

## TRANSACTIONS OF SOCIETY OF ACTUARIES 1969 REPORTS

### II. GROUP WEEKLY INDEMNITY INSURANCE AND GROUP HOSPITAL AND SURGICAL EXPENSE INSURANCE

**T**HIS is the twenty-second 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 and excludes the experience of trusteeship and association cases insuring employees of the member employers and of union cases, whether or not insurance depends upon continued employment. Experience of insured groups outside the United States is excluded, except for experience of groups insured for Group Weekly Indemnity insurance in Canada, which is reported separately. The data for Group Weekly Indemnity insurance exclude the experience of plans written under State Cash Sickness Laws.

Experience under Weekly Indemnity insurance and the Employee portion of Hospital Expense insurance includes for the first time the experience of groups which the contributing companies individually rate above standard for premium purposes; previously this experience was excluded. All prior years' data have been adjusted to reflect this change. The Dependent portion of Hospital Expense insurance, as well as Employee and Dependent data for the Surgical expense study, continues to be reported for all industrial classifications combined. Experience was last analyzed by industry classification in the *1965 Reports*.

Each of the three studies is organized with the first two tables showing experience by plan for the latest three years combined. The first table shows experience for all size groups combined, while the second table, in order to remove the effect that very large groups might have on experience, excludes jumbo groups—those containing 1,000 or more insured employees. (This definition is reasonably consistent with that used in 1966 and earlier reports when benefits exposed were the basis.) The third table in each study shows the year-by-year trend in actual to tabular ratios over the latest five years. The Hospital and Surgical studies also include analyses by area and by size of the experience unit.

#### *Ratio of Actual to Tabular Claims*

Throughout this report experience is based on benefits exposed and presented in the form of actual to tabular claims. The Weekly Indemnity

study uses the 1947-49 Weekly Indemnity Tabular as reported in the *1962 Reports*; the Hospital and Surgical studies use the 1957 Hospital and 1957 Surgical Tabulars as reported in the *1961 Reports* with subsequent expansions, as noted in the *1963* and *1964 Reports*.

Specific cautions concerning interpretation of the data contained in this report are noted below and elsewhere in the report. None of the tabulars reflect the recent decline in birth rates. Thus, when combined nonmaternity and maternity (or obstetrical) experience is shown in many of the tables, this tends to conceal the low ratio of actual to tabular for maternity benefits and the generally higher ratios of actual to tabular for nonmaternity benefits. The tabulars do not reflect certain factors, such as age distribution or geographic location, which may affect experience results. In addition, especially in the Hospital and Surgical studies, the tabulars do not always provide for benefits at the levels currently being offered in the market place.

#### *Contributing Companies*

The Committee wishes to express its gratitude to the eleven United States and Canadian companies which generously contributed data included in this report. The results are the composite experience of variations in company practice, in underlying administration and claim procedures, as well as 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 1964, 1965, 1966, 1967, and 1968. The majority of the companies contribute exposures and claims based upon policy years ending in the calendar year designated. The central point of the exposure for each policy year is approximately January 1 of that year. 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.

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  
The Mutual Life Assurance Company of Canada

Occidental Life Insurance Company of California  
 Prudential Insurance Company of America  
 Sun Life Assurance Company of Canada  
 The Travelers Insurance Company

*Analysis of Experience*

WEEKLY INDEMNITY

Table 1 shows experience by plan for the three latest policy years combined, including all size groups. Only plans with a six-week maternity benefit are included. Table 2 shows comparable experience, excluding jumbo groups; in addition, for those cases where separate experience is available, experience is also shown broken down into nonmaternity and maternity. Table 2 also includes experience of plans with no maternity benefits. Table 3 summarizes the ratios of actual to tabular claims on nonjumbo groups for each of the five latest years.

Last year's report noted a continued upward trend in combined nonmaternity and maternity experience for Canadian groups. With the inclusion of rated industries, this trend was less pronounced from 1966 to 1967, and a general downturn was observed for 1968. In the past, Canadian experience has been generally higher than the corresponding United States experience. However, this does not appear to be characteristic of the 1968 experience.

In the United States the effect of including rated industries had little impact on prior years' actual to tabular ratios. United States experience for 1968 showed a marked increase from prior years for all plans. This deterioration in experience coincided with a widespread epidemic of influenza in the United States during January and February of 1968. The apparent correlation between this outbreak and the Weekly Indemnity experience is enhanced by the greater increase in actual to tabular ratios observed in the fourth-day sickness groups.

Nonjumbo maternity experience for both United States and Canadian groups continues at a low actual to tabular ratio. It should be noted that the Canadian experience is based on a relatively small claim volume.

HOSPITAL

The basic results of the Hospital Expense insurance study for the three latest policy years are shown in Table 4 for all size groups combined and in Table 5 for nonjumbo groups. The experience is analyzed by plan according to nonmaternity room-and-board duration under ancillary benefits provided. Table 5 analyzed the nonmaternity and maternity experience combined, and a portion of this experience is analyzed sepa-

TABLE 1  
 GROUP WEEKLY INDEMNITY EXPERIENCE  
 WITH SIX WEEKS' MATERNITY BENEFIT  
 ALL SIZE GROUPS  
 COMBINED 1966-68 POLICY YEARS' EXPERIENCE, BY PLAN

Plan	No. Experience Units	Weekly Indemnity Exposed (000)	Actual Claims (000)	Ratio of Actual to 1947-49 Weekly Indemnity Tabular
United States Experience				
1-4-13.....	1,263	7,086	4,902	96%
4-4-13.....	345	1,751	849	74
1-8-13.....	4,694	29,981	20,303	105
8-8-13.....	697	6,429	4,251	101
Total, 13-week plans.....	6,999	45,247	30,305	102%
1-4-26.....	413	8,269	8,186	123%
4-4-26.....	58	1,110	1,083	125
1-8-26.....	2,336	32,183	27,908	115
8-8-26.....	304	12,936	8,608	91
Total, 26-week plans.....	3,111	54,498	45,785	111%
Total, all plans.....	10,110	99,745	76,090	107%
Canadian Experience				
1-4-13.....	203	1,003	806	121%
4-4-13.....	30	148	125	115
1-8-13.....	1,412	2,380	1,474	103
8-8-13.....	54	192	122	111
Total, 13-week plans.....	1,699	3,723	2,527	109%
1-4-26.....	172	1,039	984	119%
4-4-26.....	15	289	273	110
1-8-26.....	412	2,698	2,744	139
8-8-26.....	37	348	269	107
Total, 26-week plans.....	636	4,374	4,270	130%
Total, all plans.....	2,335	8,097	6,797	121%

TABLE 2  
 GROUP WEEKLY INDEMNITY EXPERIENCE  
 GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED  
 1966-68 POLICY YEARS' EXPERIENCE, BY PLAN  
 UNITED STATES EXPERIENCE

PLAN	NONMATERNITY AND MATERNITY COMBINED EXPERIENCE*				NONMATERNITY AND MATERNITY SEPARATE EXPERIENCE*						
	No. Experience Units	Weekly Indemnity Exposed (000)	Actual Claims (000)	Ratio of Actual to 1947-49 Weekly Indemnity Tabular	No. Experience Units	Weekly Indemnity Exposed (000)	Actual Claims		Ratio of Actual to 1947-49 Weekly Indemnity Tabular		
							Non- maternity (000)	Maternity (000)	Non- maternity	Maternity	Combined
Plans with 6 Weeks' Maternity Benefit											
13-week:											
4th-day sickness.....	1,591	6,665	4,824	89%	1,260	4,938	3,022	114	96%	45%	92%
9th-day sickness.....	5,258	25,208	15,969	98%	3,611	17,234	10,481	705	107%	50%	100%
Total.....	6,849	31,873	19,993	96%	4,871	22,222	13,503	819	104%	49%	98%
26-week:											
4th-day sickness.....	426	5,212	4,430	104%	307	3,530	3,032	74	110%	48%	107%
9th-day sickness.....	2,482	20,400	16,566	108%	1,639	13,597	11,106	432	117%	53%	112%
Total.....	2,908	25,612	20,996	107%	1,944	17,127	14,138	506	116%	53%	111%
Plans with No Maternity Benefits											
13-week:											
4th-day sickness.....					484	2,552	1,592		97%		
9th-day sickness.....					6,074	24,260	13,932		99%		
Total.....					6,558	26,812	15,524		98%		
26-week:											
4th-day sickness.....					280	1,837	1,246		84%		
9th-day sickness.....					3,884	18,806	12,025		91%		
Total.....					4,164	20,643	13,271		90%		

\* The separate experience exposure is less than the combined experience exposure because separate experience is not available for all groups.

TABLE 2—Continued  
CANADIAN EXPERIENCE

PLAN	NONMATERNITY AND MATERNITY COMBINED EXPERIENCE*				NONMATERNITY AND MATERNITY SEPARATE EXPERIENCE*						
	No. Experience Units	Weekly Indemnity Exposed (000)	Actual Claims (000)	Ratio of Actual to 1947-49 Weekly Indemnity Tabular	No. Experience Units	Weekly Indemnity Exposed (000)	Actual Claims		Ratio of Actual to 1947-49 Weekly Indemnity Tabular		
							Non- maternity (000)	Maternity (000)	Non- maternity	Maternity	Combined
Plans with 6 Weeks' Maternity Benefit											
13-week:											
4th-day sickness.....	226	790	566	108%	203	683	481	10	113%	37%†	109%
8th-day sickness.....	1,458	2,293	1,402	102	1,295	1,929	1,099	44	104	41	98
Total.....	1,684	3,083	1,968	104%	1,498	2,612	1,580	54	107%	40%	101%
26-week:											
4th-day sickness.....	186	1,101	1,021	114%	161	837	753	15	117%	57%†	115%
8th-day sickness.....	439	1,797	1,347	100	345	1,024	602	25	85	49†	83
Total.....	625	2,898	2,368	106%	506	1,861	1,355	40	101%	51%†	98%
Plans with No Maternity Benefits											
13-week:											
4th-day sickness.....					109	402	251		97%		
8th-day sickness.....					910	2,162	1,215		99		
Total.....					1,019	2,564	1,466		99%		
26-week:											
4th-day sickness.....					94	294	240		106%		
8th-day sickness.....					459	1,471	907		86		
Total.....					553	1,765	1,147		90%		

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

TABLE 3—GROUP WEEKLY INDEMNITY EXPERIENCE  
 GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED  
 1964-68 POLICY YEARS' EXPERIENCE, BY PLAN  
 UNITED STATES

PLAN	RATIOS OF ACTUAL TO 1947-49 TABULAR FOR POLICY YEAR ENDING IN:				
	1964	1965	1966	1967	1968
Plans with 6 Weeks' Maternity Benefit					
<i>Nonmaternity and maternity combined experience:</i>					
13-week:					
4th-day sickness .....	90%	88%	90%	84%	92%
8th-day sickness .....	96	95	97	96	102
Total .....	95%	94%	95%	93%	100%
26-week:					
4th-day sickness .....	98%	96%	101%	100%	112%
8th-day sickness .....	102	104	106	107	110
Total .....	102%	103%	105%	106%	111%
<i>Nonmaternity and maternity separate experience:*</i>					
Nonmaternity:					
13-week:					
4th-day sickness .....	93%	93%	94%	91%	102%
8th-day sickness .....	102	103	106	104	111
Total .....	100%	101%	103%	101%	109%
26-week:					
4th-day sickness .....	103%	105%	106%	106%	118%
8th-day sickness .....	107	110	113	115	122
Total .....	107%	109%	112%	113%	121%
Maternity (all plans) .....	65%	54%	54%	48%	50%
Combined:					
13-week:					
4th-day sickness .....	91%	91%	91%	87%	97%
8th-day sickness .....	97	98	99	97	103
Total .....	96%	96%	97%	94%	101%
26-week:					
4th-day sickness .....	101%	103%	103%	103%	114%
8th-day sickness .....	104	106	109	110	116
Total .....	104%	105%	108%	108%	116%
Plans with No Maternity Benefits					
13-week:					
4th-day sickness .....	96%	98%	102%	90%	99%
8th-day sickness .....	94	96	96	98	102
Total .....	94%	96%	96%	97%	102%
26-week:					
4th-day sickness .....	93%	90%	89%	84%	80%
8th-day sickness .....	89	91	93	89	91
Total .....	89%	91%	92%	88%	90%

\* The nonmaternity and maternity separate experience is also included in the nonmaternity and maternity combined experience.

TABLE 3—Continued

## CANADA

PLAN	RATIOS OF ACTUAL TO 1947-49 TABULAR FOR POLICY YEAR ENDING IN:				
	1964	1965	1966	1967	1968
<b>Plans with 6 Weeks' Maternity Benefit</b>					
<i>Nonmaternity and maternity combined experience:</i>					
13-week:					
4th-day sickness .....	103% 96	96% 96	106% 98	120% 101	99% 106
8th-day sickness .....					
Total .....	98%	96%	101%	106%	104%
26-week:					
4th-day sickness .....	117% 103	107% 94	123% 97	107% 116	111% 91
8th-day sickness .....					
Total .....	107%	98%	106%	112%	100%
<i>Nonmaternity and maternity separate experience:*</i>					
Nonmaternity:					
13-week:					
4th-day sickness .....	112% 93	99% 98	113% 101	124% 100	105% 111
8th-day sickness .....					
Total .....	99%	99%	105%	106%	109%
26-week:					
4th-day sickness .....	114% 87	131% 85	135% 79	108% 101	111% 79
8th-day sickness .....					
Total .....	95%	98%	103%	104%	95%
Maternity (all plans) .....	67%†	63%†	59%†	42%†	35%†
Combined:					
13-week:					
4th-day sickness .....	109% 91	97% 95	110% 97	118% 94	99% 104
8th-day sickness .....					
Total .....	96%	95%	101%	101%	102%
26-week:					
4th-day sickness .....	112% 88	127% 85	132% 79	107% 98	108% 75
8th-day sickness .....					
Total .....	95%	97%	101%	102%	91%
<b>Plans with No Maternity Benefits</b>					
13-week:					
4th-day sickness .....	118% 108	103% 100	75% 103	113% 99	100% 96
8th-day sickness .....					
Total .....	111%	100%	98%	101%	97%
26-week:					
4th-day sickness .....	85% 101	138% 87	109% 90	109% 85	101% 84
8th-day sickness .....					
Total .....	98%	95%	94%	89%	87%

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



rately by nonmaternity and maternity. The employee combined experience is a mixture of  $10\times$  and  $14 + n\times$  maternity, while the separate experience is essentially all  $10\times$  maternity. The nonmaternity experience of plans with no maternity or "other" maternity benefits is shown separately.

The general decline in "total" actual to tabular ratios noted in the past two reports for both jumbo and nonjumbo groups continues for Employees, as evidenced by a comparison of Tables 4 and 5 between this year's and last year's report. The five-year trend shown in Table 6

TABLE 4  
EMPLOYEE AND DEPENDENT GROUP HOSPITAL EXPENSE INSURANCE  
ALL SIZE GROUPS  
COMBINED 1966-68 POLICY YEARS' EXPERIENCE, BY PLAN

Plan	No. Experience Units	Daily Benefit Exposed (000)	Actual Claims (000)	Ratio of Actual to 1957 Hospital Tabular
<i>Employee:</i>				
With maternity benefits:*				
$10\times$ :				
31-day .....	990	3,194	6,315	121%
70-day .....	266	687	1,459	128
120-day .....	80	515	795	110
Total .....	1,336	4,396	8,569	121%
$15\times$ :				
31-day .....	459	1,538	3,138	121%
70-day .....	276	724	1,376	117
120-day .....	14	15	21	81†
Total .....	749	2,277	4,535	120%
$20\times$ :				
31-day .....	1,295	3,107	6,457	124%
70-day .....	1,714	3,927	8,532	128
120-day .....	255	630	1,315	125
Total .....	3,264	7,664	16,304	126%
$20\times + 75\%$ of excess:				
31-day .....	283	544	1,373	139%
70-day .....	504	1,269	3,279	141
120-day .....	80	203	477	135
Total .....	867	2,016	5,129	140%

\*  $10\times$  or  $14 + n\times$ . Plans with "other" maternity benefits are excluded.

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

TABLE 4—Continued

Plan	No. Experience Units	Daily Benefit Exposed (000)	Actual Claims (000)	Ratio of Actual to 1957 Hospital Tabular
<i>Dependent:</i>				
With maternity benefits:†				
10X:				
31-day .....	878	1,701	6,484	117%
70-day .....	197	379	1,425	116
120-day .....	40	105	377	116
Total .....	1,115	2,185	8,286	117%
15X:				
31-day .....	503	1,045	4,477	127%
70-day .....	300	469	1,874	120
120-day .....	24	87	352	124
Total .....	827	1,601	6,703	125%
20X:				
31-day .....	1,629	2,404	10,388	129%
70-day .....	2,299	3,183	14,026	132
120-day .....	403	560	2,487	133
Total .....	4,331	6,147	26,901	131%
20X + 75% of excess:				
31-day .....	357	489	2,521	142%
70-day .....	799	1,136	5,563	136
120-day .....	113	184	945	150
Total .....	1,269	1,809	9,029	139%
With no maternity benefits:				
10X:				
Total .....	168	331	998	121%

† 10X, subject to a nine-month waiting period. Plans with "other" maternity benefits are excluded.

confirms this pattern for nonjumbo Employee experience. The recent trend of Dependent experience, however, is not clearly defined.

The inclusion of rated industries in the Employee experience had no significant effect on prior years' actual to tabular ratios. Caution should be exercised when interpreting the experience results due to the effect on experience resulting from the co-ordination of benefits provision, the advent of Medicare, and resulting hospital utilization trends as described in the introduction to this report (see p. 163).

The ratios in Table 6 also indicate that the use of the 1957 Hospital

Tabular generally results in a higher ratio of actual to tabular claims as the size of the ancillary benefit increases. The 1957 Hospital Tabular is based upon an annual frequency of claim which does not vary by plan and an average ancillary benefit which does vary by plan, based on a historical distribution of ancillary benefit charges. Most of the variations in actual to tabular by ancillary benefit would appear to be the result of

TABLE 5  
 EMPLOYEE AND DEPENDENT HOSPITAL EXPENSE INSURANCE  
 GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED  
 1966-68 POLICY YEARS' EXPERIENCE, BY PLAN

PLAN	NONMATERNITY AND MATERNITY COMBINED EXPERIENCE*				NONMATERNITY AND MATERNITY SEPARATE EXPERIENCE*						
	No. Experience Units	Daily Benefit Exposed (000)	Actual Claims (000)	Ratio of Actual to 1957 Hospital Tabular	No. Experience Units	Daily Benefit Exposed (000)	Actual Claims		Ratio of Actual to 1957 Hospital Tabular		
							Non-maternity (000)	Maternity (000)	Non-maternity	Maternity	Combined
Employee Plans with 10X and 14+nX Maternity Benefits											
10X:											
31-day	948	1,984	3,594	111%	595	1,206	1,976	102	115%	48%	107%
70-day	258	559	1,051	116	94	269	457	27	119	57†	112
120-day	75	278	474	119	9	36	63	‡	124	‡	117
Total	1,281	2,821	5,119	113%	698	1,511	2,496	136	116%	51%	108%
15X:											
31-day	446	953	1,830	116%	331	687	1,199	54	115%	67%	112%
70-day	271	622	1,217	120	126	272	496	17	121	56†	117
120-day	14	15	21†	81†	11	10	16	§	105†	§	98
Total	731	1,590	3,068	117%	468	969	1,711	71	117%	64%	113%
20X:											
31-day	1,272	2,418	4,973	123%	1,095	2,099	4,056	160	127%	56%	121%
70-day	1,691	3,178	6,792	125	1,257	2,339	4,714	247	130	73	125
120-day	252	512	1,029	122	157	283	540	25	126	62†	120
Total	3,215	6,108	12,794	124%	2,509	4,721	9,310	432	128%	65%	123%
20X + 75% of excess:											
31-day	282	525	1,335	139%	241	457	1,109	42	145%	64%†	139%
70-day	495	1,088	2,717	136	349	807	1,927	114	143	80	137
120-day	78	167	382	132	52	109	256	8	146	70†	141
Total	855	1,780	4,434	137%	642	1,373	3,292	164	144%	75%	138%
Employee Plans with "Other" Maternity Benefits											
Total					401	973	1,919		133%		

\* The separate experience exposure is less than the combined experience exposure because separate experience is not available for all groups.

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

‡ Less than \$50,000 of actual claims and less than ten experience units.

§ Less than \$500 of actual claims.

|| Nonmaternity experience only submitted for these plans.

TABLE 5—Continued

PLAN	NONMATERNITY AND MATERNITY COMBINED EXPERIENCE*				NONMATERNITY AND MATERNITY SEPARATE EXPERIENCE*						
	No. Experience Units	Daily Benefit Exposed (000)	Actual Claims (000)	Ratio of Actual to 1957 Hospital Tabular	No. Experience Units	Daily Benefit Exposed (000)	Actual Claims		Ratio of Actual to 1957 Hospital Tabular		
							Non-maternity (000)	Maternity (000)	Non-maternity	Maternity	Combined
<b>Dependent Plans with 10× Maternity Benefits</b>											
10×:											
31-day	849	1,223	4,411	111%	606	787	2,413	433	125%	69%	111%
70-day	194	343	1,268	115	117	254	842	121	135	60	117
120-day	40	105	377	116	11	22	73	13	142	80†	127
Total	1,083	1,671	6,056	112%	734	1,063	3,328	567	128%	67%	113%
15×:											
31-day	485	652	2,751	124%	367	502	1,824	278	139%	69%	123%
70-day	300	469	1,874	120	173	261	872	147	131	71	117
120-day	23	77	316	126	18	57	216	25	152	55†	129
Total	808	1,198	4,941	123%	558	820	2,912	450	138%	69%	121%
20×:											
31-day	1,608	2,055	8,828	128%	1,309	1,730	6,370	1,011	145%	74%	128%
70-day	2,272	2,656	11,706	131	1,671	1,972	7,341	1,222	145	79	130
120-day	400	484	2,171	134	248	275	1,080	170	156	79	138
Total	4,280	5,195	22,705	130%	3,228	3,977	14,791	2,403	146%	76%	129%
20× + 75% of excess:											
31-day	354	448	2,283	141%	285	364	1,638	201	160%	68%	140%
70-day	788	995	4,912	137	435	600	2,408	368	148	78	132
120-day	111	167	835	146	62	91	436	58	177	81	155
Total	1,253	1,610	8,030	139%	782	1,055	4,482	627	155%	75%	137%
<b>Dependent Plans with "Other" Maternity Benefits  </b>											
Total					609	907	3,175		141%		
<b>Dependent Plans with No Maternity Benefits</b>											
Total					160	240	708		122%		

inflation rather than an increased frequency of claim for plans with larger ancillary benefits.

Table 7 shows the results of an analysis by state and metropolitan area of Employee plus Dependent experience for all plans included in Table 4 for the three latest policy years combined. The experience is presented for groups with less than 1,000 employees together with corresponding actual to tabular ratios with jumbo cases included. For a

TABLE 6

EMPLOYEE AND DEPENDENT GROUP HOSPITAL EXPENSE EXPERIENCE  
 GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED  
 1964-68 POLICY YEARS' EXPERIENCE, BY PLAN

PLAN	RATIOS OF ACTUAL CLAIMS TO 1957 HOSPITAL TABULAR FOR POLICY YEAR ENDING IN:				
	1964	1965	1966	1967	1968
Employee					
<i>Plans with 10X and 14+nX maternity benefits:</i>					
Nonmaternity and maternity combined experience:					
10X .....	117%	116%	115%	113%	109%
15X .....	119	120	123	118	111
20X .....	125	125	128	122	122
20X + 75% of excess .....	132	142	141	133	134
Nonmaternity and maternity separate experience:*					
Nonmaternity:					
10X .....	117	119	115	117	115
15X .....	122	123	119	118	112
20X .....	129	129	132	127	125
20X + 75% of excess .....	138	149	149	141	141
Maternity (all plans) .....	75	68	62	67	60
Combined:					
10X .....	112	113	108	110	106
15X .....	119	118	115	115	108
20X .....	126	124	127	122	120
20X + 75% of excess .....	134	144	142	136	135
<i>Plans with "other" maternity benefits:</i>					
Nonmaternity .....	126	125	141	124	132
Dependent					
<i>Plans with 10X maternity benefits:</i>					
Nonmaternity and maternity combined experience:					
10X .....	117%	118%	115%	115%	100%
15X .....	133	128	129	118	120
20X .....	133	133	133	128	129
20X + 75% of excess .....	141	143	145	132	138
Nonmaternity and maternity separate experience:*					
Nonmaternity:					
10X .....	132	132	133	133	110
15X .....	142	141	144	131	138
20X .....	146	148	151	143	142
20X + 75% of excess .....	153	165	161	148	154
Maternity (all plans) .....	89	83	76	73	71
Combined:					
10X .....	118	119	117	117	98
15X .....	131	127	126	116	122
20X .....	133	134	133	128	126
20X + 75% of excess .....	140	147	144	130	135
<i>Plans with "other" maternity benefits:</i>					
Nonmaternity .....	137	132	149	138	134
<i>Plans with no maternity benefits:</i>					
10X .....	135	161	125	119	122

\* The nonmaternity and maternity separate experience is also included in the nonmaternity and maternity combined experience.

TABLE 7  
 EMPLOYEE AND DEPENDENT GROUP HOSPITAL EXPENSE INSURANCE  
 COMBINED 1966-68 POLICY YEARS' EXPERIENCE  
 BY REGION, STATE, AND METROPOLITAN AREA

REGION,* STATE,† OR METROPOLITAN AREA	GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED				ALL SIZE GROUPS, RATIO A/T‡
	No. Ex- perience Units	Daily Benefit Exposed (000)	Actual Claims (000)	Ratio A/T‡	
<i>Total, all locations</i> .....	12,791	21,260	65,011	126%	128%
New England States:					
Connecticut.....	121	154	441	124%	129%
Bridgeport-Stamford-Nor- walk.....	33	63	153	107	107
Hartford-New Britain- Bristol.....	74	174	512	129	127
New Haven-Waterbury..	34	61	129	91	91
Total.....	262	452	1,235	119%	122%
Maine.....	74	132	354	113%	113%
Massachusetts.....	219	501	1,274	117%	116%
Boston-Lowell-Lawrence..	170	270	721	116	116
Springfield-Holyoke.....	48	63	187	129	129
Total.....	437	834	2,182	117%	117%
New Hampshire.....	110	240	485	96%	96%
Rhode Island.....	§	§	§	§	§
Providence.....	§	§	§	§	§
Total.....	10	17	28	76%	76%
Vermont.....	50	77	193	113%	113%
Region.....	135	255	545	114%	123%
<i>Region total</i> .....	1,078	2,007	5,022	114%	117%
Middle Atlantic States:					
Delaware.....	§	§	§	§	§
District of Columbia.....	34	68	190	122%	122%
D.C. (Md.).....	§	§	§	§	§
D.C. (Va.).....	§	§	§	§	§
Total.....	47	84	253	127%	127%

\* Groups not coded for a specific state or metropolitan area.

† Groups coded for a specific state but not for a specific metropolitan area.

‡ Ratio of Actual to 1957 Tabular. Note that these ratios are not expressed as a percentage of the national average. For the distribution of experience in this table, the national average is shown in "Total, all locations."

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

|| Less than \$50,000 of actual claims.

TABLE 7—Continued

REGION,* STATE,† OR METROPOLITAN AREA	GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED				ALL SIZE GROUPS, RATIO A/T‡
	No. Experience Units	Daily Benefit Exposed (000)	Actual Claims (000)	Ratio A/T‡	
New Jersey.....	106	118	284	103%	105%
New York.....	445	593	1,456	107%	106%
Albany-Schenectady-Troy.....	§ 37	§ 30	§ 72	§ 107	§ 107
New York-Northeastern New Jersey (N.Y.).....	187	287	797	110	108
New York-Northeastern New Jersey (N.J.).....	172	196	454	94	96
Rochester.....	§ 16	§ 19	§ 47	§ 103	§ 103
Syracuse.....					
Total.....	865	1,134	2,844	105%	105%
Pennsylvania.....	1,015	1,612	4,514	120%	120%
Allentown-Bethlehem-Easton (Pa.).....	10	14	45	134	134
Allentown-Bethlehem-Easton (N.J.).....	§	§	§	§	§
Philadelphia (Pa.).....	115	247	644	114	114
Philadelphia (N.J.).....	14	15	43	114	114
Pittsburgh.....	38	20	60	118	137
Wilkes-Barre-Hazleton.....	12	73	166	96	96
Total.....	1,207	1,982	5,475	118%	120%
Region.....	51	86	187	96%	96%
Region total.....	2,280	3,406	9,051	113%	114%
North Central States:					
Illinois.....	646	858	2,754	128%	126%
Chicago (Ill.).....	333	707	2,310	135	134
Chicago (Ind.).....	§	§	§	§	§
Total.....	988	1,581	5,113	131%	130%
Indiana.....	588	1,223	3,611	120%	121%
Indianapolis.....	57	123	358	115	115
Total.....	645	1,346	3,969	120%	120%
Kentucky.....	92	131	374	119%	123%
Louisville (Ky.).....	§	§	§	§	§
Louisville (Ind.).....					
Total.....	100	136	389	118%	123%
Michigan.....	519	1,017	3,222	133%	134%
Detroit.....	104	130	396	138	138
Total.....	623	1,147	3,618	134%	134%

\* Groups not coded for a specific state or metropolitan area.

† Groups coded for a specific state but not for a specific metropolitan area.

‡ Ratio of Actual to 1957 Tabular. Note that these ratios are not expressed as a percentage of the national average. For the distribution of experience in this table, the national average is shown in "Total, all locations."

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

|| Less than \$50,000 of actual claims.

TABLE 7—Continued

REGION,* STATE,† OR METROPOLITAN AREA	GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED				ALL SIZE GROUPS, RATIO A/T‡
	No. Ex- perience Units	Daily Benefit Exposed (000)	Actual Claims (000)	Ratio A/T‡	
Ohio .....	590	1,069	3,315	128%	131%
Akron .....	15	7	25	120	120
Cincinnati (Ohio) .....	35	45	130	115	115
Cincinnati (Ky.) .....	§	§	§	§	§
Cleveland .....	26	26	106	156	156
Columbus .....	22	41	92	102	102
Dayton .....	§	§	§	§	§
Toledo .....	36	50	143	127	127
Youngstown (Ohio) .....	14	12	47	148	148
Youngstown (Pa.) .....	§	§	§	§	§
Total .....	751	1,266	3,901	127%	130%
West Virginia .....	160	217	783	140%	140%
Wheeling-Steubenville (W. Va.) .....	§	§	§	§	§
Wheeling-Steubenville (Ohio) .....	§	§	§	§	§
Total .....	163	218	808	143%	143%
Wisconsin .....	222	569	2,118	153%	152%
Milwaukee .....	38	79	290	148	148
Total .....	260	648	2,408	152%	152%
Region .....	242	491	1,470	124%	124%
<i>Region total</i> .....	<i>3,772</i>	<i>6,833</i>	<i>21,676</i>	<i>130%</i>	<i>131%</i>
Plains States:					
Iowa .....	172	233	681	108%	112%
Kansas .....	157	270	774	126%	155%
Minnesota .....	116	132	457	136%	136%
Minneapolis-St. Paul .....	37	33	127	139	139
Total .....	153	165	584	137%	137%
Missouri .....	239	277	911	128%	129%
Kansas City (Mo.) .....	33	42	121	117	117
Kansas City (Kan.) .....	11	36	127	136	136
St. Louis (Mo.) .....	48	49	176	138	138
St. Louis (Ill.) .....	§	§	§	§	§
Total .....	334	413	1,388	130%	130%
Nebraska .....	126	149	464	126%	123%
Omaha .....	35	86	271	141	141
Total .....	161	235	735	131%	129%
North Dakota .....	34	25	82	127%	127%
South Dakota .....	34	43	175	151%	151%
Region .....	52	130	356	117%	138%
<i>Region total</i> .....	<i>1,097</i>	<i>1,514</i>	<i>4,775</i>	<i>126%</i>	<i>136%</i>



TABLE 7—Continued

REGION,* STATE,† OR METROPOLITAN AREA	GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED				ALL SIZE GROUPS, RATIO A/T‡
	No. Experience Units	Daily Benefit Exposed (000)	Actual Claims (000)	Ratio A/T‡	
Mountain States:					
Colorado.....	46	123	502	163%	163%
Denver.....	18	25	93	141	141
Total.....	64	148	595	159%	160%
Idaho.....	20	20	61	117%	117%
Montana.....	15	48	148	109%	109%
Nevada.....	§	§	§	§	§
Utah.....	35	68	201	132%	133%
Wyoming.....	§	§	§	§	§
Region.....	12	56	138	93%	93%
Region total.....	155	357	1,248	137%	136%
Pacific States:					
California.....	42	93	203	106%	105%
Los Angeles-Long Beach.....	43	80	189	112	123
San Diego.....	§	§	§	§	§
San Francisco-Oakland.....	13	17	58	127	127
Total#.....	99	191	455	111%	115%
Oregon.....	§	§	§	§	§
Washington.....	§	§	§	§	§
Region.....					
Region total.....	112	204	504	112%	121%
Gulf States:					
Arizona.....	32	45	182	162%	162%
Arkansas.....	118	161	569	127%	127%
Louisiana.....	231	214	865	156%	156%
New Orleans.....	31	21	70	122	122
Total.....	262	235	935	153%	153%
New Mexico.....	41	44	169	141%	142%
Oklahoma.....	128	131	496	135%	136%

\* Groups not coded for a specific state or metropolitan area.

† Groups coded for a specific state but not for a specific metropolitan area.

‡ Ratio of Actual to 1957 Tabular. Note that these ratios are not expressed as a percentage of the national average. For the distribution of experience in this table, the national average is shown in "Total, all locations."

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

|| Less than \$50,000 of actual claims.

# The California experience above excludes plans integrated with UCD benefits. The corresponding California experience including plans integrated with UCD is as follows: 49 units, 74 exposed, 110 claims, and 140 per cent A/T.

TABLE 7—Continued

REGION,* STATE,† OR METROPOLITAN AREA	GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED				ALL SIZE GROUPS, RATIO A/T‡
	No. Experience Units	Daily Benefit Exposed (000)	Actual Claims (000)	Ratio A/T‡	
Texas.....	425	490	1,934	151%	150%
Dallas.....	32	43	167	149	149
Forth Worth.....	12	11	47	161	161
Houston.....	42	39	170	172	218
San Antonio.....	16	37	117	125	125
Total.....	527	620	2,435	151%	156%
Region.....	30	30	130	161%	161%
<i>Region total.....</i>	<i>1,138</i>	<i>1,266</i>	<i>4,916</i>	<i>147%</i>	<i>150%</i>
Southeastern States:					
Alabama.....	79	100	364	147%	147%
Birmingham.....	§	§	§	§	§
Total.....	85	106	385	145%	145%
Florida.....	215	396	1,404	137%	137%
Miami.....	45	76	284	149	149
Tampa-St. Petersburg....	§	§	§	§	§
Total.....	268	493	1,752	138%	138%
Georgia.....	286	283	997	136%	137%
Atlanta.....	78	94	263	111	108
Total.....	364	377	1,260	130%	125%
Maryland.....	96	97	321	126%	126%
Baltimore.....	45	52	142	116	116
Total.....	141	149	463	122%	122%
Mississippi.....	102	106	410	136%	136%
North Carolina.....	478	683	1,939	112%	112%
South Carolina.....	103	205	671	126%	127%
Tennessee.....	185	252	835	129%	129%
Knoxville.....	10	10	45	187	187
Memphis.....	28	37	112	117%	117%
Total.....	223	299	992	129%	129%
Virginia.....	330	439	1,349	123%	118%
Norfolk-Portsmouth.....	35	49	169	144	144
Total.....	365	488	1,518	125%	120%
Region.....	166	419	1,154	113%	110%
<i>Region total.....</i>	<i>2,295</i>	<i>3,325</i>	<i>10,544</i>	<i>125%</i>	<i>123%</i>
Hawaii.....					
Alaska.....					
<i>Total, states and regions.....</i>	<i>11,927</i>	<i>18,916</i>	<i>57,736</i>	<i>125%</i>	<i>127%</i>
<i>All other**.....</i>	<i>864</i>	<i>2,344</i>	<i>7,276</i>	<i>130%</i>	<i>131%</i>

\*\* Less than 75 per cent of employees in one region, state, or metropolitan area.

substantial portion of the experience contributed, it was not possible to determine whether or not 75 per cent of the employees resided in a given metropolitan area. These groups, as well as those where 75 per cent of the employees resided within a state but not within a single metropolitan area, make up the state experience. Where it was not possible to assign a group to a particular state, it was assigned to a region if 75 per cent or more of the insured employees were in that region. A few metropolitan areas extended into more than one state. In these instances all the experience has been included in the total experience for the principal state, as has been done in studies of other benefits prepared by this Committee. Sufficient detail is provided so that the reader may adjust state totals to exclude only that portion of the metropolitan area not within that state, which would be consistent with previous Hospital and Surgical experience by state.

When interpreting the variations in experience by area, it should be borne in mind that the hospital tabulars do not include an adjustment for the expected variation in costs by area. On the other hand, the tabulars do recognize that for any given dollar maximum ancillary benefit the average benefit payable will increase as the dollar amount of daily benefit increases. For the 1957 Hospital Tabular to produce reasonably accurate ancillary claim 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 7 may be due to variations in the relationship of ancillary charges to room-and-board charges in an 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 ancillary benefits provided have aggregate dollar maximums, it is possible that a substantial part of the variations in experience for area shown in Table 7 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 experience of these plans is included in a footnote to Table 7. To reflect the UCD Hospital benefit of \$12 for the first twenty days of confinement, the 1957 Hospital Tabulars were reduced by \$8.28 per male employee and by \$9.24 per female employee.

The results of the area analysis can be presented only as a composite experience of groups having various industry classification, 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 the highest claim levels in the Gulf states and lowest claim levels in the Pacific, Middle Atlantic, and New England states. The experience of some states within a given region varies considerably from the region average. There are also marked variations within a given state.

Table 8 summarizes the actual to tabular ratios for groupings of Hospital cases by the size of the experience unit. Plans with standard

TABLE 8

EMPLOYEE AND DEPENDENT HOSPITAL EXPENSE INSURANCE  
ALL SIZE GROUPS, STANDARD MATERNITY BENEFITS ONLY\*  
COMBINED EMPLOYEE AND DEPENDENT EXPERIENCE  
COMBINED 1966-68 POLICY YEARS' EXPERIENCE, BY SIZE OF EXPERIENCE UNIT

Size	No. Experience Units	Daily Benefit Exposed (000)	Actual Claims (000)	Ratio of Actual to 1957 Hospital Tabular
< 50 lives.....	5,069	1,997	6,635	127%
50- 99.....	3,859	3,700	11,765	127
100-249.....	3,096	6,722	20,117	124
250-499.....	973	4,672	14,040	125
500-999.....	508	4,879	14,587	127
Total, <1,000.....	13,505	21,970	67,144	126%
1,000 or more.....	252	6,122	18,306	134
Grand total.....	13,757	28,092	85,450	128%

\* 10× or 14 + n× maternity benefits.

maternity benefits are shown with Employee and Dependent experience combined. There is little variation in claim level among size groups under 1,000 lives; the over-all actual to tabular ratio for these groups has improved somewhat. Jumbo groups, however, show a slight increase in actual to tabular ratios.

#### SURGICAL

The basic results of the Surgical Expense insurance study are presented in Table 9 for all size groups and in Table 10 for nonjumbo groups. In Table 9 all the 1966-68 actual to tabular ratios are less than their corresponding ratios in last year's report. The actual to tabular ratios for nonjumbo groups in Table 10 also show a general downward trend. Again, the items enumerated in the Introduction to these reports should

be noted, and caution should be exercised in the interpretation of the results.

Table 11 summarizes the ratios of actual to tabular claims for the five latest policy years. Table 12 contains an analysis by state and metropolitan area of Employee and Dependent Surgical experience for all plans included in Table 9 for the three latest policy years combined. The experience is presented for groups with less than 1,000 employees together with the corresponding actual to tabular ratios with jumbo cases included. The surgical analysis by area indicates the highest claim levels in the Mountain, Pacific, and Gulf states and the lowest levels in the Middle Atlantic and Southeastern states. The experience of some states within a given region varies considerably from the region average. There are also marked variations within a given state.

TABLE 9  
EMPLOYEE AND DEPENDENT GROUP SURGICAL EXPENSE INSURANCE  
ALL SIZE GROUPS, ALL INDUSTRIES  
COMBINED 1966-68 POLICY YEARS' EXPERIENCE, BY PLAN

Plan	No. Experience Units	Maximum Indemnity Exposed per \$150, \$200, or \$300 Basic Units (000)	Actual Claims (000)	Ratio of Actual to 1957 Surgical Tabular
<i>Employee:</i>				
With obstetrical benefits:*				
\$150 schedule . . . . .	1,410	505	2,394	117%
\$200 schedule . . . . .	8,483	2,773	17,468	114
\$300 schedule . . . . .	4,269	1,188	9,498	110
Total . . . . .	14,162	4,466	29,360	113%
<i>Dependent:</i>				
With obstetrical benefits:*				
\$150 schedule . . . . .	939	306	3,819	100%
\$200 schedule . . . . .	9,984	2,087	32,135	103
\$300 schedule . . . . .	6,168	971	19,909	101
Total . . . . .	17,091	3,364	55,863	102%
No obstetrical benefits:				
\$150 schedule . . . . .	99	20	156	102%
\$200 schedule . . . . .	1,516	183	2,256	120
\$300 schedule . . . . .	1,478	108	1,878	133
Total . . . . .	3,093	311	4,290	124%

\* Plans with "other" obstetrical benefits are excluded. Dependent obstetrical benefits are subject to a nine-month waiting period.

TABLE 10

EMPLOYEE AND DEPENDENT SURGICAL EXPENSE INSURANCE  
 GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED, ALL INDUSTRIES  
 1966-68 POLICY YEARS' EXPERIENCE, BY PLAN

PLAN	NONOBSTETRICAL AND OBSTETRICAL COMBINED EXPERIENCE*				NONOBSTETRICAL AND OBSTETRICAL SEPARATE EXPERIENCE*						
	No. Experience Units	Maximum Surgical Indemnity Exposed (000)	Actual Claims (000)	Ratio of Actual to 1957 Surgical Tabular	No. Experience Units	Maximum Surgical Indemnity Exposed (000)	Actual Claims		Ratio of Actual to 1957 Surgical Tabular		
							Non-obstetrical (000)	Obstetrical (000)	Non-obstetrical	Obstetrical	Combined
Employee Plans with Standard Obstetrical Benefits											
\$150 .....	1,355	299	1,389	112%	833	173	711	69	122%	52%	109%
\$200 .....	8,158	1,716	10,537	110	5,092	1,079	6,134	475	117	60	110
\$300 .....	4,108	781	6,205	108	3,041	621	4,505	406	115	65	108
Total .....	13,621	2,796	18,131	110%	8,966	1,873	11,350	950	117%	61%	109%
Employee Plans with "Other" Obstetrical Benefits†											
Total .....					537	143	806		115%		
Dependent Plans with Standard Obstetrical Benefits											
\$150 .....	901	172	2,062	97%	576	102	956	261	122%	53%	96%
\$200 .....	9,694	1,386	21,012	101	6,145	852	10,230	2,416	117	60	99
\$300 .....	6,006	675	13,765	101	3,655	491	7,657	2,301	119	66	100
Total .....	16,601	2,233	36,839	101%	10,376	1,445	18,843	4,978	118%	62%	99%
Dependent Plans with "Other" Obstetrical Benefits†											
Total .....					1,036	159	1,937		113%		
Dependent Plans with No Obstetrical Benefits											
\$150 .....					94	12	106		116%		
\$200 .....					1,495	146	1,726		115		
\$300 .....					1,473	92	1,570		130		
Total .....					3,062	250	3,402		122%		

\* The separate experience exposure is less than the combined experience exposure because separate experience is not available for all groups.

† Nonmaternity experience only submitted for these plans.

TABLE 11

EMPLOYEE AND DEPENDENT SURGICAL EXPENSE INSURANCE  
 GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED, ALL INDUSTRIES  
 1964-68 POLICY YEARS' EXPERIENCE, BY PLAN

PLAN	RATIOS OF ACTUAL CLAIMS TO 1957 SURGICAL TABULAR FOR POLICY YEAR ENDING IN:				
	1964	1965	1966	1967	1968
	Employee				
<i>Plans with standard obstetrical benefits:*</i>					
Nonobstetrical and obstetrical combined experience:					
\$150 schedule . . . . .	112% <sub>c</sub>	111% <sub>o</sub>	113% <sub>c</sub>	112% <sub>c</sub>	109% <sub>c</sub>
\$200 schedule . . . . .	115	111	113	109	109
\$300 schedule . . . . .	111	110	110	108	106
Nonobstetrical and obstetrical separate experience:†					
Nonobstetrical:					
\$150 schedule . . . . .	119	123	121	124	121
\$200 schedule . . . . .	121	118	121	115	115
\$300 schedule . . . . .	116	116	118	116	112
Obstetrical (all plans) . . . . .	71	65	59	61	63
Combined:					
\$150 schedule . . . . .	108	109	108	112	105
\$200 schedule . . . . .	115	111	113	108	107
\$300 schedule . . . . .	110	109	110	108	107
<i>Plans with "other" obstetrical benefits:</i>					
Nonobstetrical . . . . .	126	116	123	107	118
	Dependent				
<i>Plans with standard obstetrical benefits:*</i>					
Nonobstetrical and obstetrical combined experience:					
\$150 schedule . . . . .	102% <sub>c</sub>	99% <sub>c</sub>	101% <sub>c</sub>	93% <sub>c</sub>	95% <sub>c</sub>
\$200 schedule . . . . .	109	106	104	101	97
\$300 schedule . . . . .	114	108	104	100	99
Nonobstetrical and obstetrical separate experience:†					
Nonobstetrical:					
\$150 schedule . . . . .	123	121	126	120	118
\$200 schedule . . . . .	122	125	122	116	112
\$300 schedule . . . . .	126	120	123	118	117
Obstetrical (all plans) . . . . .	80	73	68	58	60
Combined:					
\$150 schedule . . . . .	102	98	100	93	94
\$200 schedule . . . . .	108	108	105	97	94
\$300 schedule . . . . .	111	106	105	98	98
<i>Plans with "other" obstetrical benefits:</i>					
Nonobstetrical . . . . .	122	114	124	115	107
<i>Plans with no obstetrical benefits:</i>					
\$150 schedule . . . . .	115	124	143‡	94‡	120‡
\$200 schedule . . . . .	124	131	119	110	117
\$300 schedule . . . . .	143	151	136	128	128

\* Standard obstetrical benefits: benefit for normal delivery is \$50 under the \$150 and \$200 schedules; benefit is \$75 under the \$300 schedule.

† The nonobstetrical and obstetrical separate experience is also included in the nonobstetrical and obstetrical combined experience.

‡ Less than \$50,000 of actual claims.

TABLE 12

EMPLOYEE AND DEPENDENT GROUP SURGICAL EXPENSE INSURANCE  
 COMBINED 1966-68 POLICY YEARS' EXPERIENCE,  
 BY REGION, STATE, AND METROPOLITAN AREA

REGION,* STATE,† OR METROPOLITAN AREA	GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED				ALL SIZE GROUPS, RATIO A/T‡
	No. Ex- perience Units	Max. Sur- v. In- demnity Exposed (000)	Actual Claims (000)	Ratio A/T‡	
<i>Total, all locations</i> .....	31,781	5,128	56,630	105%	106%
New England States:					
Connecticut.....	333	59	699	106%	106%
Bridgeport-Stamford- Norwalk.....	87	21	207	97	99
Hartford-New Britain- Bristol.....	167	30	410	127	125
New Haven-Waterbury.....	87	21	206	94	99
Total.....	674	131	1,522	107%	109%
Maine.....	152	27	323	104%	104%
Massachusetts.....	651	116	1,251	106%	108%
Boston-Lowell-Lawrence.....	251	38	391	96	98
Springfield-Holyoke.....	113	20	240	119	108
Total.....	1,015	174	1,882	105%	106%
New Hampshire.....	171	29	265	93%	97%
Rhode Island.....	37	4	27	118%§	118%§
Providence.....					
Total.....	44	6	40	119%§	119%§
Vermont.....	134	14	128	93%	92%
Region.....	294	35	390	98%	103%
<i>Region total</i> .....	2,484	416	4,550	104%	105%
Middle Atlantic States:					
Delaware.....	13	6	70	118%	118%
District of Columbia.....	93	15	143	89%	87%
D.C. (Md.).....	25	1	22	118§	118§
D.C. (Va.).....	13	1	9	118§	118§
Total.....	131	17	174	93%	91%

\* Groups not coded for a specific state or metropolitan area.

† Groups coded for a specific state but not for a specific metropolitan area.

‡ Ratio of Actual to 1957 Tabular. Note that these ratios are not expressed as a percentage of the national average. For the distribution of experience in this table, the national average is shown in "Total, all locations."

§ Less than \$50,000 of actual claims.

|| Less than \$50,000 of actual claims and less than ten experience units.



TABLE 12—Continued

REGION,* STATE,† OR METROPOLITAN AREA	GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED				ALL SIZE GROUPS, RATIO A/T‡
	No. Ex- perience Units	Max. Surg. Indemnity Exposed (000)	Actual Claims (000)	Ratio A/T‡	
New Jersey.....	339	48	520	99%	101%
New York.....	1,304	161	1,606	93%	95%
Albany-Schenectady- Troy.....	38	7	71	96	96
Buffalo.....	108	10	118	99	102
New York-Northeastern New Jersey (N.Y.)...	466	58	602	92	95
New York-Northeastern New Jersey (N.J.)...	235	28	191	70	73
Rochester.....	20	7	96	103	103
Syracuse.....	62	6	66	84	84
Total.....	2,233	277	2,750	91%	93%
Pennsylvania.....	2,048	356	3,634	102%	105%
Allentown-Bethlehem- Easton (Pa.).....	23	6	54	112	112
Allentown-Bethlehem- Easton (N.J.).....					
Philadelphia (Pa.).....	207	40	402	97	98
Philadelphia (N.J.).....	22	3	14	42§	56§
Pittsburgh.....	98	13	130	92	115
Wilkes-Barre-Hazleton...	43	11	86	83	83
Total.....	2,449	429	4,323	100%	104%
Region.....	126	30	288	95%	95%
Region total.....	5,291	807	8,125	97%	100%
North Central States:					
Illinois.....	1,715	231	2,250	92%	98%
Chicago (Ill.).....	792	162	1,496	94	97
Chicago (Ind.).....	37	9	91	97	97
Total.....	2,544	402	3,837	93%	97%
Indiana.....	1,060	224	2,526	104%	107%
Indianapolis.....	118	16	167	104	104
Total.....	1,178	240	2,693	104%	107%
Kentucky.....	188	27	259	94%	101%
Louisville (Ky.).....	15	3	54	126	126
Total.....	203	30	313	98%	104%
Michigan.....	1,251	212	2,736	113%	114%
Detroit.....	352	58	714	116	115
Total.....	1,603	270	3,450	114%	114%

\* Groups not coded for a specific state or metropolitan area.

† Groups coded for a specific state but not for a specific metropolitan area.

‡ Ratio of Actual to 1957 Tabular. Note that these ratios are not expressed as a percentage of the national average. For the distribution of experience in this table, the national average is shown in "Total, all locations."

§ Less than \$50,000 of actual claims.

|| Less than \$50,000 of actual claims and less than ten experience units.

TABLE 12—Continued

REGION,* STATE,† OR METROPOLITAN AREA	GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED				ALL SIZE GROUPS, RATIO A/T‡
	No. Ex- perience Units	Max. Surg. Indemnity Exposed (000)	Actual Claims (000)	Ratio A/T‡	
Ohio.....	1,464	288	3,323	110%	111%
Akron.....	55	7	72	103	103
Cincinnati (Ohio).....	55	8	79	90	90
Cincinnati (Ky.).....					
Cleveland.....	104	17	179	96	103
Columbus.....	55	9	98	101	96
Dayton.....	31	16	196	123	118
Toledo.....	78	8	86	98	98
Youngstown (Ohio).....	38	9	104	121	121
Youngstown (Pa.).....					
Total.....	1,890	363	4,149	109%	110%
West Virginia.....	351	51	602	108%	108%
Wheeling-Steubenville (W. Va.).....					
Wheeling-Steubenville (Ohio).....					
Total.....	367	54	629	108%	108%
Wisconsin.....	611	149	1,836	113%	115%
Milwaukee.....	134	35	441	102	89
Total.....	745	184	2,277	111%	106%
Region.....	775	147	1,664	104%	114%
<i>Region total.....</i>	<i>9,305</i>	<i>1,690</i>	<i>19,012</i>	<i>105%</i>	<i>107%</i>
Plains States:					
Iowa.....	483	79	890	101%	101%
Kansas.....	346	39	434	99%	109%
Minnesota.....	396	53	712	111%	111%
Minneapolis-St. Paul.....	137	24	261	103	101
Total.....	533	77	973	109%	109%
Missouri.....	457	54	528	93%	99%
Kansas City (Mo.).....	83	13	123	95	99
Kansas City (Kan.).....	24	4	51	114	123
St. Louis (Mo.).....	103	21	199	100	100
St. Louis (Ill.).....	11	3	33	89§	89§
Total.....	678	95	934	96%	101%
Nebraska.....	225	26	313	112%	109%
Omaha.....	56	7	84	109	109
Total.....	281	33	397	111%	109%
North Dakota.....	70	8	83	111%	111%
South Dakota.....	58	8	85	103%	103%
Region.....	104	18	195	91%	108%
<i>Region total.....</i>	<i>2,553</i>	<i>357</i>	<i>3,991</i>	<i>102%</i>	<i>106%</i>

TABLE 12—Continued

REGION,* STATE, † OR METROPOLITAN AREA	GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED				ALL SIZE GROUPS, RATIO A/T ‡
	No. Ex- perience Units	Max. Surg. Indemnity Exposed (000)	Actual Claims (000)	Ratio A/T ‡	
<b>Mountain States:</b>					
Colorado.....	96	14	213	139%	141%
Denver.....	31	3	53	130	130
Total.....	127	17	266	137%	139%
Idaho.....	38	3	38	117%§	117%§
Montana.....	22	5	71	128%	128%
Nevada.....	31	4	46	124%§	106%
Utah.....	111	17	208	112%	129%
Wyoming.....	21	5	61	92%	92%
Region.....	16	5	59	107%	125%
<i>Region total.....</i>	<i>366</i>	<i>56</i>	<i>749</i>	<i>119%</i>	<i>124%</i>
<b>Pacific States:</b>					
California.....	1,037	129	1,596	120%	118%
Los Angeles-Long Beach.....	385	49	614	121	125
San Diego.....	55	5	79	155	169
San Francisco-Oakland.....	88	8	86	105	105
Total.....	1,565	191	2,375	120%	121%
Oregon.....	54	5	69	117%	117%
Portland.....	26	6	73	125	125
Total.....	80	11	142	121%	121%
Washington.....	84	7	109	129%	114%
Seattle.....	10	#	5	92§	92§
Total.....	94	7	114	126%	113%
Region.....	23	8	84	111%	104%
<i>Region total.....</i>	<i>1,762</i>	<i>217</i>	<i>2,715</i>	<i>120%</i>	<i>118%</i>
<b>Gulf States:</b>					
Arizona.....	198	33	474	126%	126%
Arkansas.....	268	45	437	98%	96%
Louisiana.....	574	67	777	116%	115%
New Orleans.....	80	11	112	95	95
Total.....	654	78	889	113%	112%
New Mexico.....	90	10	128	116%	113%
Oklahoma.....	298	32	398	122%	118%

\* Groups not coded for a specific state or metropolitan area.

† Groups coded for a specific state but not for a specific metropolitan area.

‡ Ratio of Actual to 1957 Tabular. Note that these ratios are not expressed as a percentage of the national average. For the distribution of experience in this table, the national average is shown in "Total, all locations."

§ Less than \$50,000 of actual claims.

|| Less than \$50,000 of actual claims and less than ten experience units.

# Less than 500 units of maximum surgical indemnity exposed.

TABLE 12—Continued

REGION,* STATE,† OR METROPOLITAN AREA	GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED				ALL SIZE GROUPS, RATIO A/T‡
	No. Ex- perience Units	Max. Surg. Indemnity Exposed (000)	Actual Claims (000)	Ratio A/T‡	
Texas.....	1,200	137	1,616	117%	119%
Dallas.....	68	10	139	130	115
Forth Worth.....	37	4	60	128	137
Houston.....	123	16	177	132	136
San Antonio.....	23	8	108	125	125
Total.....	1,451	175	2,100	120%	121%
Region.....	75	15	179	135%	126%
<i>Region total.....</i>	<i>3,034</i>	<i>388</i>	<i>4,605</i>	<i>117%</i>	<i>118%</i>
Southeastern States:					
Alabama.....	212	22	261	104%	100%
Birmingham.....	15	2	24	117§	117§
Total.....	227	24	285	105%	101%
Florida.....	499	62	743	108%	112%
Miami.....	132	13	132	101	117
Tampa-St. Petersburg.....	18	3	31	113§	113§
Total.....	649	78	906	107%	113%
Georgia.....	487	55	596	96%	95%
Atlanta.....	114	14	153	100	96
Total.....	601	69	749	97%	95%
Maryland.....	301	38	415	96%	96%
Baltimore.....	92	11	112	92	92
Total.....	393	49	527	95%	95%
Mississippi.....	270	31	328	98%	99%
North Carolina.....	836	117	1,178	96%	97%
South Carolina.....	217	45	477	97%	96%
Tennessee.....	279	46	514	100%	100%
Knoxville.....					
Memphis.....	39	7	91	122	122
Total.....	322	53	607	103%	103%
Virginia.....	715	67	701	101%	105%
Norfolk-Portsmouth.....	84	10	92	99	99
Total.....	799	77	793	101%	105%
Region.....	284	56	524	92%	90%
<i>Region total.....</i>	<i>4,598</i>	<i>599</i>	<i>6,374</i>	<i>99%</i>	<i>100%</i>
Hawaii.....	20	5	60	105%	111%
Alaska.....					
<i>Total, states and regions.....</i>	<i>29,420</i>	<i>4,536</i>	<i>50,201</i>	<i>104%</i>	<i>106%</i>
<i>All other**.....</i>	<i>2,361</i>	<i>592</i>	<i>6,429</i>	<i>106%</i>	<i>107%</i>

\*\* Less than 75 per cent of employees in one region, state, or metropolitan area.

The surgical variations in ratios of actual to tabular claims by area are probably due primarily to the variations in claim frequencies, since nearly all claim payments are for the maximum amount allowed by 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.

TABLE 13  
EMPLOYEE AND DEPENDENT SURGICAL EXPENSE INSURANCE  
ALL SIZE GROUPS, STANDARD OBSTETRICAL BENEFITS ONLY  
COMBINED EMPLOYEE AND DEPENDENT EXPERIENCE  
COMBINED 1966-68 POLICY YEARS' EXPERIENCE, BY SIZE OF EXPERIENCE UNIT

Size	No Experience Units	Maximum Surgical Indemnity Exposed (000)	Actual Claims (000)	Ratio of Actual to 1957 Surgical Tabular
< 50 lives.....	10,289	351	4,163	101%
50- 99.....	8,043	660	7,420	102
100-249.....	7,271	1,371	14,847	102
250-499.....	3,027	1,278	13,739	104
500-999.....	1,592	1,367	14,801	106
Total, <1,000.....	30,222	5,027	54,970	103%
1,000 or more.....	1,031	2,803	30,252	109
Grand total.....	31,253	7,830	85,222	105%

Table 13 summarizes the actual to tabular ratios for groupings of surgical cases by size of the experience unit. Plans with standard obstetrical benefits are shown with the Employee and Dependent experience combined. The results seem to indicate that the actual to tabular ratio for a group increases with the size of the group. Jumbo cases in particular appear to have significantly higher claim levels; the general uniformity of this may be observed by comparing the actual to tabular ratios with and without jumbo cases in Table 12.