



Arizona PSPRS

Cancer Insurance Policy Program (CIPP)

March 13, 2025

Discussion Outline

- 2024 FY Projected vs Actual
- Updates
 - Reminder of recent changes and decisions
 - Recent data
- 2025 FY Projection
- Next Steps

2024 FY Projected vs Actual

	2024 Projected	2024 Actual	Variance
EXPENSES			
Benefit Payments	\$2,300,000	\$2,077,000	
Administrative Expenses	\$150,000	\$263,000	
Total Expenses	\$2,450,000	\$2,340,000	(\$110,000)
<i>Current Expense Rate</i>	\$82	\$76	(\$6)
INCOME			
Contributions	\$1,495,000	\$1,545,000	\$50,000
<i>Current Contribution Rate</i>	\$50	\$50	\$0
ORDINARY GAIN / (LOSS)	(\$955,000)	(\$795,000)	\$160,000
INVESTMENT INCOME			
<i>Investment Income Rate</i>	\$46	\$106	\$59
TOTAL GAIN / (LOSS)	\$426,000	\$2,468,000	\$2,042,000
<i>Total Gain / (Loss) Rate</i>	\$14	\$80	\$66
ESTIMATED ASSETS			
Beginning of Year	\$28,095,000	\$28,095,000	\$0
Projected End of Year	\$28,521,000	\$30,563,000	\$2,042,000

2024 Plan Changes and Funding Policy

- Plan changes effective January 1, 2024
 - Benefit design changes to streamline administration
- Funding policy agreed to during 2023:
 - Set the premiums at not less than the current \$50 annual premium to maintain affordability in the program for employers, CORP members, and retirees over the long-term
 - Set the reserves level to not less than 3 years of expenses
 - Investment returns remain in the plan to provide stable premiums with a floor of \$50

Recent Benefits Paid Data

	Benefits Paid as Reported in FY Financials	Benefits Paid as Reported in CY Detailed Claim Data
2020	\$2,652,217	\$2,397,621
2021	\$1,280,747	\$1,706,644
2022	\$1,818,162	\$1,765,106
2023	\$2,442,617	\$2,214,634
2024	\$2,077,248	\$2,439,523
5-Year Average Annual	\$2,054,198	\$2,135,337
2-Year Average Annual	\$2,259,933	\$2,397,579
Highest 3 Years of Last	\$2,390,694	\$2,398,426
2/3rds 2023, 1/3rd 2022	\$2,199,038	\$2,411,560

Estimated for 2024 FY Projection \$2,300,000

Recommended for 2025 FY Projection \$2,400,000

2025 FY Projection (current benefits)

	2024 Actual	2025 Projected	Variance
EXPENSES			
Benefit Payments	\$2,077,000	\$2,400,000	
Administrative Expenses	\$263,000	\$271,000	
Total Expenses	\$2,340,000	\$2,671,000	\$331,000
<i>Current Expense Rate</i>	\$76	\$87	\$12
INCOME			
Contributions	\$1,545,000	\$1,529,000	(\$16,000)
<i>Current Contribution Rate</i>	\$50	\$50	\$0
ORDINARY GAIN / (LOSS)	(\$795,000)	(\$1,142,000)	(\$347,000)
INVESTMENT INCOME			
Investment Income Rate	\$106	\$49	(\$57)
TOTAL GAIN / (LOSS)	\$2,468,000	\$358,000	(\$2,110,000)
<i>Total Gain / (Loss) Rate</i>	\$80	\$12	(\$68)
ESTIMATED ASSETS			
Beginning of Year	\$28,095,000	\$30,563,000	\$2,468,000
Projected End of Year	\$30,563,000	\$30,921,000	\$358,000

Next Steps

- Review with stakeholders
- Consider additional options
- Finalize numbers to move forward
- Seek recommendation