

**TRANSACTIONS OF SOCIETY OF ACTUARIES  
1961 REPORTS**

**REPORT OF THE COMMITTEE ON EXPERIENCE  
UNDER GROUP HEALTH INSURANCE**

**GROUP WEEKLY INDEMNITY INSURANCE AND GROUP  
HOSPITAL AND SURGICAL EXPENSE INSURANCE**

**T**HIS is the fourteenth annual report on the continuing study of the morbidity experience of Group Weekly Indemnity insurance and Group Employee and Dependent Hospital and Surgical Expense insurance.

In compiling these reports, the Committee includes the available experience of employer-employee groups. The experience of insured groups outside the United States, and of trusteeship and association cases insuring employees of the member employers, and of union cases, whether or not insurance depends on continued employment, is excluded. The data for Group Weekly Indemnity insurance excludes the experience of plans written under State Cash Sickness laws.

Data in the report for Weekly Indemnity and Employee Hospital insurance are based on the experience of groups in those industrial classifications which the contributing companies individually rate standard for premium purposes; tables covering these plans are headed "Non-rated Industries." Data for Surgical Expense insurance, Employee or Dependent, and for Dependent Hospital Expense insurance are based on the experience of groups regardless of industrial classification; tables covering these plans are headed "All Industries."

The tables in this report show the experience for all exposure size groups combined or for exposure size groups 0-7 only. The data are shown for size groups 0-7 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. The following exposure constitutes exposure size groups 0-7:

Weekly Indemnity—Less than \$40,000 of weekly indemnity.

Hospital—Less than \$10,000 of daily benefit.

Surgical—Less than 2,000 exposure units of the \$150 or \$200 maximum benefit schedules.

*Ratios of Actual to Tabular Claims*

The results of the study of Employee and Dependent Hospital and Surgical Expense insurance experience are presented in the form of

ratios of actual to tabular claims. A similar type of reporting will be adopted in the next report for the Weekly Indemnity insurance experience.

The tabular claim factors for Hospital Expense insurance are derived from the graduated claim factors and claim frequencies given in Mr. S. W. Gingery's paper on "A Reinvestigation of Group Hospital Expense Insurance Experience" published in *TSA XII*. This study was based upon 1957 experience of plans providing at least 70 days maximum benefit duration, at least 20X miscellaneous fees, and a maternity benefit. The 1957 Hospital tabular claim cost factors for the plans included in last year's report are shown in Table 15 of that report. Table 10 shows the 1957 Hospital Tabulars used for the 1960 experience of plans included for the first time in this report.

Tabular claim factors for Surgical Expense insurance are being used for the first time in this year's report. The tabular claim factors for the \$200 "Select Schedule" are based on the average benefits per claim and claim frequencies derived from Mr. Morton D. Miller's paper "1957 Study of Group Surgical Expense Insurance Claims" published in *TSA X*. The tabular claim factors derived from Mr. Miller's paper are approximately related to the 1956 level of experience and were, therefore, adjusted so as to produce a ratio of actual to tabular claims of 100% for the 1957 experience on plans including obstetrical benefits for groups with less than 2,000 surgical exposure units. The tabular claim factors for the \$150 "Standard Schedule" were derived by a similar process based on the benefit relationship between the two schedules. The exposure for Surgical Expense insurance is in units of \$150 maximum benefit for plans based on the Standard Schedule and in units of \$200 maximum benefit for plans based on the Select Schedule. These tabular claims cost factors are shown in Table 15 and will be known as "1957 Surgical Tabular" claim factors.

The Committee wishes to point out that the presentation of Group Accident and Health experience in the form of ratios of actual to tabular claims is still in the experimental state, with many factors affecting experience not reflected by the tabulars. For example, the tabulars do not contemplate a variation in experience caused by the age distribution or the geographic location of the employees. These limitations, as well as other factors which may influence the results of an analysis according to a particular distribution of experience, would indicate that caution should be used when interpreting the data contained in these reports.

#### *Comparison of Tables*

The tables and text in this report have been combined so as to subdivide the study into three sections.

WEEKLY INDEMNITY: Tables 1 and 2 are unchanged; Table 3 is the same as last year's Table 11.

HOSPITAL: Tables 4, 5, 6, 7, 8 and 9 correspond to last year's Tables 5, 6, 7, 8, 9 and 12, respectively. Table 10 corresponds to last year's Table 15. It shows the tabulars for plans included for the first time in this report.

SURGICAL: Table 11 is a condensed modification of last year's Tables 3 and 4; Table 12 is new. Table 13 is a modification of last year's Table 3. Table 14 corresponds to last year's Table 13 (it should be noted that a different surgical tabular has been adopted for the 1961 Report). Table 15 is new.

#### *Comprehensive Medical Experience*

The Committee has commenced to accumulate the experience under Comprehensive Medical (basic Major Medical) plans and is currently working on suitable methods of presentation.

#### *Contributing Companies*

Nine 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. It should be recognized that many groups may have significantly different claim costs from those indicated in this report.

This report contains experience for years labeled 1957, 1958, 1959 and 1960. The majority of the companies contribute exposure and claims based upon policy years ending in the calendar year designated; others have contributed using different periods. When the various contributions are weighted according to the period covered, the central point of the exposure submitted for each year is as shown below. Since each of the coverages centered near the same period, only one central period is shown for each year.

Year	Central Month of Period of Exposure
1957. ....	September, 1956
1958. ....	September, 1957
1959. ....	December, 1958
1960. ....	December, 1959

The assumption was made that each company's contribution was distributed uniformly over the period of exposure, which may be improper because of a concentration of policy renewals in January and July.

TABLE 1  
 COMBINED 1958-60 POLICY YEARS' EXPERIENCE  
 GROUP WEEKLY INDEMNITY INSURANCE  
 WITH 6 WEEKS MATERNITY BENEFIT  
 NONRATED INDUSTRIES—ALL SIZE GROUPS

FEMALE PERCENT	NUMBER OF EXPERIENCE UNITS	WEEKLY INDEMNITY EXPOSED	CLAIMS	ANNUAL CLAIM COST*	NUMBER OF EXPERIENCE UNITS	WEEKLY INDEMNITY EXPOSED	CLAIMS	ANNUAL CLAIM COST*
13 WEEK PLANS								
1st Day Accident and 4th Day Sickness					4th Day Accident and 4th Day Sickness			
<11%	1,557	8,145,870	5,332,654	\$ .65	145	949,570	577,543	\$ .61
11-21	641	4,295,910	2,773,640	.65	82	1,381,570	642,897	.47
21-31	303	1,878,860	1,339,057	.71	25	125,040	94,676	.76
31-41	122	1,143,110	1,005,513	.88	13	43,860	42,067	.96
41-51	74	150,820	139,807	.93	9	36,790	31,661	.86
51-61	45	426,790	433,079	1.01	23	215,800	226,140	1.05
61-71	27	60,970	65,218	1.07	10	13,540	13,694	1.01
71-81	15	43,660	42,256	.97	1	5,340	5,167	.97
81-91	15	54,870	73,331	1.34	1	9,330	6,310	.68
91-100	4	3,120	3,597	1.15	0	0	0	.....
Total	2,803	16,203,980	11,208,152	.....	309	2,780,840	1,640,155	.....
1st Day Accident and 8th Day Sickness					8th Day Accident and 8th Day Sickness			
<11%	4,403	22,479,210	10,985,303	\$ .49	495	4,620,430	2,634,674	\$ .57
11-21	2,123	9,073,910	4,375,292	.48	261	4,365,380	2,371,325	.54
21-31	1,140	5,022,100	2,938,366	.59	140	1,708,260	993,920	.58
31-41	759	5,572,120	3,926,073	.70	138	1,516,850	1,143,241	.75
41-51	535	2,217,880	1,794,114	.81	95	1,128,300	962,439	.85
51-61	342	1,780,920	1,527,657	.86	66	516,190	405,085	.78
61-71	251	775,490	683,211	.88	41	332,470	253,217	.76
71-81	182	693,110	593,336	.86	39	247,750	185,190	.75
81-91	97	341,210	362,138	1.06	31	232,370	212,777	.92
91-100	29	72,930	61,063	.84	8	54,530	52,038	.95
Total	9,861	48,028,880	27,246,553	.....	1,314	14,722,530	9,213,906	.....
26 WEEK PLANS								
1st Day Accident and 8th Day Sickness					8th Day Accident and 8th Day Sickness			
<11%	1,745	24,396,250	16,685,517	\$ .68	227	11,736,590	8,421,119	\$ .72
11-21	561	11,839,430	9,216,262	.78	89	3,716,520	2,361,879	.64
21-31	308	4,512,560	3,572,658	.79	43	1,782,840	1,356,360	.76
31-41	174	1,796,180	1,501,179	.84	31	318,770	255,968	.80
41-51	85	1,818,920	2,112,402	1.16	21	314,740	240,983	.77
51-61	68	1,961,310	1,741,858	.89	7	39,990	41,908	1.05
61-71	34	241,650	142,293	.59	4	41,410	68,877	1.66
71-81	12	44,990	55,778	1.24	2	20,830	19,483	.94
81-91	4	11,850	25,095	2.12	0	0	0	.....
91-100	2	5,400	11,670	2.16	0	0	0	.....
Total	2,993	46,628,540	35,064,712	.....	424	17,971,690	12,766,577	.....

\* Per \$1.00 of exposure.

TABLE 2  
 GROUP WEEKLY INDEMNITY INSURANCE  
 NONRATED INDUSTRIES—ALL SIZE GROUPS  
 SECULAR TREND  
 STANDARDIZED MORBIDITY RATIOS  
 Base: 1958-60 Policy Years' Experience

Policy Year Experience	1-4-13 and 4-4-13 Plans	1-8-13 and 8-8-13 Plans	1-8-26 and 8-8-26 Plans	All Plans
1952.....	100%	105%	100%	102%
1953.....	103	107	99	103
1954.....	102	105	100	102
1955.....	96	98	97	97
1956.....	96	100	102	100
1957.....	96	103	101	101
1958.....	99	100	102	101
1959.....	95	102	93	96
1960.....	103	98	103	101

TABLE 3  
 GROUP WEEKLY INDEMNITY INSURANCE  
 ANALYSIS OF MALE AND FEMALE EXPERIENCE  
 NONRATED INDUSTRIES—ALL SIZE GROUPS

PLAN	1598-60 POLICY YEARS' EXPERIENCE				1960 LEVEL OF CLAIM COSTS		
	Exposure Size Groupings				Male Parameter	Female Parameter	Parameter Ratio
	0-7		0-9				
	Amount Exposed	Female Percentage of Total Exposure	Female Percentage of Total Exposure				
1-4-13...	<11%	4,851,590	14%	15%	.610	1.369	224%
	Σ	8,870,180					
4-4-13...	<11%	903,460	18	17	.509	1.475	290
	Σ	1,601,630					
1-8-13...	<11%	14,154,630	21	19	.441	1.053	239
	Σ	33,700,900					
8-8-13...	<11%	2,634,840	24	23	.537	.868	162
	Σ	6,948,790					
1-8-26...	<11%	11,994,430	14	15	.681	1.258	185
	Σ	18,958,590					
8-8-26...	<11%	1,333,410	18	11	.682	1.431	210
	Σ	3,581,890					

TABLE 4  
 COMBINED 1958-60 POLICY YEARS' EXPERIENCE  
 EMPLOYEE GROUP HOSPITAL EXPENSE INSURANCE  
 NONRATED INDUSTRIES—ALL SIZE GROUPS

PLAN IDENTIFICATION	NUMBER OF EXPERIENCE UNITS	DAILY BENEFIT EXPOSED	ACTUAL CLAIMS	RATIO OF ACTUAL TO 1957 HOSPITAL TABULAR	
				Combined 1958-60	1960 Only
31 Day					
10×.....	4,271	6,844,708	11,816,385	99%	106%
*15×.....	426	836,132	1,822,059		103
20×.....	2,740	4,478,638	8,612,295	104	107
*20×+75% of Excess.....	343	500,110	1,094,715		110
70 Day					
10×.....	739	1,212,347	2,305,227	107	107
*15×.....	152	268,500	548,527		112
20×.....	2,139	4,027,857	8,080,409	107	110
*20×+75% of Excess.....	455	664,526	1,517,159		116
120 Day					
*10×.....	6	14,435	30,702		126
*15×.....	7	11,147	30,974		155
*20×.....	57	153,453	317,003		116
*20×+75% of Excess.....	51	140,587	357,870		135
Total.....	11,386	19,152,440	36,233,325	103%	109%

\* These plans contain 1960 experience only.

TABLE 5  
 COMBINED 1958-60 POLICY YEARS' EXPERIENCE  
 DEPENDENT GROUP HOSPITAL EXPENSE INSURANCE  
 ALL INDUSTRIES—ALL SIZE GROUPS

PLAN IDENTIFICATION	NUMBER OF EXPERIENCE UNITS	DAILY BENEFIT EXPOSED	ACTUAL CLAIMS	RATIO OF ACTUAL TO 1957 HOSPITAL TABULAR	
				Combined 1958-60	1960 Only
<i>With Maternity Benefits</i>					
31 Day					
10×	3,456	3,688,556	13,614,718	102%	106%
*15×	407	379,726	1,616,510		113
20×	3,080	2,978,540	12,777,977	112	114
*20×+75% of Excess	359	360,295	1,684,950		118
70 Day					
10×	485	476,142	1,717,043	99	109
*15×	115	138,233	575,075		112
20×	2,106	2,532,651	10,986,191	114	118
*20×+75% of Excess	477	601,798	2,880,684		120
120 Day					
*10×	5	4,287	12,561		82
*15×	12	24,597	78,154		89
*20×	54	59,679	241,882		110
*20×+75% of Excess	52	104,634	582,502		144
Total	10,608	11,349,138	46,768,247	108%	114%
<i>No Maternity Benefits</i>					
31 Day					
10×	317	303,062	962,087	110%	109%
70 Day					
*10×	22	68,394	223,334		115
Total	339	371,456	1,185,421	110%	112%

NOTE.—Dependent maternity benefits are subject to a 9 months waiting period.

\* These plans contain 1960 experience only.

TABLE 6

EMPLOYEE AND DEPENDENT HOSPITAL EXPERIENCE  
 RATIO OF ACTUAL CLAIMS TO 1957 HOSPITAL TABULAR BY YEAR AND PLAN  
 SIZE GROUPS 0-7 ONLY, EMPLOYEE RATED INDUSTRIES EXCLUDED

Policy Year and Duration	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual Claims to 1957 Hospital Tabular	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual Claims to 1957 Hospital Tabular
	All 10× Plans				All 20× Plans			
<i>Employee</i>								
1957, 31 Day.....	2,141	2,240,139	3,564,676	90%	1,004	1,095,213	1,948,504	92%
70 Day.....	409	453,281	767,063	94	611	674,523	1,281,782	98
Total.....	2,550	2,693,420	4,331,739	90%	1,615	1,769,736	3,230,286	94%
1958, 31 Day.....	1,365	1,351,486	2,265,353	95%	722	853,377	1,606,958	99%
70 Day.....	228	245,511	416,164	97	543	648,280	1,244,971	100
Total.....	1,593	1,596,997	2,681,517	95%	1,265	1,501,657	2,851,929	99%
1959, 31 Day.....	1,554	1,748,755	3,095,171	101%	1,053	1,292,106	2,590,035	107%
70 Day.....	278	302,426	572,052	109	820	851,601	1,773,634	110
Total.....	1,832	2,051,181	3,667,223	102%	1,873	2,143,707	4,363,669	108%
1960, 31 Day.....	1,240	1,396,557	2,524,604	104%	918	1,190,112	2,417,694	110%
70 Day.....	205	242,240	409,929	97	724	839,884	1,722,474	110
120 Day.....	6	14,435	30,702	126	53	90,028	200,293	126
Total.....	1,451	1,653,232	2,965,235	104%	1,695	2,120,024	4,340,461	111%
	All 15× Plans				All 20×+75% of Excess Plans			
1960, 31 Day.....	415	495,445	944,010	107%	339	435,616	972,650	112%
70 Day.....	150	218,777	413,026	104	450	599,325	1,350,490	115
120 Day.....	7	11,147	30,974	155	43	103,828	273,229	142
Total.....	572	725,369	1,388,010	107%	837	1,138,769	2,596,369	116%



TABLE 6—Continued

Policy Year and Duration	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual Claims to 1957 Hospital Tabular	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual Claims to 1957 Hospital Tabular
	All 10× Plans				All 20× Plans			
<i>Dependent</i>								
1957, 31 Day.....	1,953	1,497,267	5,163,739	93%	1,249	980,558	3,908,665	100%
70 Day.....	246	182,188	663,815	97	672	550,758	2,306,787	105
Total.....	2,199	1,697,455	5,827,554	94%	1,921	1,531,316	6,215,452	102%
1958, 31 Day.....	1,213	915,754	3,165,842	95%	826	631,731	2,613,725	105%
70 Day.....	163	112,760	364,746	87	552	419,221	1,783,688	110
Total.....	1,376	1,028,514	3,530,588	94%	1,378	1,050,952	4,397,413	107%
1959, 31 Day.....	1,382	1,163,789	4,400,646	105%	1,197	992,238	4,376,368	115%
70 Day.....	168	159,806	582,210	100	745	581,410	2,640,457	118
Total.....	1,550	1,323,595	4,982,856	104%	1,942	1,573,648	7,016,825	116%
1960, 31 Day.....	1,127	998,033	3,800,409	107%	1,037	942,980	4,071,362	114%
70 Day.....	172	161,183	594,050	104	779	651,931	2,925,160	119
120 Day.....	5	4,287	12,561	82	54	59,679	241,882	110
Total.....	1,304	1,163,503	4,407,020	106%	1,870	1,654,590	7,238,404	116%
	All 15× Plans				All 20×+75% of Excess Plans			
1960, 31 Day.....	405	344,845	1,483,371	114%	356	315,908	1,464,629	117%
70 Day.....	114	125,717	524,041	113	471	481,958	2,301,997	120
120 Day.....	12	24,597	78,154	89	52	104,634	582,502	144
Total.....	531	495,159	2,085,566	113%	879	902,500	4,349,128	122%

TABLE 7

EMPLOYEE AND DEPENDENT HOSPITAL EXPERIENCE  
 RATIO OF ACTUAL CLAIMS TO 1957 HOSPITAL TABULAR BY DAILY BENEFIT, PLAN AND YEAR  
 SIZE GROUPS 0-7 ONLY, EMPLOYEE RATED INDUSTRIES EXCLUDED

Policy Year and Amount of Daily Benefit (Nearer \$1)	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual Claims to 1957 Hospital Tabular	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual Claims to 1957 Hospital Tabular
	All 10× Plans				All 20× Plans			
1957, \$ 5- 8.....	2,660	1,782,459	4,455,037	93%	1,181	766,621	2,571,301	103%
9-10.....	1,286	1,459,762	3,296,976	91	1,353	1,247,243	3,457,319	97
11-12.....	556	686,770	1,484,544	91	695	839,587	2,234,476	97
13-14.....	149	279,223	571,458	92	170	274,684	753,216	99
15-20.....	98	164,661	351,278	101	157	172,917	429,426	102
Total.....	4,749	4,372,875	10,159,293	92%	3,556	3,301,052	9,445,738	99%
1958, \$ 5- 8.....	1,464	897,202	2,305,886	96%	703	442,220	1,466,960	105%
9-10.....	856	846,952	1,979,466	94	970	816,259	2,367,208	104
11-12.....	409	544,584	1,199,744	93	609	719,005	1,933,145	103
13-14.....	133	191,024	404,223	92	202	291,801	805,830	106
15-20.....	107	145,749	322,786	99	219	283,324	676,199	101
Total.....	2,969	2,625,511	6,212,105	95%	2,643	2,552,609	7,249,342	104%
1959, \$ 5- 8.....	1,479	1,003,888	2,710,050	102%	783	471,865	1,762,840	120%
9-10.....	962	998,424	2,637,556	105	1,216	1,068,468	3,348,576	111
11-12.....	520	683,040	1,669,230	103	959	1,062,489	3,176,445	112
13-14.....	218	354,385	828,640	99	327	394,456	1,162,889	112
15-20.....	203	335,039	804,603	106	530	720,077	1,929,744	111
Total.....	3,382	3,374,776	8,650,075	103%	3,815	3,717,355	11,380,494	113%

TABLE 7—Continued

Policy Year and Amount of Daily Benefit (Nearer \$1)	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual Claims to 1957 Hospital Tabular	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual Claims to 1957 Hospital Tabular
	All 10× Plans				All 20× Plans			
1960, \$ 5- 8.....	1,081	746,765	2,033,075	103%	525	325,967	1,205,527	117%
9-10.....	791	823,904	2,228,380	106	975	852,325	2,790,135	115
11-12.....	458	568,825	1,469,575	107	930	1,030,738	3,248,971	116
13-14.....	161	277,125	693,228	104	376	544,886	1,594,606	114
15-16.....	218	310,647	742,994	108	592	802,334	2,161,397	109
17-20.....	46	89,469	205,003	102	167	218,364	578,229	114
Total.....	2,755	2,816,735	7,372,255	105%	3,565	3,774,614	11,578,865	114%
	All 15× Plans				All 20×+75% of Excess Plans			
1960, \$ 5- 8.....	309	210,040	714,318	116%	236	192,216	776,578	125%
9-10.....	319	316,843	924,410	109	590	640,033	2,473,866	128
11-12.....	220	283,948	769,741	108	420	466,552	1,483,861	112
13-14.....	101	136,380	350,309	102	186	264,852	809,876	116
15-16.....	113	160,746	422,889	117	222	378,174	1,108,130	113
17-20.....	41	112,571	291,909	110	62	99,442	293,186	114
Total.....	1,103	1,220,528	3,473,576	110%	1,716	2,041,269	6,945,497	119%

The following companies contributed experience for the investigation covered in this report:

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  
Occidental Life Insurance Company of California  
Prudential Insurance Company of America  
The Travelers Insurance Company

#### WEEKLY INDEMNITY

The basic results of the study of Weekly Indemnity insurance are presented in the form of annual claim costs for each plan by percent female. The experience for the three latest policy years combined is shown in Table 1. The annual claim cost is derived by dividing incurred claims by exposure. The exposure unit is one dollar of weekly benefit.

In order to analyze the trend underlying the experience of the Group Weekly Indemnity plans studied, standardized morbidity ratios are presented in Table 2 for each of the last nine policy years. The standardized morbidity ratio is based on the level of experience of the current report, in this case 1958-60. Crude claims costs for each year which vary by plan and female percentage were applied to the accumulated 1958-60 exposure and the resulting calculated claims were compared to the total actual claims of the accumulated 1958-60 experience to arrive at the standard morbidity ratios shown for Group Weekly Indemnity plans. The ratios shown in this report differ from those of previous reports because of the different years used for a base, but the resulting trends are consistent. The total experience under Group Weekly Indemnity insurance has increased over the level of the prior year to that of the three preceding years. An examination of the data submitted for 1-4 and 4-4-13 week plans shows that a substantial portion of the increase shown in Table 2 for 1960 was due to the experience of a jumbo policy and is not typical of the experience of the nonjumbo groups. Similarly, the dip in the 1-8 and 8-8-26 week experience for 1959 is largely attributable to the experience of jumbo groups.

Male and female parameters have been derived for each Weekly Indemnity plan, together with a parameter ratio (female parameter divided by male parameter), which are shown in Table 3. These parameters are the result of the composite experience of groups whose claim costs vary widely as a result of such influences as geographical location,

TABLE 8

EMPLOYEE HOSPITAL 1958-60 POLICY YEARS' EXPERIENCE  
 RATIO OF ACTUAL CLAIMS TO 1957 HOSPITAL TABULAR BY PERCENT FEMALE  
 SIZE GROUPS 0-7 ONLY, NONRATED INDUSTRIES

Female Percent	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual Claims to 1957 Hospital Tabular	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual Claims to 1957 Hospital Tabular
	All 10× Plans				All 20× Plans			
<11%.....	1,750	1,816,129	2,886,855	101%	1,881	2,157,161	4,030,642	107%
11-21.....	997	959,499	1,578,539	99	1,121	1,250,362	2,437,650	107
21-31.....	654	775,767	1,284,822	95	642	745,349	1,437,797	102
31-41.....	450	518,794	927,061	98	398	510,029	1,038,116	104
41-51.....	332	373,040	741,438	104	290	358,906	776,356	106
51-61.....	234	265,325	563,484	106	227	370,200	877,118	112
61-71.....	198	255,822	541,565	101	150	208,146	524,433	114
71-81.....	151	213,225	505,100	107	66	80,540	222,057	118
81-91.....	89	100,347	242,089	106	44	64,681	169,016	107
91-100.....	21	23,462	43,022	78	14	20,014	42,874	90
Total.....	4,876	5,301,410	9,313,975	100%	4,833	5,765,388	11,556,059	107%
	All 15× Plans*				All 20×+75% of Excess Plans*			
<11%.....	238	286,190	506,877	106%	362	495,658	1,099,185	119%
11-21.....	134	180,645	320,408	104	198	252,245	544,986	113
21-31.....	86	101,724	194,769	104	80	120,789	254,381	106
31-41.....	35	43,910	89,943	107	63	79,021	171,665	105
41-51.....	26	47,352	109,844	114	55	76,101	202,376	125
51-61.....	19	22,323	55,116	120	37	65,116	176,703	121
61-71.....	18	21,298	43,539	94	21	21,501	53,743	106
71-81.....	9	16,219	45,447	122	12	22,560	68,128	123
81-91.....	6	5,336	21,252	165	8	5,518	22,819	161
91-100.....	1	372	815	73	1	260	2,383	344
Total.....	572	725,369	1,388,010	107%	837	1,138,769	2,596,369	116%

\* These plans contain 1960 experience only.

TABLE 9  
EMPLOYEE AND DEPENDENT 1958-60 POLICY YEARS' EXPERIENCE  
ANALYSIS OF HOSPITAL EXPERIENCE BY STATE  
EMPLOYEE RATED INDUSTRIES EXCLUDED

LOCATION CODE	STATE OR REGION	SIZE GROUPS 0-7			RATIO OF ACTUAL CLAIMS TO 1957 HOSPITAL TABULAR	
		Number of Experience Units	Daily Benefit Exposed	Actual Claims	Size Groups 0-7	All Size Groups
20.....	Region	26	31,194	80,006	103%	103%
21.....	Connecticut	544	781,938	2,103,487	108	108
22.....	Maine	150	160,701	459,131	111	87
23.....	Massachusetts	1,106	1,183,650	2,921,233	101	103
24.....	New Hampshire	131	230,573	543,207	95	93
25.....	Rhode Island	35	44,267	123,883	105	105
26.....	Vermont	158	156,396	407,656	105	105
	<b>Total</b>	<b>2,150</b>	<b>2,588,713</b>	<b>6,638,603</b>	<b>103%</b>	<b>103%</b>
30.....	Region	57	58,070	159,387	103%	103%
31.....	Delaware	17	11,315	49,404	179*	179
32.....	Dist. Columbia	103	76,478	192,167	107	107
33.....	New Jersey	678	545,854	1,154,534	87	85
34.....	New York	1,888	1,939,207	4,628,919	97	96
35.....	Pennsylvania	2,106	2,161,944	5,723,008	104	104
	<b>Total</b>	<b>4,849</b>	<b>4,792,868</b>	<b>11,907,419</b>	<b>100%</b>	<b>98%</b>
40.....	Region	80	143,355	400,796	103%	118%
41.....	Illinois	1,656	1,576,474	4,354,887	101	101
42.....	Indiana	1,034	1,110,173	3,042,436	103	101
43.....	Kentucky	168	127,231	336,110	104	107
44.....	Michigan	1,104	1,243,090	3,879,625	120	120
45.....	Ohio	1,341	1,713,413	4,906,510	109	107
46.....	Wisconsin	473	510,757	1,737,880	123	122
47.....	West Virginia	271	224,098	686,045	115	115
	<b>Total</b>	<b>6,127</b>	<b>6,648,591</b>	<b>19,344,289</b>	<b>109%</b>	<b>108%</b>
50.....	Region	44	83,292	270,344	113%	114%
51.....	Iowa	362	231,362	802,873	120	125
52.....	Kansas	224	164,646	535,369	121	129
53.....	Minnesota	188	128,195	449,140	125	120
54.....	Missouri	521	436,546	1,383,925	114	115
55.....	Nebraska	219	181,416	582,252	115	115
56.....	North Dakota	25	16,273	39,966	111*	111
57.....	South Dakota	20	6,760	23,026	125*	125
	<b>Total</b>	<b>1,603</b>	<b>1,248,490</b>	<b>4,086,895</b>	<b>117%</b>	<b>120%</b>

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

TABLE 9—Continued

LOCATION CODE	STATE OR REGION	SIZE GROUPS 0-7			RATIO OF ACTUAL CLAIMS TO 1957 HOSPITAL TABULAR	
		Number of Expe- rience Units	Daily Benefit Exposed	Actual Claims	Size Groups 0-7	All Size Groups
60.....	Region	13	8,506	26,648	123%*	123%
61.....	Colorado	88	75,536	235,529	125	116
62.....	Idaho	32	31,357	90,440	104	104
63.....	Montana	16	21,343	94,641	147	147
64.....	Nevada	7	11,060	33,638	129*	129
65.....	Utah	59	64,968	131,734	87	82
66.....	Wyoming	19	11,484	37,977	116*	116
	Total	234	224,254	650,607	114%	108%
70.....	Region	9	18,819	52,147	112%*	112%*
71.....	California	371	322,247	981,388	108	107
72.....	Oregon	58	38,689	94,342	94	94
73.....	Washington	56	55,152	168,504	105	102
	Total	494	434,907	1,296,381	106%	105%
80.....	Region	47	43,210	157,072	129%	129%
81.....	Arizona	114	93,835	305,129	123	113
82.....	Arkansas	224	177,418	553,325	116	114
83.....	Louisiana	281	144,895	547,315	133	134
84.....	New Mexico	56	40,668	141,864	113	113
85.....	Oklahoma	215	143,320	483,184	116	117
86.....	Texas	973	869,526	2,978,405	121	121
	Total	1,910	1,512,872	5,166,294	121%	120%
90.....	Region	91	161,662	457,413	102%	100%
91.....	Alabama	164	169,705	527,670	122	122
92.....	Florida	390	380,161	1,177,016	113	112
93.....	Georgia	633	625,927	1,862,423	110	123
94.....	Maryland	415	389,502	1,026,449	99	98
95.....	Mississippi	127	89,095	285,009	123	123
96.....	North Carolina	646	560,687	1,726,440	113	117
97.....	South Carolina	190	174,700	509,180	118	116
98.....	Tennessee	338	316,819	940,365	113	118
99.....	Virginia	649	570,497	1,600,079	111	105
	Total	3,643	3,438,755	10,112,044	111%	111%
	All Other†	938	1,233,947	3,659,681	108%	109%
	Total All Loca- tions	21,948	22,123,397	62,862,213	108%	107%

† Less than 75% of employees in one state or region.

TABLE 10

1957 HOSPITAL TABULAR ANNUAL CLAIM COSTS  
PER \$1 DAILY BENEFIT  
REIMBURSEMENT PLANS

DAILY BENEFIT	31 DAY, 15X 10X MATERNITY			31 DAY, 20X + 75% OF EXCESS 10X MATERNITY			31 DAY, 15X 14+15X MATERNITY	
	Male Employee	Female Employee	Dependent Unit	Male Employee	Female Employee	Dependent Unit	Male Employee	Female Employee
\$ 5.....	\$1.97	\$2.84	\$4.64	\$2.54	\$3.49	\$5.40	\$1.97	\$3.16
6.....	1.89	2.74	4.43	2.32	3.24	5.00	1.89	3.00
7.....	1.82	2.66	4.24	2.16	3.05	4.71	1.82	2.87
8.....	1.76	2.59	4.09	2.04	2.91	4.47	1.76	2.77
9.....	1.71	2.53	3.97	1.94	2.80	4.28	1.71	2.69
10.....	1.67	2.47	3.85	1.87	2.70	4.12	1.67	2.61
11.....	1.63	2.42	3.75	1.80	2.62	3.99	1.63	2.54
12.....	1.59	2.38	3.65	1.74	2.56	3.86	1.59	2.48
13.....	1.56	2.33	3.56	1.70	2.50	3.75	1.56	2.43
14.....	1.52	2.29	3.48	1.65	2.44	3.65	1.52	2.37
15.....	1.49	2.25	3.41	1.61	2.40	3.56	1.49	2.32
16.....	1.46	2.22	3.34	1.58	2.35	3.49	1.46	2.28
17.....	1.43	2.18	3.27	1.55	2.32	3.42	1.43	2.23
18.....	1.41	2.15	3.21	1.52	2.28	3.36	1.41	2.19
19.....	1.38	2.12	3.16	1.49	2.25	3.30	1.38	2.15
20.....	1.35	2.09	3.10	1.47	2.22	3.24	1.35	2.10

DAILY BENEFIT	70 DAY, 15X 10X MATERNITY			70 DAY, 20X + 75% OF EXCESS 10X MATERNITY			70 DAY, 15X 14+15X MATERNITY	
	Male Employee	Female Employee	Dependent Unit	Male Employee	Female Employee	Dependent Unit	Male Employee	Female Employee
\$ 5.....	\$2.02	\$2.88	\$4.72	\$2.59	\$3.53	\$5.47	\$2.02	\$3.20
6.....	1.94	2.78	4.50	2.37	3.28	5.08	1.94	3.04
7.....	1.87	2.70	4.32	2.22	3.09	4.78	1.87	2.91
8.....	1.81	2.63	4.17	2.10	2.95	4.55	1.81	2.81
9.....	1.77	2.57	4.05	2.00	2.84	4.36	1.77	2.73
10.....	1.72	2.51	3.93	1.92	2.74	4.20	1.72	2.65
11.....	1.68	2.46	3.82	1.86	2.66	4.06	1.68	2.58
12.....	1.64	2.42	3.73	1.80	2.59	3.94	1.64	2.52
13.....	1.61	2.37	3.64	1.75	2.53	3.82	1.61	2.46
14.....	1.58	2.33	3.56	1.71	2.48	3.73	1.58	2.41
15.....	1.55	2.29	3.48	1.67	2.44	3.64	1.55	2.36
16.....	1.52	2.26	3.41	1.63	2.39	3.56	1.52	2.32
17.....	1.49	2.22	3.35	1.60	2.36	3.49	1.49	2.27
18.....	1.46	2.19	3.29	1.57	2.32	3.43	1.46	2.23
19.....	1.44	2.16	3.23	1.55	2.29	3.37	1.44	2.18
20.....	1.41	2.13	3.18	1.52	2.26	3.32	1.41	2.14

DAILY BENEFIT	70 DAY, 10X NO MATERNITY	120 DAY, 10X 10X MATERNITY			120 DAY, 15X 10X MATERNITY		
	Dependent Unit	Male Employee	Female Employee	Dependent Unit	Male Employee	Female Employee	Dependent Unit
\$ 5.....	\$3.40	\$1.77	\$2.58	\$4.31	\$2.04	\$2.89	\$4.74
6.....	3.27	1.73	2.53	4.18	1.96	2.79	4.53
7.....	3.17	1.70	2.49	4.06	1.89	2.71	4.35
8.....	3.07	1.67	2.44	3.95	1.83	2.64	4.20
9.....	2.98	1.63	2.40	3.86	1.78	2.58	4.08
10.....	2.90	1.61	2.37	3.77	1.74	2.52	3.96
11.....	2.83	1.58	2.33	3.68	1.70	2.47	3.85
12.....	2.76	1.55	2.30	3.61	1.66	2.43	3.75
13.....	2.68	1.53	2.26	3.53	1.63	2.38	3.67
14.....	2.62	1.50	2.23	3.45	1.60	2.34	3.59
15.....	2.56	1.48	2.20	3.39	1.57	2.31	3.51
16.....	2.50	1.45	2.17	3.32	1.54	2.27	3.44
17.....	2.45	1.43	2.14	3.26	1.51	2.23	3.37
18.....	2.39	1.41	2.11	3.21	1.48	2.20	3.31
19.....	2.35	1.38	2.09	3.16	1.45	2.17	3.26
20.....	2.30	1.36	2.06	3.10	1.43	2.14	3.20



TABLE 10—Continued  
REIMBURSEMENT PLANS

DAILY BENEFIT	120 DAY, 20× 10× MATERNITY			120 DAY, 20×+75% of EXCESS 10× MATERNITY		
	Male Employee	Female Employee	Dependent Unit	Male Employee	Female Employee	Dependent Unit
\$ 5.....	\$2.21	\$3.09	\$5.02	\$2.61	\$3.54	\$5.50
6.....	2.09	2.95	4.74	2.39	3.29	5.10
7.....	2.00	2.84	4.52	2.23	3.11	4.81
8.....	1.93	2.75	4.34	2.11	2.96	4.57
9.....	1.87	2.67	4.19	2.02	2.85	4.38
10.....	1.81	2.61	4.05	1.94	2.75	4.23
11.....	1.77	2.55	3.94	1.87	2.67	4.09
12.....	1.72	2.50	3.83	1.82	2.61	3.96
13.....	1.68	2.45	3.73	1.77	2.55	3.85
14.....	1.65	2.40	3.65	1.73	2.50	3.75
15.....	1.61	2.36	3.56	1.69	2.45	3.66
16.....	1.58	2.32	3.49	1.65	2.41	3.59
17.....	1.55	2.28	3.41	1.62	2.38	3.52
18.....	1.52	2.25	3.35	1.59	2.34	3.46
19.....	1.49	2.21	3.29	1.56	2.30	3.40
20.....	1.46	2.18	3.23	1.54	2.27	3.35

FIXED BENEFIT PLANS

DAILY BENEFIT	31 DAY, 15× 14+15× MATERNITY		70 DAY, 15× 14+15× MATERNITY	
	Male Employee	Female Employee	Male Employee	Female Employee
\$ 5.....	\$1.97	\$3.16	\$2.02	\$3.20
6.....	1.89	3.00	1.94	3.04
7.....	1.82	2.87	1.87	2.91
8.....	1.76	2.77	1.81	2.81
9.....	1.71	2.69	1.77	2.73
10.....	1.67	2.61	1.72	2.65
11.....	1.63	2.54	1.68	2.58
12.....	1.59	2.48	1.64	2.52
13.....	1.56	2.43	1.61	2.46
14.....	1.52	2.37	1.58	2.41
15.....	1.49	2.32	1.55	2.36
16.....	1.46	2.28	1.52	2.32
17.....	1.43	2.23	1.49	2.27
18.....	1.41	2.19	1.46	2.23
19.....	1.38	2.15	1.44	2.18
20.....	1.35	2.10	1.41	2.14

TABLE 11  
 COMBINED 1958-60 POLICY YEARS' EXPERIENCE  
 EMPLOYEE AND DEPENDENT GROUP SURGICAL EXPENSE INSURANCE  
 ALL INDUSTRIES—ALL SIZE GROUPS

Plan Identification	Number of Experience Units	Maximum Indemnity Exposed per \$150 or \$200 Basic Unit	Actual Claims	Ratio of Actual Claims to 1957 Surgical Tabular
<i>Employee</i>				
With Obstetrical Benefits				
\$150 Schedule.....	6,525	1,867,258	8,414,824	111%
\$200 Schedule.....	19,571	4,981,514	28,852,902	108
Total.....	26,096	6,848,772	37,267,726	108%
<i>Dependent</i>				
With Obstetrical Benefits*				
\$150 Schedule.....	3,734	800,356	10,398,144	105%
\$200 Schedule.....	17,291	2,830,969	43,884,282	103
Total.....	21,025	3,631,325	54,282,426	103%
No Obstetrical Benefits				
\$150 Schedule.....	425	106,389	970,326	119%
\$200 Schedule.....	2,528	359,280	4,569,743	124
Total.....	2,953	465,669	5,540,069	123%

\* Dependent obstetrical benefits are subject to a 9 months waiting period.

TABLE 12  
 EMPLOYEE AND DEPENDENT SURGICAL EXPERIENCE  
 RATIO OF ACTUAL CLAIMS TO 1957 SURGICAL TABULAR BY PLAN AND YEAR  
 SIZE GROUPS 0-7 ONLY, ALL INDUSTRIES

POLICY YEAR AND PLAN	\$150 SCHEDULE				\$200 SCHEDULE				
	Number of Experience Units	Maximum Indemnity Exposed per \$150 Basic Unit	Actual Claims	Ratio of Actual Claims to 1957 Surgical Tabular	Number of Experience Units	Maximum Indemnity Exposed per \$200 Basic Unit	Actual Claims	Ratio of Actual Claims to 1957 Surgical Tabular	
145 Employee, with Obstetrical Benefits	1957.....	3,466	634,950	2,657,390	101%	7,832	1,372,404	7,395,977	100%
	1958.....	2,358	422,219	1,786,986	103	6,127	1,006,267	5,620,354	103
	1959.....	2,137	389,772	1,732,522	109	6,621	1,147,791	6,667,432	107
	1960.....	1,877	364,775	1,630,068	110	6,496	1,203,123	6,902,391	106
Dependent, with Obstetrical Benefits	1957.....	1,937	264,337	3,282,214	100%	6,880	898,244	13,413,743	99%
	1958.....	1,335	191,401	2,350,427	99	5,188	609,919	9,301,983	102
	1959.....	1,207	179,727	2,316,635	104	5,833	716,638	11,205,245	104
	1960.....	1,143	187,170	2,343,924	101	6,122	798,128	12,444,082	104
Dependent, No Obstetrical Benefits	1957.....	270	40,630	335,249	108%	1,037	127,180	1,534,456	118%
	1958.....	151	20,865	171,911	107	722	69,196	843,423	119
	1959.....	134	24,675	196,981	104	803	86,135	1,093,695	124
	1960.....	129	24,275	230,572	124	979	105,339	1,266,642	117

**TABLE 13**  
**EMPLOYEE SURGICAL 1958-60 POLICY YEARS' EXPERIENCE**  
**RATIO OF ACTUAL CLAIMS TO 1957 SURGICAL TABULAR BY PERCENT FEMALE**  
**SIZE GROUPS 0-7 ONLY, ALL INDUSTRIES**

Female Percent	Number of Experience Units	Maximum Indemnity Exposed per Basic Unit	Actual Claims	Ratio of Actual Claims to 1957 Surgical Tabular
\$150 Schedule				
<11% . . . . .	2,335	413,621	1,481,824	115%
11-21 . . . . .	1,295	243,210	978,521	111
21-31 . . . . .	879	150,986	656,441	106
31-41 . . . . .	584	114,543	566,823	108
41-51 . . . . .	428	77,783	390,478	99
51-61 . . . . .	294	63,302	357,823	101
61-71 . . . . .	254	53,238	325,042	100
71-81 . . . . .	165	30,090	194,475	98
81-91 . . . . .	106	25,271	171,842	96
91-100 . . . . .	32	4,722	26,307	74
<b>Total . . . . .</b>	<b>6,372</b>	<b>1,176,766</b>	<b>5,149,576</b>	<b>107%</b>
\$200 Schedule				
<11% . . . . .	7,799	1,381,064	6,888,575	109%
11-21 . . . . .	4,360	694,223	3,765,257	107
21-31 . . . . .	2,511	446,709	2,599,561	104
31-41 . . . . .	1,469	278,000	1,754,009	103
41-51 . . . . .	1,125	193,931	1,385,854	107
51-61 . . . . .	843	149,113	1,089,019	101
61-71 . . . . .	581	102,164	833,172	105
71-81 . . . . .	309	72,101	538,066	90
81-91 . . . . .	195	31,178	261,018	95
91-100 . . . . .	52	8,698	75,646	93
<b>Total . . . . .</b>	<b>19,244</b>	<b>3,357,181</b>	<b>19,190,177</b>	<b>106%</b>

industrial classification, age distribution, etc. The resulting lack of homogeneity produces possible variations and inconsistencies when male and female costs are derived or compared.

#### HOSPITAL

The basic results of the study of Hospital Expense insurance are presented in Tables 4 and 5 for plans grouped according to nonmaternity room and board duration and miscellaneous fee benefit. The experience shown includes all size groups for the three latest policy years, except that the plans included for the first time this year show 1960 experience only. Because of this, ratios of actual to 1957 tabular claims are shown for 1960 only as well as for combined 1958-60.

The trend of experience for employee and dependent experience is indicated in Table 6 for each of the four latest policy years in the form of ratios of actual to 1957 Tabular claims. Both employee and dependent experience continue to show an increasing claim cost by year of experience, but the percentage increase of 1960 over 1959 is not as great as that of 1959 over 1958. Part of this difference is probably due to the fact that the central period of exposure for 1959 is approximately 15 months after 1958 rather than 12 months. The annual increases in the ratio of actual to tabular claims indicated by Table 6 are based on the experience (except for a small amount of dependent experience) of plans that contain maternity benefits. No breakdown between maternity and nonmaternity experience is directly available from the annual study. Table 7, which contains combined employee and dependent experience, indicates the trend of experience according to daily benefit groupings.

Ratios of actual to tabular claims for employee plans grouped according to percentage female are shown in Table 8. The fairly uniform ratios in this table, although subject to variations other than those of male and female claim costs, indicate a satisfactory relationship between male and female claim costs in the 1957 Hospital Tabular.

Table 9 shows the results of an analysis of combined employee and dependent experience by state. The experience is presented in the form of ratios of actual to tabular claims for all exposure size groups combined and for exposure size groups 0-7 only. The groups included in the experience for any state are those groups with 75% or more of the insured employees in that state. Where it was not possible to assign a group to a particular state, it was assigned to a region if 75% or more of the insured employees were in that region.

When interpreting the variations in experience by area, it should be borne in mind that the Hospital Tabulars do not include an adjustment for

TABLE 14  
EMPLOYEE AND DEPENDENT 1958-60 POLICY YEARS' EXPERIENCE  
ANALYSIS OF SURGICAL EXPERIENCE BY STATE  
ALL INDUSTRIES

LOCATION CODE	STATE OR REGION	SIZE GROUPS 0-7			RATIO OF ACTUAL CLAIMS TO 1957 SURGICAL TABULAR	
		Number of Experience Units	Maximum Sur- gical Indemnity Exposed	Actual Claims	Size Groups 0-7	All Size Groups
20.....	Region	50	8,152	57,363	93%	93%
21.....	Connecticut	1,023	243,146	2,156,882	100	102
22.....	Maine	239	37,754	297,027	103	97
23.....	Massachusetts	2,093	348,193	2,892,115	102	103
24.....	New Hampshire	220	57,255	470,860	98	97
25.....	Rhode Island	117	21,290	153,443	99	99
26.....	Vermont	266	34,422	267,135	103	103
	Total	4,008	750,212	6,294,825	101%	102%
30.....	Region	57	7,276	64,215	95%	102%
31.....	Delaware	45	4,492	31,545	92*	112
32.....	Dist. Columbia	206	28,971	209,509	100	93
33.....	New Jersey	1,076	138,637	1,017,848	92	92
34.....	New York	3,467	497,000	3,809,936	95	98
35.....	Pennsylvania	4,066	628,375	5,423,786	102	101
	Total	8,917	1,304,751	10,556,839	98%	98%
40.....	Region	142	33,322	339,645	115%	96%
41.....	Illinois	4,347	690,963	5,354,190	90	93
42.....	Indiana	2,030	296,242	2,743,237	105	104
43.....	Kentucky	324	34,289	272,961	96	96
44.....	Michigan	2,628	412,602	4,273,366	114	115
45.....	Ohio	3,048	590,102	5,284,639	103	106
46.....	Wisconsin	1,163	212,837	2,181,481	112	113
47.....	West Virginia	514	56,719	440,749	98	98
	Total	14,196	2,327,076	20,890,268	102%	103%
50.....	Region	76	24,907	275,611	118%	119%
51.....	Iowa	877	97,385	950,109	109	109
52.....	Kansas	551	52,342	516,795	106	118
53.....	Minnesota	655	82,640	913,470	115	115
54.....	Missouri	1,027	148,821	1,303,422	99	99
55.....	Nebraska	412	44,428	450,141	112	112
56.....	North Dakota	105	8,561	71,966	99	99
57.....	South Dakota	105	9,354	93,858	98	98
	Total	3,808	468,438	4,575,372	107%	109%

TABLE 14—Continued

LOCATION CODE	STATE OR REGION	SIZE GROUPS 0-7			RATIO OF ACTUAL CLAIMS TO 1957 SURGICAL TABULAR	
		Number of Experience Units	Maximum Sur- gical Indemnity Exposed	Actual Claims	Size Groups 0-7	All Size Groups
60.....	Region	26	9,158	117,573	130%	122%
61.....	Colorado	188	31,379	335,944	123	121
62.....	Idaho	109	12,365	131,087	119	119
63.....	Montana	55	9,314	107,234	114	126
64.....	Nevada	61	8,195	72,609	94	94
65.....	Utah	240	31,950	343,516	122	122
66.....	Wyoming	32	3,980	42,891	110*	110
	Total	711	106,341	1,150,854	119%	120%
70.....	Region	39	10,057	99,880	115%	115%
71.....	California	3,091	420,443	4,296,983	117	123
72.....	Oregon	195	20,861	221,314	119	120
73.....	Washington	199	30,964	309,231	113	105
	Total	3,524	482,325	4,927,408	117%	121%
80.....	Region	121	26,620	245,917	110%	112%
81.....	Arizona	257	36,039	400,549	125	130
82.....	Arkansas	443	50,410	473,629	111	111
83.....	Louisiana	655	64,559	681,433	118	120
84.....	New Mexico	170	23,643	249,365	99	107
85.....	Oklahoma	502	55,223	562,748	115	118
86.....	Texas	2,515	347,611	3,439,964	117	117
	Total	4,663	604,105	6,053,605	116%	117%
90.....	Region	136	34,983	294,599	98%	97%
91.....	Alabama	329	72,029	682,744	111	114
92.....	Florida	1,128	133,137	1,300,767	112	112
93.....	Georgia	838	105,520	890,230	104	106
94.....	Maryland	730	109,835	872,556	97	99
95.....	Mississippi	301	31,155	301,888	105	105
96.....	North Carolina	1,112	119,010	1,075,805	105	107
97.....	South Carolina	279	36,258	311,785	114	114
98.....	Tennessee	314	52,019	457,367	119	118
99.....	Virginia	1,182	168,680	1,368,945	100	107
	Total	6,349	862,626	7,556,686	105%	107%
	All others†	2,147	513,155	4,821,441	106%	112%
	Total All Loca- tions	48,323	7,419,029	66,827,298	105%	106%

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

† Less than 75% of employees in one state or region.

TABLE 15  
 1957 SURGICAL TABULAR  
 ANNUAL CLAIM COSTS  
 PER BASIC UNIT INDICATED

PERCENT FEMALE	BASIC UNIT	
	\$150 Schedule	\$200 Schedule
	Employee, with Obstetrical Benefits	
Male.....	\$ 2.87	\$ 4.30
<11%.....	3.12	4.56
11-21.....	3.61	5.09
21-31.....	4.11	5.62
31-41.....	4.60	6.14
41-51.....	5.09	6.67
51-61.....	5.60	7.21
61-71.....	6.09	7.74
71-81.....	6.59	8.26
81-91.....	7.08	8.79
91-100.....	7.57	9.32
Female.....	7.82	9.58
	Dependent, with Obstetrical Benefits	
	\$12.43	\$15.02
	Dependent, No Obstetrical Benefits	
	\$ 7.67	\$10.26



the expected variation in costs by area. On the other hand, the tabulars do recognize that for any given dollar maximum miscellaneous fee benefit the average benefit payable will increase as the dollar amount of daily benefit increases. For example, for a \$200 maximum miscellaneous fee benefit the assumed average benefit for a male employee is \$76.33 for a \$10 daily benefit provided and \$83.16 for a \$20 daily benefit provided. Thus, for the 1957 Tabulars to produce reasonably accurate miscellaneous fee claims costs, it is necessary that the amount of daily benefit provided be reasonably related to the level of hospital room and board charges. The area variations in experience shown in Table 9 may be due to variations in the relationship of miscellaneous charges to room and board charges in an area, variations in the relationship between the amount of daily benefit provided and the level of room and board charges in the area, variations in frequency or average duration of hospital confinement, or a combination of these factors. However, since the daily room and board benefit provided is limited to a dollar amount and the miscellaneous fee benefits provided have aggregate dollar maximums, it is possible that a substantial part of the variations in experience for area shown in Table 9 is due to the frequency of hospital confinement.

The volume of hospital experience shown for California is relatively small and may be atypical because of the exclusion of employee hospital plans which are integrated with California UCD hospital benefits.

The results of the area analysis can be presented only as a composite experience of groups having various industry classifications, distributions of exposure by age and different types of claim administration. Moreover, it should be understood that the experience of any particular area is affected by various social and economic factors and that variations in experience may be chance fluctuations resulting from an insufficient volume of experience. The analysis indicates a higher claim level in the Plains States, the Mountain States and the Southwestern States. A lower claim level is indicated in the Middle Atlantic States and the New England States. The experience of some states within a given region varies considerably from the region average. There may also be marked variations within a given state.

#### SURGICAL

The basic results of the study of Surgical Expense insurance are presented in Table 11 for the three latest policy years combined.

The trend of experience for employee and dependent experience is indicated in Table 12 for each of the four latest policy years in the form of ratios of actual to 1957 Tabular claims. Experience under the \$200

Schedule with obstetrical benefits shows a steady increase in claim costs for 1958 and 1959 over 1957, while the 1960 experience is slightly below that for 1959. This may indicate a lower level of experience in 1960 or may be due to an accidental fluctuation during 1959 or 1960.

Ratios of actual to tabular claims for employee plans grouped according to percentage female are shown in Table 13. The ratios in this table, although subject to variations other than those of male and female claim costs, indicate the 1957 Surgical Tabular for male employee is relatively low while that for female employee is relatively high.

Table 14 contains an analysis of surgical experience by state corresponding to Table 9 for hospital experience. Many of the warnings given with respect to the interpretation of the hospital experience by area also apply to the surgical experience. In addition, the Committee would like to point out that the tabulars do not include a factor for variations in claim cost by area or by amount of schedule maximum.

The surgical analysis by area indicates a higher claim level in the Mountain States, the Pacific States and the Southwestern States. A lower claim level is indicated in the Middle Atlantic States and the New England States. The experience of some states within a given region varies considerably from the region average. There may also be marked variations within a given state.

The surgical variations in ratios of actual to tabular claims by area are probably due primarily to the variation in claim frequencies, since nearly all claim payments are for the maximum amount allowed for the procedure performed. If frequencies are the same, minor variations in the ratios by area may still occur because of differing frequency distributions of procedures performed, provided such distributions result in different average benefits. Minor variations may also be caused by the relative level of schedule maximums purchased for a given area.