

TRANSACTIONS OF SOCIETY OF ACTUARIES 1964 REPORTS

II. GROUP COMPREHENSIVE MEDICAL EXPENSE BENEFITS INSURANCE

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

The tables in this report show the experience for all exposure size groups combined or for nonjumbo groups only. Nonjumbo groups are those with less than 5,000 insured employees. These size groups are shown in order to minimize the effect that jumbo groups might have upon the ratio of actual to tabular claims in any of the groupings shown. This report contains experience for policy years ending in 1959, 1960, 1961, 1962, and 1963. The central period of exposure for each policy year is approximately January 1 of that year.

Ratios of Actual to Tabular Claims

The results are presented in the form of ratios of actual to tabular claims. Nonmaternity tabular claims are based on the nonmaternity tabular factors presented in the Pettengill-Burton paper, "Development of Expected Claim Costs for Comprehensive Medical Expense Benefits and Ratios of 1959 and 1960 Actual Experience Thereto," *TSA*, XV, while maternity tabular claims are based on the maternity tabular factors set forth in Table 1 of Mr. Hoffman's discussion of that paper. These tabular factors will be known as the 1960 Tabular. The Committee suggests that those interested in the level and development of the tabular should refer to the paper and the discussions of the paper. Although the 1960 Tabular reflects many factors which influence the costs of Comprehensive Medical Expense Benefits, there are a number of factors for which no adjustment is made. Among these are "all-cause" versus "each-illness" deductibles, maximum benefit provided, income distribution of the employee group, restrictions on the period of time during which the deductible must be accumulated, and restrictions in connection with the amount of payment for treatment of mental and nervous conditions. This report contains experience tabulated for cases grouped according to these factors, except that experience grouped according to the period of time

during which the deductible must be accumulated is not shown since the results were irregular and did not appear to show any consistent relationship between the various accumulation periods. The distribution of the combined 1961-63 employee years of exposure for nonjumbo groups, all-cause plans, according to the deductible accumulation period, is as follows:

Deductible Accumulation Period	Per Cent of Exposure
31-59 days.....	2%
60-89 days.....	7
90-119 days.....	13
120 or more days, but less than entire benefit period.....	12
Entire benefit period.....	66

The Committee wishes to point out that the tabular claim basis was developed using only a limited amount of data under Group Comprehensive Medical Expense plans and that the tabulars are still experimental in nature. Because of the large number of variables affecting the claim level under these plans, actual claims often differ considerably from the tabular claims calculated for a group, particularly for groups of small or modest size. In light of the foregoing, caution should be used when interpreting the data contained in this report.

Contributing Companies

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

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

Members of the Society may obtain "Instructions to Contributing Companies," used to prepare contributions for these studies, by writing the chairman of the Committee on Experience under Group Health Insurance.

Analysis of Experience

Table 1 shows combined 1961-63 nonmaternity experience for all size groups. Table 2 contains nonmaternity ratios of actual to tabular by year of experience for nonjumbo groups only. The remaining tables are based upon the combined 1961-63 experience under all-cause plans covering nonjumbo groups.

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

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

Table 2 summarizes the ratios of actual to tabular for years 1959-63 and indicates the trend of experience. Both employee and dependent experiences show an increase in claim costs by year of experience. It should be noted that the amount of exposure is increasing with each year of study, and this may have a significant effect on this trend table. In particular, it may account for the fact that the indicated amount of increase in many categories is smaller than that which would normally be expected.

Table 3 contains the nonmaternity and maternity experience by average age factor subdivided into two broad classes of female percentage. The average age factor is a measure of the age distribution of the employees and increases as the ages of the employees increase. The ratios of actual to tabular claims for nonmaternity experience are reasonably consistent and appear to indicate that the 1960 Tabular age scale satisfactorily represents the pattern of claim costs by age. However, the dependent ratios are relatively high for very young age groups and relatively low for very old age groups. These variations in ratios may result from the fact that the tabular is not adjusted to reflect the variations in the proportion of dependent units with children and the average number of

**TABLE 1—COMPREHENSIVE MEDICAL
ALL SIZE GROUPS
NONMATERNITY EXPERIENCE BY PLAN
COMBINED 1961-63 POLICY YEARS' EXPERIENCE**

Plan	Number of Ex- perience Units	Employee Years of Exposure*	Actual Claims	Ratio Actual to 1960 Tabular
Employee				
All-Cause plans:				
Without full reimbursement of hospital expenses				
Deductible applied to all expenses . . .	1,154	162,435	8,127,988	115%
Deductible waived for hospital expenses	117	39,218	1,703,672	111
Deductible waived for hospital and surgical expenses	83	17,257	828,004	101
Total	1,354	218,910	10,659,664	113%
With full reimbursement of hospital expenses				
Deductible applied to all expenses . . .	415	130,477	6,225,073	106%
Deductible waived for hospital expenses	2,297	352,265	18,687,241	108
Deductible waived for hospital and surgical expenses	754	93,648	5,066,065	106
Total	3,466	576,390	29,978,379	107%
Total, All-Cause plans	4,820	795,300	40,638,043	109%
Total, Each-Illness plans, total disability not required	457	58,833	2,952,611	101%†
Total, Each-Illness plans, total disability required	194	33,364	1,398,819	95%†
Dependent				
All-Cause plans:				
Without full reimbursement of hospital expenses				
Deductible applied to all expenses . . .	1,112	102,565	9,313,222	119%
Deductible waived for hospital expenses	116	27,430	2,214,070	108
Deductible waived for hospital and surgical expenses	97	12,448	1,104,570	102
Total	1,325	142,443	12,631,862	115%
With full reimbursement of hospital expenses				
Deductible applied to all expenses . . .	405	81,647	7,426,541	112%
Deductible waived for hospital expenses	2,264	238,955	22,496,544	107
Deductible waived for hospital and surgical expenses	699	64,276	6,391,584	110
Total	3,368	384,878	36,314,669	109%
Total, All-Cause plans	4,693	527,321	48,946,531	110%
Total, Each-Illness plans, total disability not required	449	40,110	3,595,382	104%†
Total, Each-Illness plans, total disability required	190	21,548	1,564,840	93%†

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

† Tabular nonmaternity claims based on All-Cause tabular.

children per unit by age. The employee ratios are fairly consistent according to female per cent, while the dependent data indicate a consistently lower ratio of actual to tabular for groups with 31 or more per cent female employees. These lower ratios may result from the fact that the tabular is not adjusted to reflect the smaller average proportion of dependent spouses and the smaller average number of children generally characteristic of the dependent units in such groups.

TABLE 2
COMPREHENSIVE MEDICAL
NONJUMBO GROUPS
RATIOS OF ACTUAL TO TABULAR NONMATERNITY CLAIMS
1959-63 POLICY YEARS' EXPERIENCE, BY PLAN

PLAN	RATIO OF ACTUAL TO 1960 TABULAR				
	1959	1960	1961	1962	1963
	Employee				
All-Cause plans:					
Without full reimbursement of hospital expenses	103%	107%	108%	109%	114%
With full reimbursement of hospital expenses	98	102	105	107	110
Total, All-Cause plans	99%	102%	106%	108%	111%
Total, Each-Illness plans, total disability not required	95%*	110%*	98%*	101%*	103%*
Total, Each-Illness plans, total disability required	64%*	75%*	81%*	106%*	98%*
	Dependent				
All-Cause plans:					
Without full reimbursement of hospital expenses	99%	102%	107%	111%	115%
With full reimbursement of hospital expenses	100	100	106	108	114
Total, All-Cause plans	100%	100%	106%	109%	114%
Total, Each-Illness plans, total disability not required	86%*	94%*	96%*	109%*	105%*
Total, Each-Illness plans, total disability required	70%*	82%*	83%*	100%*	95%*

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

TABLE 3
COMPREHENSIVE MEDICAL
NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
NONMATERNITY AND MATERNITY EXPERIENCE BY AGE AND FEMALE PER CENT
COMBINED 1961-63 POLICY YEARS' EXPERIENCE

AVERAGE AGE FACTOR AND FEMALE PER CENT	NONMATERNITY EXPERIENCE				MATERNITY EXPERIENCE	
	Number of Expe- rience Units	Employee Years of Exposure	Actual Claims	Ratio of Actual to 1960 Tabular	Actual Claims	Ratio of Actual to 1960 Tabular
Employee						
60-79						
<31%.....	203	24,489	839,306	102%	37,382	77%*
31% or more....	116	13,119	501,145	97	52,396	98
Total.....	319	37,608	1,340,451	100%	89,778	88%
80-89						
<31%.....	467	39,644	1,785,037	117%	40,414	78%
31% or more....	195	24,480	1,228,547	116	70,367	85
Total.....	662	64,124	3,013,584	116%	110,781	82%
90-99						
<31%.....	683	99,064	4,402,362	105%	104,589	98%
31% or more....	329	44,950	2,465,174	117	89,179	81
Total.....	1,012	144,014	6,867,536	109%	193,768	90%
100-109						
<31%.....	667	118,707	5,744,917	107%	127,440	108%
31% or more....	286	42,487	2,394,414	106	131,789	90
Total.....	953	161,194	8,139,331	107%	259,229	98%
110-119						
<31%.....	480	90,652	5,176,962	114%	71,550	112%
31% or more....	280	44,629	2,714,586	109	113,490	85
Total.....	760	135,281	7,891,548	112%	185,040	94%
120 or more						
<31%.....	725	87,676	5,404,823	105%	32,168	75%*
31% or more....	378	36,507	2,357,822	105	41,843	67
Total.....	1,103	124,183	7,762,645	105%	74,011	70%
All ages						
<31%.....	3,225	460,232	23,353,407	108%	413,543	96%
31% or more....	1,584	206,172	11,661,688	109	499,064	85
Total.....	4,809	666,404	35,015,095	108%	912,607	89%

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

TABLE 3—Continued

AVERAGE AGE FACTOR AND FEMALE PER CENT	NONMATERNITY EXPERIENCE				MATERNITY EXPERIENCE	
	Number of Expe- rience Units	Employee Years of Exposure†	Actual Claims	Ratio of Actual to 1960 Tabular	Actual Claims	Ratio of Actual to 1960 Tabular
Dependent						
60-79						
<31%.....	200	16,544	1,463,243	124%	438,052	111%
31% or more....	113	6,996	610,096	109	134,716	101
Total.....	313	23,540	2,073,339	119%	572,768	108%
80-89						
<31%.....	459	28,450	2,748,340	125%	541,949	99%
31% or more....	186	12,375	1,121,196	107	113,816	62
Total.....	645	40,825	3,869,536	119%	655,765	90%
90-99						
<31%.....	674	72,058	6,819,221	116%	1,113,376	96%
31% or more....	321	23,293	2,079,039	101	277,682	86
Total.....	995	95,351	8,898,260	112%	1,391,058	94%
100-109						
<31%.....	654	89,962	8,393,828	114%	1,266,346	96%
31% or more....	281	21,068	2,030,345	101	178,098	74
Total.....	935	111,030	10,424,173	111%	1,444,444	93%
110-119						
<31%.....	469	66,675	6,693,181	114%	643,210	89%
31% or more....	267	24,465	2,253,968	98	233,997	78
Total.....	736	91,140	8,947,149	109%	877,207	86%
120 or more						
<31%.....	706	62,210	5,919,552	101%	539,571	82%
31% or more....	353	17,105	1,655,666	99	109,482	72
Total.....	1,059	79,315	7,575,218	100%	649,053	80%
All ages						
<31%.....	3,162	335,899	32,037,365	113%	4,542,504	95%
31% or more....	1,521	105,302	9,750,310	101	1,047,791	79
Total.....	4,683	441,201	41,787,675	110%	5,590,295	91%

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

The ratios of actual to tabular claims for maternity experience are based upon a tabular which reflects the combined age distribution of all employees, without regard to sex or marital status. The results appear to indicate that the 1960 Tabular maternity age scale satisfactorily represents the pattern of claim costs by age for groups with less than 31 per cent female employees. Ratios of actual to tabular for groups with 31 or

TABLE 4
COMPREHENSIVE MEDICAL
NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
NONMATERNITY AND MATERNITY EXPERIENCE BY FEMALE PER CENT
COMBINED 1961-63 POLICY YEARS' EXPERIENCE

FEMALE PER CENT	NONMATERNITY EXPERIENCE				MATERNITY EXPERIENCE	
	Number of Experience Units	Employee Years of Exposure*	Actual Claims	Ratio of Actual to 1960 Tabular	Actual Claims	Ratio of Actual to 1960 Tabular
Employee						
<11%.....	1,383	194,712	9,858,936	104%	93,352	156%
11-21.....	1,095	160,810	7,908,510	108	177,612	93
21-31.....	747	104,710	5,585,961	115	142,579	79
31-41.....	439	55,460	3,036,880	109	106,397	97
41-51.....	394	49,648	2,928,324	117	125,124	92
51-61.....	318	40,244	2,294,809	114	94,574	87
61-71.....	212	29,224	1,577,482	102	103,649	92
71-81.....	121	13,560	808,836	106	40,872	71
81-91.....	61	10,703	577,878	94	18,898	62†
91-100.....	39	7,333	437,479	99	9,550	29†
Total.....	4,809	666,404	35,015,095	108%	912,607	89%
Dependent						
<11%.....	1,354	148,286	14,059,645	109%	1,778,801	91%
11-21.....	1,070	117,106	11,197,598	116	1,779,178	99
21-31.....	738	70,507	6,780,122	116	984,525	95
31-41.....	424	33,563	3,204,320	104	365,864	89
41-51.....	377	25,312	2,422,007	106	255,767	80
51-61.....	312	19,602	1,704,597	97	220,252	85
61-71.....	199	11,863	1,075,017	97	93,009	58
71-81.....	114	5,283	455,622	93	35,254	44†
81-91.....	59	5,590	496,018	94	46,100	79†
91-100.....	36	4,089	392,729	99	31,545	83†
Total.....	4,683	441,201	41,787,675	110%	5,590,295	91%

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

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

more per cent female employees are irregular but generally lower than for groups with less than 31 per cent female employees. These lower ratios may be a reflection of the differing composition of the dependent units and the use of a combined age distribution of all employees.

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

Table 5 shows the nonmaternity experience by percentage of employees earning \$10,000 or more annually for that portion of the experience for

TABLE 5
COMPREHENSIVE MEDICAL
NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
NONMATERNITY EXPERIENCE BY PER CENT OF EMPLOYEES
EARNING \$10,000 OR MORE ANNUALLY
COMBINED 1961-63 POLICY YEARS' EXPERIENCE

Per Cent Earning \$10,000 or More Annually	Number of Experience Units	Employee Years of Exposure*	Actual Claims	Ratio of Actual to 1960 Tabular†
Employee				
<11%	3,075	430,073	21,969,330	106%
11-21	921	134,237	7,149,607	108
21-31	349	35,842	2,105,062	117
31-41	146	20,590	1,321,059	129
41-100	82	6,081	374,595	129
Unknown	236	39,581	2,095,442	113
Total	4,809	666,404	35,015,095	108%
Dependent				
<11%	2,997	278,671	25,941,840	108%
11-21	896	92,463	8,871,300	111
21-31	343	25,436	2,624,467	115
31-41	142	14,591	1,474,991	118
41-100	78	4,241	524,174	144
Unknown	227	25,799	2,350,903	113
Total	4,683	441,201	41,787,675	110%

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

† Tabular claims do not vary by income distribution.

which contributing companies were able to submit an income distribution of covered employees. Tabular claims are not adjusted to reflect the increase in claim cost expected on account of high income. Therefore, the ratios of actual to tabular claims shown for the indicated salary groupings may be indicative of the effect of income on claim costs. The actual income distribution of covered employees for each income category is shown in Table 12 and may be used to estimate the effect of the scale of income adjustment factors on the ratios of actual to tabular claims shown in this table.

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

Table 7 summarizes the experience in Table 6 for the fourteen metropolitan areas and the twenty states for which the largest amount of experience data was submitted. It provides a comparison of the relative level of experience with the previous intercompany area study results published in *TSA*, Volume XIII. The ratio to Los Angeles of 1961-63 experience was obtained by first determining for each area the 1960 Tabular area factor which would have produced the same ratio of actual to tabular as observed in Los Angeles and then reducing to a base 100 by dividing by the 1960 Tabular area factor for Los Angeles.

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

Table 8 shows the nonmaternity experience for plans classified according to the type of restriction applicable to treatment of mental and nervous disorders. The 1960 Tabular was not adjusted to reflect these restrictions. The ratios of actual to tabular claims shown in this table

TABLE 6

COMPREHENSIVE MEDICAL
NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
NONMATERNITY EXPERIENCE BY REGION, STATE, AND METROPOLITAN AREA
EMPLOYEE AND DEPENDENT COMBINED 1961-63 POLICY YEARS' EXPERIENCE

Region,* State,† or Metropolitan Area	Number of Experience Units‡	Employee Years of Exposure‡	Actual Claims	Ratio of Actual to 1960 Tabular	1960 Tabular Area Factor
<i>Total, all locations</i>	4,809	666,404	76,802,770	109%	.....
Region	9	3,912	398,194	108%	100%
Connecticut	10	2,254	237,779	99%	100%
Bridgeport	9	950	110,344	120	100
New Haven	11	419	58,202	125§	100
Total	30	3,623	406,325	107%	.....
Maine	8	1,233	175,599	118%	92%
Massachusetts	27	4,920	526,879	113%	100%
Boston	46	4,137	476,731	104	108
Springfield-Holyoke	2	58	5,033	111§	100
Total	75	9,115	1,008,643	109%	.....
New Hampshire	8	666	49,595	67%	92%
Rhode Island	0	0	0	.....	108%
Providence	3	235	29,836	89§	108
Vermont	11	1,666	178,465	118%	92%
<i>Region Total</i>	144	20,450	2,246,657	108%	.....
Region	14	2,641	272,666	88%	100%
Delaware	1	455	51,085	133%§	92%
District of Columbia	19	10,890	1,546,844	101%	100%
New Jersey	27	4,892	517,657	109%	100%
New York	70	6,843	715,175	120%	92%
Albany-Schenectady-Troy	16	4,295	475,397	94	100
Buffalo	10	729	88,406	122	100
New York-Northeastern N.J.	184	24,010	2,938,837	117	108
Rochester	4	819	98,651	105	100
Syracuse	8	3,766	473,427	105	100
Total	292	40,462	4,789,893	113%	.....
Pennsylvania	62	12,110	1,007,617	87%	92%
Allentown-Bethlehem-Easton	3	258	35,990	109§	92
Philadelphia	37	3,097	281,212	98	100
Pittsburgh	10	951	94,443	98	100
Wilkes-Barre-Hazleton	2	19	3,706	186§	92
Total	114	16,435	1,422,968	90%	.....
<i>Region Total</i>	467	75,775	8,601,113	106%	.....

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

† Excludes groups coded for a specific metropolitan area.

‡ Employee only.

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

TABLE 6—Continued

Region,* State,† or Metropolitan Area	Number of Experience Units‡	Employee Years of Exposure‡	Actual Claims	Ratio of Actual to 1960 Tabular	1960 Tabular Area Factor
Region	36	5,564	564,282	100%	100%
Illinois	152	17,999	2,062,108	113%	92%
Chicago	263	31,264	3,582,261	113	100
Total	415	49,263	5,644,369	113%	.....
Indiana	58	6,777	696,703	116%	84%
Indianapolis	29	7,944	901,960	120	84
Total	87	14,721	1,598,663	118%	.....
Kentucky	29	2,599	278,621	115%	84%
Louisville	16	2,597	366,394	143	92
Total	45	5,196	645,015	129%	.....
Michigan	76	8,431	1,027,137	113%	100%
Detroit	39	5,012	772,163	114	116
Total	115	13,443	1,799,300	113%	.....
Ohio	45	7,016	740,626	117%	92%
Akron	3	345	31,222	85§	108
Cincinnati	8	268	24,229	104§	100
Cleveland	8	3,136	363,864	103	108
Columbus	26	5,534	510,429	97	100
Dayton	4	568	51,086	86	100
Toledo	3	257	42,395	148§	100
Youngstown	2	132	16,138	148§	100
Total	99	17,256	1,779,989	107%	.....
West Virginia	30	2,532	262,619	115%	84%
Wheeling (W.Va.)-Steubenville (Ohio)	4	129	12,598	94§	92
Total	34	2,661	275,217	114%	.....
Wisconsin	58	4,551	468,927	99%	92%
Milwaukee	61	6,344	744,043	111	100
Total	119	10,895	1,212,970	106%	.....
Region Total	950	118,999	13,519,805	112%	.....
Region	18	3,026	355,788	114%	100%
Iowa	47	6,172	722,837	106%	100%
Kansas	30	2,894	357,050	149%	92%
Minnesota	40	11,865	1,382,284	129%	92%
Minneapolis-St. Paul	40	3,417	471,811	126	108
Total	80	15,282	1,854,095	128%	.....
Missouri	15	1,314	138,747	110%	92%
Kansas City	23	1,756	208,807	123	100
St. Louis	82	6,109	696,403	113	100
Total	120	9,179	1,043,957	115%	.....

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

† Excludes groups coded for a specific metropolitan area.

‡ Employee only.

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

TABLE 6—Continued

Region,* State,† or Metropolitan Area	Number of Experience Units‡	Employee Years of Exposure‡	Actual Claims	Ratio of Actual to 1960 Tabular	1960 Tabular Area Factor
Nebraska.....	13	700	71,969	119%	92%
Omaha.....	3	75	2,444	45§	100
Total.....	16	775	74,413	113%	.....
North Dakota.....	16	1,209	153,085	116%	92%
South Dakota.....	42	1,932	199,425	109%	92%
<i>Region Total</i>	<i>369</i>	<i>40,469</i>	<i>4,760,650</i>	<i>120%</i>	<i>.....</i>
Region.....	3	279	27,897	81%	100%
Colorado.....	8	1,438	209,607	137%	100%
Denver.....	37	2,171	251,871	120	108
Total.....	45	3,609	461,478	127%	.....
Idaho.....	53	1,848	217,316	99%	100%
Montana.....	43	1,439	153,907	92%	100%
Nevada.....	31	1,694	217,085	127%	108%
Utah.....	65	4,400	501,013	117%	92%
Wyoming.....	32	1,420	192,917	127%	92%
<i>Region Total</i>	<i>272</i>	<i>14,689</i>	<i>1,771,613</i>	<i>115%</i>	<i>.....</i>
Region.....	21	2,766	314,963	89%	124%
California.....	305	43,800	5,390,524	103%	132%
Los Angeles.....	549	46,837	6,010,521	111	140
San Diego.....	43	5,244	629,899	116	132
San Francisco-Oakland.....	139	13,309	1,672,431	108	140
Total.....	1,036	109,190	13,703,375	108%	.....
Oregon.....	34	3,249	389,522	103%	108%
Portland.....	24	1,188	132,114	100	116
Total.....	58	4,437	521,636	102%	.....
Washington.....	43	6,946	794,361	104%	108%
Seattle.....	35	2,425	276,803	105	116
Total.....	78	9,371	1,071,164	104%	.....
<i>Region Total</i>	<i>1,193</i>	<i>125,764</i>	<i>15,611,138</i>	<i>107%</i>	<i>.....</i>
Region.....	22	1,650	138,148	90%	100%
Arizona.....	112	5,339	783,080	120%	116%
Arkansas.....	46	4,006	424,383	118%	84 %
Louisiana.....	58	10,886	1,126,234	94%	100%
New Orleans.....	17	883	121,465	119	108
Total.....	75	11,769	1,247,699	96%	.....

TABLE 6—Continued

Region,* State,† or Metropolitan Area	Number of Experience Units‡	Employee Years of Exposure‡	Actual Claims	Ratio of Actual to 1960 Tabular	1960 Tabular Area Factor
New Mexico	42	2,118	276,760	112%	100%
Oklahoma	31	2,172	264,199	115%	92%
Texas	114	13,851	1,670,237	115%	108%
Dallas	23	1,856	236,088	105	124
Forth Worth	17	2,326	219,001	100	124
Houston	59	11,809	1,580,209	94	140
San Antonio	21	1,070	122,585	113	108
Total	234	30,912	3,828,120	104%	.....
<i>Region Total</i>	562	57,966	6,962,389	105%	.....
Region	22	5,235	519,971	104%	92%
Alabama	44	4,933	572,799	125%	92%
Birmingham	27	3,291	358,820	106	100
Total	71	8,224	931,619	117%	.....
Florida	90	8,749	913,009	120%	92%
Miami	54	4,610	620,149	120	108
Tampa	30	3,145	366,477	111	108
Total	174	16,504	1,899,635	118%	.....
Georgia	45	6,525	617,991	103%	92%
Atlanta	42	4,472	389,679	98	100
Total	87	10,997	1,007,670	101%	.....
Maryland	21	3,385	374,218	124%	84%
Baltimore	31	12,392	1,412,935	80	92
Total	52	15,777	1,787,153	86%	.....
Mississippi	13	908	118,945	142%	92%
North Carolina	29	3,990	418,108	124%	84%
South Carolina	33	2,408	264,888	116%	76%
Tennessee	34	2,791	310,763	116%	92%
Knoxville	2	496	84,174	143	100
Memphis	29	4,960	568,831	113	100
Total	65	8,247	963,768	116%	.....
Virginia	47	4,876	407,727	115%	84%
Norfolk-Portsmouth	8	364	24,802	70‡	92
Total	55	5,240	432,529	111%	.....
<i>Region Total</i>	601	77,530	8,344,286	106%	.....
Hawaii	12	1,070	48,528	72%	100%
Alaska	14	865	137,022	114%	132%
<i>Total, States and Regions</i>	4,584	533,577	62,003,201	109%	.....
<i>All other</i>|| . . . . .	225	132,827	14,799,569	112%	100%

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

† Excludes groups coded for a specific metropolitan area.

‡ Employee only.

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

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

TABLE 7
 COMPREHENSIVE MEDICAL
 NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
 NONMATERNITY EXPERIENCE BY STATE AND METROPOLITAN AREA
 EMPLOYEE AND DEPENDENT COMBINED 1961-63 POLICY YEARS' EXPERIENCE

METROPOLITAN AREA	NUMBER OF EXPERIENCE UNITS*	EMPLOYEE YEARS OF EXPOSURE*	ACTUAL CLAIMS	RATIO OF ACTUAL TO 1960 TABULAR	1960 TABULAR AREA FACTOR	RATIO TO LOS ANGELES		
						1960 Tabular Area Factor	1961-63 Actual Experience	1959 Area Study†
Baltimore, Md.....	31	12,392	1,412,935	80%	92%	66%	48%	59.8%
Chicago, Ill.....	263	31,264	3,582,261	113	100	71	72	68.7
Columbus, Ohio.....	26	5,534	510,429	97	100	71	62	73.7
Detroit, Mich.....	39	5,012	772,163	114	116	83	85	88.6
Houston, Tex.....	59	11,809	1,580,209	94	140	100	85	91.5
Indianapolis, Ind.....	29	7,944	901,960	120	84	60	65	55.1
Los Angeles, Cal.....	549	46,837	6,010,521	111	140	100	100	100.0
Memphis, Tenn.....	29	4,960	568,831	113	100	71	72	86.6
Miami, Fla.....	54	4,610	620,149	120	108	77	83	72.7
Milwaukee, Wis.....	61	6,344	744,043	111	100	71	71	66.2
New York, N.Y.....	184	24,010	2,938,837	117	108	77	81	77.2
San Diego, Cal.....	43	5,244	629,899	116	132	94	98	93.9
San Francisco-Oakland, Cal.....	139	13,309	1,672,431	108	140	100	97	93.6
St. Louis, Mo.....	82	6,109	696,403	113	100	71	72	48.6
Total.....	1,588	185,378	22,641,071	108%	.....	.....	.....	.....

* Employee only.
 † TSA, XIII, 573-74.

TABLE 7—Continued

STATE ‡	NUMBER OF EXPERIENCE UNITS*	EMPLOYEE YEARS OF EXPOSURE*	ACTUAL CLAIMS	RATIO OF ACTUAL TO 1960 TABULAR	1960 TABULAR AREA FACTOR	RATIO TO LOS ANGELES		
						1960 Tabular Area Factor	1961-63 Actual Experience	1959 Area Study†
Alabama.....	44	4,933	572,799	125%	92%	66%	74%	89.8%
Arizona.....	112	5,339	783,080	120	116	83	90	98.9
California.....	305	43,800	5,390,524	103	132	94	87	84.8
District of Columbia.....	19	10,890	1,546,844	101	100	71	65	71.9
Florida.....	90	8,749	913,009	120	92	66	71	122.1
Georgia.....	45	6,525	617,991	103	92	66	61	.....
Illinois.....	152	17,999	2,062,108	113	92	66	67	66.8
Indiana.....	58	6,777	696,703	116	84	60	63	50.5
Iowa.....	47	6,172	722,837	106	100	71	68	73.6
Louisiana.....	58	10,886	1,126,234	94	100	71	60	74.8
Massachusetts.....	27	4,920	526,879	113	100	71	72	121.0
Michigan.....	76	8,431	1,027,137	113	100	71	72	75.4
Minnesota.....	40	11,865	1,382,284	129	92	66	77	63.8
New Jersey.....	27	4,892	517,657	109	100	71	70	21.0
New York.....	70	6,843	715,175	120	92	66	71	70.0
Ohio.....	45	7,016	740,626	117	92	66	70	58.0
Pennsylvania.....	62	12,110	1,007,617	87	92	66	52	67.4
Texas.....	114	13,851	1,670,237	115	108	77	80	57.2
Utah.....	65	4,400	501,013	117	92	66	70	56.2
Washington.....	43	6,946	794,361	104	108	77	72	.....
Total.....	1,499	203,344	23,315,115	109%	.....	.....	.....	.....

* Employee only.

† TSA, XIII, 573-74.

‡ Excludes groups coded for a specific metropolitan area.

are, as would be expected, generally less for plans including a restriction on the treatment of mental and nervous disorders.

Table 9 shows the nonmaternity experience by amount of maximum benefit provided by the plan, a factor for which the 1960 Tabular was not adjusted. The ratios of actual to tabular claims indicate that plans with a \$10,000 maximum benefit have a significantly higher level of claim cost than plans with a \$5,000 maximum benefit. The amount of this excess cost is larger than would be anticipated on the basis of expenses incurred beyond \$5,000 and, therefore, seems to indicate that high maximum plans result in greater utilization of benefits.

TABLE 8
COMPREHENSIVE MEDICAL
NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
NONMATERNITY EXPERIENCE BY MENTAL AND NERVOUS RESTRICTION
COMBINED 1961-63 POLICY YEARS' EXPERIENCE

Code*	Number of Experience Units	Employee Years of Exposure†	Actual Claims	Ratio of Actual to 1960 Tabular‡
Employee				
1.....	1,386	253,352	13,309,439	112%
2.....	1,212	246,481	13,089,094	109
3.....	482	39,649	2,050,883	105
4.....	1,698	123,390	6,403,779	102
5.....	31	3,532	161,900	99
Total..	4,809	666,404	35,015,095	108%
Dependent				
1.....	1,386	174,782	16,541,793	112%
2.....	1,147	155,818	14,393,428	109
3.....	472	24,633	2,345,506	100
4.....	1,647	83,817	8,312,708	110
5.....	31	2,151	194,240	106
Total..	4,683	441,201	41,787,675	110%

* Mental and Nervous Restriction Code:

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

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

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

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

Tables 11, 12, 13, 14, and 15 show distributions of the combined 1961-63 exposure by age, income, and dependent unit composition for all-cause nonjumbo plans. These distributions were prepared to facilitate a comparison of the exposure characteristics with the claim experience shown in Tables 1-10. The exposure tables relate to nonmaternity experience under all plans whether or not they include maternity benefits; separate exposure for plans with maternity benefits was calculated but is not shown since the percentage distributions are virtually the same as those

TABLE 9
COMPREHENSIVE MEDICAL
NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
NONMATERNITY EXPERIENCE BY MAXIMUM BENEFIT
COMBINED 1961-63 POLICY YEARS' EXPERIENCE

Maximum Benefit Lifetime or per Cause	Number of Experience Units	Employee Years of Exposure*	Actual Claims	Ratio of Actual to 1960 Tabular†
Employee				
\$ 2,500-\$4,999.....	53	5,762	251,875	95%
5,000.....	2,118	170,716	8,509,621	104
5,001- 9,999.....	166	28,202	1,436,157	109
10,000.....	2,394	427,238	23,072,463	110
10,001-19,999.....	65	25,066	1,236,163	114
20,000 or more.....	13	9,420	508,816	115
Total.....	4,809	666,404	35,015,095	108%
Dependent				
\$ 2,500-\$4,999.....	50	3,613	344,728	118%
5,000.....	2,040	110,671	10,095,296	107
5,001- 9,999.....	164	19,518	1,775,135	109
10,000.....	2,349	281,974	27,301,274	111
10,001-19,999.....	67	18,758	1,666,700	117
20,000 or more.....	13	6,667	604,542	109
Total.....	4,683	441,201	41,787,675	110%

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

† Tabular claims do not vary by maximum benefit.

TABLE 10
 COMPREHENSIVE MEDICAL
 NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
 NONMATERNITY EXPERIENCE BY COINSURANCE PERCENTAGE
 COMBINED 1961-63 POLICY YEARS' EXPERIENCE

Coinsurance Percentage	Number of Experience Units	Employee Years of Exposure*	Actual Claims	Ratio of Actual to 1960 Tabular
	Employee			
75/25%				
Without full reimbursement of hospital expenses.....	64	14,827	752,202	108%
With full reimbursement of hospital expenses.....	219	56,790	2,843,717	105
Total.....	283	71,617	3,595,919	105%
80/20%				
Without full reimbursement of hospital expenses.....	1,286	156,264	7,914,731	111%
With full reimbursement of hospital expenses.....	3,240	438,523	23,504,445	108
Total.....	4,526	594,787	31,419,176	109%
Total.....	4,809	666,404	35,015,095	108%
	Dependent			
75/25%				
Without full reimbursement of hospital expenses.....	61	10,641	969,923	109%
With full reimbursement of hospital expenses.....	211	39,991	3,354,757	100
Total.....	272	50,632	4,324,680	102%
80/20%				
Without full reimbursement of hospital expenses.....	1,260	99,782	8,938,560	112%
With full reimbursement of hospital expenses.....	3,151	290,787	28,524,435	111
Total.....	4,411	390,569	37,462,995	111%
Total.....	4,683	441,201	41,787,675	110%

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

shown for all plans. Table 11 shows the percentage distribution of covered employees by age for groupings of the average age factor and female percentage. Table 12 shows the distribution of covered employees by income for those cases having specified percentages of their employees earning \$10,000 or more annually, while Table 13 shows income distributions for groupings of the average age factor. Table 14 shows the composition of dependent units by average age factor, and Table 15 shows this information by female percentage. In Tables 12-15, only a portion of the total exposure was distributed by income or dependent-unit composition, since this information was not available for many groups.

TABLE 11
COMPREHENSIVE MEDICAL
NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
EMPLOYEE AGE DISTRIBUTION BY AVERAGE AGE FACTOR AND FEMALE PER CENT
COMBINED 1961-63 POLICY YEARS' EXPERIENCE

AVERAGE AGE FACTOR AND FEMALE PER CENT	NUMBER OF EX- PERI- ENCE UNITS	EMPLOY- EE YEARS OF EX- POSURE	PERCENTAGE DISTRIBUTION BY AGE								
			<40	40-44	45-49	50-54	55-59	60-64	>65	Total	
60-79											
<31%	203	24,489	83.0%	9.4%	4.6%	1.9%	0.8%	0.2%	0.1%	100.0%	
31% or more	116	13,119	83.9	7.5	4.4	2.4	1.2	0.4	0.2	100.0	
Total	319	37,608	83.2%	8.8%	4.6%	2.1%	0.9%	0.3%	0.1%	100.0%	
80-89											
<31%	467	39,644	69.9%	12.5%	8.2%	5.1%	2.7%	1.1%	0.5%	100.0%	
31% or more	195	24,480	70.2	12.2	8.4	4.8	2.6	1.2	0.6	100.0	
Total	662	64,124	70.0%	12.4%	8.3%	5.0%	2.7%	1.1%	0.5%	100.0%	
90-99											
<31%	683	99,064	59.0%	14.2%	11.0%	7.9%	4.6%	2.4%	0.9%	100.0%	
31% or more	329	44,950	61.5	13.3	10.0	7.1	4.3	2.7	1.1	100.0	
Total	1,012	144,014	59.9%	13.9%	10.7%	7.6%	4.5%	2.5%	0.9%	100.0%	
100-109											
<31%	667	118,707	52.5%	13.7%	11.9%	9.6%	6.7%	4.1%	1.5%	100.0%	
31% or more	286	42,487	52.7	13.4	11.8	9.6	6.3	3.9	2.3	100.0	
Total	953	161,194	52.7%	13.6%	11.8%	9.6%	6.6%	4.0%	1.7%	100.0%	
110-119											
<31%	480	90,652	45.4%	13.7%	12.7%	11.0%	5.9%	5.9%	2.7%	100.0%	
31% or more	280	44,629	45.3	13.4	12.8	11.5	8.8	5.2	3.0	100.0	
Total	760	135,281	45.3%	13.6%	12.7%	11.2%	8.7%	5.7%	2.8%	100.0%	
120 or more											
<31%	725	87,676	33.2%	13.5%	12.5%	12.6%	11.4%	9.1%	7.7%	100.0%	
31% or more	378	36,507	36.8	11.8	12.4	12.8	11.4	8.5	6.3	100.0	
Total	1,103	124,183	34.2%	13.1%	12.4%	12.6%	11.4%	9.0%	7.3%	100.0%	
All Groups											
<31%	3,225	460,232	51.9%	13.4%	11.3%	9.3%	6.9%	4.6%	2.6%	100.0%	
31% or more	1,584	206,172	54.3	12.6	10.8	9.0	6.5	4.2	2.6	100.0	
Total	4,809	666,404	52.6%	13.2%	11.1%	9.2%	6.8%	4.5%	2.6%	100.0%	

TABLE 12
 COMPREHENSIVE MEDICAL
 NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
 EMPLOYEE INCOME DISTRIBUTION BY PER CENT OF EMPLOYEES
 EARNING \$10,000 OR MORE ANNUALLY
 COMBINED 1961-63 POLICY YEARS' EXPERIENCE

PER CENT EARNING \$10,000 OR MORE ANNUALLY	NUM- BER OF EXPE- RIENCE UNITS	EM- PLOYEE YEARS OF EXPOSURE	PERCENTAGE DISTRIBUTION BY ANNUAL EARNINGS						
			Less than \$5,000	\$5,000 to \$7,500	\$7,500 to \$10,000	\$10,000 to \$15,000	\$15,000 to \$20,000	\$20,000 or More	Total
<11%	3,075	430,073	56.5%	28.5%	10.5%	2.9%	0.9%	0.7%	100%
11-21	921	134,237	33.8	34.9	16.8	9.5	2.8	2.2	100
21-31	349	35,842	22.3	33.3	19.6	16.3	5.0	3.5	100
31-41	146	20,590	14.2	35.8	16.4	20.8	7.5	5.3	100
41 or more .	82	6,081	11.3	21.3	14.0	37.1	9.0	7.3	100
Total	4,573	626,823	47.9%	30.3%	12.6%	6.0%	1.8%	1.4%	100%
	236	39,581	Distribution not available						

TABLE 13
 COMPREHENSIVE MEDICAL
 NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
 EMPLOYEE INCOME DISTRIBUTION BY AVERAGE AGE FACTOR
 COMBINED 1961-63 POLICY YEARS' EXPERIENCE

AVERAGE AGE FACTOR	NUM- BER OF EXPE- RIENCE UNITS	EM- PLOYEE YEARS OF EXPOSURE	PERCENTAGE DISTRIBUTION BY ANNUAL EARNINGS						
			Less than \$5,000	\$5,000 to \$7,500	\$7,500 to \$10,000	\$10,000 to \$15,000	\$15,000 to \$20,000	\$20,000 or More	Total
60- 79	308	35,495	54.8%	29.7%	8.0%	4.8%	1.8%	0.9%	100%
80- 89	634	59,332	52.9	27.7	11.4	5.3	1.6	1.1	100
90- 99	965	137,122	48.1	29.5	12.9	6.2	1.8	1.5	100
100-109	905	154,879	46.1	31.3	13.8	5.7	1.7	1.4	100
110-119	718	128,984	48.6	30.0	13.0	5.5	1.7	1.2	100
120 or more .	1,043	111,011	44.6	31.7	12.0	7.6	2.4	1.7	100
Total	4,573	626,823	47.9%	30.3%	12.6%	6.0%	1.8%	1.4%	100%
	236	39,581	Distribution not available						

TABLE 14
 COMPREHENSIVE MEDICAL
 NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
 DEPENDENT UNIT COMPOSITION BY AVERAGE AGE FACTOR
 COMBINED 1961-63 POLICY YEARS' EXPERIENCE

AVERAGE AGE FACTOR	NUMBER OF EXPERIENCE UNITS	DEPENDENT UNIT YEARS OF EXPOSURE*	PERCENTAGE OF DEPENDENT UNITS CONTAINING:	
			Spouse	Children
60- 79	88	7,222	90.7%	76.6%
80- 89	136	16,345	88.4	78.0
90- 99	210	38,189	91.8	77.6
100-109	255	45,558	91.9	74.9
110-119	221	38,504	91.4	71.2
120 or more	272	22,173	91.9	67.8
Total	1,182	167,991	91.4%	74.1%
			One Dependent	Two or More Dependents
60- 79	43	7,059	26.6%	73.4%
80- 89	122	8,346	25.3	74.7
90- 99	192	23,904	26.6	73.4
100-109	215	34,160	28.2	71.8
110-119	169	26,658	32.7	67.3
120 or more	246	16,107	38.6	61.4
Total	987	116,234	30.0%	70.0%
	2,514	156,976	Distribution not available	

* Exposure of employees insured with respect to their dependents.

TABLE 15
 COMPREHENSIVE MEDICAL
 NONJUMBO GROUPS, ALL-CAUSE PLANS ONLY
 DEPENDENT UNIT COMPOSITION BY FEMALE PER CENT
 COMBINED 1961-63 POLICY YEARS' EXPERIENCE

FEMALE PER CENT	NUMBER OF EXPERIENCE UNITS	DEPENDENT UNIT YEARS OF EXPOSURE*	PERCENTAGE OF DEPENDENT UNITS CONTAINING:	
			Spouse	Children
<11%.....	293	46,036	96.1%	75.2%
11-21.....	254	42,605	95.1	74.5
21-31.....	157	28,921	93.7	72.9
31-41.....	102	10,476	86.6	76.3
41-51.....	103	12,006	82.2	71.3
51 or more.....	273	27,947	81.2	73.4
Total.....	1,182	167,991	91.4%	74.1%
			One Dependent	Two or More Dependents
<11%.....	268	38,491	27.8%	72.2%
11-21.....	253	36,678	29.6	70.4
21-31.....	179	15,648	32.2	67.8
31-41.....	81	10,747	31.7	68.3
41-51.....	88	7,293	29.8	70.2
51 or more.....	118	7,377	37.0	63.0
Total.....	987	116,234	30.0%	70.0%
	2,514	156,976	Distribution not available	

* Exposure of employees insured with respect to their dependents.