

**TRANSACTIONS OF SOCIETY OF ACTUARIES  
1962 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 fifteenth 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 exclude 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 "Nonrated 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 are presented in the form of ratios of actual to tabular claims. The basis of the hospital and surgical tabular claim factors is outlined in the 1961 report of this Committee.

Tabular claim factors for Weekly Indemnity insurance experience are being used for the first time in this report. The male tabular claim factors are the tabular cost factors developed by Mr. Morton D. Miller in his paper "Group Weekly Indemnity Continuation Table Study," *TSA III*, and shown in Table XI, "1947-49 Basic Morbidity Table—Males," of that paper. This basis was chosen because the recent experience level for males is reasonably consistent with the costs shown by this Basic Morbidity Table and because no later individual claim studies have been made from which a more recent continuation table could be prepared.

Female tabular claim factors were obtained by basing the total claim cost on the recent level of experience indicated by the female claim costs shown in reports of this Committee. These claim costs were subdivided into maternity and nonmaternity costs by adopting a maternity tabular (\$3.42 per \$10 of Weekly Indemnity) based on the female employee frequency of claim used for the 1957 Surgical Tabular and an average duration of claim based upon statistics of the compiling company for the average duration of maternity benefit. The nonmaternity tabular costs by duration of disability were distributed in a manner similar to the distribution for males using female data shown in Appendix B of Mr. Miller's paper. These tabular claim cost factors are shown in Table 15 and will be known as "1947-49 Weekly Indemnity 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 characteristic of the 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, 2, and 3 are modifications of the first three tables included in last year's report. Table 15 is new.

**HOSPITAL:** Tables 4, 5, 6, 7, 8, and 9 correspond to the same tables in last year's report. Table 6A is new.

**SURGICAL:** Tables 10, 11, 12, and 14 correspond to last year's tables 11, 12, 13, and 14, respectively. Table 13 is new.

*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, 1960, and 1961. This year's Report contains some additional experience for the year 1960 which was not available for last year's Report. 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
1961. ....	December, 1960

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  
 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 Table 1, which includes all size groups for the three latest

policy years combined. This report includes for the first time the experience of plans which provide benefits commencing on the fourth day for sickness with a maximum benefit of 26 weeks. The exposure unit is one dollar of weekly benefit.

The trend of experience for the five latest years is indicated in Table 2 in the form of ratios of actual to 1947-49 Tabular claims for nonjumbo groups. The ratios shown indicate that the 1960 and 1961 experience of

TABLE 1  
COMBINED 1959-61 POLICY YEARS' EXPERIENCE  
GROUP WEEKLY INDEMNITY INSURANCE  
WITH SIX WEEKS MATERNITY BENEFIT  
ALL SIZE GROUPS, NONRATED INDUSTRIES

Plan	Number of Experience Units	Weekly Indemnity Exposed	Actual Claims	Ratio of Actual to 1947-49 Weekly Indemnity Tabular
1-4-13 . . . . .	2,779	16,484,330	11,326,370	100%
4-4-13 . . . . .	292	1,750,890	1,130,049	93
1-8-13 . . . . .	9,689	46,889,620	27,394,839	94
8-8-13 . . . . .	1,263	11,615,880	7,258,956	99
Total, 13-week plans:				
All size groups . . . . .	14,023	76,740,720	47,110,234	96%
Size groups 0-7 . . . . .	13,751	50,336,860	29,716,508	92
1-4-26 . . . . .	512	8,693,840	6,982,100	99%
4-4-26 . . . . .	83	2,510,310	2,379,448	115
1-8-26 . . . . .	3,176	45,669,020	34,155,182	101
8-8-26 . . . . .	441	21,223,900	14,961,442	101
Total, 26-week plans:				
All size groups . . . . .	4,212	78,097,070	58,478,172	101%
Size groups 0-7 . . . . .	3,885	25,542,760	18,486,772	97
Total, all plans:				
All size groups . . . . .	18,235	154,837,790	105,588,406	99%
Size groups 0-7 . . . . .	17,636	75,879,620	48,203,280	94

13-week plans has increased slightly over the level of the three prior years, while the 26-week experience has remained fairly constant.

Table 3 contains ratios of actual to tabular claims for plans grouped according to percentage female for the three latest policy years combined. The ratios, which are fairly uniform, indicate a satisfactory relationship between the male and female tabular claim cost.

It is hoped that the presentation of Weekly Indemnity experience in the form of ratios of actual to tabular claims will increase the usefulness of this report. There are, of course, many factors such as age, geographic

TABLE 2  
 GROUP WEEKLY INDEMNITY INSURANCE, WITH SIX WEEKS MATERNITY BENEFIT  
 RATIO OF ACTUAL CLAIMS TO 1947-49 WEEKLY INDEMNITY TABULAR BY YEAR AND PLAN  
 SIZE GROUPS 0-7 ONLY, NONRATED INDUSTRIES

Year and Plan	Number of Experience Units	Weekly Indemnity Exposed	Actual Claims	Ratio of Actual to 1947-49 Weekly Indemnity Tabular	Number of Experience Units	Weekly Indemnity Exposed	Actual Claims	Ratio of Actual to 1947-49 Weekly Indemnity Tabular
	13-Week Plans				26-Week Plans			
1957:								
4th day sickness . . . . .	1,546	5,158,420	3,279,431	93%	220	1,365,290	1,050,216	95%
8th day sickness . . . . .	5,229	17,089,070	9,802,090	91	1,237	7,479,350	5,287,460	96
Total . . . . .	6,775	22,247,490	13,081,521	91%	1,457	8,844,640	6,337,676	95%
1958:								
4th day sickness . . . . .	947	3,384,100	2,205,839	96%	158	1,114,950	905,455	99%
8th day sickness . . . . .	3,946	13,581,660	7,680,890	90	1,003	6,094,270	4,242,467	95
Total . . . . .	4,893	16,965,760	9,886,729	91%	1,161	7,209,220	5,147,922	96%
1959:								
4th day sickness . . . . .	1,080	3,613,610	2,289,641	94%	171	1,297,700	1,031,061	99%
8th day sickness . . . . .	3,483	13,291,520	7,558,423	90	1,059	6,720,810	4,800,374	97
Total . . . . .	4,563	16,905,130	9,848,064	91%	1,230	8,018,510	5,831,435	97%
1960:								
4th day sickness . . . . .	1,045	3,433,030	2,251,107	96%	194	1,342,350	1,032,451	95%
8th day sickness . . . . .	3,971	14,726,520	8,522,907	92	210	7,882,270	5,660,694	98%
Total . . . . .	5,016	18,159,550	10,774,014	93%	1,404	9,224,620	6,693,145	97%
1961:								
4th day sickness . . . . .	881	2,884,850	1,796,536	92%	174	1,285,030	983,600	95%
8th day sickness . . . . .	3,291	12,387,330	7,297,894	94	1,077	7,014,600	4,978,592	96
Total . . . . .	4,172	15,272,180	9,094,430	93%	1,251	8,299,630	5,962,192	96%

TABLE 3  
 COMBINED 1959-61 POLICY YEARS' EXPERIENCE  
 GROUP WEEKLY INDEMNITY INSURANCE, WITH SIX WEEKS MATERNITY BENEFIT  
 RATIO OF ACTUAL CLAIMS TO 1947-49 WEEKLY INDEMNITY TABULAR BY PERCENTAGE FEMALE  
 SIZE GROUPS 0-7 ONLY, NONRATED INDUSTRIES

Female Per Cent	Number of Experience Units	Weekly Indemnity Exposed	Actual Claims	Ratio of Actual to 1947-49 Weekly Indemnity Tabular	Number of Experience Units	Weekly Indemnity Exposed	Actual Claims	Ratio of Actual to 1947-49 Weekly Indemnity Tabular
	4th Day Sickness, 13-Week Plans				4th Day Sickness, 26-Week Plans			
<11%.....	1,639	5,455,480	3,179,181	95%	355	2,543,430	1,900,788	97%
11-21.....	698	2,223,450	1,390,326	91	109	929,640	742,438	95
21-31.....	322	1,241,350	850,250	90	39	261,300	218,372	92
31-41.....	121	412,610	350,474	102	15	110,840	120,941	111
41-51.....	88	195,290	171,378	97	14	54,430	49,582	86
51-61.....	64	224,540	218,791	100	4	18,260	8,512	42
61-71.....	39	68,290	66,811	93	0	0	0	.....
71-81.....	16	54,020	50,772	83	2	3,090	3,749	95
81-91.....	15	53,530	56,446	88	1	4,090	2,730	50
91-100.....	4	2,930	2,855	77	0	0	0	.....
Total...	3,006	9,931,490	6,337,284	94%	539	3,925,080	3,047,112	96%
	8th Day Sickness, 13-Week Plans				8th Day Sickness, 26-Week Plans			
<11%.....	4,778	17,200,680	8,378,694	92%	1,905	12,304,840	8,224,526	98%
11-21.....	2,232	7,761,000	3,865,963	84	624	4,166,930	2,834,438	92
21-31.....	1,241	5,257,810	3,138,164	91	377	2,342,170	1,749,699	93
31-41.....	843	3,669,740	2,545,562	96	192	1,298,670	1,128,906	100
41-51.....	598	2,446,030	1,904,463	100	112	761,560	705,751	100
51-61.....	391	1,592,190	1,346,856	100	64	369,120	375,063	102
61-71.....	284	973,520	788,744	89	40	240,900	263,689	104
71-81.....	218	836,830	748,846	92	24	108,350	116,159	96
81-91.....	118	567,770	562,940	96	5	17,070	25,139	124
91-100.....	41	99,670	98,956	90	3	8,070	16,290	162
Total...	10,744	40,405,240	23,379,188	92%	3,346	21,617,680	15,439,660	97%

location, etc., which are not reflected in the tabular and which may cause inconsistencies in the ratio of actual to tabular claims. Also, the Committee wishes to point out that the 1947-49 Weekly Indemnity Tabular is based on rather old continuation data and may, therefore, be unsuitable for purposes other than the measurement of trends based on the plans studied by the Committee.

## 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 in 1960 show combined 1960 and 1961 experience. Because of this, ratios of actual to 1957 tabular claims are shown for the combined 1960-61 as well as for combined 1959-61.

The employee and dependent experience is indicated in Table 6 for each

TABLE 4  
COMBINED 1959-61 POLICY YEARS' EXPERIENCE  
EMPLOYEE GROUP HOSPITAL EXPENSE INSURANCE  
ALL SIZE GROUPS, NONRATED INDUSTRIES

PLAN IDENTIFICATION	NUMBER OF EXPERIENCE UNITS	DAILY BENEFIT EXPOSED	ACTUAL CLAIMS	RATIO OF ACTUAL TO 1957 HOSPITAL TABULAR	
				Combined 1959-61	Combined 1960-61
31 day:					
10X.....	4,053	6,737,292	11,945,985	102%	106%
*15X.....	829	1,632,531	2,929,670	.....	101
20X.....	2,924	4,885,117	9,581,905	107	109
*20X+75% of excess.....	688	965,307	2,124,509	.....	113
70 day:					
10X.....	704	1,287,950	2,541,633	111	111
*15X.....	278	472,614	935,736	.....	109
20X.....	2,451	4,438,245	9,061,619	111	113
*20X+75% of excess.....	977	1,460,892	3,345,876	.....	117
120 day:					
*10X.....	14	31,722	60,107	.....	115
*15.....	15	20,402	59,867	.....	161
*20X.....	124	362,324	714,214	.....	111
*20X+75% of excess.....	103	275,144	691,012	.....	132
Total.....	13,160	22,569,540	43,992,133	108%	110%

\* These plans contain 1960 and 1961 experience only.

of the two latest policy years in the form of ratios of actual to 1957 Tabular claims. Table 6A summarizes the ratios of actual to tabular for years 1957 through 1961 and indicates the trend of experience. Both employee and dependent experience continue to show an increasing claim cost by year of experience. The experience in Table 6A also indicates that the use of the 1957 Tabular results in a higher ratio of actual to tabular claims as the size of the miscellaneous benefit increases. The 1957 Hospital Tabular is based upon an annual frequency of claim which does not vary

TABLE 5  
COMBINED 1959-61 POLICY YEARS' EXPERIENCE  
DEPENDENT GROUP HOSPITAL EXPENSE INSURANCE  
ALL SIZE GROUPS, ALL INDUSTRIES

PLAN IDENTIFICATION	NUMBER OF EXPERIENCE UNITS	DAILY BENEFIT EXPOSED	ACTUAL CLAIMS	RATIO OF ACTUAL TO 1957 HOSPITAL TABULAR	
				Combined 1959-61	Combined 1960-61
<i>With Maternity Benefits</i>					
31 day:					
10×.....	3,342	3,651,562	14,053,607	107%	108%
*15×.....	831	776,715	3,334,578	.....	115
20×.....	3,319	3,343,838	14,361,538	114	114
*20×+75% of excess...	790	773,616	3,684,368	.....	121
70 day:					
10×.....	495	555,278	2,091,362	105	108
*15×.....	228	274,673	1,179,317	.....	117
20×.....	2,505	2,926,515	13,054,017	119	120
*20×+75% of excess...	1,048	1,269,081	6,034,060	.....	120
120 day:					
*10×.....	13	13,398	45,295	.....	98
*15×.....	22	43,759	143,321	.....	91
*20×.....	120	158,794	710,602	.....	123
*20×+75% of excess...	111	240,353	1,323,027	.....	143
Total.....	12,824	14,027,582	60,015,092	115%	116%
<i>No Maternity Benefits</i>					
31 day:					
10×.....	308	473,216	1,469,789	112%	113%
70 day:					
*10×.....	43	101,718	321,175	.....	111
Total.....	351	574,934	1,790,964	112%	112%

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

\* These plans contain 1960 and 1961 experience only.

TABLE 6

EMPLOYEE AND DEPARTMENT 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 to 1957 Hospital Tabular	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual to 1957 Hospital Tabular	
<i>Employee</i>	All 10× Plans				All 20× Plans				
	1960:								
	31 day.....	1,313	1,463,425	2,641,222	104%	942	1,216,049	2,468,027	110%
	70 day.....	212	249,972	433,195	99	761	868,548	1,781,096	110
	120 day.....	7	15,698	30,722	117	56	95,373	210,349	124
	Total.....	1,532	1,729,095	3,105,139	104%	1,759	2,179,970	4,459,472	111%
	1961:								
	31 day.....	1,073	1,233,584	2,228,364	105%	877	1,117,985	2,260,552	112%
	70 day.....	182	238,092	470,223	114	814	946,670	1,959,012	113
	120 day.....	7	16,024	29,385	112	60	112,453	221,413	111
	Total.....	1,262	1,487,700	2,727,972	107%	1,751	2,177,108	4,440,977	112%
		All 15× Plans				All 20×+75% of Excess Plans			
	1960:								
	31 day.....	425	511,752	980,245	107%	342	437,201	976,510	112%
	70 day.....	150	218,777	413,026	104	466	617,630	1,405,488	116
120 day.....	8	11,744	32,257	154	49	104,367	275,701	142	
Total.....	583	742,273	1,425,528	107%	857	1,159,198	2,657,699	116%	
1961:									
31 day.....	385	478,318	895,186	106%	340	425,415	962,277	119%	
70 day.....	125	190,671	344,850	101	498	656,597	1,474,721	115	
120 day.....	7	8,658	27,610	170	48	98,908	259,362	141	
Total.....	517	677,647	1,267,646	105%	886	1,180,920	2,696,360	118%	

TABLE 6—Continued

Policy Year and Duration	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual to 1957 Hospital Tabular	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual to 1957 Hospital Tabular
<i>Dependent</i>	All 10× Plans				All 20× Plans			
	1960:							
31 day.....	1,217	1,056,882	4,017,276	107%	1,109	989,713	4,274,196	114%
70 day.....	189	171,978	635,459	104	841	697,372	3,126,544	119
120 day.....	6	4,970	12,861	74	57	62,370	256,848	111
Total.....	1,412	1,233,830	4,665,596	106%	2,007	1,749,455	7,657,588	116%
1961:								
31 day.....	997	867,883	3,348,949	109%	990	883,457	3,868,485	118%
70 day.....	175	192,862	707,276	106	887	779,710	3,536,229	123
120 day.....	7	8,428	32,434	113	62	60,428	272,382	123
Total.....	1,179	1,069,173	4,088,659	109%	1,939	1,723,595	7,677,096	121%
	All 15× Plans				All 20×+75% of Excess Plans			
	1960:							
31 day.....	435	364,032	1,562,965	114%	367	321,199	1,495,728	117%
70 day.....	119	129,835	539,915	113	486	490,022	2,338,818	120
120 day.....	12	24,597	78,154	89	53	104,966	583,872	144
Total.....	566	518,464	2,181,034	113%	906	916,187	4,418,418	122%
1961:								
31 day.....	391	335,161	1,442,166	115%	418	374,377	1,808,691	123%
70 day.....	108	132,322	588,368	121	550	520,645	2,668,380	130
120 day.....	10	19,162	65,167	94	56	97,827	543,073	141
Total.....	509	486,645	2,095,701	116%	1,024	992,849	5,020,144	129%

by plan and an average miscellaneous benefit which does vary by plan. This average benefit is based upon an actual distribution of miscellaneous benefit charges. No direct evidence is available to indicate whether the variations in actual to tabular by miscellaneous benefit are the result of inflation, the average miscellaneous benefit assumed by the tabular, an increased frequency of claim under plans with larger miscellaneous benefits, or to other factors.

The annual increases in the ratio of actual to tabular indicated by Table 6A are based on the experience (except for a small amount of

TABLE 6A  
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	All 10× Plans	All 15× Plans	All 20× Plans	All 20× + 75% of Excess Plans
<i>Employee</i>				
1957.....	90%		94%	
1958.....	95		99	
1959.....	102		108	
1960.....	104	107%	111	116%
1961.....	107	105	112	118
<i>Dependent</i>				
1957.....	94%		102%	
1958.....	94		107	
1959.....	104		116	
1960.....	106	113%	116	122%
1961.....	109	116	121	129

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 for each of the two latest policy years, indicates experience according to daily benefit groupings. The 1957, 1958, and 1959 experience for Tables 6 and 7 is shown in the 1961 *Reports*.

Ratios of actual to tabular claims for employee plans grouped according to percentage female for the three latest policy years combined are shown in Table 8. The fairly uniform ratios in this table, although subject to variations other than those due to 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 for the three latest policy years combined.

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 to 1957 Hospital Tabular	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual to 1957 Hospital Tabular
	All 10× Plans				All 20× Plans			
1960:								
\$ 5-8.....	1,154	785,112	2,163,511	103%	566	340,575	1,267,330	117%
9-10.....	856	861,435	2,334,139	106	1,045	900,030	2,984,574	116
11-12.....	486	597,663	1,536,479	107	970	1,069,690	3,365,873	115
13-14.....	168	290,333	730,755	103	390	564,536	1,662,010	114
15-16.....	230	334,568	789,450	108	626	834,873	2,255,723	109
17-20.....	50	93,814	216,401	101	169	219,721	581,550	114
Total.....	2,944	2,962,925	7,770,735	105%	3,766	3,929,425	12,117,060	114%
1961:								
\$ 5-8.....	886	625,732	1,737,914	106%	396	240,794	903,881	124%
9-10.....	657	690,992	1,895,502	109	848	688,035	2,325,848	117
11-12.....	402	500,893	1,333,125	107	939	988,527	3,228,089	120
13-14.....	148	210,050	553,518	110	403	531,329	1,614,932	118
15-16.....	250	352,860	875,674	110	784	1,039,788	2,931,412	115
17-20.....	98	176,346	420,898	105	320	412,230	1,113,911	113
Total.....	2,441	2,556,873	6,816,631	108%	3,690	3,900,703	12,118,073	117%

TABLE 7—Continued

Policy Year and Amount of Daily Benefit (Nearer \$1)	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual to 1957 Hospital Tabular	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual to 1957 Hospital Tabular
	All 15× Plans				All 20×+75% of Excess Plans			
1960:								
\$ 5-8.....	328	217,494	743,812	116%	242	194,103	784,239	124%
9-10.....	334	332,359	968,590	109	612	658,533	2,539,300	128
11-12.....	224	289,083	792,534	108	434	476,938	1,531,151	113
13-14.....	104	139,139	358,702	102	190	267,946	819,066	116
15-16.....	115	164,084	434,938	116	223	378,423	1,109,175	113
17-20.....	44	118,578	307,986	111	62	99,442	293,186	114
Total.....	1,149	1,260,737	3,606,562	110%	1,763	2,075,385	7,076,117	120%
1961:								
\$ 5-8.....	247	163,008	575,723	117%	220	152,961	659,640	127%
9-10.....	281	279,063	848,761	113	664	650,846	2,549,783	130
11-12.....	208	250,973	660,903	104	448	485,416	1,737,335	124
13-14.....	111	186,471	534,688	113	202	282,487	940,115	124
15-16.....	118	158,507	431,473	117	273	430,294	1,334,485	120
17-20.....	61	126,270	311,799	109	103	171,765	495,146	118
Total.....	1,026	1,164,292	3,363,347	112%	1,910	2,173,769	7,716,504	125%

EMPLOYEE HOSPITAL 1959-61 POLICY YEARS' EXPERIENCE  
 RATIO OF ACTUAL CLAIMS TO 1957 HOSPITAL TABULAR BY PERCENTAGE FEMALE  
 SIZE GROUPS 0-7 ONLY, NONRATED INDUSTRIES

Female Per Cent	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual to 1957 Hospital Tabular	Number of Experience Units	Daily Benefit Exposed	Actual Claims	Ratio of Actual to 1957 Hospital Tabular
	All 10× Plans				All 20× Plans			
<11%.....	1,692	1,805,028	2,943,513	104%	2,124	2,447,039	4,689,147	111%
11-21.....	926	898,335	1,542,421	104	1,256	1,449,160	2,846,841	109
21-31.....	616	791,507	1,351,424	99	698	854,571	1,668,412	105
31-41.....	408	529,632	956,546	100	447	522,282	1,079,998	107
41-51.....	318	407,306	832,588	108	320	410,458	913,966	111
51-61.....	226	269,332	568,362	107	247	402,113	982,539	117
61-71.....	201	255,706	562,355	106	167	240,567	617,223	117
71-81.....	134	203,350	496,795	112	65	84,035	221,538	114
81-91.....	80	84,748	203,259	105	48	68,194	195,372	115
91-100.....	25	23,032	43,071	80	11	22,366	49,082	93
Total.....	4,626	5,267,976	9,500,334	104%	5,383	6,500,785	13,264,118	110%
	All 15× Plans*				All 20×+75% of Excess Plans*			
<11%.....	460	534,920	926,610	104%	772	1,014,498	2,230,141	119%
11-21.....	247	363,049	617,995	100	400	513,304	1,133,282	116
21-31.....	161	203,674	398,369	107	195	310,205	666,400	110
31-41.....	74	93,598	194,643	111	127	161,417	369,577	112
41-51.....	53	82,802	196,398	116	98	127,424	341,692	127
51-61.....	39	55,571	139,430	121	73	107,280	303,954	124
61-71.....	36	42,592	88,921	96	39	39,178	101,418	109
71-81.....	16	25,271	66,257	115	23	50,146	146,127	119
81-91.....	12	17,633	62,063	147	14	15,166	57,399	146
91-100.....	2	810	2,488	103	2	1,500	4,069	101
Total.....	1,100	1,419,920	2,693,174	106%	1,743	2,340,118	5,354,059	117%

\* These plans contain 1960 and 1961 experience only.

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 per cent 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 per cent 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 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 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.

TABLE 9

EMPLOYEE AND DEPENDENT 1959-61 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 TO 1957 HOSPITAL TABULAR	
		Number of Experience Units	Daily Benefit Exposed	Actual Claims	Size Groups 0-7	All Size Groups
20.....	Region	25	23,095	54,212	98%	98%
21.....	Connecticut	622	936,253	2,597,269	110	109
22.....	Maine	156	197,116	582,170	113	88
23.....	Massachusetts	1,295	1,532,442	3,918,608	105	106
24.....	New Hampshire	158	270,546	622,558	96	94
25.....	Rhode Island	34	51,605	164,053	113	113
26.....	Vermont	144	168,701	439,715	109	109
	Total	2,434	3,179,758	8,378,585	106%	105%
30.....	Region	35	37,239	114,775	113%	113%
31.....	Delaware	16	22,811	81,537	138	138
32.....	Dist. Columbia	99	102,713	265,001	112	112
33.....	New Jersey	686	593,361	1,343,745	93	92
34.....	New York	1,988	2,079,285	5,075,666	100	99
35.....	Pennsylvania	2,359	2,566,739	6,946,260	107	108
	Total	5,183	5,402,148	13,826,984	103%	103%
40.....	Region	124	181,491	538,906	109%	118%
41.....	Illinois	2,008	2,071,728	6,038,641	108	105
42.....	Indiana	1,280	1,422,601	4,005,105	106	104
43.....	Kentucky	199	154,991	428,868	110	115
44.....	Michigan	1,353	1,578,627	5,152,693	127	126
45.....	Ohio	1,579	2,115,297	6,285,462	113	112
46.....	Wisconsin	581	713,726	2,468,525	127	123
47.....	West Virginia	317	279,273	894,535	115	115
	Total	7,441	8,517,734	25,812,735	114%	112%
50.....	Region	37	44,375	169,044	135%	135%
51.....	Iowa	418	302,748	1,102,906	124	128
52.....	Kansas	287	220,351	742,939	124	130
53.....	Minnesota	241	164,135	588,167	126	122
54.....	Missouri	629	549,248	1,850,716	118	119
55.....	Nebraska	263	223,618	707,543	115	115
56.....	North Dakota	25	18,072	68,864	146*	146*
57.....	South Dakota	29	11,059	45,713	137*	137*
	Total	1,929	1,533,606	5,275,892	122%	123%
60.....	Region	14	9,525	29,001	127%*	127%*
61.....	Colorado	101	89,512	276,720	125	116
62.....	Idaho	57	55,514	171,218	109	108
63.....	Montana	21	22,551	98,778	147	147
64.....	Nevada	12	21,372	65,296	129	129
65.....	Utah	71	77,436	167,770	90	90
66.....	Wyoming	19	11,352	37,173	114*	114*
	Total	295	287,262	845,956	115%	111%

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

TABLE 9—Continued

LOCATION CODE	STATE OR REGION	SIZE GROUPS 0-7			RATIO OF ACTUAL TO 1957 HOSPITAL TABULAR	
		Number of Experience Units	Daily Benefit Exposed	Actual Claims	Size Groups 0-7	All Size Groups
70.....	Region	11	20,633	62,105	109%	109%
71.....	California	435	414,938	1,297,820	112	115
72.....	Oregon	79	50,913	120,909	92	92
73.....	Washington	78	79,127	235,284	103	99
	Total	603	565,611	1,716,118	109%	111%
80.....	Region	62	47,900	188,031	137%	137%
81.....	Arizona	146	136,515	503,414	135	125
82.....	Arkansas	298	230,840	773,066	121	120
83.....	Louisiana	402	225,513	900,291	141	141
84.....	New Mexico	68	53,449	199,399	118	118
85.....	Oklahoma	270	179,436	649,502	121	122
86.....	Texas	1,257	1,144,084	4,073,128	126	127
	Total	2,503	2,017,767	7,286,831	127%	127%
90.....	Region	125	209,219	619,194	105%	104%
91.....	Alabama	192	183,589	628,550	130	130
92.....	Florida	513	515,923	1,629,237	115	115
93.....	Georgia	766	748,929	2,328,694	115	116
94.....	Maryland	450	430,603	1,190,703	104	103
95.....	Mississippi	165	94,661	343,656	129	129
96.....	North Carolina	817	709,921	2,274,796	117	122
97.....	South Carolina	234	223,874	684,786	120	120
98.....	Tennessee	398	367,315	1,158,378	119	123
99.....	Virginia	768	681,267	1,943,614	113	110
	Total	4,428	4,165,301	12,801,608	115%	115%
	All other†	1,070	1,447,053	4,670,893	115%	112%
	Total all locations	25,886	27,116,240	80,615,602	113%	112%

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

#### SURGICAL

The basic results of the study of Surgical Expense insurance are presented in Table 10 for the three latest policy years combined. The results appear to indicate that dependent plans with no obstetrical benefits have a nonmaternity claim level considerably higher than plans that provide obstetrical benefits. This difference may be due to the age of the group or other factors not measured by the tabular.

The trend of experience for employee and dependent experience is indicated in Table 11 for each of the five latest policy years in the form of ratios of actual to 1957 Tabular claims. Employee experience has remained fairly constant for the last three years, after increases in both 1958 and 1959. Dependent experience indicates a modest increase in cost over 1960.

TABLE 10  
COMBINED 1959-61 POLICY YEARS' EXPERIENCE  
EMPLOYEE AND DEPENDENT GROUP SURGICAL EXPENSE INSURANCE  
ALL SIZE GROUPS, ALL INDUSTRIES

Plan Identification	Number of Experience Units	Maximum Indemnity Exposed per \$150 or \$200 Basic Unit	Actual Claims	Ratio of Actual to 1957 Surgical Tabular
<i>Employee</i>				
With obstetrical benefits				
\$150 schedule.....	5,896	1,648,993	7,340,819	111%
\$200 schedule.....	19,715	5,124,254	30,020,066	110
Total.....	25,611	6,773,247	37,360,885	110%
<i>Dependent</i>				
With obstetrical benefits				
\$150 schedule.....	3,416	750,237	9,767,531	105%
\$200 schedule.....	18,352	3,024,169	47,671,551	105
Total.....	21,768	3,774,406	57,439,082	105%
No obstetrical benefits				
\$150 schedule.....	403	109,596	1,010,149	120%
\$200 schedule.....	2,870	447,775	5,780,016	126
Total.....	3,273	557,371	6,790,165	125%

NOTE.—Dependent obstetrical benefits are subject to a nine months' waiting period.

Ratios of actual to tabular claims for employee plans grouped according to percentage female for the three latest policy years combined are shown in Table 12. The ratios in this table, although subject to variations other than those of male and female claim costs, indicate that the 1957 Surgical Tabular for male employee is relatively low, while that for female employee is relatively high.

Ratios of actual to tabular claims for plans grouped according to size of the schedule maximum are shown in Table 13 for the three latest policy years combined. The ratios for the \$150 schedule are somewhat erratic, although they generally increase as the size of the schedule maximum

increases. For the \$200 schedule, the ratios clearly increase. The increase in ratios of actual to tabular by size of schedule maximum persists in most geographic regions when the \$200 schedule experience is tabulated by region.

Table 14 contains an analysis of surgical experience by state corresponding to Table 9 for hospital experience. Some of the warnings given with respect to the interpretation of the hospital experience by area also apply to the surgical experience. The Committee would like to point out

TABLE 11  
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	\$150 SCHEDULE				\$200 SCHEDULE			
	Number of Ex- perience Units	Maximum Indemnity Exposed per \$150 Basic Unit	Actual Claims	Ratio of Actual to 1957 Sur- gical Tabular	Number of Ex- perience Units	Maximum Indemnity Exposed per \$200 Basic Unit	Actual Claims	Ratio of Actual to 1957 Sur- gical Tabular
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...	2,090	402,255	1,781,763	109	7,125	1,305,363	7,459,059	106
1961...	1,543	299,311	1,292,405	107	5,629	1,042,947	6,000,116	107
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...	1,248	203,616	2,535,782	100	6,863	871,639	13,575,316	104
1961...	919	150,417	1,886,306	101	5,504	735,335	11,869,868	107
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...	141	25,015	236,412	123	1,166	118,881	1,420,012	116
1961...	118	24,826	229,797	121	869	103,167	1,310,142	124

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.

TABLE 12  
EMPLOYEE SURGICAL 1959-61 POLICY YEARS' EXPERIENCE  
RATIO OF ACTUAL CLAIMS TO 1957 SURGICAL TABULAR  
BY PERCENTAGE FEMALE  
SIZE GROUPS 0-7 ONLY, ALL INDUSTRIES

Female Per Cent	Number of Experience Units	Maximum Indemnity Exposed per Basic Unit	Actual Claims	Ratio of Actual to 1957 Surgical Tabular
\$150 Schedule				
<11% . . .	2,167	394,326	1,438,182	117%
11-21 . . .	1,130	219,612	893,552	113
21-31 . . .	777	138,778	611,606	107
31-41 . . .	549	108,197	534,290	107
41-51 . . .	380	72,571	359,506	97
51-61 . . .	268	53,189	303,100	102
61-71 . . .	233	51,559	313,202	100
71-81 . . .	144	25,470	158,157	94
81-91 . . .	93	23,601	172,113	103
91-100 . . .	29	4,035	22,982	75
Total . . .	5,770	1,091,338	4,806,690	108%
\$200 Schedule				
<11% . . .	8,033	1,457,436	7,409,613	111%
11-21 . . .	4,395	749,766	4,105,809	108
21-31 . . .	2,423	444,665	2,584,958	103
31-41 . . .	1,465	289,612	1,863,329	105
41-51 . . .	1,092	191,637	1,354,816	106
51-61 . . .	848	149,676	1,089,406	101
61-71 . . .	570	98,041	798,918	105
71-81 . . .	291	73,033	561,697	93
81-91 . . .	200	32,211	277,021	98
91-100 . . .	58	10,024	81,040	87
Total . . .	19,375	3,496,101	20,126,607	107%

TABLE 13

EMPLOYEE AND DEPENDENT SURGICAL 1959-61 POLICY YEARS' EXPERIENCE  
 RATIO OF ACTUAL CLAIMS TO 1957 SURGICAL TABULAR BY MAXIMUM BENEFIT  
 SIZE GROUPS 0-7 ONLY, ALL INDUSTRIES

MAXIMUM BENEFIT	EMPLOYEE				DEPENDENT			
	Number of Experience Units	Maximum Indemnity Exposed per Basic Unit	Actual Claims	Ratio of Actual to 1957 Surgical Tabular	Number of Experience Units	Maximum Indemnity Exposed per Basic Unit	Actual Claims	Ratio of Actual to 1957 Surgical Tabular
\$150 Schedule								
\$100-149.....	104	17,960	94,754	111%	98	14,104	178,855	108%
150.....	3,001	358,042	1,618,736	104	1,621	168,953	2,040,203	100
151-224.....	694	162,005	729,836	109	506	96,135	1,276,497	109
225.....	1,067	271,184	1,208,160	114	782	150,570	1,847,942	106
226-450.....	714	241,984	970,784	107	531	152,179	1,759,931	98
Total.....	5,580	1,051,175	4,622,270	108%	3,538	581,941	7,103,428	103%
Unknown.....	190	40,163	184,420	110%	229	26,335	298,485	99%
\$200 Schedule								
\$100-199.....	343	52,949	290,515	95%	425	37,546	531,585	98%
200.....	8,145	1,091,004	6,260,049	104	8,727	828,766	12,836,516	106
201-299.....	3,360	705,395	3,988,142	106	3,646	549,129	8,637,898	107
300.....	6,504	1,398,512	8,193,248	110	6,803	1,002,859	15,628,011	109
301-600.....	177	64,351	397,916	117	227	57,319	864,502	115
Total.....	18,529	3,312,211	19,129,870	107%	19,828	2,475,619	38,498,512	107%
Unknown.....	846	183,890	996,737	104%	1,210	156,176	1,975,766	89%

TABLE 14  
EMPLOYEE AND DEPENDENT 1959-61 POLICY YEARS' EXPERIENCE  
ANALYSIS OF SURGICAL EXPERIENCE BY STATE  
ALL INDUSTRIES

LOCATION CODE	STATE OR REGION	SIZE GROUPS 0-7			RATIO OF ACTUAL TO 1957 SURGICAL TABULAR	
		Number of Experience Units	Maximum Surgical Indemnity Exposed	Actual Claims	Size Groups 0-7	All Size Groups
20. ....	Region	61	10,700	73,554	88%	88%
21. ....	Connecticut	1,092	258,249	2,293,498	99	101
22. ....	Maine	232	41,398	340,307	105	100
23. ....	Massachusetts	2,116	356,159	3,059,244	102	104
24. ....	New Hampshire	234	65,066	524,199	97	97
25. ....	Rhode Island	109	19,594	139,825	101	101
26. ....	Vermont	232	34,502	273,410	104	104
	Total	4,076	785,668	6,704,037	100%	102%
30. ....	Region	62	14,320	119,306	97%	97%
31. ....	Delaware	28	2,170	17,037	98*	98*
32. ....	Dist. Columbia	187	28,324	226,136	103	107
33. ....	New Jersey	1,034	123,554	909,459	90	92
34. ....	New York	3,489	519,457	4,115,422	96	100
35. ....	Pennsylvania	4,111	658,259	5,710,035	101	102
	Total	8,911	1,346,084	11,097,395	98%	100%
40. ....	Region	248	55,719	612,296	117%	116%
41. ....	Illinois	4,389	711,565	5,789,311	93	96
42. ....	Indiana	2,109	318,522	3,027,796	108	106
43. ....	Kentucky	343	36,610	316,825	101	101
44. ....	Michigan	2,670	428,605	4,572,283	117	118
45. ....	Ohio	3,238	646,355	5,944,723	104	106
46. ....	Wisconsin	1,074	200,171	2,153,589	113	115
47. ....	West Virginia	524	59,152	485,566	101	101
	Total	14,595	2,456,699	22,902,389	105%	106%
50. ....	Region	70	21,550	242,437	122%	122%
51. ....	Iowa	893	109,531	1,118,501	113	113
52. ....	Kansas	578	70,501	729,451	110	118
53. ....	Minnesota	669	93,023	1,120,885	118	119
54. ....	Missouri	1,093	165,887	1,529,716	101	100
55. ....	Nebraska	422	46,546	471,677	111	111
56. ....	North Dakota	97	8,779	76,026	100	100
57. ....	South Dakota	101	9,113	97,896	104	104
	Total	3,923	524,930	5,386,589	110%	110%

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

TABLE 14—Continued

LOCATION CODE	STATE OR REGION	SIZE GROUPS 0-7			RATIO OF ACTUAL TO 1957 SURGICAL TABULAR	
		Number of Experience Units	Maximum Surgical Indemnity Exposed	Actual Claims	Size Groups 0-7	All Size Groups
60.....	Region	19	4,355	35,653	114%*	114%*
61.....	Colorado	192	34,616	375,106	122	121
62.....	Idaho	116	16,444	172,438	114	112
63.....	Montana	56	10,898	124,473	114	125
64.....	Nevada	64	8,393	77,879	94	94
65.....	Utah	221	31,843	353,300	124	124
66.....	Wyoming	26	2,913	33,072	114*	114*
	Total	694	109,462	1,171,921	118%	118%
70.....	Region	32	7,876	79,706	116%	116%
71.....	California	3,337	456,449	4,837,000	120	124
72.....	Oregon	209	23,969	265,524	121	122
73.....	Washington	223	35,609	374,099	114	107
	Total	3,801	523,903	5,556,329	120%	123%
80.....	Region	101	15,288	151,601	113%	112%
81.....	Arizona	269	38,884	435,603	125	134
82.....	Arkansas	471	55,794	520,382	110	109
83.....	Louisiana	783	87,414	943,021	123	125
84.....	New Mexico	153	22,057	239,375	101	104
85.....	Oklahoma	572	65,508	708,939	121	122
86.....	Texas	2,757	394,568	3,909,871	117	119
	Total	5,106	677,866	6,908,792	118%	120%
90.....	Region	153	33,135	280,926	92%	93%
91.....	Alabama	332	71,616	687,329	112	115
92.....	Florida	1,067	137,815	1,366,923	113	114
93.....	Georgia	960	122,705	1,107,828	107	108
94.....	Maryland	766	122,932	1,040,472	101	103
95.....	Mississippi	359	36,133	353,285	106	106
96.....	North Carolina	1,190	129,324	1,178,230	104	106
97.....	South Carolina	339	48,898	433,248	113	111
98.....	Tennessee	332	54,083	474,836	117	116
99.....	Virginia	1,237	138,928	1,123,090	100	107
	Total	6,735	895,569	8,046,167	106%	108%
	All other†	2,109	505,682	5,035,869	108%	111%
	Total all loca- tions	49,950	7,827,510	72,809,488	106%	108%

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

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

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.

TABLE 15  
1947-49 WEEKLY INDEMNITY TABULAR  
ANNUAL CLAIM COSTS PER \$10 WEEKLY BENEFIT

Plan	Male	Female (with Obstetrical Benefit)
1-4-13 . . . . .	\$5.77	\$13.09
4-4-13 . . . . .	5.69	12.91
1-8-13 . . . . .	4.99	11.40
8-8-13 . . . . .	4.81	11.01
1-4-26 . . . . .	7.32	14.56
4-4-26 . . . . .	7.23	14.37
1-8-26 . . . . .	6.50	12.81
8-8-26 . . . . .	6.31	12.41