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Purpose: Understand the current financial needs of the Retiree Health Care Authority and preview 2019 legislative proposals

Witness: David Archuleta, Executive Director, New Mexico Retiree Health Care Authority

Expected Outcome: Informational

Retiree Health Care Fund Solvency

Background

Like most other states, public employees in New Mexico have access to post employment healthcare benefits subsidized by the state. In New Mexico, the Retiree Health Care Authority (RHCA) provides subsidized health insurance benefits to more than 63 thousand retirees and dependents, but healthcare costs are rising more quickly than the amount of revenue collected by the authority. According to RHCA's long term solvency model, between FY18 and FY23, total expenditures are expected to rise by about 10 percent per year, while income is only expected to increase by 6.5 percent, with most of the increase coming from retirees in the form of increased medical premiums. Although current public employees and their employers are required to make payments to RHCA, the retiree health care fund is expected to become insolvent by 2037. As a result, the RHCA board and staff have considered several proposals to increase the long term solvency of the fund, including proposals for the Legislature to consider during the 2019 legislative session.

Retiree Health Care Act Overview

Since 1990, RHCA has provided subsidized health insurance benefits for those retired from public service professions. Of the more than 160 thousand active and retired member of RHCA, about half are from educational institutions, including school districts, charter schools, regional education cooperatives, New Mexico School for the Blind and Visually Impaired, New Mexico School for the Deaf, New Mexico Military Institute, and higher education institutions other than University of New Mexico and New Mexico State University.

When RHCA began in 1990, the authority immediately began covering retirees with no pre-funding. As a result, employer and active employee contributions have been used to pay current retiree benefits. By FY07, the retiree health care fund had only \$122 million in assets, more than \$4 billion in liabilities, and was projected to become insolvent in FY14. Legislation passed in 2009 increased the employer and active employee contribution rates and assets rose from 3 percent of liabilities in FY07 to 11.3 percent in FY18.

**Retiree Health Care Authority
Contribution Rates**

| Years | Employee | Employer |
|----------------|----------|----------|
| 1990 - 2001 | 0.50% | 1.00% |
| 2002 - 2009 | 0.65% | 1.30% |
| 2010 | 0.83% | 1.66% |
| 2011 | 0.92% | 1.84% |
| 2012 - present | 1.00% | 2.00% |

Source: RHCA

RHCA's medical plans are funded by a combination of retiree-paid premiums and the premium subsidies that are funded through employer and employee contributions during the retiree's working life. Medical premiums are set by the board each year, and the amount of each member's subsidy is determined based on the subsidy schedule established by the board through administrative rule and the maximum subsidy determined by the board when setting premium rates. See **Attachment 1: NMRHCA Medical Plan Monthly Premium Contributions for January 1, 2019 –**

December 31, 2019. Since January 2016, the maximum health insurance subsidy paid on behalf of eligible retirees has been 64 percent of the total premium for pre-Medicare members, 36 percent of the total premium for spouses of pre-Medicare members, and 0 percent of the total premium for children. Subsidies for members who are eligible for Medicare are 50 percent for members, 25 percent for spouses, and 0 percent for children. Members with 20 years of service credit are currently eligible for the full maximum subsidy, but members with less service credit only receive a percentage of the maximum subsidy. Currently subsidies are reduced by 6.25 percentage points for each year under 20 years of service. Retirees must have worked for a participating employer for at least five years to receive benefits from RHCA.

For example, a pre-Medicare retiree with 10 years of service receives a subsidy equal to 37.5 percent of 64 percent of the total premium, or 24 percent of the total premium. The retiree would pay 76 percent of the total premium.

If the retiree has coverage for a spouse, he or she would receive a subsidy of 37.5 percent of 36 percent of the premium, or 13.5 percent of the total premium. The retiree would pay 86.5 percent of the total premium for his or her spouse.

Under the Retiree Health Care Act, participating employers, active employees and retirees are responsible for the financial viability of the program. When creating RHCA, the Legislature declared that “the expectation of receiving future benefits may be modified from year to year in order to respond to changing financial exigencies,” and stated “the legislature does not intend for the Retiree Health Care Act to create trust relationships among the participating employees, retirees, employers and the [RHCA]” (see Section 10-7C-3 NMSA 1978).

Although the New Mexico Constitution provides protections for public pension benefits, such protections may not extend to retiree healthcare benefits. While it has never been definitively stated that RHCA is not “an applicable retirement plan” under Article 20, Section 22 of the New Mexico Constitution, the New Mexico Supreme Court has limited these protections in the past. In *Bartlett v. Cameron* (2014-NMSC-002, 316 P.3d 889), a New Mexico Supreme Court decision that found annual cost-of-living adjustments were not included in the vested property right protected by the New Mexico Constitution, the court reasoned:

“Unless we are satisfied that the Legislature intends to create a property right, this Court presumes that the Legislature is implementing public policy when it enacts a statute, policy which it is free to change in the future. To presume otherwise would upset the balance of the separation of powers, and affect the Legislature’s ability to respond to changing economic conditions.”

Because the Retiree Health Care Act states it was not the intention of the Legislature to create a trust relationship between RHCA and its members, it is possible the benefits provided by RHCA are not protected by the New Mexico Constitution.

Retiree Health Care Fund Solvency

To maintain long-term solvency, RHCA has taken a number of steps to increase revenue and reduce liabilities. For the 2019 legislative session, RHCA will ask the Legislature to increase employee and employer contributions to the retiree health care fund by 0.5 percent, phased in over four years. The proposal would bring rates to 1.5 percent for employees and 2.5 percent for employers. RHCA estimates this would bring the fund an additional \$43.2 million per year by FY24 and the increases to employer contributions would have a general fund impact of \$17.4 million. Municipal and county employers would see \$5.8 million in additional contributions and public employee contributions would rise by \$20 million.

Another proposal would raise additional revenue by limiting the subsidy offered to pre-Medicare retirees, effectively increasing retiree premiums. Currently, a pre-Medicare retiree with at least 20 years of service credit receives a subsidy equal to 64 percent of the total health insurance premium for the retiree and 36 percent of the total premium for a retiree's spouse. Those with less than 20 years of service credit receive a percentage of that subsidy, based on years of service. RHCA's board is considering reducing the maximum subsidy offered by 1 percentage point per year until the maximum subsidy for a retiree is 60 percent and the maximum subsidy for a retiree's spouse is 30 percent.

In May 2018, the RHCA board initiated rulemaking proceedings to decrease the level of subsidy a member receives for each year of service credit and to establish a minimum age of 55 for future retirees to receive any subsidy from RHCA. The proposed rule would better align RHCA's subsidy schedule with a 25-year career, rather than the current 20-year standard. As a result, those with shorter careers would end up paying a higher percentage of the total premium in retirement. By instituting a minimum age for receiving RHCA subsidies, the authority may be able to limit the amount of time members are eligible for pre-Medicare benefits. Under current policies, pre-Medicare retirees – those under 65 years of age – are eligible for a larger subsidy than Medicare-eligible retirees and are more expensive to insure. This rule change would apply only to those who are not members of an enhanced retirement plan. Public safety employees and judicial members pay a higher contribution to the retiree health care fund and are expected to have a shorter career than most public employees.

The RHCA board has also considered asking the Legislature to make changes to annual distributions from the general fund. In 1992, the state began to transfer general fund revenue to the retiree health care fund as the result of a bill to begin taxing pension payments from the Public Employee Retirement Association and the Educational Retirement Board. Laws 2016 (2nd S.S.), Chapter 1 (Senate Bill 7), enacted during the October 2016 special session, reduced the transfer as part of an effort to

**Retiree Health Care Authority
Members and Medical Claims
Calendar Year 2017**

| Age of Member | Number of Members | Per Member Medical Claims |
|---------------|-------------------|---------------------------|
| 40 to 44 | 117 | \$6,532 |
| 45 to 49 | 622 | \$4,684 |
| 50 to 54 | 1,858 | \$7,417 |
| 55 to 59 | 4,266 | \$7,877 |
| 60 to 64 | 8,219 | \$9,353 |
| 65 to 69 | 11,633 | \$3,152 |
| 70 to 74 | 10,094 | \$2,924 |
| 75 to 79 | 6,955 | \$3,320 |
| 80 to 84 | 4,398 | \$3,539 |
| 85 and Over | 3,726 | \$3,524 |
| Total | 51,888 | |

Note: Excludes members under age 40. Per member medical claims includes prescription drug claims.

Source: Retiree Health Care Authority

balance the state budget. RHCA staff estimate that the law will have a \$741 million negative impact on the retiree health care fund between FY17 and FY36.

In addition to these policy changes, the RHCA board made plan design changes that increase member cost-sharing and increased medical premiums to keep up with costs. For 2019, pre-Medicare premiums will increase by 8 percent and RHCA's Medicare supplement plan will increase by 6 percent and copays for non-generic prescription drugs will increase.

Conclusion

For most of its existence, the retiree health care fund has been only a few years away from insolvency. Over the years, regular changes to healthcare premiums, plan design, and contributions for active employees have managed to increase the life of the fund, but further changes will be needed in the future. As with prior year reforms, RHCA's strategic plan appears to recognize the need for shared sacrifice by splitting the costs of solvency between participating employers, active employees, pre-Medicare retirees, and Medicare-eligible retirees.

At the same time, the Legislature will need to consider priorities when addressing retiree healthcare solvency. In addition to RHCA, the Educational Retirement Board (ERB) will also present a plan to ensure the long-term sustainability of its trust fund. Unlike RHCA benefits, ERB pensions are clearly covered by the legal protections of the New Mexico Constitution and, as a result, are more difficult to resolve. Further, widespread protests around teacher salaries and working conditions are likely to put upward pressure on teacher salaries, and New Mexico will likely need to put more money into salaries to remain competitive with other states. While retirement benefits remain an important part of the overall compensation package, it is unclear if stronger retirement benefits outweigh lower salaries for many considering the teaching profession. To increase the attractiveness of the teaching profession, the Legislature will need to balance the salary needs of school districts and charter schools with the benefits provided by ERB, RHCA, and the Public Schools Insurance Authority.

NMRHCA Medical Plan Monthly Premium Contributions for January 1, 2019 – December 31, 2019 (applicable if retirement date is after June 30, 2001)

| Years of Service | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20+ |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| NON-MEDICARE MEDICAL | | | | | | | | | | | | | | | | |
| Premier PPO (BCBS or Presbyterian) | | | | | | | | | | | | | | | | |
| Retiree Rate | \$695.36 | \$666.38 | \$637.41 | \$608.44 | \$579.46 | \$550.49 | \$521.52 | \$492.55 | \$463.57 | \$434.60 | \$405.63 | \$376.65 | \$347.68 | \$318.71 | \$289.73 | \$260.76 |
| Spouse Rate | \$755.92 | \$738.52 | \$721.12 | \$703.72 | \$686.32 | \$668.92 | \$651.52 | \$634.12 | \$616.72 | \$599.32 | \$581.92 | \$564.52 | \$547.12 | \$529.72 | \$512.32 | \$494.92 |
| Child Rate | \$253.11 | \$253.11 | \$253.11 | \$253.11 | \$253.11 | \$253.11 | \$253.11 | \$253.11 | \$253.11 | \$253.11 | \$253.11 | \$253.11 | \$253.11 | \$253.11 | \$253.11 | \$253.11 |
| Value HMO (BCBS or Presbyterian) | | | | | | | | | | | | | | | | |
| Retiree Rate | \$543.18 | \$520.55 | \$497.91 | \$475.28 | \$452.65 | \$430.02 | \$407.38 | \$384.75 | \$362.12 | \$339.49 | \$316.85 | \$294.22 | \$271.59 | \$248.96 | \$226.32 | \$203.69 |
| Spouse Rate | \$590.44 | \$576.85 | \$563.26 | \$549.67 | \$536.08 | \$522.49 | \$508.90 | \$495.31 | \$481.71 | \$468.12 | \$454.53 | \$440.94 | \$427.35 | \$413.76 | \$400.17 | \$386.58 |
| Child Rate | \$197.37 | \$197.37 | \$197.37 | \$197.37 | \$197.37 | \$197.37 | \$197.37 | \$197.37 | \$197.37 | \$197.37 | \$197.37 | \$197.37 | \$197.37 | \$197.37 | \$197.37 | \$197.37 |
| MEDICARE MEDICAL | | | | | | | | | | | | | | | | |
| BCBS Medicare Supplemental Plan | | | | | | | | | | | | | | | | |
| Retiree Rate | \$410.67 | \$397.43 | \$384.18 | \$370.93 | \$357.68 | \$344.44 | \$331.19 | \$317.94 | \$304.69 | \$291.45 | \$278.20 | \$264.95 | \$251.70 | \$238.46 | \$225.21 | \$211.96 |
| Spouse Rate | \$417.30 | \$410.67 | \$404.05 | \$397.43 | \$390.80 | \$384.18 | \$377.55 | \$370.93 | \$364.31 | \$357.68 | \$351.06 | \$344.44 | \$337.81 | \$331.19 | \$324.56 | \$317.94 |
| Child Rate | \$423.92 | \$423.92 | \$423.92 | \$423.92 | \$423.92 | \$423.92 | \$423.92 | \$423.92 | \$423.92 | \$423.92 | \$423.92 | \$423.92 | \$423.92 | \$423.92 | \$423.92 | \$423.92 |
| BCBS Medicare Advantage I | | | | | | | | | | | | | | | | |
| Retiree Rate | \$128.07 | \$123.94 | \$119.81 | \$115.68 | \$111.54 | \$107.41 | \$103.28 | \$99.15 | \$95.02 | \$90.89 | \$86.76 | \$82.63 | \$78.49 | \$74.36 | \$70.23 | \$66.10 |
| Spouse Rate | \$130.13 | \$128.07 | \$126.00 | \$123.94 | \$121.87 | \$119.81 | \$117.74 | \$115.68 | \$113.61 | \$111.54 | \$109.48 | \$107.41 | \$105.35 | \$103.28 | \$101.22 | \$99.15 |
| Child Rate | \$132.20 | \$132.20 | \$132.20 | \$132.20 | \$132.20 | \$132.20 | \$132.20 | \$132.20 | \$132.20 | \$132.20 | \$132.20 | \$132.20 | \$132.20 | \$132.20 | \$132.20 | \$132.20 |
| BCBS Medicare Advantage II | | | | | | | | | | | | | | | | |
| Retiree Rate | \$42.92 | \$41.53 | \$40.15 | \$38.76 | \$37.38 | \$35.99 | \$34.61 | \$33.23 | \$31.84 | \$30.46 | \$29.07 | \$27.69 | \$26.30 | \$24.92 | \$23.53 | \$22.15 |
| Spouse Rate | \$43.61 | \$42.92 | \$42.22 | \$41.53 | \$40.84 | \$40.15 | \$39.45 | \$38.76 | \$38.07 | \$37.38 | \$36.68 | \$35.99 | \$35.30 | \$34.61 | \$33.91 | \$33.22 |
| Child Rate | \$44.30 | \$44.30 | \$44.30 | \$44.30 | \$44.30 | \$44.30 | \$44.30 | \$44.30 | \$44.30 | \$44.30 | \$44.30 | \$44.30 | \$44.30 | \$44.30 | \$44.30 | \$44.30 |
| Humana Medicare Advantage I | | | | | | | | | | | | | | | | |
| Retiree Rate | \$129.47 | \$125.30 | \$121.12 | \$116.94 | \$112.77 | \$108.59 | \$104.41 | \$100.24 | \$96.06 | \$91.88 | \$87.70 | \$83.53 | \$79.35 | \$75.17 | \$71.00 | \$66.82 |
| Spouse Rate | \$131.56 | \$129.47 | \$127.39 | \$125.30 | \$123.21 | \$121.12 | \$119.03 | \$116.95 | \$114.86 | \$112.77 | \$110.68 | \$108.59 | \$106.50 | \$104.42 | \$102.33 | \$100.24 |
| Child Rate | \$133.65 | \$133.65 | \$133.65 | \$133.65 | \$133.65 | \$133.65 | \$133.65 | \$133.65 | \$133.65 | \$133.65 | \$133.65 | \$133.65 | \$133.65 | \$133.65 | \$133.65 | \$133.65 |
| Humana Medicare Advantage II | | | | | | | | | | | | | | | | |
| Retiree Rate | \$66.02 | \$63.89 | \$61.76 | \$59.63 | \$57.50 | \$55.37 | \$53.24 | \$51.11 | \$48.98 | \$46.85 | \$44.72 | \$42.59 | \$40.46 | \$38.33 | \$36.20 | \$34.07 |
| Spouse Rate | \$67.09 | \$66.02 | \$64.96 | \$63.89 | \$62.83 | \$61.76 | \$60.70 | \$59.63 | \$58.57 | \$57.50 | \$56.44 | \$55.37 | \$54.31 | \$53.24 | \$52.18 | \$51.11 |
| Child Rate | \$68.15 | \$68.15 | \$68.15 | \$68.15 | \$68.15 | \$68.15 | \$68.15 | \$68.15 | \$68.15 | \$68.15 | \$68.15 | \$68.15 | \$68.15 | \$68.15 | \$68.15 | \$68.15 |
| Presbyterian Medicare Advantage I | | | | | | | | | | | | | | | | |
| Retiree Rate | \$183.09 | \$177.19 | \$171.28 | \$165.38 | \$159.47 | \$153.56 | \$147.66 | \$141.75 | \$135.84 | \$129.94 | \$124.03 | \$118.13 | \$112.22 | \$106.31 | \$100.41 | \$94.50 |
| Spouse Rate | \$186.05 | \$183.09 | \$180.14 | \$177.19 | \$174.23 | \$171.28 | \$168.33 | \$165.38 | \$162.42 | \$159.47 | \$156.52 | \$153.56 | \$150.61 | \$147.66 | \$144.70 | \$141.75 |
| Child Rate | \$189.00 | \$189.00 | \$189.00 | \$189.00 | \$189.00 | \$189.00 | \$189.00 | \$189.00 | \$189.00 | \$189.00 | \$189.00 | \$189.00 | \$189.00 | \$189.00 | \$189.00 | \$189.00 |
| Presbyterian Medicare Advantage II | | | | | | | | | | | | | | | | |
| Retiree Rate | \$137.56 | \$133.13 | \$128.69 | \$124.25 | \$119.81 | \$115.38 | \$110.94 | \$106.50 | \$102.06 | \$97.63 | \$93.19 | \$88.75 | \$84.31 | \$79.88 | \$75.44 | \$71.00 |
| Spouse Rate | \$138.78 | \$137.56 | \$135.34 | \$133.13 | \$130.91 | \$128.69 | \$126.47 | \$124.25 | \$122.03 | \$119.81 | \$117.59 | \$115.38 | \$113.16 | \$110.94 | \$108.72 | \$106.50 |
| Child Rate | \$142.00 | \$142.00 | \$142.00 | \$142.00 | \$142.00 | \$142.00 | \$142.00 | \$142.00 | \$142.00 | \$142.00 | \$142.00 | \$142.00 | \$142.00 | \$142.00 | \$142.00 | \$142.00 |
| United Healthcare Medicare Advantage I | | | | | | | | | | | | | | | | |
| Retiree Rate | \$183.45 | \$177.53 | \$171.62 | \$165.70 | \$159.78 | \$153.86 | \$147.94 | \$142.03 | \$136.11 | \$130.19 | \$124.27 | \$118.35 | \$112.43 | \$106.52 | \$100.60 | \$94.68 |
| Spouse Rate | \$186.41 | \$183.45 | \$180.49 | \$177.54 | \$174.58 | \$171.62 | \$168.66 | \$165.70 | \$162.74 | \$159.78 | \$156.82 | \$153.87 | \$150.91 | \$147.95 | \$144.99 | \$142.03 |
| Child Rate | \$189.37 | \$189.37 | \$189.37 | \$189.37 | \$189.37 | \$189.37 | \$189.37 | \$189.37 | \$189.37 | \$189.37 | \$189.37 | \$189.37 | \$189.37 | \$189.37 | \$189.37 | \$189.37 |
| United Healthcare Medicare Advantage II | | | | | | | | | | | | | | | | |
| Retiree Rate | \$96.21 | \$93.10 | \$90.00 | \$86.90 | \$83.79 | \$80.69 | \$77.58 | \$74.48 | \$71.38 | \$68.27 | \$65.17 | \$62.07 | \$58.96 | \$55.86 | \$52.75 | \$49.65 |
| Spouse Rate | \$97.76 | \$96.21 | \$94.65 | \$93.10 | \$91.55 | \$90.00 | \$88.45 | \$86.90 | \$85.34 | \$83.78 | \$82.24 | \$80.69 | \$79.14 | \$77.58 | \$76.03 | \$74.48 |
| Child Rate | \$99.31 | \$99.31 | \$99.31 | \$99.31 | \$99.31 | \$99.31 | \$99.31 | \$99.31 | \$99.31 | \$99.31 | \$99.31 | \$99.31 | \$99.31 | \$99.31 | \$99.31 | \$99.31 |

Medical Plan Rate Calculation Instructions

1. Select a medical plan for the retiree; enter the rate from the **Retiree Rate** row that corresponds with your years of service. \$ _____ Retiree
2. If you are enrolling your spouse or domestic partner, select a medical plan for him/her; enter the rate from the **Spouse Rate** row that corresponds with your years of service (or, if your spouse/domestic partner is also an NMRHCA-eligible retiree, use the Retiree Rate that corresponds with your spouse's/domestic partner's years of service). + \$ _____ Spouse/ Domestic Partner
3. If you are also enrolling children, enter rate from **Child Rate** row multiplied by number of children. (# of Children: _____ x Child Rate: _____ = Total for Child(ren): _____ + \$ _____ Child(ren)
4. TOTAL #1, #2, and #3. = \$ _____ Total

Voluntary Coverage Premiums

DENTAL PLAN Monthly Premium*: Effective January 1, 2019 to December 31, 2019

| | SINGLE | TWO-PARTY | FAMILY |
|--------------------------------|---------|------------------|------------------|
| Delta Dental Basic | \$19.23 | \$36.07 for both | \$ 60.42 for all |
| Delta Dental Comprehensive | \$42.93 | \$81.58 for both | \$131.69 for all |
| United Concordia Basic | \$17.78 | \$33.78 for both | \$ 50.67 for all |
| United Concordia Comprehensive | \$36.28 | \$68.93 for both | \$103.36 for all |

VISION PLAN Monthly Premium*: Effective January 1, 2017 to June 30, 2019

| | | | |
|--------------|---------|------------------|-----------------|
| Davis Vision | \$ 4.76 | \$ 8.98 for both | \$13.23 for all |
|--------------|---------|------------------|-----------------|

DEPENDENT CHILD LIFE Monthly Premium*: Effective January 1, 2016 to December 31, 2019

| | | | |
|------------------------|--------------------------|--------------------------|----------------------------|
| The Standard Insurance | \$2,500 - \$3.83 for all | \$5,000 - \$7.15 for all | \$10,000 - \$13.83 for all |
|------------------------|--------------------------|--------------------------|----------------------------|

RETIREE/SPOUSE SUPPLEMENTAL LIFE Monthly Premium*: Effective January 1, 2016 to December 31, 2019

| | | | | | | | | | |
|-----------------|---------|---------|---------|---------|----------|------------|------------|------------|------------|
| The Standard | \$2,000 | \$4,000 | \$6,000 | \$8,000 | \$10,000 | \$15,000** | \$20,000** | \$40,000** | \$60,000** |
| Age 35-39 | \$ 0.68 | \$ 0.86 | \$ 1.05 | \$ 1.23 | \$ 1.41 | \$ 1.87 | \$ 2.32 | \$ 4.14 | \$ 5.96 |
| Age 40-44 | \$ 0.79 | \$ 1.08 | \$ 1.38 | \$ 1.67 | \$ 1.96 | \$ 2.69 | \$ 3.42 | \$ 6.34 | \$ 9.26 |
| Age 45-49 | \$ 1.03 | \$ 1.56 | \$ 2.08 | \$ 2.61 | \$ 3.14 | \$ 4.46 | \$ 5.78 | \$ 11.06 | \$ 16.34 |
| Age 50-54 | \$ 1.36 | \$ 2.22 | \$ 3.07 | \$ 3.93 | \$ 4.79 | \$ 6.94 | \$ 9.08 | \$ 17.66 | \$ 26.24 |
| Age 55-59 | \$ 1.92 | \$ 3.34 | \$ 4.77 | \$ 6.19 | \$ 7.61 | \$11.17 | \$14.72 | \$ 28.94 | \$ 43.16 |
| Age 60-64 | \$ 2.23 | \$ 3.96 | \$ 5.70 | \$ 7.43 | \$ 9.16 | \$13.49 | \$17.82 | \$ 35.14 | \$ 52.46 |
| Age 65-69 | \$ 4.05 | \$ 7.61 | \$11.16 | \$14.72 | \$18.27 | \$27.16 | \$36.04 | \$ 71.58 | \$107.12 |
| Age 70 and over | \$ 5.95 | \$11.40 | \$16.85 | \$22.30 | \$27.75 | \$41.38 | \$55.00 | \$109.50 | \$164.00 |

*This is optional coverage, and the entire cost of coverage is paid by you. Cost of insurance for all coverages paid by you may increase or decrease in the future based upon the claims experience of participants. All provisions that apply to this coverage are governed by the Certificate. The life plan rates include a \$.50 administration fee.

**Evidence of Insurability Statement required to add or increase life insurance. The Change for Additional Life Insurance form can be found at <http://www.nmrhca.org/forms.aspx/>.