

ORDER OF THE GROUP INSURANCE BOARD ADOPTING RULES

Pursuant to authority vested in the Group Insurance Board by section 40.10 (2)(a) Wis. Stats., and in conformity with section 227.03 Wis. Stats. the board hereby adopts rules as follows:

Sections Grp 25 of the Wisconsin administrative code are adopted to read as follows:

CHAPTER GRP 25

STATE INCOME CONTINUATION INSURANCE

Grp 25.01 Coverage. The income continuation insurance plan authorized by section 40.146 Wis. Stats. shall be an integrated plan of short and long term coverage. Participation shall be voluntary with each employe but each employe who elects to participate shall be covered under both the short and long term coverage.

Grp 25.02 Election of coverage on or before July 15, 1972. (1) Each employe, as defined by section 40.11 (2) Wis. Stats., other than an annuitant, who is eligible to be covered by income continuation insurance on July 1, 1972 shall be covered without evidence of insurability if the application form provided by the Group Insurance Bureau is received by the employing department on or before July 15, 1972. Coverage shall be effective on July 1, 1972, unless such employe is not available for scheduled work on that date because of injury or illness.

(2) For an employe who is not available for scheduled work on that date because of injury or illness, coverage shall begin on the first day after the employe has returned to the material duties of his occupation for at least one full work day. For an employe returning to work prior to the 15th day of any month, a full month's premium shall be paid; for an employe returning to work on or after the 15th day of any month, no premiums shall be paid for that month.

(3) The director may extend the July 15 deadline where the employing department was unable to locate the employe or otherwise communicate with him in time to meet the deadline. For such employe, coverage shall be effective on the first day of the month beginning on or after the date the application form is received by the employing department.

Grp 25.03 Election of coverage on or after effective date. (1) Each employe of the state who becomes eligible to be covered by income continuation insurance after July 1, 1972 shall be covered if he completes the application form provided by the Group Insurance Bureau and such form is received by the employing department within 31 days after the date he becomes eligible.

(2) Such coverage shall be effective on the first day of the month which begins on or after the date the application form is received by the department.

Grp 25.04 Deferred coverage. (1) Any employe, other than an annuitant, who does not elect to be covered during the enrollment periods provided under Grp 25.02 or 25.03 may be insured if he completes the application form provided by the Group Insurance Bureau and it is received by the employing department within 31 days after he becomes eligible for state contribution toward premium or eligible for an increase in the percentage of state contribution toward premium.

(2) Any employe, other than an annuitant, who does not elect to be covered during the enrollment periods provided under Grp 25.02, 25.03 or 25.04 (1) may be insured only if he submits evidence of insurability acceptable under health underwriting standards approved for the program by the Group Insurance Board. If the application is approved, coverage shall be effective on the first day of the month which begins after the date that the application is approved.

Grp 25.05 Initial premiums. When coverage begins a double deduction of premiums may be required, unless proper payment is otherwise made.

Grp 25.06 Coverage during authorized leave. (1) Any insured employe may continue to be insured during any period of leave authorized by the employing department not to exceed 3 months for which employes contributions would not otherwise be made while such person continues to be a state employe but earns no salary from the state.

(2) An employe may continue his insurance coverage during such period of interruption of earnings specified in sub. (1) if he has authorized a payroll deduction in an amount sufficient to pay his contribution for the entire period, or has otherwise made payment therefor.

(3) Coverage beyond the 3 months specified in sub. (1) but not to exceed 24 months may be provided for any employe if not later than 31 days following the interruption of earnings such employe has paid, either through payroll deduction or otherwise, the full premium, including the state portion thereof, for all months beyond the 3 months specified in sub. (1).

(4) Notwithstanding sub. (1), (2) and (3), an employe who is totally disabled as defined under Grp 25.14 shall pay no premiums for the coverage period beginning on the first day of the month following the month for which initial payment of income continuation benefits are made. Such waiver of premiums shall continue through the last day of the month in which income continuation benefits are terminated.

Grp 25.07 Termination of coverage. When a covered employe ceases to be eligible for coverage because of termination of employment, income continuation insurance coverage shall end at the expiration of the period for which premiums had been deducted at the time of cessation of eligibility. Such terminated employe may apply within 31 days after termination of coverage, for any non-group conversion policy that the Group Insurance Board is able to provide through contract with a private insurance organization. Such coverage, if any, shall be provided in accordance with the contract negotiated by the board and in effect on the date that the employe terminates employment. If the board is unable to negotiate a non-group conversion policy, coverage shall terminate as stated in this section.

Grp 25.08 Coverage of employes who have reached normal retirement date. Income continuation insurance coverage and premiums shall cease for any employe at the end of the premium period in which he reaches his normal retirement date as defined under 41.02 (23) Wis. Stats., except that an employe who is totally disabled as defined under Grp 25.14 when he reaches his normal retirement date, shall continue to receive income continuation benefits as provided by Grp 25.17 (1).

Grp 25.09 Gross monthly premiums. Effective July 1, 1972, the gross monthly premiums for income continuation insurance shall be based upon earnings level and accumulated sick leave as shown in Table I - Gross Monthly Premiums For Integrated Short And Long Term Income Continuation Insurance.

Grp 25.10 State contributions. State contributions toward premium for income continuation insurance shall be made in accordance with rates established in Table II - State Contributions, Expressed As A Percentage Of Employee Contributions. The percent of state contribution toward income continuation insurance shall be determined as follows: (1) The state shall contribute 100% toward the premium for short term coverage for each employe who has accumulated at least 10 days of unused sick leave during the previous calendar year. For such coverage effective July 1, 1972, the determination of state contribution toward premium shall be based on unused sick leave days accumulated during the 1971 calendar year. Thereafter, determination of state contribution toward premium shall be made in February of each year, based on unused sick leave accumulated during the previous calendar year. Changes in state contribution toward premium shall be effective for coverage beginning March 1 of each year.

(2) The state shall contribute 100% toward the premium for short term coverage for each employe who has accumulated at least 65 days of unused sick leave.

(3) The state shall contribute 50% toward the premium for long term coverage for each employe who has accumulated at least 65 days of unused sick leave; 75% for each employe who has accumulated at least 91 days and 100% for each employe who has accumulated at least 130 days.

(4) For coverage provided under sub. (2) and (3) effective July 1, 1972, the determination of state contribution toward premium shall be based on total accumulated days of unused sick leave as of December 31, 1971. Thereafter, determination of state contribution toward premium shall be made in February of each year, based on total accumulated days of unused sick leave as of December 31 of the previous year. Changes in state contribution toward premium shall be effective for coverage beginning March 1 of each year.

(5) The employe's largest total accumulation of unused sick leave days certified on December 31, 1971 or on such date in any subsequent year shall be used to determine state contribution toward premium under sub. (2), (3) and (4) of this section. A permanent record of each employe's accumulated sick leave shall be maintained so that the proper state contribution toward premium may be determined in subsequent years, even though an employe's total accumulated sick leave may be less because of increased utilization.

(6) When an employe returns to full time employment after a period of disability during which accumulated sick leave days were diminished or exhausted, the state contribution toward premium shall be reinstated at a rate based on total accumulated sick leave prior to the date that the disability began. However, the gross premium shall be established pursuant to Table I - Gross Monthly Premiums For Income Continuation Insurance.

(7) Pursuant to section 40.146 Wis. Stats., the following six categories of sick leave accumulations are established in Tables I, II and III:

CATEGORIES

1. Less than 10 in previous calendar year and less than 23 days total accumulation.
2. Less than 10 in previous calendar year and 23 to 65 days total accumulation.
3. At least 10 in previous calendar year but less than 65 days total accumulation.
4. 65 but less than 91 days total accumulation.
5. 91 through 130 days total accumulation.
6. More than 130 days total accumulation.

Grp 25.11 Employee contributions. (1) For all employes except unclassified teachers, contributions toward premium for income continuation insurance shall be made in accordance with rates established in Table III - Employee Contributions For All Employes Except Unclassified Teachers.

(2) For unclassified teachers, employe contributions shall be determined in accordance with Table IV - Monthly Premiums For Unclassified Teachers.

Grp 25.12 Qualifying period. A covered employe qualifies for income continuation benefits on the date after he has been totally disabled for 22 workdays but benefit payments shall not be made while earnings are received for accumulated sick leave days.

25.13 Maximum use of sick leave days. The maximum number of sick leave days that an employe shall be required to use before benefit payments begin is 130 days.

Grp 25.14 "Totally disabled" defined. (1) During the first 12 months of disability, "totally disabled" means the employe's inability by reason of any medically determinable physical or mental impairment, to perform each and all of the material duties pertaining to his occupation or like occupation for which he is reasonably qualified, with due regard for his education, training and experience.

(2) After the first 12 months, "totally disabled" means the employe's complete inability by reason of any medically determinable physical or mental impairment, to engage in any substantial gainful activity for which he is reasonably qualified, with due regard for his education, training, experience, and prior economic status.

(3) An employe who qualifies for benefits under the disability provisions of applicable state or federal programs shall be required to furnish no further proof that initially he meets the definition of "totally disabled" under sub. (1) or (2) but thereafter at reasonable intervals, proof of continued disability may be required pursuant to sub. (5).

(4) House confinement shall not be required as a condition of disability but the disabled employe must be under the direct care of a licensed physician (other than himself) during the period of disability.

(5) The Group Insurance Board or its authorized representative may initially and at reasonable intervals require the employe to submit proof of total disability and may require independent medical examinations by licensed physicians of its choice.

Grp 25.15 Integrated benefits. (1) Benefit payments from income continuation insurance shall be reduced by disability benefits paid or payable from the following sources:

- (a) Workmen's Compensation. Benefit payments may be reduced retroactively by the Group Insurance Board when special awards or settlements are made from this source and where such settlements or awards are distinguishable as income replacement benefits.
- (b) Disability provisions of applicable state or federal programs.
- (c) Social Security (OASDHI). Payments shall be reduced only by primary social security disability benefits.
- (d) Other group disability income plans in which the state, as employer, participates in administration.

(2) Where benefit payments from sources listed under sub. (1) are delayed, income continuation benefit payments may be made notwithstanding such delays and adjustments made later when benefits from other sources are actually paid.

(3) For the purpose of determining benefits payable from income continuation insurance, Social Security (OASDHI) disability benefits and state and federal retirement disability benefits shall be permanently offset at the level established when the disability begins. But changes in the retirement disability payments caused by integration with Social Security (OASDHI) disability benefits or any changes to correct errors in computation shall not change such offset.

Grp 25.15 (4) Any employe applying for income continuation benefits must submit evidence acceptable to the board that he has taken all necessary action to obtain any benefits available from sources listed in sub. (1).

Grp 25.16 Benefit payments. Benefit payments shall be based upon an employe's earnings on the date his disability begins. Total benefit payments from income continuation combined with payments from the sources listed in Grp 25.15 (1) (a), (b), (c) and (d) shall be determined in accordance with Table V - Integrated Disability Benefit.

Grp 25.165 Earnings defined. Earnings means the basic salary, excluding overtime, payable to the employe by the state during the last complete payroll period prior to the date disability begins.

Grp 25.17 Duration of benefits. (1) Short term disability benefits shall be payable during the 2 year period subsequent to the date that the disability begins. (a) Successive periods of disability due to the same or related medically determinable physical or mental impairment shall be considered one disability unless the periods of disability are separated by at least ten (10) successive work days during which the employe returns to full time employment. (b) Successive periods of disability due to unrelated medically determinable physical or mental impairments shall be considered one disability unless the periods of disability are separated by at least one (1) work day during which the employe returns to full time employment.

(2) Long term disability benefits shall begin after the 2 year period specified in sub. (1) and shall be payable until the employe reaches normal retirement date or the disability terminates, whichever occurs first. (a) Successive periods of disability due to the same or related medically determinable physical or mental impairment shall be considered one disability unless the periods of disability are separated by at least six (6) successive months during which the employe is able to return to full time employment. (b) Successive periods of disability due to unrelated medically determinable physical or mental impairments shall be considered one disability unless the periods of disability are separated by at least ten (10) successive work days during which the employe is able to return to full time employment.

(3) Rehabilitative employment, as provided under Grp 25.18, shall not be considered a return to full time employment under sub. (1) or (2).

(4) If an employe returns to full time employment for the periods specified in sub. (1) and (2) and is subsequently disabled again, it shall be considered a new disability and the qualification period established under Grp 25.12 shall apply.

Grp 25.18 Rehabilitative training. (1) Rehabilitative plans approved by the board shall be available for disabled employes after they have qualified for income continuation benefits.

(2) Rehabilitative plans shall include: (a) Educational programs which have as their purpose the training or retraining of a disabled employe so that he may engage in gainful activity. Such programs shall not be limited to formal vocational rehabilitative training. (b) Full or part time on the job training or retraining. (c) Part time return to prior position.

(3) Income continuation payments shall not be reduced because the employe is participating in an educational program provided under sub. (2) (a), if he receives no earnings from such program. Payments may be increased by an amount equal to any reduction in the employe's income from sources listed under Grp 25.15, if such reduction is caused by the employe's participation in the educational program. Supplemental benefits shall be available to pay all or a part of the reasonable cost of educational programs, including tuition, books and other necessary materials not available from other sources.

(4) Income continuation payments shall be reduced by an amount equal to 75% of the gross earnings that a disabled employe receives from rehabilitative training provided under sub. (2) (b) or (c).

Grp 25.19 Worldwide coverage. (1) An insured employe shall not be denied coverage solely because of travel or residency in any location.

(2) Disability benefit payments may be suspended or terminated if information necessary to determine disability status cannot be obtained through reasonable means.

Grp 25.20 Limitations. Benefits shall not be payable for disability which is the direct or indirect result of: (1) war, declared or undeclared. The fact of war shall be determined by the board.

(2) intentionally self-inflicted injury.

(3) participation in, not protecting against, a riot or civil disorder; or the commission or attempted commission of a felony.

(4) pregnancy, ~~or complications thereof~~, *except for complications thereof.*

Grp 25.21 Cancellation of coverage. (1) An employe may cancel income continuation insurance by giving written notice of cancellation to the employing department. Cancellation shall be effective at the end of the coverage period for which normal payroll deduction of premiums have been made.

(2) A terminating employe's coverage shall continue until the end of the coverage period for which normal payroll deduction of premiums have been made. Refunds of premiums for terminating employes shall be made only if a written request for refund is received by the Group Insurance Bureau no later than the 20th day of the month. Where such request is made, a refund of premium for all subsequent months of coverage shall be available and coverage shall terminate at the end of the coverage period for which premiums have been paid.

Grp 25.22 Claims procedure. (1) Claim forms shall be available to the employe from his employing department or from the Group Insurance Bureau.

(2) Completed claims for disability benefits on forms provided by the bureau, must be submitted to the employing department by the employe no later than 22 days after the commencement of disability or as soon thereafter as is reasonably possible.

(3) The employing department shall retain one copy of the claim and submit two (2) copies to the Group Insurance Bureau immediately.

Grp 25.23 Assignment of benefits. Benefits payable under this section are non-assignable.

TABLE I

GROSS MONTHLY PREMIUMS FOR INTEGRATED
SHORT AND LONG TERM INCOME CONTINUATION INSURANCE

Monthly Salary	Categories			
	1.	2. & 3.	4.	5. & 6.
Up to 501	4.45	3.35	2.45	2.00
501 - 600	5.45	4.10	3.00	2.45
601 - 700	6.45	4.85	3.55	2.90
701 - 800	7.45	5.60	4.10	3.35
801 - 900	8.45	6.35	4.65	3.80
901 - 1000	9.45	7.10	5.20	4.25
1001 - 1100	10.45	7.85	5.75	4.70
1101 - 1200	11.45	8.60	6.30	5.15
1201 - 1300	12.45	9.35	6.85	5.60
1301 - 1400	13.45	10.10	7.40	6.05
1401 - 1500	14.45	10.85	7.95	6.50
1501 - 1600	15.45	11.60	8.50	6.95
1601 - 1700	16.45	12.35	9.05	7.40
1701 - 1800	17.45	13.10	9.60	7.85
1801 - 1900	18.45	13.85	10.15	8.30
1901 - 2000	19.45	14.60	10.70	8.75
2001 - 2100	20.45	15.35	11.25	9.20
2101 - 2200	21.45	16.10	11.80	9.65
2201 - 2300	22.45	16.85	12.35	10.10
2301 - 2400	23.45	17.60	12.90	10.55
2401 - 2500	24.45	18.35	13.45	11.00
2501 - 2600	25.45	19.10	14.00	11.45
2601 - 2700	26.45	19.85	14.55	11.90
2701 - 2800	27.45	20.60	15.10	12.35
2801 - 2900	28.45	21.35	15.65	12.80
2901 - 3000	29.45	22.10	16.20	13.25
3001 - up	30.45	22.85	16.75	13.70

TABLE II

STATE CONTRIBUTIONS,
EXPRESSED AS A PERCENTAGE OF EMPLOYE CONTRIBUTIONS

Categories

1.	2.	3.	4.	5.	6.
0%	0%	200%	340%	430%	
Employee Pays Entire Premium	Employee Pays Entire Premium	X Employee Contri- bution From Table III	X Employee Contri- bution From Table III	X Employee Contri- bution From Table III	State Pays Entire Premium
0%	0%				0%

TABLE III

EMPLOYEE CONTRIBUTIONS FOR ALL EMPLOYEES
EXCEPT UNCLASSIFIED TEACHERS *

Monthly Salary	Categories					6.
	1.	2.	3.	4.	5.	
Up to 501	4.51	3.32	1.13	.54	.25	0
501 - 600	5.51	4.12	1.33	.74	.35	
601 - 700	6.51	4.82	1.63	.84	.45	
701 - 800	7.51	5.62	1.83	.94	.55	State
801 - 900	8.51	6.32	2.13	1.04	.65	Pays
901 - 1000	9.51	7.12	2.33	1.24	.75	
1001 - 1100	10.51	7.82	2.63	1.34	.85	Entire
1101 - 1200	11.51	8.62	2.83	1.44	.95	Premium
1201 - 1300	12.51	9.32	3.13	1.54	1.05	
1301 - 1400	13.51	10.12	3.33	1.74	1.15	
1401 - 1500	14.51	10.82	3.63	1.84	1.25	
1501 - 1600	15.51	11.62	3.83	1.94	1.35	
1601 - 1700	16.51	12.32	4.13	2.04	1.45	
1701 - 1800	17.51	13.12	4.33	2.24	1.55	
1801 - 1900	18.51	13.82	4.63	2.34	1.65	
1901 - 2000	19.51	14.62	4.83	2.44	1.75	
2001 - 2100	20.51	15.32	5.13	2.54	1.85	
2101 - 2200	21.51	16.12	5.33	2.74	1.95	
2201 - 2300	22.51	16.82	5.63	2.84	2.05	
2301 - 2400	23.51	17.62	5.83	2.94	2.15	
2401 - 2500	24.51	18.32	6.13	3.04	2.25	
2501 - 2600	25.51	19.12	6.33	3.24	2.35	
2601 - 2700	26.51	19.82	6.63	3.34	2.45	
2701 - 2800	27.51	20.62	6.83	3.44	2.55	
2801 - 2900	28.51	21.32	7.13	3.54	2.65	
2901 - 3000	29.51	22.12	7.33	3.74	2.75	
3100 - up	30.51	22.82	7.63	3.84	2.85	0

* For payroll purposes, premiums have been rounded so that terminal digits in each category are the same.

TABLE IV
MONTHLY PREMIUMS FOR UNCLASSIFIED TEACHERS *

<u>MONTHLY SALARY</u>	<u>ELIMINATION PERIOD</u>			
	<u>22 Days</u>	<u>65 Days</u>	<u>90 Days</u>	<u>130 Days</u>
Up to 501	4.46	2.87	2.68	1.99
501 - 600	5.46	3.57	3.28	2.49
601 - 700	6.46	4.17	3.88	2.89
701 - 800	7.46	4.87	4.48	3.39
801 - 900	8.46	5.47	5.08	3.79
901 - 1000	9.46	6.17	5.68	4.29
1001 - 1100	10.46	6.77	6.28	4.69
1101 - 1200	11.46	7.47	6.88	5.19
1201 - 1300	12.46	8.07	7.48	5.59
1301 - 1400	13.46	8.77	8.08	6.09
1401 - 1500	14.46	9.37	8.68	6.49
1501 - 1600	15.46	10.07	9.28	6.99
1601 - 1700	16.46	10.67	9.88	7.39
1701 - 1800	17.46	11.37	10.48	7.89
1801 - 1900	18.46	11.97	11.08	8.29
1901 - 2000	19.46	12.67	11.68	8.79
2001 - 2100	20.46	13.27	12.28	9.19
2101 - 2200	21.46	13.97	12.88	9.69
2201 - 2300	22.46	14.57	13.48	10.09
2301 - 2400	23.46	15.27	14.08	10.59
2401 - 2500	24.46	15.87	14.68	10.99
2501 - 2600	25.46	16.57	15.28	11.49
2601 - 2700	26.46	17.17	15.88	11.89
2701 - 2800	27.46	17.87	16.48	12.39
2801 - 2900	28.46	18.47	17.08	12.79
2901 - 3000	29.46	19.17	17.68	13.29
3001 and up	30.46	19.77	18.28	13.69

* For payroll purposes, premiums have been rounded so that terminal digits in each category are the same.

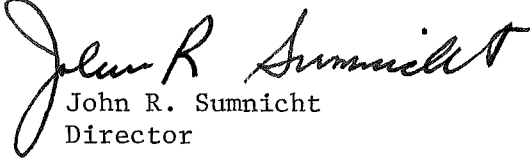
TABLE V

INTEGRATED DISABILITY BENEFIT

- A. 75% of gross earnings, if salary is less than \$460 bi-weekly or \$1,000 monthly.
- B. 70% of gross earnings, if salary is at least \$460 bi-weekly or \$1,000 monthly but less than \$690 bi-weekly or \$1,500 monthly. Minimum benefits payable at this level are \$345 bi-weekly or \$750 monthly.
- C. 65% of gross earnings, if salary is more than \$690 bi-weekly or \$1,500 monthly. Minimum benefits payable at this level are \$483 bi-weekly or \$1,050 monthly; maximum benefits are \$920 bi-weekly or \$2,000 monthly.

The rules contained herein shall take effect on November 1, 1972
pursuant to authority granted by section 227.026 Wis. Stats

GROUP INSURANCE BUREAU


John R. Sumnicht
Director

September 18, 1972