

TRANSACTIONS OF SOCIETY OF ACTUARIES 1975 REPORTS

III. GROUP LONG-TERM DISABILITY INSURANCE

ATTENTION is directed to the following changes and additions that have been made in this year's report: Table D-2D, which shows disabled life annuity values separately for males and females on plans having a three-month elimination period, has been added to the "Analysis of Rates of Termination" section. An additional company's experience has been added.

The experience included in this report is predominantly that of employer-employee groups located in the United States and is largely for plans which appear not to have been the result of bargaining. Groups which a contributing company considers atypical or classifies as sub-standard because of industry hazards are excluded. Plans selected for the study provide occupational as well as nonoccupational coverage, but with benefits integrated with workmen's compensation. Virtually all the cases contributed also provide that gross monthly benefits be integrated with some or all of any social security benefits and frequently with other benefits payable as a result of the disability. Benefits are payable only on claims incurred prior to age 65 and generally cease at age 65.

The Committee recommends that care be used in the interpretation of the results and in their application on other than a broad basis, since a considerable volume of exposure could not be coded with respect to certain characteristics which may influence the level of rate of disablement or termination. The experience may not be representative of any particular group or plan.

The early experience years of the studies cover a period relatively free from severe economic disturbances. Experience of at least two of the more recent years (1970 and 1971), however, overlaps a period of economic recession.

CONTRIBUTING COMPANIES

Thirteen companies have contributed experience for the investigation covered in this report. The results are the composite experience of variations in company practices and administration and claim procedures, as well as of variations in experience among groups.

Aetna Life and Casualty Company
Bankers Life Company
Connecticut General Life Insurance Company
Continental Assurance Company

Continental Casualty Company
 Equitable Life Assurance Society
 John Hancock Mutual Life Insurance Company
 Metropolitan Life Insurance Company
 New England Mutual Life Insurance Company
 New York Life Insurance Company
 Provident Life & Accident Insurance Company
 Prudential Insurance Company of America
 Sun Life Assurance Company of Canada

ANALYSIS OF RATES OF DISABLEMENT

Many of the tables appearing in this section, specifically Tables 1B, 1C, 4-10, and I, include a column which shows the "number of experience units." A unit of experience represents the experience of a single group for one calendar year. For an experience cell which covers more than one calendar year of experience, a group would be included in the count of the number of experience units for the total number of separate calendar years for which experience was submitted. Furthermore, where the number of experience units in a cell is relatively small and no distinction is made by size, the experience for that cell could be influenced by the experience of but a few groups and, as such, may not be representative of all units in that cell.

Table 1 is based on the experience of all size groups for plans with a six-month elimination period. Crude rates of disablement based on number of lives are shown by sex and age group for the period 1969-73. Table 1A shows the experience of nonjumbo size units only, defined as groups with less than 5,000 lives insured. Experience of the calendar year of issue is excluded from both tables. About 29 per cent of the exposure contributed could not be separated by sex. The first part of each of these two tables summarizes the experience for male, female, and sex-unknown exposure combined. The experience for which exposure was sex-coded is presented in the bottom two sections of each table.

Tables 2 and 3 are similar to Table 1 but are based on the experience of plans with a three-month and a twelve-month elimination period, respectively.

Attention is called to the small number of claims underlying the disablement rate for some of the sex-age cells, especially for the three- and twelve-month plans.

It should be noted that the exposure and claim data shown in Tables 2 and 4 relative to plans having a three-month elimination period have been substantially reduced. This reduction was made necessary upon

TABLE 1
 GROUP LONG-TERM DISABILITY INSURANCE
 CRUDE RATES OF DISABLEMENT
 PER 1,000 LIVES EXPOSED
 (Six-Month Elimination Period; Calendar
 Year of Issue Excluded)
 Calendar Years of Experience 1969-73
 ALL EXPERIENCE UNITS COMBINED

Attained Age	Life Years Exposed	Number of Claims	Rate of Disablement per 1,000 Lives
All Experience: Males, Females, and Sex Unknown			
Under 40	1,580,705	1,429	0.90
40-44	433,898	1,025	2.36
45-49	419,331	1,537	3.67
50-54	352,126	2,217	6.30
55-59	270,175	3,070	11.36
60-64	173,231	2,691	15.53
All ages	3,229,466	11,969	3.71
Male Experience Only			
Under 40	804,443	677	0.84
40-44	231,025	512	2.22
45-49	219,927	743	3.38
50-54	183,535	1,200	6.54
55-59	144,274	1,635	11.33
60-64	90,480	1,476	16.31
All ages	1,673,684	6,243	3.73
Female Experience Only			
Under 40	328,316	334	1.02
40-44	67,044	254	3.79
45-49	73,647	345	4.68
50-54	64,602	394	6.10
55-59	48,839	432	8.85
60-64	34,784	346	9.95
All ages	617,232	2,105	3.41

TABLE 1A
 GROUP LONG-TERM DISABILITY INSURANCE
 CRUDE RATES OF DISABLEMENT
 PER 1,000 LIVES EXPOSED
 (Six-Month Elimination Period; Calendar
 Year of Issue Excluded)
 Calendar Years of Experience 1969-73
 NONJUMBO EXPERIENCE UNITS ONLY

Attained Age	Life Years Exposed	Number of Claims	Rate of Disablement per 1,000 Lives
All Experience: Males, Females, and Sex Unknown			
Under 40	1,048,455	860	0.82
40-44	278,908	642	2.30
45-49	270,485	863	3.19
50-54	229,718	1,242	5.41
55-59	178,803	1,728	9.66
60-64	115,658	1,628	14.08
All ages	2,122,027	6,963	3.28
Male Experience Only			
Under 40	550,034	427	0.78
40-44	151,250	334	2.21
45-49	145,496	425	2.92
50-54	123,442	691	5.60
55-59	96,893	999	10.31
60-64	63,828	954	14.95
All ages	1,130,943	3,830	3.39
Female Experience Only			
Under 40	214,710	196	0.91
40-44	45,291	168	3.71
45-49	51,004	199	3.90
50-54	46,501	250	5.38
55-59	35,624	291	8.17
60-64	23,128	253	10.94
All ages	416,258	1,357	3.26

discovery that one of the contributing companies has not been including incurred claims that terminated prior to the completion of six months of disablement. Therefore, in order to correct any distortions in the current report, it was necessary to delete the contributing company's entire experience relative to plans having a three-month elimination period.

It should also be noted that past annual reports for the three-month elimination period are incorrect, as a result of the above-mentioned error. The prior reports containing information on plans having a three-month elimination period will not be corrected. The current report, which is on a cumulative basis, appropriately reflects the cumulative experience under plans having a three-month elimination period.

The experience is based largely on a "his own occupation" definition of disability generally during the first two or three years following disablement. For plans with either a three- or a six-month elimination period, however, about 2 per cent of the experience is based on an "any occupation" definition for the full period of disability. For twelve-month plans, approximately 10 per cent of the experience uses the "any occupation" definition.

Claims were reported and included in rates of disablement, even though, because of the existence of social security or other disability income under plans with an offset provision, no benefit may have been payable.

For the six-month plans, accidents accounted for approximately 9 per cent of the claims coded for a known cause of disablement. The corresponding figures for the three-month and twelve-month plans were 16 per cent and 7 per cent, respectively.

Table 1B analyzes by underlying calendar year of experience the crude rates of disablement from Tables 1 and 1A, respectively, for all ages and for males, females, and sex-unknown exposures combined. If past reporting lag is any indication of the extent of claim underreporting, at least for the most recent calendar year's incurrals, then the claims reported as incurred in 1973 may be understated by as much as 5 per cent. Some portion of the variation in the overall disablement rate from year to year is the result of changes in the distributions of exposed to risk by age groups.

Table 1B also shows ratios of actual claims to tabular claims. Tabular claims for each year were derived by applying to the actual exposures for each age group the corresponding age-disablement rates based on the experience of nonjumbo size groups for males, females, and sex-unknown combined from Table 1A. The tabulars adjust only for age. No adjustment is made for the different proportions of males and females, if any, or for any other factors which might influence disablement rates.

Table 1B also gives some indication of the impact of the 1970-71 recession on disablement rates. The ratios of actual to tabular for the years 1970 and 1971 are significantly higher than the levels for years immediately prior thereto. Table 1B also indicates that the effect of the recession was limited and that disablement rates in 1972 and 1973 appear to have retreated to prerecession levels.

Table 1C subdivides the Table 1 experience for all ages and for males,

TABLE 1B
GROUP LONG-TERM DISABILITY INSURANCE
ANALYSIS OF RATES OF DISABLEMENT
BY CALENDAR YEAR OF INCURREAL

(Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages;
Males, Females, and Sex Unknown Combined)
Calendar Years of Experience 1962-73

CALENDAR YEAR OF INCURREAL	NUMBER OF EXPERIENCE UNITS	LIFE YEARS EXPOSED	NUMBER OF CLAIMS			RATE OF DISABLEMENT PER 1,000 LIVES	RATIO OF ACTUAL CLAIMS TO TABULAR CLAIMS*
			Accident	Sickness	Total (Incl. Unknown)		
All Experience Units Combined							
1962-63	98	77,964	4	116	225	2.89	97%
1964-68	2,905	1,449,665	345	3,500	4,463	3.08	101
1969	1,250	605,284	157	1,539	2,025	3.35	104%
1970	1,453	624,506	214	1,945	2,440	3.91	121
1971	1,512	559,611	226	2,127	2,399	4.29	129
1972	1,963	649,259	226	2,101	2,363	3.64	110
1973	2,216	790,806	241	2,487	2,742	3.47	105
1969-73	8,394	3,229,466	1,064	10,199	11,969	3.71	113%
Nonjumbo Experience Units Only							
1962-63	95	29,311	2	51	67	2.29	73%
1964-68	2,850	779,206	179	1,533	2,073	2.66	84
1969	1,225	351,220	67	704	997	2.84	87%
1970	1,428	390,439	116	956	1,294	3.31	102
1971	1,494	412,602	171	1,380	1,583	3.84	116
1972	1,940	441,149	157	1,253	1,431	3.24	97
1973	2,187	526,617	157	1,490	1,658	3.15	97
1969-73	8,274	2,122,027	668	5,783	6,963	3.28	100%

* Tabular claims were calculated by applying to the actual age-group exposures the crude rates of disablement shown in Table 1A for males, females, and sex unknown combined.

females, and sex-unknown exposures combined, by size of experience unit. Note that experience units of less than 100 lives accounted for over 56 per cent of the total number of units. This explains the large number of units (over 71 per cent of the total) which experienced no claims. This table also includes a dispersion-type analysis of ratios of actual claims to tabular claims. (Please note that the dispersion-type analysis was incorrect in last year's report; a corrected copy has been included as Table 1C-1.) As in Table 1B, the tabulars adjust only for age. Because the experience is not adjusted for sex or for other characteristics which might have a measurable impact on the rate of disablement, such as differences among contributing companies in underwriting and claim administration practices, the extent to which employers use the long-term disability (LTD) plan as an early retirement vehicle, the proportions of salaried and hourly, the extent of employer financial participation, the type of industry, the relationship to take-home pay of the amount of benefit payable under the plan, and so on, the results should be interpreted with some caution.

Table 4 shows exposures, claims, and rates of disablement by size of group for plans with either a three- or a twelve-month elimination period. Tabulars used for each elimination period in this table are based on the combined experience of all size groups.

The respective experiences underlying Tables 1 and 1A have been analyzed by employee class, industry, contributory status, and plan provisions with respect to preexisting conditions, rehabilitation, and indirect integration (whereby the LTD benefit may be reduced when the total income from all specified sources, including the LTD benefit, exceeds a specified percentage of salary). The respective results are displayed in Tables 5-10.

The portion of the Table 5 experience under units with at least a 75 per cent salaried employees composition, the majority of whom were not executives (i.e., Code 2), was further analyzed to investigate the effect which such variables as (a) the relationship between the LTD benefit (before integration with other income sources) and salary at time of disablement, (b) the plan's integration provision, and (c) the extent to which a disability income is provided under employer-sponsored plans prior to qualification for LTD benefits appear to exert on disablement rates. The several classifications are somewhat broad. The various parameters may not be mutually exclusive. The respective subanalyses are shown in Table 5A, separately for nonjumbo and for all experience units. It should be noted that the tabulars and the actual-to-tabular ratios are consistent with those in Table 5 for Employee Code 2.

Table I is an attempt to examine the interrelationships among various

TABLE 1C

GROUP LONG-TERM DISABILITY INSURANCE
 RATES OF DISABLEMENT AND RATIOS OF ACTUAL CLAIMS TO TABULAR CLAIMS, BY SIZE OF EXPERIENCE UNIT EXPOSED
 (Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages, Males, Females, and Sex Unknown Combined)
 Calendar Years of Experience 1969-73
 ALL EXPERIENCE UNITS COMBINED

SIZE OF UNIT	NUMBER OF EXPERIENCE UNITS	LIFE YEARS EXPOSED	NUMBER OF CLAIMS	RATE OF DISABLEMENT PER 1,000 LIVES	AVERAGE A/T RATIO*	NUMBER OF EXPERIENCE UNITS BY RATIO OF ACTUAL TO TABULAR CLAIMS*							
						0%	1-50%	50-75%	75-100%	100-150%	150-200%	200-500%	500% or More
Under 25 lives....	1,160	14,841	38	2.56	76%	1,130	0	0	0	0	0	0	30
25-29.....	1,585	58,096	191	3.29	90	1,426	0	0	0	0	0	33	126
50-99.....	2,022	142,120	450	3.17	91	1,669	0	0	0	0	3	222	128
100-249.....	1,826	283,373	890	3.14	95	1,249	0	1	9	91	127	286	63
250-499.....	728	254,361	833	3.27	96	324	10	63	70	89	59	99	14
500-999.....	452	318,851	1,037	3.25	99	119	59	67	43	65	34	56	9
1,000-2,499.....	365	582,836	1,926	3.30	105	40	63	48	55	69	42	45	3
2,500-4,999.....	136	467,549	1,598	3.42	106	2	31	21	18	33	18	13	0
Under 5,000....	8,274	2,122,027	6,963	3.28	100%	5,959	163	200	195	347	283	754	373
5,000 or more....	120	1,107,439	5,006	4.52	138%	3	12	7	15	41	24	16	2
Total.....	8,394	3,229,466	11,969	3.71	113%	5,962	175	207	210	388	307	770	375

* Tabular claims were calculated by applying to actual age group exposures the crude rates of disablement shown in Table 1A for males, females, and sex unknown combined.

TABLE 1C-1

GROUP LONG-TERM DISABILITY INSURANCE

RATES OF DISABLEMENT AND RATIOS OF ACTUAL CLAIMS TO TABULAR CLAIMS BY SIZE OF EXPERIENCE UNIT EXPOSED

(Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)

Calendar Years of Experience 1968 72

ALL EXPERIENCE UNITS COMBINED

SIZE OF UNIT	NUMBER OF EXPERIENCE UNITS	LIFE YEARS EXPOSED	NUMBER OF CLAIMS	RATE OF DISABLEMENT PER 1,000 LIVES	AVERAGE A/T RATIO*	NUMBER OF EXPERIENCE UNITS BY RATIO OF ACTUAL TO TABULAR CLAIMS*							
						0%	1-50%	50-75%	75-100%	100-150%	150-200%	200-500%	500% or More
Under 25 lives....	912	11,635	35	3.01	91%	885	0	0	0	0	0	0	27
25-49.....	1,341	49,202	151	3.07	86	1,208	0	0	0	0	0	19	114
50-99.....	1,750	122,958	353	2.87	84	1,462	0	0	0	0	2	176	110
100-249.....	1,579	244,526	716	2.93	91	1,110	0	0	6	70	105	237	51
250-499.....	650	228,127	709	3.11	92	288	9	50	70	84	51	86	12
500-999.....	398	284,981	916	3.21	101	113	48	57	44	49	30	47	10
1,000-2,499.....	310	506,288	1,623	3.21	106	39	49	39	48	64	34	33	4
2,500-4,999.....	120	420,491	1,434	3.41	109	1	25	24	13	28	18	10	1
Under 5,000....	7,060	1,868,208	5,937	3.18	100%	5,106	131	170	181	295	240	608	329
5,000 or more....	111	1,075,177	4,767	4.43	142%	1	8	8	13	27	29	22	3
Total.....	7,171	2,943,385	10,704	3.64	115%	5,107	139	178	194	322	269	630	332

* Tabular claims were calculated by applying to actual age-group exposures the crude rates of disablement shown in Table 1A for males, females, and sex unknown combined.

TABLE 2
 GROUP LONG-TERM DISABILITY INSURANCE
 CRUDE RATES OF DISABLEMENT
 PER 1,000 LIVES EXPOSED
 (Three-Month Elimination Period; Calendar
 Year of Issue Excluded)
 Calendar Years of Experience 1969-73
 ALL EXPERIENCE UNITS COMBINED

Attained Age	Life Years Exposed	Number of Claims	Rate of Disablement per 1,000 Lives
All Experience: Males, Females, and Sex Unknown			
Under 40	364,189	785	2.16
40-44	90,220	375	4.16
45-49	84,249	553	6.56
50-54	70,784	664	9.38
55-59	54,095	777	14.36
60-64	34,341	617	17.97
All ages	697,878	3,771	5.40
Male Experience Only			
Under 40	190,651	413	2.17
40-44	50,123	202	4.03
45-49	45,808	266	5.81
50-54	38,140	376	9.86
55-59	30,010	447	14.90
60-64	19,100	355	18.59
All ages	373,832	2,059	5.51
Female Experience Only			
Under 40	73,832	186	2.52
40-44	14,383	86	5.98
45-49	15,140	132	8.72
50-54	13,329	118	8.85
55-59	10,049	124	12.34
60-64	6,488	80	12.33
All Ages	133,221	726	5.54

TABLE 3
 GROUP LONG-TERM DISABILITY INSURANCE
 CRUDE RATES OF DISABLEMENT
 PER 1,000 LIVES EXPOSED
 (Twelve-Month Elimination Period; Calendar
 Year of Issue Excluded)
 Calendar Years of Experience 1969-73
 ALL EXPERIENCE UNITS COMBINED

Attained Age	Life Years Exposed	Number of Claims	Rate of Disablement per 1,000 Lives
All Experience: Males, Females, and Sex Unknown			
Under 40	126,609	61	0.48
40-44	32,202	50	1.55
45-49	33,058	101	3.06
50-54	28,598	137	4.79
55-59	22,968	212	9.23
60-64	13,199	180	13.64
All ages	256,634	741	2.89
Male Experience Only			
Under 40	82,183	25	0.30
40-44	18,973	23	1.21
45-49	18,960	55	2.90
50-54	15,326	64	4.18
55-59	12,431	129	10.38
60-64	7,601	118	15.52
All ages	155,474	414	2.66
Female Experience Only			
Under 40	17,563	17	0.97
40-44	3,899	11	2.82
45-49	5,126	21	4.10
50-54	5,576	22	3.95
55-59	4,989	43	8.62
60-64	2,489	36	14.46
All ages	39,642	150	3.78

TABLE 4
 GROUP LONG-TERM DISABILITY INSURANCE
 ANALYSIS OF RATES OF DISABLEMENT BY SIZE OF EXPERIENCE UNIT EXPOSED
 (Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
 Calendar Years of Experience 1969-73
 ALL EXPERIENCE UNITS COMBINED

SIZE OF UNIT	THREE-MONTH ELIMINATION PERIOD PLANS					TWELVE-MONTH ELIMINATION PERIOD PLANS				
	Number of Experience Units	Life Years Exposed	Number of Claims	Rate of Disablement per 1,000 Lives	Ratio of Actual Claims to Tabular Claims*	Number of Experience Units	Life Years Exposed	Number of Claims	Rate of Disablement per 1,000 Lives	Ratio of Actual Claims to Tabular Claims†
Under 25 lives	1,140	13,029	83	6.37	116%	20	210	2	9.52	238%
25-49	1,480	53,395	289	5.41	96	76	2,836	7	2.47	80
50-99	1,221	84,805	465	5.48	98	86	5,949	19	3.19	100
100-249	749	110,415	567	5.14	97	95	15,678	48	3.06	103
250-499	295	102,347	557	5.44	101	60	21,142	57	2.70	98
500-999	187	132,830	615	4.63	89	49	35,401	127	3.59	107
1,000-2,499	80	117,806	787	6.68	124	45	64,692	209	3.23	95
2,500-4,999	22	78,122	391	5.00	90	19	67,682	187	2.76	100
Under 5,000	5,174	692,749	3,754	5.42	100%	450	213,590	656	3.07	100%
5,000 or more	1	5,129	17	3.31	57%	7	43,044	85	1.97	102%
Total	5,175	697,878	3,771	5.40	100%	457	256,634	741	2.89	100%

* Tabular claims were calculated by applying to the actual age-group exposures the crude rates of disablement shown in Table 2 for males, females, and sex unknown combined.

† Tabular claims were calculated by applying to the actual age-group exposures the crude rates of disablement shown in Table 3 for males, females, and sex unknown combined.

TABLE 5

GROUP LONG-TERM DISABILITY INSURANCE
ANALYSIS OF TABLES 1 AND 1A EXPERIENCE BY EMPLOYEE CLASS
(Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
Calendar Year of Experience 1969-73

EMPLOYEE CODE	EMPLOYEE CLASS	TABLE 1A EXPERIENCE—NONJUMBO UNITS ONLY				TABLE 1 EXPERIENCE— ALL UNITS		
		Number of Experience Units	Life Years Exposed	Number of Claims	Ratio of Actual Claims to Tabular Claims*	Number of Experience Units	Life Years Exposed	Ratio of Actual Claims to Tabular Claims*
1.....	At least 75% salaried, majority executive	390	124,577	338	91%	400	179,372	98%
2.....	At least 75% salaried, majority nonexecutive	4,115	947,561	2,694	85	4,174	1,468,922	97
3.....	50-75% salaried	128	28,625	135	135	136	115,659	131
7.....	At least 50% salaried (exact % unknown)	256	153,783	609	115	269	289,219	136
6.....	At least 50% hourly (exact % unknown)	1,785	465,118	1,508	101	1,804	679,379	114
4.....	50-75% hourly	277	74,111	371	140	277	74,111	140
5.....	At least 75% hourly	224	72,548	445	190	230	112,373	185
9.....	Indeterminate	1,099	255,704	863	105	1,104	310,431	124
	Total.....	8,274	2,122,027	6,963	100%	8,394	3,229,466	113%

* Tabular claims were calculated by applying to the actual age-group exposures the crude rates of disablement shown in Table 1A for males, females, and sex unknown combined.

TABLE 5A
 GROUP LONG-TERM DISABILITY INSURANCE
 SUPPLEMENTAL ANALYSIS OF TABLE 5 EXPERIENCE
 FOR EMPLOYEE CLASS CODE 2
 (Six-Month Elimination Period; Calendar Year of Issue Excluded;
 All Ages; Males, Females, and Sex Unknown Combined)
 Calendar Years of Experience 1969-73

	NONJUMBO EXPERIENCE UNITS ONLY				ALL EXPERIENCE UNITS	
	Number of Experience Units	Life Years Exposed	Number of Claims	Ratio of A/T Claims*	Life Years Exposed	Ratio of A/T Claims*

I. Relationship between Long-Term Disability Benefit and Salary

<i>Ratio of gross benefit (before reduction for integration) to salary:</i>						
Always less than 50%	117	16,326	33	52%	16,326	52%
Generally less than 50%	85	19,172	57	77	45,655	118
Subtotal (less than 50%)	202	35,498	90	66%	61,981	99%
50% (exactly or approximately)	1,236	415,016	1,050	76%	628,803	87%
Always more than 50%, exact % unknown	102	42,904	254	144%	86,648	148%
Generally more than 50%, exact % unknown	152	11,720	32	88	32,877	153
More than 50% but less than or equal to 60%	1,846	366,999	1,067	90	513,924	93
More than 60% but less than or equal to 70%	250	40,118	119	109	56,687	106
More than 70%	7	4,384	14	109	23,840	219
Subtotal (greater than 50%)	2,357	466,125	1,486	98%	713,976	109%
Other, including not determinable	320	30,922	68	63%	64,162	71%
Total salaried, nonexecutive	4,115	947,561	2,694	85%	1,468,922	97%

* Tabular claims were calculated by applying to the actual age-group exposures the crude rates of disablement shown in Table 1A for males, females, and sex unknown combined.

TABLE 5A—Continued

	NONJUMBO EXPERIENCE UNITS ONLY				ALL EXPERIENCE UNITS	
	Number of Experience Units	Life Years Exposed	Number of Claims	Ratio of A/T Claims*	Life Years Exposed	Ratio of A/T Claims*

II. Analysis by Plan Integration Provision

<i>Other income sources included in plan integration provision:</i>						
Nonintegrated.....	1,062	207,418	637	97%	440,194	110%
Social security primary benefit only or in combination with income from other sources.....	409	182,528	538	84	248,824	97
Social security primary and family benefit only or in combination with income from other sources..	2,511	538,732	1,464	82	761,021	91
Other integration bases..	133	18,883	55	77	18,883	77
Total salaried, nonexecutive	4,115	947,561	2,694	85%	1,468,922	97%

III. Extent to Which a Disability Income Is Provided during Elimination Period

<i>Disability income benefit provided during the elimination period:</i>						
Full salary.....	97	39,008	119	95%	104,338	120%
Less than full salary but generally more than 50%.....	416	116,156	446	103	275,885	123
Generally less than 50% of salary.....	198	21,715	80	92	39,601	106
None.....	397	70,251	198	95	70,251	95
Noncodable or unknown..	3,007	700,431	1,851	81	978,847	87
Total salaried, nonexecutive	4,115	947,561	2,694	85%	1,468,922	97%

* Tabular claims were calculated by applying to the actual age-group exposures the crude rates of disablement shown in Table 1A for males, females, and sex unknown combined.

TABLE 6

GROUP LONG-TERM DISABILITY INSURANCE
ANALYSIS OF TABLES 1 AND 1A EXPERIENCE BY INDUSTRY

(Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
Calendar Years of Experience 1969-73

INDUSTRY CODE(S)	INDUSTRY	TABLE 1A EXPERIENCE—NONJUMBO UNITS ONLY				TABLE 1 EXPERIENCE—ALL UNITS		
		Number of Experience Units	Life Years Exposed	Number of Claims	Ratio of Actual Claims to Tabular Claims*	Number of Experience Units	Life Years Exposed	Ratio of Actual Claims to Tabular Claims*
01-09	Agriculture, forestry, and fisheries	47	5,079	9	57%	50	28,370	293%
10-14	Mining	152	50,099	263	185	152	50,099	185
15-17	Contract construction	242	60,092	235	116	242	60,092	116
19-39	Manufacturing	3,370	992,188	3,624	109	3,449	1,690,826	125
40-49	Transportation, communication, electric, gas, and sanitary services	499	154,563	564	112	509	232,040	121
50-59	Wholesale and retail trade	1,286	164,237	501	96	1,294	244,979	113
60-67	Finance, insurance, and real estate	1,051	302,495	674	72	1,064	449,364	71
70-89	Services	1,484	367,400	997	81	1,491	447,822	84
91-94	Government	110	19,883	90	114	110	19,883	114
	All other classifiable	17	4,842	5	37	17	4,842	37
99	Nonclassifiable	16	1,149	1	31	16	1,149	31
	Total	8,274	2,122,027	6,963	100%	8,394	3,229,466	113%

* Tabular claims were calculated by applying to the actual age-group exposures the crude rates of disablement shown in Table 1A for males, females, and sex unknown combined.

TABLE 7
 GROUP LONG-TERM DISABILITY INSURANCE
 ANALYSIS OF TABLES 1 AND 1A EXPERIENCE BY CONTRIBUTORY STATUS
 (Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
 Calendar Years of Experience 1969-73

CONTRIBUTORY STATUS	TABLE 1A EXPERIENCE--NONJUMBO UNITS ONLY				TABLE 1 EXPERIENCE--ALL UNITS		
	Number of Experience Units	Life Years Exposed	Number of Claims	Ratio of Actual Claims to Tabular Claims*	Number of Experience Units	Life Years Exposed	Ratio of Actual Claims to Tabular Claims*
Employee-pay-all	482	174,502	659	109%	504	364,858	119%
Employer-pay-all	3,862	700,555	2,222	98	3,885	980,223	107
Contributory, employer and employee share cost	2,666	828,699	2,842	104	2,732	1,382,198	123
Unknown	1,264	418,271	1,240	91	1,273	502,187	93
Total	8,274	2,122,027	6,963	100%	8,394	3,229,466	113%

* Tabular claims were calculated by applying to the actual age-group exposures the crude rates of disablement shown in Table 1A for males, females, and sex unknown combined.

TABLE 8
 GROUP LONG-TERM DISABILITY INSURANCE
 ANALYSIS OF TABLES 1 AND 1A EXPERIENCE BY PREEXISTING CONDITION PROVISION
 (Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
 Calendar Years of Experience 1969-73

	TABLE 1A EXPERIENCE - NONJUMBO UNITS ONLY				TABLE 1 EXPERIENCE--ALL UNITS		
	Number of Experience Units	Life Years Exposed	Number of Claims	Ratio of Actual Claims to Tabular Claims*	Number of Experience Units	Life Years Exposed	Ratio of Actual Claims to Tabular Claims*
Preexisting condition provision included	4,555	623,382	1,845	88%	4,584	947,750	97%
Preexisting condition provision not included	3,719	1,498,645	5,118	105	3,810	2,281,716	120
Total	8,274	2,122,027	6,963	100%	8,394	3,229,466	113%

* Tabular claims were calculated by applying to the actual age-group exposures the crude rates of disablement shown in Table 1A for males, females, and sex unknown combined.

TABLE 9
 GROUP LONG-TERM DISABILITY INSURANCE
 ANALYSIS OF TABLES 1 AND 1A EXPERIENCE BY PLAN INDIRECT INTEGRATION PROVISION
 (Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
 Calendar Years of Experience 1969-73

	TABLE 1A EXPERIENCE—NONJUMBO UNITS ONLY				TABLE 1 EXPERIENCE—ALL UNITS		
	Number of Experience Units	Life Years Exposed	Number of Claims	Ratio of Actual Claims to Tabular Claims*	Number of Experience Units	Life Years Exposed	Ratio of Actual Claims to Tabular Claims*
No indirect integration	4,847	1,163,490	3,591	94%	4,895	1,619,789	102%
Indirect integration—nonduplication level:							
Less than 50%	55	43,101	103	68	55	43,101	68
50-59%	299	106,643	333	94	315	233,305	115
60-69%	1,223	446,884	1,582	111	1,257	813,942	120
70-79%	1,660	289,610	1,132	112	1,679	429,087	142
80-89%	153	47,669	136	91	156	65,612	101
Greater than 89%	10	7,650	25	98	10	7,650	98
Integrated but noncodable	27	16,980	61	150	27	16,980	150
Total	8,274	2,122,027	6,963	100%	8,394	3,229,466	113%

* Tabular claims were calculated by applying to the actual age-group exposures the crude rates of disablement shown in Table 1A for males, females, and sex unknown combined.

TABLE 10
 GROUP LONG-TERM DISABILITY INSURANCE
 ANALYSIS OF TABLE 1 AND 1A EXPERIENCE BY PLAN REHABILITATION PROVISION
 (Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
 Calendar Years of Experience 1969-73

	TABLE 1A EXPERIENCE—NONJUNIOR UNITS ONLY				TABLE 1 EXPERIENCE—ALL UNITS		
	Number of Experience Units	Life Years Exposed	Number of Claims	Ratio of Actual Claims to Tabular Claims*	Number of Experience Units	Life Years Exposed	Ratio of Actual Claims to Tabular Claims*
Rehabilitation provision included.....	5,827	1,377,489	4,367	95%	5,898	2,018,851	101%
Rehabilitation provision not included.....	2,447	744,538	2,596	109	2,496	1,210,615	133
Total.....	8,274	2,122,027	6,963	100%	8,394	3,229,466	113%

* Tabular claims were calculated by applying to the actual age-group exposures the crude rates of disablement shown in Table 1A for males, females, and sex unknown combined.

TABLE I

EXPERIENCE UNDER PLANS WHERE LTD BENEFIT IS DIRECTLY INTEGRATED WITH SOCIAL SECURITY
 PRIMARY AND FAMILY BENEFITS ONLY OR IN COMBINATION WITH OTHER INCOME SOURCES
 (Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
 Calendar Years of Experience 1969-73
 NONJUMBO-ALL EMPLOYEE CLASSES

Indirect Integration Classification	Relationship between LTD Benefit and Salary	Relationship between Disability Income Provided during Elimination Period and Salary	Number of Experience Units	Life Years Exposed	Number of Claims	Ratio of Actual Claims to Tabular Claims*
None or a nonduplication level less than 60%	50% or less	50% or less	995	290,002	738	77%
		Greater than 50%	127	32,900	75	77
		Subtotal	1,122	322,902	813	77%
	Greater than 50%	50% or less	2,982	619,857	1,922	93%
		Greater than 50%	341	69,815	258	121
		Subtotal	3,323	689,672	2,180	96%
	Subtotal	4,445	1,012,574	2,993	90%	
Nonduplication level greater than or equal to 60%	50% or less	50% or less	195	98,650	397	118%
		Greater than 50%	80	42,606	158	122
		Subtotal	275	141,256	555	119%
	Greater than 50%	50% or less	661	123,960	374	97%
		Greater than 50%	239	70,763	261	126
		Subtotal	900	194,723	635	107%
	Subtotal	1,175	335,979	1,190	112%	
Total			5,620	1,348,553	4,183	95%

* Tabular claims were calculated by applying to the actual age-group exposures the crude rates of disablement shown in Table 1A for males, females, and sex unknown combined.

TABLE D-1
 GROUP LONG-TERM DISABILITY INSURANCE
 CRUDE TERMINATION RATES PER 1,000 CLAIMS EXPOSED
 TO DEATH OR RECOVERY
 (Six-Month Elimination Period; Calendar Years of Experience 1962-73)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
7th month.....	66.4	47.7	54.0	37.1	24.5	18.7
8th month.....	74.8	57.3	63.1	43.1	26.7	18.5
9th month.....	69.9	54.9	59.8	39.2	23.9	17.5
10th month.....	63.2	47.4	52.5	35.7	22.3	13.6
11th month.....	56.7	43.6	47.8	32.6	20.6	12.2
12th month.....	58.8	45.4	49.6	31.7	18.0	13.5
1st year (last 6 months)...	331.8	262.0	285.5	200.2	128.6	90.3
13th month.....	50.3	44.2	46.1	30.2	17.1	11.5
14th month.....	50.0	33.5	38.7	26.6	16.0	9.3
15th month.....	52.8	28.9	36.3	24.1	14.6	9.5
16th month.....	28.5*	31.9	30.9	20.1	13.4	11.0
17th month.....	27.3	31.5	30.3	18.2	12.5	11.1
18th month.....	36.8	26.7	29.8	18.4	14.2	10.3
19th month.....	35.5	26.0	28.9	16.6	13.1	10.3
20th month.....	31.3	19.6	23.0	14.0	10.3	10.3
21st month.....	28.9	16.1	19.8	13.5	11.0	9.1
22d month.....	26.6*	21.9	23.2	13.7	9.9	6.7
23d month.....	26.8*	21.7	23.2	13.9	8.6	6.7
24th month.....	29.4	22.8	24.7	16.6	10.0	8.1
2d year.....	351.1	280.8	302.8	204.0	140.7	108.2
3d year.....	300.1	185.8	218.5	147.6	102.9	94.1
4th year.....	134.2	104.5	112.0	83.1	79.2	67.6
5th year.....	90.0*	79.5	81.7	49.5	68.7	90.9
6th year.....	39.2†	59.5	55.2	57.5	74.1	75.5
7th year.....	52.4†	90.0	82.0	47.2	54.0	66.9*
Male Only						
1st year (last 6 months)...	342.2	280.5	301.6	193.6	125.0	89.7
2d year.....	364.9	283.0	309.2	187.8	135.9	107.2
3d year.....	316.8	173.0	214.2	140.7	97.6	92.5
4th year.....	125.6	105.8	110.8	84.2	81.0	73.1
5th year.....	89.3†	63.4	68.9	51.3	74.6	97.1
6th year.....	0.0†	53.2*	42.5*	60.7	81.5	75.6
7th year.....	41.2†	119.2	103.1	60.5	57.2	65.9*
Female Only						
1st year (last 6 months)...	311.5	229.0	255.9	212.9	140.5	93.2
2d year.....	325.3	277.1	291.8	236.2	157.1	113.2
3d year.....	271.1	207.0	225.7	162.1	122.9	102.8
4th year.....	143.9*	102.0	113.3	80.5	72.0	35.2*
5th year.....	88.9†	105.7	101.3	45.8	46.6	55.7†
6th year.....	93.8†	71.0*	76.7*	50.3	47.7	66.1†
7th year.....	65.6†	32.5†	40.0†	15.6†	43.2*	100.0†

* Involves fewer than ten terminations.

† Involves fewer than five terminations.

by sex and age groups, for the period 1962-73. Because of the small number of terminations at the later durations, the experience has been truncated at the end of seven years of disablement. It should be noted that the termination rates for the first year of disablement relate to the six-month period following the end of the elimination period. There were 34,593 claims exposed to termination, 11,969 of which originated from the 1969-73 and 4,688 from the 1962-68 active lives experience (all experience units combined), with the balance from experience units that were not included in the study of rates of disablement. For plans with a six-month elimination period, the Committee did a subanalysis of the termination rates of only the claims that were included in the rates of disablement study. Termination rates for these claims were found to be generally from 10 to 15 per cent higher than those shown in Table D-1.

The actual number of claims which terminated by death or recovery is shown in Table D-1A. Ratios of the actual terminations to the number of terminations that would have been produced by application of termination rates from the 1964 Commissioners Disability Table to the Table D-1 exposures are presented in Table D-1B. Table D-1C compares the values of a monthly benefit of \$1 payable for a maximum period of sixty months with the values of a similar benefit payable to age 65. The illustrations are done on two alternate bases, each using a 3 per cent interest discount. One basis was Table D-1 crude termination rates for the first four years, regardless of the actual number of terminations in each duration-age cell, and the 1964 Commissioners Disability Table rates thereafter. The other basis uses termination rates from the 1964 Commissioners Disability Table throughout. Table D-1D shows male and female disabled life annuity values for a benefit payable to age 65, based on the male and female claims, respectively, included in Table D-1C. There were 25,575 male claims in this analysis, of which 12,503 came from the active life study, with the balance from units not included in the active life study. Female claims numbered 9,018, of which 4,154 were included in the active life study. As was done in Table D-1C, illustrative values are shown on two alternate bases. In making any sex comparisons, one is reminded that the 1964 Commissioners Disability Table is a unisex table.

Tables D-2, D-2A, D-2B, D-2C, and D-2D analyze the experience of terminations from plans with a three-month elimination period and are similar in form and content to the corresponding tables of the D-1 series, except that experience has been truncated at five years. The number of claims exposed to termination was 11,725 of which 3,771 and 905 emanated from the 1969-73 and 1962-68 portions, respectively, of the active lives experience, and the balance from experience units that were

not included in the study of rates of disablement. Termination rates for the first year of disablement cover the nine months immediately following the elimination period.

Attention is called to the reduction in the claim experience underlying Tables D-2, D-2A, D-2B, D-2C, and D-2D. As mentioned in the "Analysis of Rates of Disablement" portion of the report, the entire contribution of one of the contributing companies had to be deleted upon discovery that

TABLE D-1A
GROUP LONG-TERM DISABILITY INSURANCE
NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
(Six-Month Elimination Period; Calendar Years of Experience 1962-73)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
1st year (last 6 months)	433	679	1,112	1,349	1,768	607
2d year	221	394	615	830	1,309	460
3d year	95	143	238	355	625	226
4th year	20	47	67	132	313	77
5th year	7	22	29	49	180	40
6th year	2	11	13	40	119	14
7th year	2	11	13	20	44	8
Male Only						
1st year (last 6 months)	290	465	755	854	1,321	500
2d year	153	248	401	505	979	380
3d year	61	82	143	234	467	189
4th year	12	31	43	90	255	71
5th year	4	11	15	36	156	36
6th year	0	6	6	29	102	13
7th year	1	10	11	18	36	7
Female Only						
1st year (last 6 months)	143	214	357	495	447	107
2d year	68	146	214	325	330	80
3d year	34	61	95	121	158	37
4th year	8	16	24	42	58	6
5th year	3	11	14	13	24	4
6th year	2	5	7	11	17	1
7th year	1	1	2	2	8	1

TABLE D-1B
 GROUP LONG-TERM DISABILITY INSURANCE
 RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR
 RECOVERY TO NUMBER OF TERMINATIONS EXPECTED FROM THE
 1964 COMMISSIONERS DISABILITY TABLE*
 (Six-Month Elimination Period; Calendar Years of Experience 1962-73)

DURATION OF DISABILITY	ALL AGES OF DIS- ABLE- MENT COM- BINED	AGE AT DISABILITY					
		Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined							
1st year (last 6 months)	58.0%	61.4%	50.6%	54.3%	45.1%	33.8%	26.5%
2d year	86.1	112.9	101.7	105.6	87.1	80.5	78.7
3d year	84.2	130.0	94.4	106.0	89.7	76.9	78.1
4th year	71.9	77.3	73.5	74.7	70.2	74.1	63.1
5th year	72.6	66.9†	74.6	72.4	54.9	76.1	91.9
6th year	84.1	35.9†	69.8	61.0	76.9	91.4	80.9
7th year	73.6	56.2†	122.7	105.6	68.6	69.4	73.6†
Male Only							
1st year (last 6 months)	36.8%	63.3%	54.2%	57.4%	41.7%	32.9%	26.3%
2d year	82.7	117.4	102.5	107.8	80.2	77.7	78.0
3d year	79.9	137.3	87.9	104.0	85.5	72.9	76.8
4th year	73.7	72.3	74.4	74.0	71.1	75.8	68.3
5th year	77.6	66.4†	59.4	61.3	56.9	82.6	98.1
6th year	90.0	0.0†	62.5†	47.2†	81.2	100.5	81.0
7th year	82.6	44.3†	162.4	132.9	87.9	73.4	72.5†
Female Only							
1st year (last 6 months)	41.0%	57.6%	44.2%	48.7%	45.9%	37.0%	27.3%
2d year	95.5	104.6	100.4	101.8	100.8	89.9	82.3
3d year	97.1	117.5	105.2	109.4	98.5	91.8	85.3
4th year	66.2	82.9†	71.8	75.3	68.0	67.4	32.9†
5th year	57.2	66.1†	99.1	89.0	50.8	51.6	56.2†
6th year	65.9	86.0†	83.3†	84.2†	67.3	58.8	70.8†
7th year	45.1	70.4†	44.3†	51.5†	22.6†	55.5†	110.0†

* As published by the Health Insurance Association of America, Table B1, Vol. III.

† Involves fewer than ten terminations.

it has not been including incurred claims that terminated prior to the completion of six months of disablement.

It should also be noted that past annual reports for the three-month elimination period are incorrect, as a result of the above-mentioned error. The prior reports containing information on plans having a three-month elimination period will not be corrected. The current report, which is on a cumulative basis, appropriately reflects the cumulative experience under plans having a three-month elimination period.

For both the six- and the three-month elimination period plans, the low first-year ratios in Tables D-1B and D-2B, respectively, would appear

TABLE D-1C
GROUP LONG-TERM DISABILITY INSURANCE
ILLUSTRATIVE VALUES OF A MONTHLY BENEFIT OF \$1 PAYABLE FOR
VARIOUS BENEFIT PERIODS, DISCOUNTED AT 3 PER CENT INTEREST
(Six-Month Elimination Period; Males and Females Combined)

AGE AT DISABLEMENT	VALUE AS OF END OF ELIMINATION PERIOD			VALUE AS OF END OF TWELFTH MONTH OF DISABLEMENT		
	Based on Table D-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT	Based on Table D-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT
Benefit Payable for a Maximum of 60 Months but Not beyond Age 65 with First Payment Due at End of Elimination Period						
25.5.....	\$22.09	\$16.59	133 ^c / _c	\$26.16	\$28.46	92 ^c / _c
35.5.....	27.91	18.44	151	31.36	30.86	102
45.5.....	33.29	21.71	153	35.50	33.50	106
55.5.....	39.20	26.85	146	39.19	36.68	107
62.5.....	20.15	14.91	135	16.17	15.77	103
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period						
25.5.....	\$43.01	\$32.62	132 ^c / _c	\$57.94	\$63.86	91 ^c / _c
35.5.....	60.54	38.72	156	76.24	73.54	104
45.5.....	68.11	42.87	159	79.70	73.57	108
55.5.....	57.25	38.40	149	60.22	55.60	108
62.5.....	20.15	14.91	135	16.17	15.77	103

* Annuity values are based on the crude, ungraduated combined male and female termination rates from Table D-1 for the first four years and on the 1964 Commissioners Disability Table rates thereafter.

TABLE D-1D
GROUP LONG-TERM DISABILITY INSURANCE
ILLUSTRATIVE VALUES, UNDER PLANS WITH A SIX-MONTH
ELIMINATION PERIOD, OF A MONTHLY BENEFIT OF \$1,
DISCOUNTED AT 3 PER CENT INTEREST, PAYABLE TO AGE 65,
WITH FIRST PAYMENT DUE AT END OF
ELIMINATION PERIOD

AGE AT DISABILITY**	VALUE AS OF END OF ELIMINATION PERIOD			VALUE AS OF END OF TWELFTH MONTH OF DISABILITY		
	Based on Table D-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT	Based on Table D-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT
Male Only						
25.5	\$41.24	\$32.62	126%	\$56.17	\$63.86	88%
35.5	59.61	38.72	154	76.96	73.54	105
45.5	70.22	42.87	164	81.65	73.57	111
55.5	57.92	38.40	151	60.75	55.60	109
62.5	20.17	14.91	135	16.17	15.77	103
Female Only						
25.5	\$46.59	\$32.62	143%	\$61.42	\$63.86	96%
35.5	62.22	38.72	161	75.02	73.54	102
45.5	64.06	42.87	149	75.82	73.57	103
55.5	54.98	38.40	143	58.41	55.60	105
62.5	20.09	14.91	135	16.16	15.77	102

* Annuity values are based on the crude, ungraduated male or female termination rates from Table D-1 for the first four years and on the 1964 Commissioners Disability Table rates thereafter.

TABLE D-2
 GROUP LONG-TERM DISABILITY INSURANCE
 CRUDE TERMINATION RATES PER 1,000 CLAIMS EXPOSED
 TO DEATH OR RECOVERY

(Three-Month Elimination Period; Calendar Years of Experience 1962-73)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
4th month.....	119.5	99.9	107.2	93.0	68.8	47.3
5th month.....	152.1	125.3	135.2	109.9	75.4	59.1
6th month.....	140.1	125.4	130.8	97.3	74.4	54.3
7th month.....	107.7	105.4	106.2	83.8	61.7	45.8
8th month.....	88.2	76.6	80.8	70.5	43.5	36.1
9th month.....	89.1	49.9	63.8	58.4	34.2	20.0
10th month.....	80.5	46.3	58.3	50.9	30.3	16.3
11th month.....	75.1	54.4	61.3	48.5	25.9	16.5
12th month.....	74.1	52.8	59.8	41.9	24.1	12.0
1st year (last 9 months).....	625.4	538.4	570.9	494.4	363.2	269.6
13th month.....	63.2	55.3	57.9	33.3	23.6	12.3
14th month.....	40.9*	44.4	43.3	31.1	18.5	11.8
15th month.....	32.8†	37.7	36.2	25.5	16.6	11.5
16th month.....	39.6†	38.2	38.7	22.7	19.4	12.7
17th month.....	39.9†	30.1	33.2	20.4	18.7	11.4
18th month.....	42.2†	28.9†	33.2	16.9	13.0	9.0†
19th month.....	24.5*	19.5*	21.1†	18.2	9.4	8.3†
20th month.....	19.4*	17.3†	18.0†	16.9	9.4	10.0†
21st month.....	28.9*	23.5†	25.2	14.4	10.0	8.5†
22nd month.....	35.3*	20.9*	25.2†	13.6†	10.1	7.6†
23rd month.....	28.3*	22.0†	23.9†	10.5†	8.7†	10.9†
24th month.....	31.1*	33.6†	32.9	15.6	8.8	11.3†
2nd year.....	352.4	314.8	326.8	214.7	154.3	118.3
3rd year.....	261.4	231.0	239.5	167.2	101.4	107.2
4th year.....	108.2*	128.1	124.2	99.0	84.0	83.4
5th year.....	132.6*	34.1*	50.5*	39.8†	61.2	50.6†
Male Only						
1st year (last 9 months).....	656.9	551.8	591.2	489.3	349.8	280.5
2nd year.....	364.6	328.9	340.7	215.7	149.2	119.0
3rd year.....	231.5	232.9	233.2	157.5	107.1	120.5
4th year.....	88.4*	156.4†	141.6	116.3	90.1	82.5
5th year.....	137.8*	62.4*	75.2*	37.3†	75.1	68.7†
Female Only						
1st year (last 9 months).....	576.4	517.4	539.9	502.9	398.6	231.4
2nd year.....	330.5	293.0	305.4	213.5	168.8	115.3
3rd year.....	304.8†	227.5	248.7	185.5	82.7	63.8†
4th year.....	123.5*	91.7*	101.3†	66.1†	64.8	85.5†
5th year.....	100.0*	0.0*	17.9*	42.5*	19.5*	0.0*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

TABLE D-2A
GROUP LONG-TERM DISABILITY INSURANCE
NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
(Three-Month Elimination Period; Calendar Years of Experience 1962-73)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
1st year (last 9 months)	461	673	1,134	1,292	1,455	517
2nd year	63	124	187	206	285	109
3rd year	20	42	62	93	118	51
4th year	4	12	16	32	66	18
5th year	2	2	4	7	30	5
Male Only						
1st year (last 9 months)	289	413	702	809	1,014	416
2nd year	39	76	115	135	211	84
3rd year	11	23	34	59	95	44
4th year	2	8	10	24	54	13
5th year	1	2	3	5	27	5
Female Only						
1st year (last 9 months)	172	260	432	483	441	101
2nd year	24	48	72	71	74	25
3rd year	9	19	28	34	23	7
4th year	2	4	6	8	12	5
5th year	1	0	1	2	3	0

TABLE D-2B
 GROUP LONG-TERM DISABILITY INSURANCE
 RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR
 RECOVERY TO NUMBERS OF TERMINATIONS EXPECTED FROM THE
 1964 COMMISSIONERS DISABILITY TABLE*
 (Three-Month Elimination Period; Calendar Years of Experience 1962-73)

DURATION OF DISABLEMENT	ALL AGES OF DIS- ABLE- MENT COM- BINED	AGE AT DISABLEMENT					
		Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined							
1st year (last 9 months)	52.9% ^c	70.4% ^c	61.2% ^c	64.7% ^c	58.8% ^c	48.4% ^c	40.7% ^c
2nd year	94.1	113.3	114.0	113.8	91.6	88.3	86.0
3rd year	90.7	113.3	117.4	116.0	101.6	75.7	89.0
4th year	80.5	62.3†	90.2	82.6	83.6	78.6	77.9
5th year	58.8	98.6†	31.9†	44.7†	44.1†	67.7	51.1†
Male Only							
1st year (last 9 months)	52.1% ^c	74.0% ^c	62.7% ^c	67.0% ^c	58.1% ^c	46.6% ^c	42.3% ^c
2nd year	93.0	117.3	119.1	118.6	92.1	85.4	86.6
3rd year	91.2	100.3	118.3	112.7	95.7	80.0	100.0
4th year	87.6	50.9†	110.0†	93.9	98.3	84.3	77.1
5th year	72.8	102.4†	58.5†	66.3†	41.3†	83.1	69.4†
Female Only							
1st year (last 9 months)	54.9% ^c	64.9% ^c	58.8% ^c	61.2% ^c	59.8% ^c	53.1% ^c	34.9% ^c
2nd year	96.5	106.3	106.1	106.4	91.1	96.5	83.9
3rd year	89.5	132.1†	115.6†	120.9	112.7	61.7	53.0†
4th year	63.4	71.1†	64.6†	67.5†	55.9†	60.6	79.9†
5th year	25.7†	74.3†	0.0†	15.9†	47.2†	21.5†	0.0†

* As published by the Health Insurance Association of America, Table B1, Vol. III.

† Involves fewer than ten terminations.

to be due to the shorter elimination periods of the individual health insurance experience underlying the first-year termination rates of the 1964 Commissioners Disability Table.

The overall termination rates shown in this report, which includes one additional year of experience, for both six- and three-month elimination period plans, male and female combined, are slightly higher (varies by plan, age, duration, and sex) than those shown in last year's report. The financial consequences of this change are apparent from a comparison of Table 1-C and Table 2-C values between last year's and this year's

TABLE D-2C
 GROUP LONG-TERM DISABILITY INSURANCE
 ILLUSTRATIVE VALUES OF A MONTHLY BENEFIT OF \$1 PAYABLE FOR
 VARIOUS BENEFIT PERIODS, DISCOUNTED AT 3 PER CENT INTEREST
 (Three-Month Elimination Period; Males and Females Combined)

AGE AT DISABLEMENT	VALUE AS OF END OF ELIMINATION PERIOD			VALUE AS OF END OF TWELFTH MONTH OF DISABLEMENT		
	Based on Table D-2 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT	Based on Table D-2 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT
Benefit Payable for a Maximum of 60 Months but Not beyond Age 65 with First Payment Due at End of Elimination Period						
25.5	\$14.90	\$ 5.43	274%	\$26.15	\$27.50	95%
35.5	18.34	5.95	308	27.83	29.72	94
45.5	22.41	7.82	287	32.99	32.18	103
55.5	29.81	12.25	243	36.93	35.19	105
62.5	18.79	9.67	194	16.04	15.77	102
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period						
25.5	\$27.88	\$ 9.41	296%	\$61.55	\$63.86	96%
35.5	36.57	11.09	330	68.19	73.54	93
45.5	43.79	14.23	308	76.22	73.57	104
55.5	43.66	17.24	253	59.17	55.60	106
62.5	18.79	9.67	194	16.04	15.77	102

* Annuity values are based on the crude, ungraduated combined male and female termination rates from Table D-2 for the first four years and on the 1964 Commissioners Disability Table rates thereafter.

TABLE D-2D
 GROUP LONG-TERM DISABILITY INSURANCE
 ILLUSTRATIVE VALUES, UNDER PLANS WITH A THREE-MONTH
 ELIMINATION PERIOD, OF A MONTHLY BENEFIT OF \$1,
 DISCOUNTED AT 3 PER CENT INTEREST, PAYABLE TO AGE 65,
 WITH FIRST PAYMENT DUE AT END OF
 ELIMINATION PERIOD

AGE AT DISABLEMENT	VALUE AS OF END OF ELIMINATION PERIOD			VALUE AS OF END OF TWELFTH MONTH OF DISABLEMENT		
	Based on Table D-2 Rates of Termi- nation*	Based on 1964 CDT	Ratio to 1964 CDT	Based on Table D-2 Rates of Termi- nation*	Based on 1964 CDT	Ratio to 1964 CDT
Male Only						
25.5	\$26.43	\$ 9.41	281%	\$63.50	\$63.86	99%
35.5	34.31	11.09	309	65.25	73.54	89
45.5	43.99	14.23	309	75.77	73.57	103
55.5	44.40	17.24	258	59.01	55.60	106
62.5	18.54	9.67	192	16.00	15.77	101
Female Only						
25.5	\$30.33	\$ 9.41	322%	\$59.65	\$63.86	93%
35.5	40.11	11.09	362	72.49	73.54	99
45.5	43.44	14.23	305	76.99	73.57	105
55.5	41.82	17.24	243	59.81	55.60	108
62.5	19.67	9.67	203	16.19	15.77	103

* Annuity values are based on the crude, ungraduated male or female termination rates from Table D-2 for the first four years and on the 1964 Commissioners Disability Table rates thereafter.

report. The magnitude of the variation from one report to the next underscores the need to exercise caution and judgment when using the disabled life values shown in Tables D-1C and D-2C for actuarial purposes, such as reserving.

