

**TRANSACTIONS OF SOCIETY OF ACTUARIES  
1949 REPORTS**

**1949 REPORT OF THE COMMITTEE ON GROUP MORTALITY  
AND MORBIDITY**

**SECTION III—GROUP ACCIDENT AND HEALTH INSURANCE, INCLUDING  
GROUP HOSPITAL AND SURGICAL EXPENSE INSURANCE**

**T**HIS is the second report of a continuous investigation of Group Accident and Health experience, including Hospital and Surgical Expense benefits. The first report was published in T.A.S.A. XLIX, 527-542.

The current investigation was conducted in the same manner as indicated in the first report and the practical limitations inherent in the collection of morbidity statistics mentioned therein apply equally as well to this report. The period of observation, referred to in the tables as "1948 Policy Year Experience", covers policy years ending in July 1, 1947 to June 30, 1948 for companies using the "exact" claim basis and policy years ending in the calendar year 1948 for companies using the "adjusted" claim basis. The first report covered the comparable experience of the period one year earlier.

Again in calculating the all-male claim costs for Employee coverages the female exposures have been doubled to approximate equivalent male exposures. In addition a least square line, as described in the section dealing with the Employee Surgical Expense Insurance coverage, was used to approximate more closely to an all-male cost for that coverage. Inasmuch as the present approach to the problem of deriving all-male claim costs may not be entirely satisfactory and sufficient experience is not yet available to establish the validity of possible alternative methods, one column has been added to the tables for the Employee coverages which shows the crude claim costs. These crude claim costs were obtained by dividing the claims by the exposure unadjusted for female content.

In connection with the determination of the all-male claim costs, a supplementary investigation was made again to determine the effective percentage for each female percentage grouping. It was found that the effective percentage for the less than 11% female grouping was about 6.5% and that those for each of the other groupings were about exactly the quinary points of those groupings, i.e., 15%, 25%, etc. These percentages were then used to calculate an equivalent male exposure for each female grouping.

Sufficient experience has not yet developed to allow a meaningful study of morbidity experience to be made according to industry classification. The experience of Accident and Sickness and Employee Hospital Expense Insurance in industrial classifications which have been rated substandard

for premium purposes by one or more companies has again been excluded from the main tables presented in this report. Therefore, it is possible that the claim costs would have been higher if the analysis had been based on the composite experience of all those groups which were rated standard by the individual contributing companies. However, a table has been included with the Accident and Sickness experience and another with the Employee Hospital Expense experience to show for the non-jumbo experience the ratio of actual to expected claims for the rated industry classifications. The expected claims were derived by totaling the results of applying the crude claim costs of the various female percentage groupings for the non-jumbo, non-rated industry classifications to the exposures for the non-jumbo, rated industries. The number of groups and total exposures for non-jumbo, rated industries are also shown to indicate the relative amount of data. As Employee Surgical Expense, Dependent Hospital Expense and Dependent Surgical Expense Insurance are not rated substandard for industry, none of the experience under these coverages has been excluded from the main tables because of industrial classification.

The experience of jumbo groups, i.e. employee groups having more than 5,000 lives and dependent groups attached to such employee groups, has been excluded from certain of the attached tables. This has been done to minimize the effect that any one group can have on the experience of a particular female percentage grouping or of a particular plan. However, tables are included which indicate for each plan (rated and non-rated separately, where that distinction applies) the effect of excluding jumbo risks from the experience. In these tables, male claim costs are shown for each plan, except for dependent coverages, with jumbo groups included and with jumbo groups excluded. The column marked "ratio" shows the ratio of jumbo plus non-jumbo actual claims to the expected claims obtained from the corresponding non-jumbo experience, using claim costs by female percentage groupings. This ratio is not the same in every case as the ratio of male costs including and excluding jumbo experience, and it was felt inadvisable to show a ratio which depended for its validity on the assumption that females have a claim rate twice that of males. For the dependent coverages, in which no female percentage groupings are involved, crude claim costs are shown for all plans with jumbo groups included, and with jumbo groups excluded. The column marked "ratio" shows the ratio of jumbo plus non-jumbo actual claims to the expected claims obtained from the corresponding non-jumbo experience.

The estimated percentage of total exposure that was in effect on female employees has also been shown in the tables showing the effect of excluding jumbo experience, in each of the categories of experience included in those tables. These estimated percentages were obtained by first applying the

effective female percentages mentioned previously to the total exposure of each female percentage grouping, and then dividing the sum of these results by the total exposure for each category.

In order to facilitate comparison of the current experience to that contained in the previous report, tables have been included which show the ratio of the current actual claims to the expected claims obtained by applying the claim costs (by female percentage groupings for employee coverages) from the previous data to the exposures of this report. This has been done for each coverage, for the non-rated, non-jumbo experience only.

The following subdivisions present the data for each of the five coverages included in this investigation.

#### GROUP ACCIDENT AND SICKNESS INSURANCE

Due to the small amount of experience available, the investigation of 26 weeks plans with 1st Day Accident, 4th Day Sickness and 4th Day Accident, 4th Day Sickness waiting periods has been discontinued. The plans which provide for benefits from the first day of disabilities arising from accidents continued to show low claim costs as compared with plans which impose the same waiting period for disabilities arising from accident as they do for those arising from sickness. The explanation of this comparison may lie in such factors as the variation in age distribution, industry classification, proportion of married females, and various management practices which may affect morbidity experience.

The comparison with last year's experience shows a decrease in claim cost for the non-rated, non-jumbo experience for the six plans shown. Thus, the claim costs which reached a high point during World War II appear to have returned to about the pre-war level.

1948 POLICY YEAR EXPERIENCE

TABLE I

Group Accident and Sickness Insurance  
Non-Rated Industries, Non-Jumbo Size

Female Percent	13 Week Plans									
	1st Day Accident and 4th Day Sickness					4th Day Accident and 4th day Sickness				
	Number of Groups Insured	"Actual" Weekly Indemnity Exposed	Claims	Annual Claim Cost Per \$1 of Actual Exposure	Annual Claim Cost Per \$1 of Male* Exposure	Number of Groups Insured	"Actual" Weekly Indemnity Exposed	Claims	Annual Claim Cost Per \$1 of Actual Exposure	Annual Claim Cost Per \$1 of Male* Exposure
<11%	1,200	2,775,980	1,593,352	.57	.54	203	891,570	500,756	.56	.53
11-21	546	1,468,600	960,067	.65	.57	106	503,540	329,306	.65	.57
21-31	236	973,900	690,058	.71	.57	56	163,590	114,806	.70	.56
31-41	96	241,190	203,857	.85	.63	30	102,200	80,856	.79	.59
41-51	69	196,340	155,590	.79	.55	15	48,100	38,071	.79	.55
51-61	33	57,190	51,958	.91	.59	10	33,950	21,893	.64	.42
61-71	24	52,600	57,297	1.09	.66	4	18,480	12,830	.69	.42
71-81	16	65,120	59,582	.91	.52	6	11,210	10,518	.94	.54
81-91	16	28,110	28,204	1.00	.54	2	8,120	8,862	1.09	.59
91-100	6	7,380	8,413	1.14	.58	2	3,210	2,583	.80	.41
Total....	2,242	5,866,470	3,808,378	.65	.56	434	1,784,000	1,120,481	.63	.54
Female Percent	26 Week Plans									
	1st Day Accident and 8th Day Sickness					8th Day Accident and 8th Day Sickness				
	Number of Groups Insured	"Actual" Weekly Indemnity Exposed	Claims	Annual Claim Cost Per \$1 of Actual Exposure	Annual Claim Cost Per \$1 of Male* Exposure	Number of Groups Insured	"Actual" Weekly Indemnity Exposed	Claims	Annual Claim Cost Per \$1 of Actual Exposure	Annual Claim Cost Per \$1 of Male* Exposure
<11%	2,031	6,129,270	3,051,140	.50	.47	706	3,455,340	1,899,393	.49	.46
11-21	1,129	3,591,250	1,919,240	.53	.46	444	2,569,310	1,335,651	.52	.45
21-31	583	2,414,120	1,497,583	.62	.50	235	1,393,830	852,740	.61	.49
31-41	406	1,248,080	857,316	.69	.51	186	968,400	639,048	.66	.49
41-51	275	1,186,000	858,541	.72	.50	134	901,540	694,904	.77	.53
51-61	196	511,040	408,523	.80	.52	79	292,450	200,911	.69	.44
61-71	150	474,900	364,692	.77	.47	72	247,540	200,304	.81	.49
71-81	91	212,410	203,095	.96	.55	56	287,840	254,043	.88	.50
81-91	61	158,740	175,504	1.11	.60	43	126,610	111,512	.88	.48
91-100	13	23,380	15,371	.66	.34	8	7,270	12,071	1.66	.85
Total....	4,935	15,949,280	9,351,005	.59	.48	1963	10,250,130	6,000,577	.59	.48
Female Percent	26 Week Plans									
	1st Day Accident and 8th Day Sickness					8th Day Accident and 8th Day Sickness				
	Number of Groups Insured	"Actual" Weekly Indemnity Exposed	Claims	Annual Claim Cost Per \$1 of Actual Exposure	Annual Claim Cost Per \$1 of Male* Exposure	Number of Groups Insured	"Actual" Weekly Indemnity Exposed	Claims	Annual Claim Cost Per \$1 of Actual Exposure	Annual Claim Cost Per \$1 of Male* Exposure
<11%	77	311,690	239,902	.77	.72	109	576,430	388,666	.67	.63
11-21	48	275,900	238,222	.86	.75	74	499,260	322,125	.65	.56
21-31	19	248,260	112,063	.45	.36	37	149,270	106,793	.72	.57
31-41	14	23,050	13,690	.59	.44	22	190,780	154,474	.81	.60
41-51	13	34,050	21,887	.64	.44	5	10,890	4,615	.42	.29
51-61	5	12,430	2,906	.23	.15	6	14,040	10,452	.74	.48
61-71						3	3,950	2,728	.69	.42
71-81										
81-91						1	720	790	1.10	.59
91-100						1	1,320	1,497	1.13	.58
Total....	176	905,380	628,670	.69	.59	258	1,446,660	992,140	.69	.59

\* Exposure on females has been doubled to approximate an equivalent male exposure.

## 1948 POLICY YEAR EXPERIENCE

TABLE II

*Group Accident and Sickness Insurance*

Plan	Non-Jumbo Rated Industries			Non-Jumbo Non-Rated Industries
	Number of Groups Insured	"Actual" Weekly Indemnity Exposed	Ratio of Actual Claims to Expected Claims*	Ratio of Current Actual Claims to Current Expected Claims Based on Crude Claim Costs (By Female % Groups) of the Previous Investigation
1-4-13	398	1,001,160	116.5%	89.3
4-4-13	61	326,350	119.6%	93.7
1-8-13	1,365	4,868,750	115.3%	94.8
8-8-13	529	3,103,760	119.2%	94.2
1-8-26	46	198,400	126.5%	92.3
8-8-26	66	569,800	138.8%	98.6
All Plans	2,465	10,068,220	118.4%	93.7

\* Expected Claims obtained by totaling the results of applying the Crude Claim Costs of the various Female % Groupings for the Non-Rated Industries to the Exposures of the Rated Industries.

1948 POLICY YEAR EXPERIENCE  
TABLE III  
*Group Accident and Sickness Insurance*

	Number of Groups Insured	"Actual" Weekly Indemnity Exposed	Claims	Annual Claim Cost Per \$1 of Male* Exposure	Ratio**	Esti- mated % Exposure on Females
1-4-13 Week Plan						
Non-jumbo, non-rated. . . . .	2,242	5,866,470	3,808,378	.56		16.4
Jumbo + non-jumbo, non- rated . . . . .	2,244	6,109,720	3,991,422	.56	100.6	16.3
Non-jumbo, rated . . . . .	398	1,001,160	751,524	.65		16.3
Jumbo + non-jumbo, rated. .	400	1,333,120	1,040,591	.67	102.8	16.9
4-4-13 Week Plan						
Non-jumbo, non-rated. . . . .	434	1,784,000	1,120,481	.54		15.7
Jumbo + non-jumbo, non- rated . . . . .	435	2,178,140	1,378,860	.55	100.0	15.6
Non-jumbo, rated . . . . .	61	326,350	230,074	.64		10.2
Jumbo + non-jumbo, rated. .	61†	326,350	230,074	.64	100.0	10.2
1-8-13 Week Plan						
Non-jumbo, non-rated . . . . .	4,935	15,949,280	9,351,005	.48		21.4
Jumbo + non-jumbo, non- rated . . . . .	4,947	17,958,540	10,455,300	.48	99.7	21.0
Non-jumbo, rated . . . . .	1,365	4,868,750	3,319,134	.56		21.8
Jumbo + non-jumbo, rated. .	1,372	6,470,310	4,491,785	.57	101.6	21.2
8-8-13 Week Plan						
Non-jumbo, non-rated. . . . .	1,963	10,250,130	6,000,577	.48		23.0
Jumbo + non-jumbo, non- rated . . . . .	1,984	15,691,210	9,423,607	.50	105.3	20.5
Non-jumbo, rated . . . . .	529	3,103,760	2,156,853	.56		23.4
Jumbo + non-jumbo, rated. .	539	5,317,300	3,417,737	.55	99.0	17.4
1-8-26 Week Plan						
Non-jumbo, non-rated. . . . .	176	905,380	628,670	.59		17.0
Jumbo + non-jumbo, non- rated . . . . .	177	1,163,790	848,042	.64	102.5	14.7
Non-jumbo, rated . . . . .	46	198,400	173,154	.74		17.2
Jumbo + non-jumbo, rated. .	46†	198,400	173,154	.74	100.0	17.2

TABLE III—Continued

	Number of Groups Insured	"Actual" Weekly Indemnity Exposed	Claims	Annual Claim Cost Per \$1 of Male* Exposure	Ratio**	Estimated % Exposure on Females
8-8-26 Week Plan						
Non-jumbo, non-rated. . . . .	258	1,446,660	992,140	.59		16.1
Jumbo + non-jumbo, non-rated . . . . .	266	3,111,390	2,218,109	.61	105.4	17.0
Non-jumbo, rated . . . . .	66	569,800	515,032	.79		14.9
Jumbo + non-jumbo, rated. . . . .	70	1,301,240	1,239,694	.86	105.5	11.0
All Plans						
Non-jumbo, non-rated. . . . .	10,008	36,201,920	21,901,251			20.5
Jumbo + non-jumbo, non-rated . . . . .	10,053	46,212,790	28,315,340		102.1	19.5
Non-jumbo, rated . . . . .	2,465	10,068,220	7,145,771			20.9
Jumbo + non-jumbo, rated. . . . .	2,488	14,946,720	10,593,035		101.2	18.3

\* Exposure on females has been doubled to approximate an equivalent male exposure.

\*\* Ratio of jumbo plus non-jumbo actual claims to expected claims obtained from the corresponding non-jumbo experience, using crude claim costs of the various % female groupings.

† There were no jumbo groups included in this experience.

#### EMPLOYEE HOSPITAL EXPENSE INSURANCE

Experience under one additional plan is included in this report. This plan provides a specified daily benefit for each day of hospital confinement up to a maximum of 31 days for all non-maternity confinements as a result of any one disability and up to a maximum of 14 days for all maternity confinements due to any one pregnancy. Reimbursement in connection with maternity and non-maternity claims is also provided for all charges other than for room and board made by the hospital up to a maximum of 10 times the daily benefit.

The comparison with last year's experience shows a slight increase in claim cost for the non-rated, non-jumbo experience on the 31 day plan while the reverse is true for the 70 day plan.

1948 POLICY YEAR EXPERIENCE  
 TABLE IV  
 Employee Group Hospital Expense Insurance  
 Non-Rated Industries, Non-Jumbo Size

Female Percent	Miscellaneous Benefit 5 Times Daily Benefit Maternity Benefit 14 Days plus 5 Times Daily Benefit									
	31 Days					70 Days				
	Fixed Benefit									
	Number of Groups Insured	"Actual" Daily Benefit Exposed	Claims	Annual Claim Cost Per \$1 of Actual Exposure	Annual Claim Cost Per \$1 of Male* Exposure	Number of Groups Insured	"Actual" Daily Benefit Exposed	Claims	Annual Claim Cost Per \$1 of Actual Exposure	Annual Claim Cost Per \$1 of Male* Exposure
<11%	1,623	1,211,962	1,050,476	.87	.81	315	333,677	332,317	1.00	.94
11-21	1,136	981,131	937,167	.96	.83	252	345,670	351,134	1.02	.88
21-31	695	717,431	776,808	1.08	.87	140	122,467	133,184	1.09	.87
31-41	508	487,544	533,394	1.09	.81	85	97,490	104,706	1.07	.80
41-51	363	310,509	364,608	1.17	.81	65	88,284	111,236	1.26	.87
51-61	280	278,102	332,363	1.20	.77	54	63,525	79,499	1.25	.81
61-71	213	205,835	255,002	1.24	.75	44	37,128	51,480	1.39	.84
71-81	163	143,118	189,002	1.32	.75	29	43,773	64,614	1.48	.84
81-91	143	92,082	123,114	1.34	.72	17	10,906	19,775	1.81	.98
91-100	44	30,271	47,268	1.56	.80	6	2,244	3,038	1.35	.69
Total....	5,167	4,457,685	4,609,202	1.03	.81	1,007	1,145,164	1,250,983	1.09	.88

31 Days—Fixed Benefit  
 Miscellaneous Benefit 10 Times Daily Benefit  
 Maternity Benefit 14 Days Plus 10 Times Daily Benefit

Female Percent	Number of Groups Insured	"Actual" Daily Benefit Exposed	Claims	Annual Claim Cost Per \$1 of Actual Exposure	Annual Claim Cost Per \$1 of Male* Exposure
<11%	604	532,968	577,566	1.04	.98
11-21	326	341,942	399,461	1.17	1.02
21-31	198	227,813	266,542	1.17	.94
31-41	131	171,978	219,666	1.28	.95
41-51	92	105,242	146,260	1.39	.96
51-61	54	65,633	98,738	1.50	.97
61-71	30	31,642	43,628	1.38	.84
71-81	35	21,247	35,584	1.67	.96
81-91	13	15,731	23,946	1.52	.82
91-100	6	1,577	2,998	1.90	.97
Total.....	1,489	1,535,773	1,814,889	1.18	.97

\* Exposure on females has been doubled to approximate an equivalent male exposure.



## 1948 POLICY YEAR EXPERIENCE

## TABLE V

*Employee Group Hospital Expense Insurance*

Plan Fixed Benefit	Non-Jumbo Rated Industries			Non-Jumbo Non-Rated Industries
	Number of Groups Insured	"Actual" Daily Benefit Exposed	Ratio of Actual Claims to Expected Claims*	Ratio of Current Actual Claims to Current Expected Claims Based on Crude Claim Costs (by Female % Groups) of the Previous Investigation
31½ days, 5× miscellaneous—maternity benefit 14 days plus 5×	1,211	1,300,184	99.9%	101.9%
31 days, 10× miscellaneous—maternity benefit 14 days plus 10×	261	281,682	98.8%	
70 days, 5× miscellaneous—maternity benefit 14 days plus 5×	171	208,897	99.9%	96.9%
All plans .....	1,643	1,790,763	99.7%	100.8%

\* Expected claims obtained by totaling the results of applying the crude claim costs of the various female % groupings for the non-rated industries to the exposures of the rated industries.

## 1948 POLICY YEAR EXPERIENCE

TABLE VI

*Employee Group Hospital Expense Insurance*

	Number of Groups Insured	"Actual" Daily Benefit Exposed	Claims	Annual Claim Cost Per \$1 of Male* Exposure	Ratio**	Esti- mated % Exposure on Females
31 Days, 5× Misc.—Maternity 14 Days + 5×						
Non-jumbo, non-rated. . . . .	5,167	4,457,685	4,609,202	.81		27.3
Jumbo plus non-jumbo, non- rated. . . . .	5,196	5,497,945	5,635,547	.81	99.9	25.8
Non-jumbo, rated. . . . .	1,211	1,300,184	1,330,860	.81		26.2
Jumbo plus non-jumbo, rated. . . . .	1,219	1,987,052	2,042,817	.84	103.5	22.5
31 Days, 10× Misc.—Maternity 14 Days + 10×						
Non-jumbo, non-rated. . . . .	1,489	1,535,773	1,814,389	.97		22.1
Jumbo plus non-jumbo, non- rated. . . . .	1,498	1,899,940	2,179,233	.95	97.7	20.9
Non-jumbo, rated. . . . .	261	281,682	330,122	.96		22.4
Jumbo plus non-jumbo, rated. . . . .	262	340,597	405,378	.99	103.4	19.6
70 Days, 5× Misc.—Maternity 14 Days + 5×						
Non-jumbo, non-rated. . . . .	1,007	1,145,164	1,250,983	.88		24.6
Jumbo plus non-jumbo, non- rated. . . . .	1,012	1,313,841	1,433,775	.88	100.1	24.3
Non-jumbo, rated. . . . .	171	208,897	222,777	.88		20.8
Jumbo plus non-jumbo, rated. . . . .	172	261,227	263,107	.85	97.0	17.9
All Plans						
Non-jumbo, non-rated. . . . .	7,663	7,138,622	7,674,574			25.7
Jumbo plus non-jumbo, non- rated. . . . .	7,706	8,711,726	9,248,555		99.4	24.5
Non-jumbo, rated. . . . .	1,643	1,790,763	1,883,759			25.0
Jumbo plus non-jumbo, rated. . . . .	1,653	2,588,876	2,711,302		102.9	21.6

\* Exposure on females has been doubled to approximate an equivalent male exposure.

\*\* Ratio of jumbo plus non-jumbo actual claims to expected claims obtained from the corresponding non-jumbo experience, using crude claim costs of the various % female groupings.

## EMPLOYEE SURGICAL EXPENSE INSURANCE

This study again includes only the experience of surgical schedules providing benefits essentially the same as those appearing in Appendix B

"Schedule of Surgical Operations" of Mr. Fitzhugh's paper in R.A.I.A. XXIX.

A least square line was fitted to the crude claim costs weighted by the exposure for each female percentage grouping, and this indicated that the female claim cost was about  $2\frac{2}{3}$  times the male claim cost. Consequently, a table is also included to indicate the claim costs based on this loading factor.

The comparison with last year's experience shows that the claim cost has increased.

1948 POLICY YEAR EXPERIENCE  
TABLE VII  
*Employee Group Surgical Expense Insurance*  
All Industries Non-Jumbo Size

Female Percent	Number of Groups Insured	"Actual" Maximum Indemnity Exposed Per \$150	Claims	Annual Claim Cost Per \$150 of Actual Exposure	Annual Claim Cost Per \$150 of Male* Exposure
<11%	3,330	655,669	1,746,684	2.66	2.50
11-21	2,154	478,026	1,467,351	3.07	2.67
21-31	1,308	347,083	1,201,355	3.46	2.77
31-41	1,012	282,833	1,075,469	3.80	2.82
41-51	693	161,646	706,424	4.37	3.01
51-61	500	152,682	691,015	4.53	2.92
61-71	387	74,886	379,109	5.06	3.07
71-81	286	53,681	294,357	5.48	3.13
81-91	197	33,250	198,321	5.96	3.22
91-100	81	9,812	60,275	6.14	3.15
Total	9,948	2,249,568	7,820,360	3.48	2.76

\* Exposure on females has been doubled to approximate an equivalent male exposure.

## 1948 POLICY YEAR EXPERIENCE

## TABLE VIII

*Employee Group Surgical Expense Insurance*

## All Industries Non-Jumbo Size

Female Percent	Number of Groups Insured	"Actual" Maximum Indemnity Exposed Per \$150	Claims	Annual Claim Cost Per \$150 of Actual Exposure	Annual Claim Cost Per \$150 of Male* Exposure
<11%	3,330	655,669	1,746,684	2.66	2.40
11-21	2,154	478,026	1,467,351	3.07	2.46
21-31	1,308	347,083	1,201,355	3.46	2.44
31-41	1,012	282,833	1,075,469	3.80	2.40
41-51	693	161,646	706,424	4.37	2.50
51-61	500	152,682	691,015	4.53	2.36
61-71	387	74,886	379,109	5.06	2.43
71-81	286	53,681	294,357	5.48	2.44
81-91	197	33,250	198,321	5.96	2.47
91-100	81	9,812	60,275	6.14	2.38
Total .....	9,948	2,249,568	7,820,360	3.48	2.43

\* Exposure on females has been multiplied by  $2\frac{1}{4}$  to approximate an equivalent male exposure.

## TABLE IX

*Employee Group Surgical Expense Insurance*

## All Industries Non-Jumbo Size

Ratio of Current Actual Claims to Current Expected Claims Based on Crude Claim Costs (by Female % Groups) of the Previous Investigation
105.1%

## 1948 POLICY YEAR EXPERIENCE

TABLE X

*Employee Group Surgical Expense Insurance*

## All Industries

	Number of Groups Insured	"Actual" Maximum Indemnity Exposed Per \$150	Claims	Annual Claim Cost Per \$150 of Male* Exposure	Ratio**	Effective % Female Exposure
Non-Jumbo.....	9948	2,249,568	7,820,360	2.43		25.9
Jumbo Plus Non-Jumbo.....	9988	2,749,519	9,622,896	2.48	102.0	24.8

\* Exposure on females has been multiplied by  $2\frac{2}{3}$  to approximate an equivalent male exposure.

\*\* Ratio of jumbo plus non-jumbo actual claims to expected claims obtained from the corresponding non-jumbo experience, using crude claim costs of the various % female groupings.

## DEPENDENT HOSPITAL EXPENSE INSURANCE

Two new plans have been included in this report and one plan has been deleted which was included in the previous report. The two plans which have been added are:

1. A plan providing reimbursement of the amount of room and board charges made by the hospital up to a maximum daily benefit for each day of confinement, subject to an overall limit of 31 times the daily benefit for all non-maternity confinements during any one disability. Reimbursement is also provided for non-maternity confinements for all charges other than for room and board up to a maximum of 10 times the daily benefit. No benefits are provided for maternity confinements.
2. A plan providing reimbursement of the amount of room and board charges made by the hospital up to a maximum daily benefit for each day of confinement, subject to an overall limit of 31 days for all non-maternity confinements resulting from any one disability and a reimbursement for all hospital charges up to a maximum of 10 times the daily benefit for all maternity confinements due to any one pregnancy. This plan provides immediate maternity coverages for additional entrants. In addition, reimbursement is provided for non-maternity confinements for all hospital charges, other than for room and board, up to a maximum of 5 times the daily benefit.

In general, the comparison with last year's experience shows that the claim costs have increased.

1948 POLICY YEAR EXPERIENCE  
TABLE XI  
*Dependents Group Hospital Expense Insurance*  
All Industries, Non-Jumbo Size

Maternity Benefit	Maternity Waiting Period	Miscellaneous Benefits (For Other Than Maternity Confinements)	31 Day Plans				70 Day Plans			
			Reimbursement							
			Number of Groups Insured	Daily Benefit Exposed*	Claims	Annual Claim Cost Per \$1 of Exposure	Number of Groups Insured	Daily Benefit Exposed*	Claims	Annual Claim Cost Per \$1 of Exposure
None		5 Times Daily Benefit	358	222,770	403,453	1.81	91	45,441	84,413	1.86
		10 Times Daily Benefit	97	120,791	275,628	2.28				
10 Times Daily Benefit	None	5 Times Daily Benefit	138	82,406	214,682	2.61				
	9 Months	5 Times Daily Benefit	1,782	844,937	2,004,388	2.37	131	82,325	222,441	2.70
		10 Times Daily Benefit	504	358,166	990,725	2.77	77	57,570	170,116	2.95
Fixed Benefit										
10 Times Daily Benefit	9 Months	5 Times Daily Benefit	188	157,034	394,129	2.51				

\* Each family unit is counted once regardless of the number of dependents in that unit.

1948 POLICY YEAR EXPERIENCE  
 TABLE XII  
*Dependents Group Hospital Expense Insurance*  
 All Industries—Non-Jumbo Size

Plan	Maternity Benefit	Maternity Waiting Period	Miscellaneous Benefit (for other than maternity confinements)	Ratio of Current Actual Claims to Current Expected Claims Based on Claim Cost of the Previous Investigation
Reimbursement				
31 Day Plans	None	—	5 Times 10 Times	100.6% —
	10 Times	None	5 Times	—
	10 Times	9 Months	5 Times 10 Times	102.3 107.2
70 Day Plans	None	—	5 Times	86.4
	10 Times	9 Months	5 Times 10 Times	100.8 100.5
All Plans (Reimbursement).....				102.7
Fixed Benefit				
31 Day	10 Times	9 Months	5 Times	110.1
All Plans (Reimbursement and Fixed Benefit).....				103.4

1948 POLICY YEAR EXPERIENCE  
 TABLE XIII  
*Dependents Group Hospital Expense Insurance*  
 All Industries

	Number of Groups Exposed	Daily Benefit Exposed*	Claims	Annual Claim Cost Per \$1 Exposure	Ratio**
31 Days Reimbursement, 5× Miscellaneous—No Maternity					
Non-Jumbo .....	356	222,770	403,453	1.81	
Jumbo Plus Non-Jumbo .....	358	293,091	546,440	1.86	102.9
31 Days Reimbursement, 10× Miscellaneous—No Maternity					
Non-Jumbo .....	97	120,791	275,628	2.28	
Jumbo Plus Non-Jumbo .....	98	220,761	454,318	2.06	90.2
31 Days Reimbursement, 5× Miscellaneous—Maternity 10×, No Waiting Period					
Non-Jumbo .....	138	82,406	214,682	2.61	
Jumbo Plus Non-Jumbo .....	139	141,239	386,641	2.74	105.1
31 Days Reimbursement, 5× Miscellaneous—Maternity 10×, 9 Months Waiting Period					
Non-Jumbo .....	1,782	844,937	2,004,388	2.37	
Jumbo Plus Non-Jumbo .....	1,789	1,044,218	2,580,963	2.47	104.2
31 Days Reimbursement, 10× Miscellaneous—Maternity 10×, 9 Months Waiting Period					
Non-Jumbo .....	504	358,166	990,725	2.77	
Jumbo Plus Non-Jumbo .....	507	423,217	1,171,470	2.77	100.1
31 Days Fixed Benefit, 5× Miscellaneous—Maternity 10×, 9 Months Waiting Period					
Non-Jumbo .....	188	157,034	394,129	2.51	
Jumbo Plus Non-Jumbo .....	193	196,613	473,410	2.41	95.9
70 Days Reimbursement, 5× Miscellaneous—No Maternity					
Non-Jumbo .....	91	45,441	84,413	1.86	
Jumbo Plus Non-Jumbo .....	91†	45,441	84,413	1.86	100.0
70 Days Reimbursement, 5× Miscellaneous—Maternity 10×, 9 Months Waiting Period					
Non-Jumbo .....	131	82,325	222,441	2.70	
Jumbo Plus Non-Jumbo .....	131†	82,325	222,441	2.70	100.0



TABLE XIII—(Continued)

	Number of Groups Exposed	Daily Benefit Exposed*	Claims	Annual Claim Cost Per \$1 Exposure	Ratio**
70 Days Reimbursement, 10× Miscellaneous—Maternity 10×, 9 Months Waiting Period					
Non-Jumbo .....	77	57,570	170,116	2.95	
Jumbo Plus Non-Jumbo.....	79	161,565	501,674	3.11	105.1
All Plans—Reimbursement Plus Fixed Benefit					
Non-Jumbo .....	3,364	1,971,440	4,759,975		
Jumbo Plus Non-Jumbo.....	3,385	2,608,470	6,421,770		101.5
All Plans—Reimbursement					
Non-Jumbo .....	3,176	1,814,406	4,365,846		
Jumbo Plus Non-Jumbo.....	3,192	2,411,857	5,948,360		102.0

\* Each family unit is counted once regardless of the number of dependents in that unit.

\*\* Ratio of jumbo plus non-jumbo actual claims to expected claims obtained using crude claim costs from the corresponding non-jumbo experience.

† There were no jumbo groups included in this experience.

#### DEPENDENT SURGICAL EXPENSE INSURANCE

The experience studied for dependents was that under the surgical schedule referred to above for employees.

The comparison with last year's experience shows that the claim costs have increased.

## 1948 POLICY YEAR EXPERIENCE

## TABLE XIV

*Dependents Group Surgical Expense Insurance*

## All Industries, Non-Jumbo Size

Number of Groups Insured	Maximum Indemnity Exposed Per \$150*	Claims	Annual Claim Cost Per \$150 of Exposure
No Obstetrical Benefits			
759	103,503	829,465	8.01
With Obstetrical Benefits 9 Months Waiting Period			
1,232	161,563	1,846,883	11.43

\* Each family unit is counted once regardless of the number of dependents in that unit.

## 1948 POLICY YEAR EXPERIENCE

## TABLE XV

*Dependents Group Surgical Expense Insurance*

## All Industries Non-Jumbo Size

	Ratio of Current Actual Claims to Current Expected Claims Based on the Claim Cost of the Previous Investigation
No obstetrical benefits .....	104.1%
With obstetrical benefits, 9 mos. waiting period.....	102.8%
All plans.....	103.2%

1948 POLICY YEAR EXPERIENCE  
 TABLE XVI  
*Dependents Group Surgical Expense Insurance*  
 All Industries

	Number of Groups Insured	Maximum Indemnity Exposed Per \$150*	Claims	Annual Claim Cost Per \$150 of Exposure	Ratio**
Without Obstetrical Benefits					
Non-Jumbo .....	759	103,503	829,465	8.01	
Jumbo Plus Non-Jumbo.....	765	145,814	1,166,551	8.00	99.8
With Obstetrical Benefits 9 Months Waiting Period					
Non-Jumbo .....	1,232	161,563	1,846,883	11.43	
Jumbo Plus Non-Jumbo .....	1,237	186,168	2,169,873	11.66	102.0
All Plans					
Non-Jumbo .....	1,991	265,066	2,676,348		
Jumbo Plus Non-Jumbo.....	2,002	331,982	3,336,424		101.2

\* Each family unit is counted once regardless of the number of dependents in that unit.

\*\* Ratio of jumbo plus non-jumbo actual claims to expected claims obtained using claim costs from the corresponding non-jumbo experience.

The following companies have contributed experience for the investigation covered by this section:

Aetna Life Insurance Company  
 Connecticut General Life Insurance Company  
 Equitable Life Assurance Society  
 John Hancock Mutual Life Insurance Company  
 Metropolitan Life Insurance Company  
 Prudential Insurance Company of America  
 Travelers Insurance Company