

**TRANSACTIONS OF SOCIETY OF ACTUARIES  
1966 REPORTS**

**II. GROUP COMPREHENSIVE MEDICAL  
EXPENSE BENEFITS INSURANCE**

**T**HIS is the fourth annual report on the study of the morbidity experience of Group Comprehensive Medical Expense insurance. Rules similar to those applicable to the group hospital and surgical studies were used to select the groups whose experience would be included in the report. In addition, groups which the contributing companies individually classify as substandard and groups with eligibility limited to only high-salaried employees are excluded from the study.

The tables in this report show the experience for all exposure-size groups combined or for nonjumbo groups only. Nonjumbo groups are those with less than 5,000 insured employees. These size groups are shown in order to minimize the effect that jumbo groups might have upon the ratio of actual to tabular claims in any of the groupings shown. This report contains experience for policy years ending in 1960, 1961, 1962, 1963, 1964, and 1965. The central period of exposure for each policy year is approximately January 1 of that year. Tables in this report show claims to the nearest \$1,000.

*Ratios of Actual to Tabular Claims*

The results are presented in the form of ratios of actual to tabular claims. Nonmaternity tabular claims are based on the nonmaternity tabular factors presented in the Pettengill-Burton paper "Development of Expected Claim Costs for Comprehensive Medical Expense Benefits and Ratios of 1959 and 1960 Actual Experience Thereto" (*TSA*, Vol. XV), while maternity tabular claims are based on the maternity tabular factors set forth in Table 1 of Mr. Hoffman's discussion of that paper. These tabular factors are known as the 1960 Tabular. The Committee suggests that those interested in the level and development of the tabular should refer to the paper and the discussions of the paper.

Although the 1960 Tabular reflects many factors which influence the cost of Comprehensive Medical Expense Benefits, there are a number of factors for which no adjustment is made. Among these are "all cause" versus "each illness" deductibles, maximum benefit provided, income distribution of the employee group, restrictions on the period of time during which the deductible must be accumulated, and restrictions in connection with the amount of payment for treatment of mental and nervous conditions. This report contains experience tabulated for cases

grouped according to these factors, except that experience grouped according to the period of time during which the deductible must be accumulated is not shown since the results were irregular and did not appear to show any consistent relationship between the various accumulation periods. The distribution of the combined 1963-65 employee years of exposure for nonjumbo groups, "all cause" plans, according to the deductible accumulation period is as follows:

Deductible Accumulation Period	Per Cent of Exposure
30-59 days . . . . .	1%
60-89 days . . . . .	10
90-119 days . . . . .	11
120 or more days, but less than entire benefit period . . . . .	12
Entire benefit period . . . . .	66

The Committee wishes to point out that the tabular claim basis was developed using only a limited amount of data under Group Comprehensive Medical Expense plans. Because of the large number of variables affecting the claim level under these plans, actual claims often differ considerably from the tabular claims calculated for a group, particularly for groups of small or modest size. In light of the foregoing, caution should be used when interpreting the data contained in this report. Caution should also be exercised since the tabular is based on experience for the years 1959-60, with no adjustments for the increased cost prevailing for the years studied in this report.

#### *Contributing Companies*

Ten companies have contributed to the investigation covered in this report. The results are the composite experience of variations in company practice, in underlying administration and claim procedures as well as variations in experience among groups.

Aetna Life Insurance Company  
 Connecticut General Life Insurance Company  
 Continental Assurance Company  
 Equitable Life Assurance Society  
 John Hancock Mutual Life Insurance Company  
 Metropolitan Life Insurance Company  
 New York Life Insurance Company  
 Occidental Life Insurance Company of California  
 Prudential Insurance Company of America  
 The Travelers Insurance Company

*Analysis of Experience*

Table 1 shows combined 1963-65 nonmaternity experience for all size groups. Table 2 contains nonmaternity ratios of actual to tabular by year of experience for nonjumbo groups only. The remaining tables are based upon the combined 1963-65 experience under "all cause" plans covering nonjumbo groups.

Table 1 summarizes the nonmaternity experience for broad groups of plans. Since the 1960 Tabular was designed to measure claim costs for "all cause" plans, the experience is shown separately for these plans and for "each illness" plans with a further separation of the latter group for plans requiring total disability. The ratio of actual to tabular claims for plans without full reimbursement of hospital expenses and no waiver of deductible for any type of expense is higher than for any other "all cause" plan. This variation, which is contrary to expectations, may be the result of the tendency on the part of employers with poor experience to reduce benefits by eliminating any 100 per cent reimbursement feature and any waiver of the deductible for hospital or surgical expenses.

A summary of the experience in Table 1 with a \$5,000 or \$10,000 maximum benefit is shown in Table 1A. This table was prepared to determine whether some of the variations by plan indicated in Table 1 might be caused by disproportionate amounts of experience on plans with high maximum benefits, for which no tabular adjustment is made. The results indicate that similar patterns of A/T ratios by plan exist for both \$5,000 and \$10,000 maximum benefits and that no such disproportionate variation occurs.

Table 1 also measures the difference in the level of cost between "each illness" plans and "all cause" plans. The results appear to indicate that there may be a modest difference between the cost of an "all cause" plan and an "each illness" plan, particularly for "each illness" plans which include a total disability requirement.

Table 2 summarizes the ratios of actual to tabular for years 1960 through 1965 and indicates the trend of experience. Employee and dependent experience shows an increase in claim costs by year of experience, with a modest increase for all plans during 1965. The amount of exposure, which had been increasing with each year of the study prior to 1964, showed no significant increase during 1964 or 1965, and this may have had a significant effect on the trend table.

Table 3 contains the nonmaternity and maternity experience by average age factor subdivided into two broad classes of female percentage. The average age factor is a measure of the age distribution of the employees and increases as the ages of the employees increase. The ratios of actual to

**TABLE 1**  
**COMPREHENSIVE MEDICAL**  
**ALL SIZE GROUPS**  
**NONMATERNITY EXPERIENCE BY PLAN**  
**COMBINED 1963-65 POLICY YEARS' EXPERIENCE**

Plan	Number of Experience Units	Employee Years of Exposure*	Actual Claims (000)	Ratio Actual to 1960 Tabular
<b>Employee</b>				
All-Cause plans:				
Without full reimbursement of hospital expenses:				
Deductible applied to all expenses.....	1,192	182,550	10,308	129%
Deductible waived for hospital expenses..	126	34,199	1,649	118
Deductible waived for hospital and surgical expenses.....	102	21,794	1,216	124
Total.....	1,420	238,543	13,173	127%
With full reimbursement of hospital expenses:				
Deductible applied to all expenses.....	362	144,262	7,295	113%
Deductible waived for hospital expenses..	1,852	252,527	15,383	120
Deductible waived for hospital and surgical expenses.....	783	104,604	6,357	120
Total.....	2,997	501,393	29,035	118%
Total, All-Cause plans.....	4,417	739,936	42,209	121%
Total, Each-Illness plans, total disability not required.....	671	101,884	5,861	120%†
Total, Each-Illness plans, total disability required.....	253	35,542	1,569	100%†
<b>Dependent</b>				
All-Cause plans:				
Without full reimbursement of hospital expenses:				
Deductible applied to all expenses.....	1,177	115,764	11,622	133%
Deductible waived for hospital expenses..	130	26,118	2,366	121
Deductible waived for hospital and surgical expenses.....	87	12,622	1,288	126
Total.....	1,394	154,504	15,276	130%
With full reimbursement of hospital expenses:				
Deductible applied to all expenses.....	362	101,225	9,902	123%
Deductible waived for hospital expenses..	1,825	172,280	18,066	117
Deductible waived for hospital and surgical expenses.....	739	66,629	7,555	125
Total.....	2,926	340,134	35,523	120%
Total, All-Cause plans.....	4,320	494,638	50,800	123%
Total, Each-Illness plans, total disability not required.....	627	64,024	6,345	118%†
Total, Each-Illness plans, total disability required.....	247	23,384	1,869	102%†

\* For dependents, exposure of employees insured with respect to their dependents.

† Tabular nonmaternity claims based on All-Cause tabular.

TABLE 1A  
 COMPREHENSIVE MEDICAL  
 ALL SIZE GROUPS  
 NONMATERNITY EXPERIENCE BY PLAN  
 COMBINED 1963-65 POLICY YEARS' EXPERIENCE

PLAN	\$5,000 MAXIMUM BENEFIT		\$10,000 MAXIMUM BENEFIT	
	Actual Claims (000)	Ratio Actual to 1960 Tabular*	Actual Claims (000)	Ratio Actual to 1960 Tabular*
Employee				
All-Cause plans:				
Without full reimbursement of hospital expenses:				
Deductible applied to all expenses . . . . .	1,924	125%	6,311	130%
Deductible waived for hospital expenses . . .	121	115	1,393	116
Deductible waived for hospital and surgical expenses . . . . .	142	100	738	111
Total . . . . .	2,187	122%	8,442	126%
With full reimbursement of hospital expenses:				
Deductible applied to all expenses . . . . .	838	117%	4,896	110%
Deductible waived for hospital expenses . . .	2,573	114	10,713	121
Deductible waived for hospital and surgical expenses . . . . .	1,774	114	3,928	123
Total . . . . .	5,185	114%	19,537	118%
Total, All-Cause plans . . . . .	7,372	117%	27,979	120%
Total, Each-Illness plans, total disability not required . . . . .	1,269	98%†	3,478	132%†
Total, Each-Illness plans, total disability required	866	95%†	644	106%†
Dependent				
All-Cause plans:				
Without full reimbursement of hospital expenses:				
Deductible applied to all expenses . . . . .	2,271	131%	6,590	130%
Deductible waived for hospital expenses . . .	121	135	2,101	121
Deductible waived for hospital and surgical expenses . . . . .	141	123	846	124
Total . . . . .	2,533	130%	9,537	127%
With full reimbursement of hospital expenses:				
Deductible applied to all expenses . . . . .	1,077	131%	6,814	122%
Deductible waived for hospital expenses . . .	3,012	111	12,285	117
Deductible waived for hospital and surgical expenses . . . . .	2,087	117	4,630	129
Total . . . . .	6,176	116%	23,729	121%
Total, All-Cause plans . . . . .	8,709	120%	33,266	123%
Total, Each-Illness plans, total disability not required . . . . .	1,407	104%†	2,996	121%†
Total, Each-Illness plans, total disability required	1,058	102%†	741	99%†

\* Tabular claims do not vary by maximum benefits.  
 † Tabular nonmaternity claims based on All Cause tabular.

TABLE 2  
 COMPREHENSIVE MEDICAL  
 NONJUMBO GROUPS  
 RATIOS OF ACTUAL TO TABULAR NONMATERNITY CLAIMS  
 1960-65 POLICY YEARS' EXPERIENCE, BY PLAN

PLAN	RATIO OF ACTUAL TO 1960 TABULAR					
	1960	1961	1962	1963	1964	1965
Employee						
All-Cause plans: Without full reimbursement of hospital expenses . . . . .	107%	108%	109%	114%	129%	132%
With full reimbursement of hospital expenses . . . . .	102	105	107	110	121	128
Total, All-Cause plans . . . . .	102%	106%	108%	111%	123%	129%
Total, Each-Illness plans, total disability not required . . . . .	110%*	98%*	101%*	103%*	122%*	131%*
Total, Each-Illness plans, total disability required . . . . .	75%*	81%*	106%*	98%*	98%*	105%*
Dependent						
All-Cause plans: Without full reimbursement of hospital expenses . . . . .	102%	107%	111%	115%	127%	136%
With full reimbursement of hospital expenses . . . . .	100	106	108	114	121	130
Total, All-Cause plans . . . . .	100%	106%	109%	114%	122%	132%
Total, Each-Illness plans, total disability not required . . . . .	94%*	96%*	109%*	105%*	118%*	128%*
Total, Each-Illness plans, total disability required . . . . .	82%*	83%*	100%*	95%*	108%*	104%*

\* Tabular nonmaternity claims based on All-Cause tabular.

**TABLE 3**  
**COMPREHENSIVE MEDICAL**  
**NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY**  
**NONMATERNITY AND MATERNITY EXPERIENCE BY AGE AND FEMALE PER CENT**  
**COMBINED 1963-65 POLICY YEARS' EXPERIENCE**

AVERAGE AGE FACTOR AND FEMALE PER CENT	NONMATERNITY EXPERIENCE				MATERNITY EXPERIENCE	
	Number of Experience Units	Employee Years of Exposure	Actual Claims (000)	Ratio of Actual to 1960 Tabular	Actual Claims (000)	Ratio of Actual to 1960 Tabular
	Employee					
60-79:						
<31%.....	175	17,854	769	128%	31	91%*
31% or more....	68	9,892	402	111	25	77*
Total.....	243	27,746	1,171	122%	56	84%
80-89:						
<31%.....	341	31,343	1,406	123%	30	85%*
31% or more....	171	20,121	1,143	133	58	84
Total.....	512	51,464	2,549	127%	88	84%
90-99:						
<31%.....	587	83,863	4,157	116%	70	89%
31% or more....	251	41,841	2,572	132	61	60
Total.....	838	125,704	6,729	122%	131	72%
100-109:						
<31%.....	610	101,881	5,299	120%	112	108%
31% or more....	267	40,690	2,490	119	106	71
Total.....	877	142,571	7,789	120%	218	86%
110-119:						
<31%.....	522	103,148	6,390	124%	76	91%
31% or more....	267	63,833	4,160	119	110	81
Total.....	789	166,981	10,550	122%	186	85%
120 or more:						
<31%.....	771	88,227	5,912	118%	40	88%*
31% or more....	377	39,206	2,828	118	58	64
Total.....	1,148	127,433	8,740	118%	98	72%
All ages:						
<31%.....	3,006	426,316	23,933	120%	359	94%
31% or more....	1,401	215,583	13,595	122	418	72
Total.....	4,407	641,899	37,528	121%	777	81%

\* Less than \$50,000 of tabular claims.

TABLE 3—Continued

AVERAGE AGE FACTOR AND FEMALE PER CENT	NONMATERNITY EXPERIENCE				MATERNITY EXPERIENCE	
	Number of Experience Units	Employee Years of Exposure†	Actual Claims (000)	Ratio of Actual to 1960 Tabular	Actual Claims (000)	Ratio of Actual to 1960 Tabular
	Dependent					
60-79:						
<31%.....	167	11,859	1,168	137%	281	111%
31% or more....	68	4,892	419	119	101	85
Total.....	235	16,751	1,587	132%	382	103%
80-89:						
<31%.....	335	22,818	2,304	139%	502	110%
31% or more....	166	11,126	1,014	110	116	66
Total.....	501	33,944	3,318	129%	618	98%
90-99:						
<31%.....	581	60,569	6,268	126%	727	85%
31% or more....	248	21,075	2,188	119	210	77
Total.....	829	81,644	8,456	124%	937	83%
100-109:						
<31%.....	599	78,195	7,893	129%	1,058	87%
31% or more....	260	21,227	2,194	116	247	81
Total.....	859	99,422	10,087	126%	1,305	86%
110-119:						
<31%.....	507	76,730	8,184	122%	817	88%
31% or more....	263	33,913	3,616	114	251	70
Total.....	770	110,643	11,800	119%	1,068	83%
120 or more:						
<31%.....	757	63,797	6,880	117%	541	80%
31% or more....	359	18,400	2,060	113	131	72
Total.....	1,116	82,197	8,940	116%	672	78%
All ages:						
<31%.....	2,946	313,968	32,698	125%	3,926	90%
31% or more....	1,364	110,633	11,492	115	1,056	75
Total.....	4,310	424,601	44,190	122%	4,982	86%

† For dependents, exposure of employees with respect to their dependents.



tabular claims for nonmaternity experience are reasonably consistent and appear to indicate that the 1960 Tabular age scale satisfactorily represents the pattern of claim costs by age. The dependent tabulars are not adjusted for variations in the composition of the dependent unit which can occur as a result of variations in the age and percentage female content of the employees. The dependent unit composition assumed for each dependent unit is 93 per cent with spouse and 73 per cent with child or children. This may account for the dependent ratios, which are relatively high for very young age groups and relatively low for very old age groups, and for the consistently lower dependent ratios of actual to tabular for groups with 31 or more per cent female employees.

The ratios of actual to tabular claims for maternity experience are based upon a tabular which reflects the combined age distribution of all employees, without regard to sex or marital status. The results appear to indicate that the 1960 Tabular maternity age scale represents the pattern of claim costs fairly well by age for groups with less than 31 per cent female employees, but the ratios are somewhat higher for young age groups than old age groups. Ratios of actual to tabular for groups with 31 or more per cent female employees are irregular but substantially lower than for groups with less than 31 per cent female employees. These lower ratios may be a reflection of the differing composition of the dependent units and the use of a combined age distribution of all employees. It should be noted that there has been a substantial decrease in the maternity ratios of actual to tabular claims since the development of the maternity tabular based on the experience for policy years 1959-61, at which time the level of ratios of actual to tabular claims was approximately 100 per cent.

Table 4 contains nonmaternity and maternity experience by female per cent without regard to the age factor. The ratios of actual to tabular claims are reasonably consistent, with due regard for the points discussed in connection with Table 3.

Table 5 shows the nonmaternity experience by percentage of employees earning \$10,000 or more annually for that portion of the experience for which contributing companies were able to submit an income distribution of covered employees. Tabular claims are not adjusted to reflect the increase in claim cost expected on account of high income. Therefore, the ratios of actual to tabular claims shown for the indicated salary groupings may be indicative of the effect of income on claim costs.

Table 5A shows separate experience for the \$5,000 and \$10,000 maximum benefit plans included in Table 5. Both maximum amounts exhibit

TABLE 4  
 COMPREHENSIVE MEDICAL  
 NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY  
 NONMATERNITY AND MATERNITY EXPERIENCE BY FEMALE PER CENT  
 COMBINED 1963-65 POLICY YEARS' EXPERIENCE

FEMALE PER CENT	NONMATERNITY EXPERIENCE				MATERNITY EXPERIENCE	
	Number of Experience Units	Employee Years of Exposure*	Actual Claims (000)	Ratio of Actual to 1960 Tabular	Actual Claims (000)	Ratio of Actual to 1960 Tabular
	Employee					
<11% .....	1,340	185,153	9,980	116%	96	161%
11-21 .....	1,033	146,620	8,527	124	148	90
21-31 .....	633	94,543	5,425	122	115	74
31-41 .....	357	48,726	2,930	121	80	76
41-51 .....	347	62,796	4,418	135	92	71
51-61 .....	309	49,444	2,970	120	129	84
61-71 .....	218	31,882	1,886	112	67	66
71-81 .....	107	13,379	828	111	43	70
81-91 .....	44	5,567	321	99	2	30†
91-100 .....	19	3,789	242	101	6	30†
Total .....	4,407	641,899	37,527	121%	778	81%
	Dependent					
<11% .....	1,303	142,284	14,569	122%	1,674	87%
11-21 .....	1,015	107,744	11,507	128	1,464	95
21-31 .....	628	63,940	6,622	125	789	86
31-41 .....	351	28,278	3,074	122	322	83
41-51 .....	335	33,338	3,798	120	296	82
51-61 .....	304	25,446	2,486	115	254	81
61-71 .....	210	13,931	1,226	99	107	47
71-81 .....	105	5,092	493	108	33	46
81-91 .....	40	2,636	246	100	28	98†
91-100 .....	19	1,912	170	87	16	77†
Total .....	4,310	424,601	44,191	122%	4,983	86%

\* For dependents, exposure of employees insured with respect to their dependents.

† Less than \$50,000 of tabular claims.

a similar trend, with comparable distributions by per cent earning \$10,000 or more annually, of experience for the earning categories shown.

Table 6 presents the combined employee and dependent nonmaternity experience by metropolitan area, state, and region. The 1960 Tabular area factor is also shown in the table in order to facilitate comparisons with actual experience. In assigning metropolitan area codes to the data submitted, contributing companies used state and region codes in those instances where it was not known whether 75 per cent of the covered employees were in a given metropolitan area. Hence, the experience shown for states and regions may include a few cases where a substantial proportion of the employees are actually located in one of the metropolitan areas

TABLE 5  
COMPREHENSIVE MEDICAL  
NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY  
NONMATERNITY EXPERIENCE BY PER CENT OF EMPLOYEES  
EARNING \$10,000 OR MORE ANNUALLY  
COMBINED 1963-65 POLICY YEARS' EXPERIENCE

Per Cent Earning \$10,000 or More Annually	Number of Experience Units	Employee Years of Exposure*	Actual Claims (000)	Ratio of Ac- tual to 1960 Tabular†
Employee				
<11% . . . . .	2,495	392,570	22,853	119%
11-21 . . . . .	837	116,524	6,708	119
21-31 . . . . .	356	46,285	2,869	131
31-41 . . . . .	144	25,510	1,616	135
41-100 . . . . .	100	8,388	520	138
Unknown . . . . .	475	52,622	2,961	121
Total . . . . .	4,407	641,899	37,527	121%
Dependent				
<11% . . . . .	2,437	251,042	25,573	118%
11-21 . . . . .	824	80,700	8,481	125
21-31 . . . . .	352	32,282	3,724	134
31-41 . . . . .	146	18,756	2,001	134
41-100 . . . . .	101	5,865	747	156
Unknown . . . . .	450	35,956	3,665	126
Total . . . . .	4,310	424,601	44,191	122%

\* For dependents, exposure of employees insured with respect to their dependents.

† Tabular claims do not vary by income distribution.

shown in the table. In general, the ratios of actual to tabular claims appear to indicate that the 1960 Tabular area factors adopted are reasonably satisfactory, at least for those metropolitan areas and states with a substantial volume of experience.

Table 7 summarizes the experience in Table 6 for the 15 metropolitan areas and the 18 states for which the largest amount of experience data was submitted. It provides a comparison of the relative level of experience with the previous intercompany area study results published in *TSA*, Volume XIII. The ratio to Los Angeles of 1963-65 experience was obtained by first determining for each area the 1960 Tabular area factor

**TABLE 5A**  
**COMPREHENSIVE MEDICAL**  
**NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY**  
**NONMATERNITY EXPERIENCE BY PER CENT OF EMPLOYEES**  
**EARNING \$10,000 OR MORE ANNUALLY**  
**COMBINED 1963-65 POLICY YEARS' EXPERIENCE**

PER CENT EARNING \$10,000 OR MORE ANNUALLY	\$5,000 MAXIMUM BENEFIT		\$10,000 MAXIMUM BENEFIT	
	Actual Claims (000)	Ratio of Actual to 1960 Tabular	Actual Claims (000)	Ratio of Actual to 1960 Tabular*
	Employee			
<11% .....	4,810	116%	15,233	120%
11-21 .....	1,040	115	4,745	118
21-31 .....	731	126	1,680	132
31-41 .....	82	151	1,002	136
41-100 .....	37	137	470	136
Unknown .....	673	111	1,961	126
Total .....	7,373	117%	25,091	121%
	Dependent			
<11% .....	5,445	116%	16,756	119%
11-21 .....	1,267	122	5,944	124
21-31 .....	1,079	138	2,000	130
31-41 .....	84	116	1,253	136
41-100 .....	57	154	681	157
Unknown .....	776	126	2,444	126
Total .....	8,708	120%	29,078	122%

\* Tabular claims do not vary by income distribution.

TABLE 6

COMPREHENSIVE MEDICAL  
NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY  
NONMATERNITY EXPERIENCE BY REGION, STATE, AND METROPOLITAN AREA  
EMPLOYEE AND DEPENDENT COMBINED 1963-65 POLICY YEARS' EXPERIENCE

Region,* State, † or Metropolitan Area	Number of Expe- rience Units ‡	Years of Exposure ‡	Actual Claims (000)	Ratio of Actual to 1960 Tabular	1960 Tabular Area Factor
<i>Total, all locations</i> .....	4,407	641,899	81,717	121%	.....
Region .....	7	1,358	242	144%	100%
Connecticut .....	10	2,470	306	113%	100%
Bridgeport .....	5	1,037	96	95	100
New Haven .....	11	537	87	139	100
Total .....	26	4,044	489	113%	.....
Maine .....	23	7,420	1,164	137%	92%
Massachusetts .....	35	3,193	377	121%	100%
Boston .....	42	4,812	592	108	108
Springfield-Holyoke .....	.....	.....	.....	.....	100
Total .....	77	8,005	969	113%	.....
New Hampshire .....	9	707	56	74%	92%
Rhode Island .....	.....	.....	.....	.....	108%
Providence .....	§	.....	§	§	108
Vermont .....	10	2,249	211	116%	92%
<i>Region total</i> .....	154	23,933	3,148	121%	.....
Region .....	9	1,266	183	140%	100%
Delaware .....	§	.....	§	§	92%
District of Columbia .....	3	1,456	203	133%	100%
New Jersey .....	38	5,097	566	106%	100%
New York .....	104	8,726	938	124%	92%
Albany-Schenectady-Troy .....	14	3,804	427	95	100
Buffalo .....	§	.....	§	§	100
New York-Northeastern N.J. ....	232	33,141	4,578	124	108
Rochester .....	6	1,397	166	110	100
Syracuse .....	10	6,163	824	114	100
Total .....	372	53,617	6,987	120%	.....
Pennsylvania .....	71	14,954	1,413	98%	92%
Allentown-Bethlehem-Easton .....	.....	.....	.....	.....	92
Philadelphia .....	35	3,819	404	102	100
Pittsburgh .....	5	2,911	492	138	100
Wilkes-Barre-Hazleton .....	§	.....	.....	§	92
Total .....	114	21,789	2,323	105%	.....
<i>Region total</i> .....	537	83,680	10,313	116%	.....

\* Excludes groups coded for a specific state or metropolitan area.

† Excludes groups coded for a specific metropolitan area.

‡ Employee only.

§ Less than \$50,000 of tabular claims and less than ten experience units.

TABLE 6—Continued

Region,* State,† or Metropolitan Area	Number of Experience Units‡	Years of Exposure‡	Actual Claims (000)	Ratio of Actual to 1960 Tabular	1960 Tabular Area Factor
Region . . . . .	22	5,089	564	118%	100%
Illinois . . . . .	178	20,528	2,418	123%	92%
Chicago . . . . .	264	32,714	4,033	124	100
Total . . . . .	442	53,242	6,451	124%	.....
Indiana . . . . .	63	12,878	1,502	128%	84%
Indianapolis . . . . .	32	6,952	883	122	84
Total . . . . .	95	19,830	2,385	126%	.....
Kentucky . . . . .	33	3,719	477	137%	84%
Louisville . . . . .	19	5,040	777	152	92
Total . . . . .	52	8,759	1,254	146%	.....
Michigan . . . . .	73	8,348	1,095	125%	100%
Detroit . . . . .	35	5,035	741	115	116
Total . . . . .	108	13,383	1,836	121%	.....
Ohio . . . . .	62	11,322	1,216	121%	92%
Akron . . . . .	7	997	110	102	108
Cincinnati . . . . .	§	.....	.....	§	100
Cleveland . . . . .	7	2,853	339	105	108
Columbus . . . . .	20	3,068	346	115	100
Dayton . . . . .	5	553	77	120	100
Toledo . . . . .	§	.....	.....	§	100
Youngstown . . . . .	.....	.....	.....	.....	100
Total . . . . .	111	19,514	2,172	116%	.....
West Virginia . . . . .	37	2,683	304	127%	84%
Wheeling (W.Va.)—Steubenville (Ohio) . . . . .	§	.....	.....	§	92
Total . . . . .	39	2,813	313	126%	.....
Wisconsin . . . . .	58	5,395	654	124%	92%
Milwaukee . . . . .	47	4,774	690	129	100
Total . . . . .	105	10,169	1,344	127%	.....
Region total . . . . .	974	132,799	16,319	124%	.....
Region . . . . .	10	1,595	196	115%	100%
Iowa . . . . .	45	7,746	1,157	131%	100%
Kansas . . . . .	18	2,014	273	159%	92%
Minnesota . . . . .	21	3,782	575	140%	92%
Minneapolis—St. Paul . . . . .	47	5,796	811	125	108
Total . . . . .	68	9,578	1,386	130%	.....
Missouri . . . . .	29	2,072	292	132%	92%
Kansas City . . . . .	31	2,550	362	132	100
St. Louis . . . . .	78	6,015	717	122	100
Total . . . . .	138	10,637	1,371	126%	.....

\* Excludes groups coded for a specific state or metropolitan area.

† Excludes groups coded for a specific metropolitan area.

‡ Employee only.

§ Less than \$50,000 of tabular claims and less than ten experience units.

TABLE 6—Continued

Region,* State,† or Metropolitan Area	Number of Experience Units‡	Years of Exposure‡	Actual Claims (000)	Ratio of Actual to 1960 Tabular	1960 Tabular Area Factor
<i>Region—Continued</i>					
Nebraska.....	14	577	61	126%#	92%
Omaha.....	§			§	100
Total.....	19	808	83	118%	
North Dakota.....	16	737	81	104%	92%
South Dakota.....	29	1,674	162	110%	92%
<i>Region total</i> .....	<i>343</i>	<i>34,789</i>	<i>4,710</i>	<i>128%</i>	
Region.....	§			§	100%
Colorado.....	11	2,692	426	154%	100%
Denver.....	24	2,749	343	136	108
Total.....	35	5,441	769	146%	
Idaho.....	46	1,626	215	113%	100%
Montana.....	35	1,708	173	95%	100%
Nevada.....	28	1,601	185	118%	108%
Utah.....	41	3,052	416	135%	92%
Wyoming.....	20	715	107	136%	92%
<i>Region total</i> .....	<i>206</i>	<i>14,238</i>	<i>1,872</i>	<i>129%</i>	
Region.....	9	4,251	583	108%	124%
California.....	215	34,333	4,660	111%	132%
Los Angeles.....	391	43,075	6,135	123	140
San Diego.....	34	3,358	424	128	132
San Francisco—Oakland.....	96	13,813	2,053	126	140
Total.....	736	94,579	13,272	119%	
Oregon.....	30	3,576	431	109%	108%
Portland.....	16	875	115	118	116
Total.....	46	4,451	546	110%	
Washington.....	33	4,116	568	126%	108%
Seattle.....	28	1,331	163	108	116
Total.....	61	5,447	731	122%	
<i>Region total</i> .....	<i>852</i>	<i>108,728</i>	<i>15,134</i>	<i>119%</i>	
Region.....	5	669	67	102%	100%
Arizona.....	102	6,313	1,026	136%	116%
Arkansas.....	44	3,813	378	115%	84%
Louisiana.....	56	6,973	801	112%	100%
New Orleans.....	18	1,464	193	111	108
Total.....	74	8,437	994	112%	
New Mexico.....	42	2,096	278	121%	100%

# Less than \$50,000 of tabular claims.

TABLE 6—Continued

Region*, State, † or Metropolitan Area	Number of Experience Units ‡	Years of Exposure ‡	Actual Claims (000)	Ratio of Actual to 1960 Tabular	1960 Tabular Area Factor
<i>Region—Continued</i>					
Oklahoma.....	32	2,594	375	139%	92%
Texas.....	112	9,482	1,208	124%	108%
Dallas.....	22	940	116	112	124
Fort Worth.....	14	1,438	196	112	124
Houston.....	43	8,692	1,150	87	140
San Antonio.....	17	1,199	125	110	108
Total.....	208	21,751	2,795	104%	.....
<i>Region total</i> .....	507	45,673	5,913	113%	.....
<i>Region</i> .....	14	4,682	513	126%	92%
Alabama.....	44	5,059	787	152%	92%
Birmingham.....	24	1,817	251	137	100
Total.....	68	6,876	1,038	148%	.....
Florida.....	82	8,160	992	133%	92%
Miami.....	42	2,934	415	133	108
Tampa.....	20	2,656	361	120	108
Total.....	144	13,750	1,768	130%	.....
Georgia.....	44	5,246	525	115%	92%
Atlanta.....	33	5,957	562	115	100
Total.....	77	11,203	1,087	115%	.....
Maryland.....	25	3,522	435	133%	84%
Baltimore.....	22	4,856	526	83	92
Total.....	47	8,378	961	100%	.....
Mississippi.....	17	848	123	165%	92%
North Carolina.....	21	2,502	259	126%	84%
South Carolina.....	42	4,104	540	141%	76%
Tennessee.....	35	3,662	469	131%	92%
Knoxville.....	3	890	144	140	100
Memphis.....	32	5,433	721	127	100
Total.....	70	9,985	1,334	130%	.....
Virginia.....	53	6,394	718	130%	84%
Norfolk-Portsmouth.....	11	590	57	97	92
Total.....	64	6,984	775	127%	.....
<i>Region total</i> .....	564	69,312	8,397	126%	.....
Hawaii.....	§	.....	.....	§	100%
Alaska.....	25	1,342	260	137%	132%
<i>Total, States and Regions</i> .....	4,171	514,793	66,125	121%	.....
<i>All other</i>   .....	236	127,106	15,592	123%	100%

\* Excludes groups coded for a specific state or metropolitan area.

† Excludes groups coded for a specific metropolitan area.

‡ Employee only.

§ Less than \$50,000 of tabular claims and less than ten experience units.

|| Less than 75% of employees in one region, state, or metropolitan area.



TABLE 7  
 COMPREHENSIVE MEDICAL  
 NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY  
 NONMATERNITY EXPERIENCE BY STATE AND METROPOLITAN AREA  
 EMPLOYEE AND DEPENDENT COMBINED 1963-65 POLICY YEARS' EXPERIENCE

METROPOLITAN AREA	NUMBER OF EXPERIENCE UNITS*	EMPLOYEE YEARS OF EXPOSURE*	ACTUAL CLAIMS (000)	RATIO OF ACTUAL TO 1960 TABULAR	1960 TABULAR AREA FACTOR	RATIO TO LOS ANGELES		
						1960 Tabular Area Factor	1963-65 Actual Experience	1959 Area Study†
Baltimore, Md.....	22	4,856	526	83%	92%	66%	45%	59.8%
Boston, Mass.....	42	4,812	592	108	108	77	68	69.6
Chicago, Ill.....	264	32,714	4,033	124	100	71	72	68.7
Detroit, Mich.....	35	5,035	741	115	116	83	78	88.6
Houston, Tex.....	43	8,692	1,150	87	140	100	71	91.5
Indianapolis, Ind.....	32	6,952	883	122	84	60	60	55.1
Los Angeles, Cal.....	391	43,075	6,135	123	140	100	100	100.0
Louisville, Ky.....	19	5,040	777	152	92	66	82	89.8
Memphis, Tenn.....	32	5,433	721	127	100	71	73	86.6
Milwaukee, Wis.....	47	4,774	690	129	100	71	74	66.2
Minneapolis-St. Paul, Minn.....	47	5,796	811	125	108	77	78	66.4
New York, N.Y.....	232	33,141	4,578	124	108	77	78	77.2
San Francisco-Oakland, Cal.....	96	13,813	2,053	126	140	100	102	93.6
St. Louis, Mo.....	78	6,015	717	122	100	71	70	48.6
Syracuse, N.Y.....	10	6,163	824	114	100	71	66	62.9
Total.....	1,390	186,311	25,231	120%	.....	.....	.....	.....

\* Employee only.

† TSA, XIII, 573-74.

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TABLE 7—Continued

STATE†	NUMBER OF EXPERIENCE UNITS*	EMPLOYEE YEARS OF EXPOSURE*	ACTUAL CLAIMS (000)	RATIO OF ACTUAL TO 1960 TABULAR	1960 TABULAR AREA FACTOR	RATIO TO LOS ANGELES		
						1960 Tabu- lar Area Factor	1963-65 Actual Experience	1959 Area Study†
Alabama.....	44	5,059	787	152%	92%	66%	82%	89.8%
Arizona.....	102	6,313	1,026	136	116	83	92	98.9
California.....	215	34,333	4,660	111	132	94	85	84.8
District of Columbia.....	3	1,456	203	133	100	71	77	71.9
Florida.....	82	8,160	992	133	92	66	71	122.1
Illinois.....	178	20,528	2,418	123	92	66	66	66.8
Indiana.....	63	12,878	1,502	128	84	60	62	50.5
Iowa.....	45	7,746	1,157	131	100	71	76	73.6
Louisiana.....	56	6,973	801	112	100	71	65	74.8
Massachusetts.....	35	3,193	377	121	100	71	70	121.0
Michigan.....	73	8,348	1,095	125	100	71	72	75.4
Minnesota.....	21	3,782	575	140	92	66	75	63.8
New Jersey.....	38	5,097	566	106	100	71	61	21.0
New York.....	104	8,726	938	124	92	66	67	70.0
Ohio.....	62	11,322	1,216	121	92	66	65	58.0
Pennsylvania.....	71	14,954	1,413	98	92	66	53	67.4
Texas.....	112	9,482	1,208	124	108	77	78	57.2
Wisconsin.....	58	5,395	654	124	92	66	67	47.9
Total.....	1,362	173,745	21,588	120%				

\* Employee only.

† T-54, XIII, 573-74.

‡ Excludes groups coded for a specific metropolitan area.

which would have produced the same ratio of actual to tabular as observed in Los Angeles and then reducing to a base 100 by dividing by the 1960 Tabular area factor for Los Angeles.

A comparison of actual to tabular ratios by area with those of previous reports would appear to indicate significant changes in the level of experience in some areas. However, these variations may be the result of chance fluctuations, since the basic hospital and surgical tables by area do not indicate changes of this magnitude.

Table 8 shows the nonmaternity experience for plans classified accord-

TABLE 8  
COMPREHENSIVE MEDICAL  
NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY  
NONMATERNITY EXPERIENCE BY MENTAL AND NERVOUS RESTRICTION  
COMBINED 1963-65 POLICY YEARS' EXPERIENCE

Code*	Number of Experience Units	Employee Years of Exposure†	Actual Claims (000)	Ratio of Actual to 1960 Tabular‡
Employee				
1.....	898	163,203	9,591	123%
2.....	1,658	346,050	20,151	120
3.....	341	30,108	1,914	126
4.....	1,495	100,862	5,782	117
5.....	15	1,676	89	115
Total.....	4,407	641,899	37,527	121%
Dependent				
1.....	881	115,141	12,059	125%
2.....	1,656	225,462	23,001	121
3.....	326	19,382	2,104	111
4.....	1,433	63,598	6,926	125
5.....	14	1,018	99	115
Total.....	4,310	424,601	44,189	122%

\* Mental and Nervous Restriction Code:

1. Covered for full plan benefits whether or not confined in a hospital.
2. Covered for full plan benefits while confined in a hospital and reduced or limited benefits while not confined in a hospital.
3. Covered for full plan benefits while confined in a hospital and no benefits while not confined in a hospital.
4. Covered for reduced or limited benefits whether or not confined in a hospital.
5. Not covered.

† For dependents, exposure of employees insured with respect to their dependents.

‡ Tabular claims do not vary by mental and nervous restrictions.

ing to the type of restriction applicable to treatment of mental and nervous disorders. The 1960 Tabular was not adjusted to reflect these restrictions. The ratios of actual to tabular claims are generally less for plans including a restriction on the treatment of mental and nervous disorders.

Table 9 shows the nonmaternity experience by amount of maximum benefit provided by the plan, a factor for which the 1960 Tabular was not adjusted. The ratios of actual to tabular claims indicate that plans with higher maximum benefits have significantly higher levels of claim costs. Tables 1A and 5A, as previously indicated, show an analysis of \$5,000 and \$10,000 maximum benefit plans according to certain deductible features and earnings characteristics. These tables appear to indicate that

TABLE 9  
COMPREHENSIVE MEDICAL  
NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY  
NONMATERNITY EXPERIENCE BY MAXIMUM BENEFIT  
COMBINED 1963-65 POLICY YEARS' EXPERIENCE

Maximum Benefit Lifetime or per Cause	Number of Experience Units	Employee Years of Exposure*	Actual Claims (000)	Ratio of Act- ual to 1960 Tabular†
Employee				
\$2,500-\$4,999.....	49	3,889	181	98%
\$5,000.....	1,523	134,015	7,373	117
\$5,001-\$9,999.....	146	29,210	1,593	115
\$10,000.....	2,606	420,754	25,092	121
\$10,001-\$19,999.....	67	39,420	2,163	121
\$20,000 or more.....	16	14,611	1,125	155
Total.....	4,407	641,899	37,527	121%
Dependent				
\$2,500-\$4,999.....	65	2,573	243	112%
\$5,000.....	1,451	86,419	8,708	120
\$5,001-\$9,999.....	148	21,351	2,152	120
\$10,000.....	2,565	274,982	29,078	122
\$10,001-\$19,999.....	65	29,413	2,818	122
\$20,000 or more.....	16	9,863	1,190	141
Total.....	4,310	424,601	44,189	122%

\* For dependents, exposure of employees insured with respect to their dependents.

† Tabular claims do not vary by maximum benefit.

**TABLE 10**  
**COMPREHENSIVE MEDICAL**  
**NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY**  
**NONMATERNITY EXPERIENCE BY COINSURANCE PERCENTAGE**  
**COMBINED 1963-65 POLICY YEARS' EXPERIENCE**

Coinsurance Percentage	Number of Experience Units	Employee Year of Exposure*	Actual Claims (000)	Ratio of Actual to 1960 Tabular
<b>Employee</b>				
75/25%:				
Without full reimbursement of hospital expenses	49	4,011	244	137%
With full reimbursement of hospital expenses	227	59,173	3,215	112
Total	276	63,184	3,459	119%
80/20%:				
Without full reimbursement of hospital expenses	1,367	186,301	10,766	126%
With full reimbursement of hospital expenses	2,764	392,414	23,302	120
Total	4,131	578,715	34,068	122%
Total	4,407	641,899	37,527	121%
<b>Dependent</b>				
75/25%:				
Without full reimbursement of hospital expenses	45	2,082	190	125%
With full reimbursement of hospital expenses	237	41,685	4,002	112
Total	282	43,767	4,192	113%
80/20%:				
Without full reimbursement of hospital expenses	1,345	118,529	11,969	127%
With full reimbursement of hospital expenses	2,683	262,305	28,030	122
Total	4,028	380,834	39,999	123%
Total	4,310	424,601	44,191	122%

\* For dependents, exposure of employees insured with respect to their dependents.

the variations in A/T shown in Table 9 are not the result of variations in plan or earnings.

Table 10 shows the nonmaternity experience according to the coinsurance provision of the plan. Even though the tabulars were adjusted for coinsurance, the ratios of actual to tabular for 80 per cent coinsurance plans are greater than those for 75 per cent coinsurance plans.

The *1964 Reports* showed distributions of exposure by age, income, and dependent unit composition for "all cause" nonjumbo plans. No significant changes in these distributions have occurred since that report.