,574	\$843,452	\$3,567,614	\$1,268,312

Terminated Participants by Plan Series

	Total 2012		Total 2013	
Plan Series	# of Participants	Annual Premium	# of Participants	Annual Premium
LTC1	563	\$ 1,208,427	1,897	\$ 4,182,127
LTC2	72	\$ 178,909	180	\$ 448,460
LTC3	83	\$ 179,690	97	\$ 205,339

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-June 2012	July-Dec 2012	Jan-June 2013	July-Dec 2013
Exhausted Benefit Terminations	53	25	85	59
Annual Premiums	\$100,403	\$52,188	\$183,675	\$127,455

Terminated Participants by Plan Series

	Total 2012		Total 2013	
Plan Series	# of Participants	Annual Premium	# of Participants	Annual Premium
LTC1	57	\$ 116,527	137	\$ 288,253
LTC2	19	\$ 33,007	1	\$ 1,630
LTC3	2	\$ 3,057	6	\$ 21,247

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-June 2012	July-Dec 2012	Jan-June 2013	July-Dec 2013
Terminations Due to Death	1,382	1,274	1,461	1,384
Annual Premiums	\$3,950,678	\$3,656,462	\$4,288,376	\$4,100,881

Terminated participants by Plan Series

	Total 2012		Total 2013	
Plan Series	# of Participants	Annual Premium	# of Participants	Annual Premium
LTC1	2,374	\$ 6,861,006	2,583	\$ 7,641,549
LTC2	116	\$ 339,768	58	\$ 207,389
LTC3	166	\$ 406,366	204	\$ 540,319

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-June 2012	July-Dec 2012	Jan-June 2013	July-Dec 2013
Non-Payment Terminations	402	357	368	804
Annual Premiums	\$750,513	\$654,574	\$707,575	\$1,582,189

Terminated participants by Plan Series

	Total 2012		Total 2013	
Plan Series	# of Participants	Annual Premium	# of Participants	Annual Premium
LTC1	594	\$ 1,090,424	977	\$ 1,903,236
LTC2	74	\$ 160,078	118	\$ 249,376
LTC3	91	\$ 154,585	77	\$ 137,152

LTC1 is the original plan series offered from 1995 – 2002

LTC2 is the plan series offered from 2003 - 2004

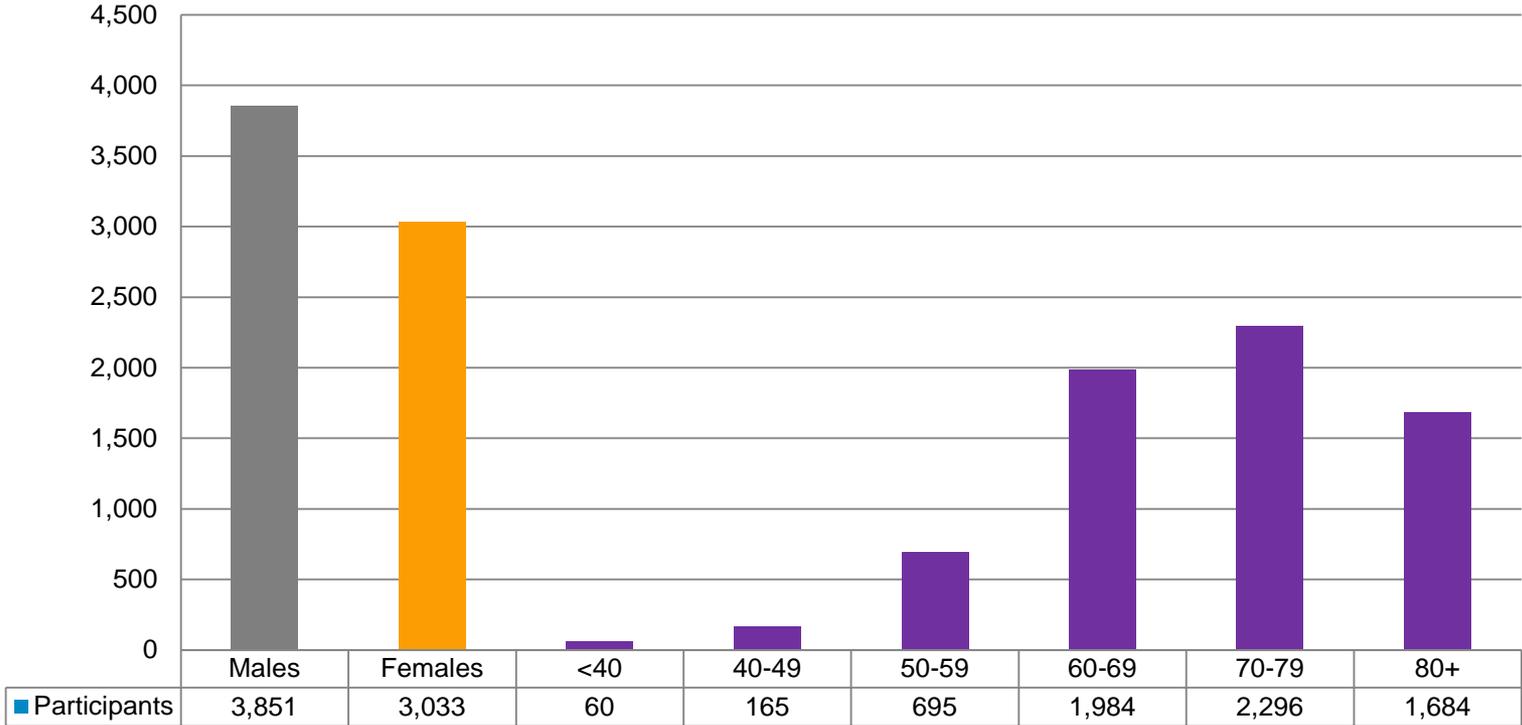
LTC3 is the plan series offered from 2005 - 2008

Innovations Update

Univita Living

Semi-Annual Results

Participants enrolled in Univita Living	2012	2013
At June 30	5,845	6,608
At Dec 31	6,209	6,884



Find Services is the number one activity utilized by participants: 2,110