



Agency Update April 10, 2009



TO: Agency Representatives

FROM: Isabel Joslen, Client Services Manager

RE: PEBB Agency Update – Standard Insurance

1. BASIC LIFE INSURANCE WAIVER

The Basic Life and PEBB Basic Life insurance coverage cannot be waived by the Standard. The employer pays the premium for these benefits as long as the employee has regular work hours that meet eligibility or is in protective leave status.

If you get a letter from The Standard requesting to waive these premiums—do not make any changes. Please notify PEBB immediately by sending an e-mail to PDB.Administration@state.or.us. We will work with Standard to send a revised notice.

2. PENDING COVERAGE PAGE AUDIT/CLEAN UP

As part of regular system maintenance, the pending coverage page is cleared periodically. Here is the schedule of the system maintenance for the pending coverage page:

Transactions Date	System Maintenance
January to March	July 1
April to June	October 1
July to September	January 1
October to December	April 1

3. SELF-PAY PREMIUMS

There are very few instances when optional benefits can be self paid. The attached Leave Matrix provides this information. If you have any questions or need clarification, please contact PEBB.

4. MEDICAL HISTORY STATEMENT DATELINES

Newly eligible employees and spouses or partners applying for higher optional life coverage due to a QSC or during Open Enrollment must meet the following timelines when submitting the medical history statement (MHS) for review. If the MHS is not submitted within these timelines, The Standard will not review the MHS. The Standard will contact PEBB for follow up.

- Open Enrollment – by Dec. 15
- New Hires/Newly Eligible Employees – within 60 days of the hire date/eligibility date.
- Qualified Status Changes (Midyear Changes) – within 60 days of the QSC

5. MEDICAL HISTORY STATEMENT DETERMINATIONS – **NEW PROCESS**

Starting today, Monday, April 13, 2009, The Standard underwriters will have access to the PDB system to process MHS. For this unique access, these underwriters have received extensive training on the pending coverage page.

This new process will allow The Standard to process an MHS as soon as review has been completed. They have set up a process to verify the requested amount in the pending coverage page before the review process starts. This will ensure they are underwriting the correct amount.
(Total Requested Amount – Current Coverage = Amount to be Underwritten).

Starting Monday, The Standard will stop sending determination letters to agencies. All actions by The Standard will be recorded in the system. If underwriters find a discrepancy, they will contact PEBB. PEBB will work with agencies and members to ensure the information in the system is correct to minimize the delay in completing the review.

6. LTD SALARY VERIFICATION - **NEW PROCESS**

The Standard notified PEBB of the need to request payroll documentation before an LTD claim is processed.

This is not a new process for some agencies. In the past, agency and university representatives provided this information when requested by The Standard. The Standard requires payroll documentation because they found payment inaccuracies can be caused by calculating pre disability earnings (PDE) based solely on reported salary. The Standard wants to ensure accurate benefit payments and claim decisions are made. To ensure employees receive all benefits to which they are entitled The Standard requires this information for all LTD claims, not just those from the State of Oregon.

Payroll information includes payroll records, pay stubs or other documents produced through the payroll system, with year-to-date information, if available. In general The Standard can no longer accept PDE reported on a stand-alone basis on an Employer's Statement, or summarized results in an Excel or Word format.

The Standard asks for verification of an employee's PDE at the time of the employee applies for LTD benefits. Verification of income ensures that employees who are approved for benefits receive all of the income replacement they are entitled to under their LTD policy.

The requirements implemented Jan 1, 2009, are as follows:

- For LTD claims with PDE of less than \$8,000 per month, payroll information for the three full calendar months prior to the employee becoming disabled, through the last day paid.
- For LTD claims that report PDE of more than \$8,000 per month, payroll information for the 12 previous full calendar months prior to the date of disability, through the last day paid; and the previous year's W-2 or other applicable tax form.

If you have any items to include on our next agency update or have questions, please let us know at PDB.Administration@state.or.us.