



**Department of  
Civil Service**

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Governor  
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Acting Commissioner

PE 18-12

To: Participating Employer Chief Executive Officers and  
Health Benefit Administrators

From: James DeWan, Director of the Employee Benefits Division

Subject: Empire Plan Quarterly Experience Report

Date: October 3, 2018

Attached is the Empire Plan Second Quarter Experience Report for 2018. This report presents the projected 2018 experience, based on claims paid through June 30, 2018, and the projected 2019 premium rates.

For the 2018 Plan Year, the Empire Plan vendors project a net surplus of \$28.0 million, or 0.3% of premium. Since the 2018 experience projections are based on six months of paid claim data, the projections are expected to change as actual claims materialize throughout the remainder of the year.

Exhibit II presents the projected 2019 Empire Plan premium rates. These projections include a tentative dividend application amount of \$190 million, which represents an application of \$120 million more than the dividend credit included in the 2018 rates. The “best estimate” projected net premium increase for 2019 is 7.3%, in aggregate, for The Empire Plan. These projections are based on several assumptions made by the vendors and the Department, and include a projected aggregate claims trend of approximately 9.2%. These assumptions are likely to change prior to the development of the final 2019 premium rates.

Given the ongoing fiscal challenges faced by the State and its localities, our continuing goal is to achieve 2019 NYSHIP rates that are as low as possible while promoting rate stability for the near future. The 2019 premium rate development and related proceedings will begin in September.

I hope this report is informative. If you have any questions, comments or suggestions, please do not hesitate to contact me.