

**TRANSACTIONS OF SOCIETY OF ACTUARIES
1979 REPORTS**

II. GROUP LONG-TERM DISABILITY INSURANCE

ATTENTION is directed to the following revisions and additions that have been made to the "Analysis of Rates of Disablement" section of this year's report:

1. Tables I-6, I-6A, and I-6B, which analyze the rates of disablement by industry, have been modified to reflect a subdivision of the manufacturing category.

Attention is directed also to the following additions that have been made to the "Analysis of Rates of Termination" section of this year's report:

1. Tables AA-4 and AA-5, which illustrate annuity values based on the disabled lives experience on plans with a six-month elimination period over the restricted observation period 1973-77, have been added.
2. Tables BB-4 and BB-5, which illustrate annuity values based on the disabled lives experience on plans with a three-month elimination period over the restricted observation period 1973-77, have been added.
3. Tables CC-4 and CC-5, which illustrate annuity values based on the disabled lives experience on plans with a twelve-month elimination period over the restricted observation period 1973-77, have been added.
4. Table AAA, which compares the annuity values based on the disabled lives experience on plans with a six-month elimination period over the various observation periods 1962-67, 1968-72, 1973-77, and 1962-77, has been added.
5. Table BBB, which compares the annuity values based on the disabled lives experience on plans with a three-month elimination period over the various observation periods 1962-67, 1968-72, 1973-77, and 1962-77, has been added.
6. Table CCC, which compares the annuity values based on the disabled lives experience on plans with a twelve-month elimination period over the various observation periods 1962-67, 1968-72, 1973-77, and 1962-77, has been added.

As in previous reports, the experience included in this report is predominantly that of employer-employee groups located in the United States and is largely for plans that appear not to have been the result of bargaining. Groups that a contributing company considers atypical have not been included. 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 the gross monthly benefits be integrated with some or all of any benefits payable under social security and frequently with other benefits payable as a result of the disability.

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

CONTRIBUTING COMPANIES

The Committee wishes to express its gratitude to the following companies who have contributed experience for this report:

Aetna Life and Casualty Company
 Bankers Life Company
 Connecticut General Life Insurance Company
 Continental Assurance Company
 Continental Casualty Company
 Equitable Life Assurance Company
 John Hancock Mutual Life Insurance Company
 Metropolitan Life Insurance Company
 New England Mutual Life Insurance Company
 New York Life Insurance Company
 Provident Life and Accident Insurance Company
 Prudential Insurance Company of America
 Sun Life Assurance Company of Canada

The results of the study reflect the composite experience of variations in company practices, administration, and claim procedures, as well as variations in the experience among the groups.

ANALYSIS OF RATES OF DISABLEMENT

As in past reports, a column containing the "number of experience units" appears in most of the tables. In the context of this report, an experience unit represents the experience of a single group for one calendar year. Therefore, whenever an experience cell covers more than one calendar year of experience, a group would be included in the count for the total number of separate calendar years for which the experience of the group was submitted. Consequently, where the number of experience units in a cell is relatively small, and no distinction is made by size, the experience for that cell may be influenced substantially by the experience of just a few groups and thus may not be representative of all units contained in that cell.

In analyzing the various tables shown in this section of the report, the reader should note that the claim experience shown may be under-

stated somewhat as a result of the lag in the reporting of claims incurred in the latest year of the study. Historically, the reporting lag on plans with a six-month elimination period has been about 5-10 percent. It should be noted, however, that the number of claims reported as incurred in 1976 on plans with a six-month elimination period included in the current report increased approximately 11 percent from that shown in last year's report. Consequently, the tabulars, the number of claims, the rates of disablement, and the actual-to-tabular ratios shown in the various tables may be distorted for some age and sex cells.

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.

EXPERIENCE ON PLANS WITH A SIX-MONTH ELIMINATION PERIOD

Table I-1 is based on the experience of all groups regardless of size for plans with a six-month elimination period for the latest five-year period, 1973-77. Crude rates of disablement based on the number of lives are shown by sex and age group. The corresponding experience of nonjumbo groups, defined as groups with less than 5,000 lives insured, is displayed in Table I-1A. Experience of the calendar year of issue is excluded from both tables and, therefore, from all subsequent tables that analyze the underlying experience. About 14 percent of the exposure contributed could not be separated by sex. The first part of each of these two tables summarizes the combined experience of the male, female, and sex-unknown exposures. The experience for which exposure was sex-coded is presented in the bottom two sections of each table.

The experience is based largely on a "his own occupation" definition of disability generally during the first two years following disablement. Approximately 2 percent of the experience is based on an "any occupation" definition for the full period of disability.

Table I-2 analyzes by underlying calendar year of experience the crude rates of disablement shown in Tables I-1 and I-1A, respectively, for all ages and for males, females, and sex-unknown exposures combined. 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 I-2 shows that for plans with a six-month elimination period, accidents accounted for approximately 9 percent of the claims coded for a known cause of disablement.

As mentioned previously, the lag in claim reporting tends to understate the claim experience shown in the various tables presented in this

TABLE I-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 1973-77
 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.....	2,014,998	1,917	0.95
40-44.....	450,156	978	2.17
45-49.....	454,819	1,762	3.87
50-54.....	404,461	2,708	6.70
55-59.....	307,479	3,508	11.41
60-64.....	187,855	2,757	14.68
All ages.....	3,819,768	13,630	3.57
Male Experience Only			
Under 40.....	1,111,541	979	0.88
40-44.....	287,695	516	1.79
45-49.....	286,274	1,046	3.65
50-54.....	252,060	1,673	6.64
55-59.....	197,826	2,322	11.74
60-64.....	118,642	1,898	16.00
All ages.....	2,254,038	8,434	3.74
Female Experience Only			
Under 40.....	629,148	717	1.14
40-44.....	97,249	325	3.34
45-49.....	105,326	484	4.60
50-54.....	98,223	675	6.87
55-59.....	69,780	739	10.59
60-64.....	43,787	536	12.24
All ages.....	1,043,513	3,476	3.33

TABLE I-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 1973-77
 NONJUMBO EXPERIENCE UNITS ONLY

Attained Age	Life Years Exposed	Number of Claims	Rate of Dis- ablement per 1,000 Lives
All Experience: Males, Females, and Sex Unknown			
Under 40.....	1,351,060	1,270	0.94
40-44.....	301,927	624	2.07
45-49.....	309,411	1,116	3.61
50-54.....	283,252	1,737	6.13
55-59.....	217,600	2,274	10.45
60-64.....	132,605	1,948	14.69
All ages.....	2,595,855	8,969	3.46
Male Experience Only			
Under 40.....	787,811	703	0.89
40-44.....	196,110	337	1.72
45-49.....	196,913	682	3.46
50-54.....	177,103	1,090	6.15
55-59.....	137,718	1,517	11.02
60-64.....	83,484	1,297	15.54
All ages.....	1,579,139	5,626	3.56
Female Experience Only			
Under 40.....	357,930	375	1.05
40-44.....	58,847	189	3.21
45-49.....	66,733	278	4.17
50-54.....	65,509	399	6.09
55-59.....	49,271	455	9.23
60-64.....	28,434	376	13.22
All ages.....	626,724	2,072	3.31

report. In particular, if past reporting lag is any indication of the extent of current claim underreporting, then the figures in Table I-2 of claims reported as incurred for the most recent calendar year, 1977, may be understated approximately 5-10 percent.

Table I-2 also shows ratios of actual claims to tabular claims. The tabular claims for each year were obtained by applying the rates of

TABLE I-2
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 1962-77

CALENDAR YEAR OF INCURREAL	NUMBER OF EX- PERIENCE UNITS	LIFE YEARS EXPOSED	NUMBER OF CLAIMS			RATE OF DISABLE- MENT PER 1,000 LIVES	RATIO OF ACTUAL CLAIMS TO TABU- LAR CLAIMS*
			Acci- dent	Sick- ness	Total (Incl. Unknown)		
All Experience Units Combined							
1962-67.....	1,861	869,458	151	1,662	2,248	2.59	84%
1968-72.....	7,568	2,540,562	778	7,290	8,894	3.50	102
1973.....	2,182	724,315	235	2,338	2,579	3.56	101%
1974.....	2,170	719,617	210	2,457	2,677	3.72	106
1975.....	2,141	755,207	220	2,365	2,629	3.48	104
1976.....	2,273	928,827	297	2,991	3,292	3.54	107
1977.....	1,631	691,802	284	2,167	2,453	3.55	108
1973-77	10,397	3,819,768	1,246	12,318	13,630	3.57	105%
Nonjumbo Experience Units Only							
1962-67.....	1,827	472,446	83	847	1,163	2.46	76%
1968-72.....	7,487	1,786,182	553	4,687	5,792	3.24	93
1973.....	2,157	493,182	157	1,451	1,612	3.27	94%
1974.....	2,151	538,974	149	1,723	1,882	3.49	101
1975.....	2,121	559,705	156	1,609	1,780	3.18	92
1976.....	2,242	588,788	191	1,952	2,147	3.65	106
1977.....	1,605	415,206	179	1,368	1,548	3.73	108
1973-77	10,276	2,595,855	832	8,103	8,969	3.46	100%

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table I-1A.

disablement of nonjumbo size groups from Table I-1A by sex category to the actual exposures for each age-sex group (male, female, and unknown). The tabulars, therefore, adjust only for age and sex. No attempt is made to adjust for any other factors that might influence the disablement rates, such as size of case, industry, and so on.

Table I-3 subdivides the Table I-1 experience for all ages and for male, female, and sex-unknown exposures combined, by size of experience unit. Note that experience units of less than 100 lives accounted for over 57 percent of the total number of units. This explains the large number of units (over 70 percent of the total) that experienced no claims. This table indicates that the rate of disablement and the actual-to-tabular ratios tend to increase with the size of the group—a phenomenon that is consistent with the results of prior reports.

Table I-3 also includes a dispersion-type analysis of ratios of actual claims to tabular claims. As in Table I-2, the tabulars adjust only for age and sex. However, since the experience is not adjusted for other characteristics that might have a measurable impact on the rate of disablement, such as differences among the contributing companies in underwriting and claim administration practices, the extent to which employers use the long-term disability plan as an early retirement vehicle, the proportions of salaried and hourly employees, the extent of employer financial participation, the type of industry, the relationship of the amount of benefit payable under the plan to take-home pay, and so on, caution should be used in interpreting the results.

Table I-4 presents an analysis of the relative disablement rates by cause of disability. The results are shown for each sex and both sexes combined. The number and percentage distribution by cause of disability of the coded claims is shown for the various age groups. The number of claims in each cell is shown to indicate the relative weights of the results.

The experience underlying Tables I-1 and I-1A has also been analyzed by employee class, industry, contributory status, and plan provisions with respect to preexisting conditions and indirect integration (whereby the long-term disability benefit may be reduced when the total income from all specified sources, including the long-term disability benefit, exceeds a specified percentage of salary). The respective results are displayed in Tables 5-9 of the "I" series of tables.

The portion of the Table I-5 experience under units with at least a 75 percent salaried employees composition, the majority of whom were not executives (i.e., Code 2), was further analyzed to investigate the effect that such variables as (a) the relationship between the long-term disability benefit (before integration with other income sources) and

TABLE 1-3
 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 1973-77
 ALL EXPERIENCE UNITS COMBINED

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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.....	1,644	23,109	80	3.46	97%	1,584	0	0	0	0	0	0	60
25-49.....	1,962	72,639	230	3.17	83	1,766	3	0	0	0	0	45	148
50-99.....	2,340	164,998	529	3.21	89	1,902	0	0	0	1	15	261	161
100-249.....	2,205	339,562	1,270	3.74	106	1,442	0	3	24	119	135	404	78
250-499.....	994	345,435	1,091	3.16	91	444	15	80	83	136	88	136	12
500-999.....	532	367,284	1,432	3.90	116	108	65	67	57	87	51	91	6
1,000-2,499.....	432	699,199	2,400	3.43	103	47	81	70	58	80	47	47	2
2,500-4,999.....	167	583,629	1,937	3.32	94	12	36	23	25	36	17	18	0
Under 5,000.....	10,276	2,595,855	8,969	3.46	100%	7,305	200	243	247	459	353	1,002	467
5,000 or more.....	121	1,223,913	4,661	3.81	117%	3	17	13	18	34	22	14	0
Total.....	10,397	3,819,768	13,630	3.57	105%	7,308	217	256	265	493	375	1,016	467

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table 1-1A.

TABLE I-4
 GROUP LONG-TERM DISABILITY INSURANCE
 DISTRIBUTION OF NUMBER OF CLAIMS BY DIAGNOSIS
 (Six-Month Elimination Period; Calendar Year of Issue Excluded)
 Calendar Years of Experience 1962-77
 ALL EXPERIENCE UNITS COMBINED

DIAGNOSIS	MALE									FEMALE									TOTAL								
	Under 30	30-39	40-44	45-49	50-54	55-59	60-64	All Ages	Under 30	30-39	40-44	45-49	50-54	55-59	60-64	All Ages	Under 30	30-39	40-44	45-49	50-54	55-59	60-64	All Ages			
Infective and parasitic diseases:																											
Number	5	7	10	10	14	11	10	67	4	1	0	3	4	3	4	19	9	8	10	13	18	14	14	86			
Percent	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0			
Malignant neoplasms (cancer):																											
Number	26	74	64	173	256	379	292	1,264	20	51	59	116	163	167	106	682	46	125	123	289	419	546	398	1,946			
Percent	3	5	5	8	8	8	7	7	4	6	8	11	12	11	10	10	4	6	6	9	9	9	8	8			
Benign and unspecified neoplasms:																											
Number	5	7	13	19	17	23	17	101	5	13	12	10	10	17	4	71	10	20	25	29	27	40	21	172			
Percent	1	1	1	1	1	0	0	1	1	2	2	1	1	1	0	1	1	1	1	1	0	1	0	1			
Allergic, endocrine system, metabolic, and nutritional diseases:																											
Number	8	29	22	38	61	84	83	325	11	7	9	21	25	28	22	123	19	36	31	59	86	112	105	448			
Percent	1	2	2	2	2	2	2	2	2	1	1	2	2	2	2	2	1	2	1	2	2	2	2	2			
Diseases of the blood and blood-forming organs:																											
Number	13	15	21	31	43	70	70	263	12	9	12	17	24	27	16	117	25	24	33	48	67	97	86	380			
Percent	2	1	2	1	1	2	2	2	2	1	2	2	2	2	2	2	2	1	2	1	1	2	2	2			
Mental, psychoneurotic, and personality disorders:																											
Number	47	91	66	119	138	149	103	713	60	90	64	76	90	52	36	468	107	181	130	195	228	201	139	1,181			
Percent	6	7	6	5	4	3	2	4	11	11	9	7	7	4	4	7	8	9	7	6	5	3	3	5			
Diseases of the nervous system and sense organs:																											
Number	53	128	100	152	246	305	283	1,267	61	68	67	94	97	115	75	577	114	196	167	246	343	420	358	1,844			
Percent	7	10	8	7	7	6	7	7	11	8	9	9	7	8	7	8	9	9	8	7	7	7	7	7			
Diseases of the circulatory system:																											
Number	32	183	341	738	1,243	1,978	1,807	6,322	23	80	99	190	310	405	331	1,438	55	263	440	928	1,553	2,383	2,138	7,760			
Percent	4	14	28	33	37	41	44	36	4	10	13	18	23	28	32	20	4	12	23	28	33	38	41	31			

TABLE I-4--Continued

DIAGNOSIS	MALE								FEMALE								TOTAL																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
	Under 30	30-39	40-44	45-49	50-54	55-59	60-64	All Ages	Under 30	30-39	40-44	45-49	50-54	55-59	60-64	All Ages	Under 30	30-39	40-44	45-49	50-54	55-59	60-64	All Ages																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
	Diseases of the respiratory system:																										Number	14	42	39	123	212	409	368	1,207	14	35	31	38	51	56	67	292	28	77	70	161	263	465	435	1,499	Percent	2	3	3	5	6	9	9	7	3	4	4	4	4	4	7	4	4	4	4	5	6	7	8	6	Diseases of the digestive system:																										Number	13	51	40	71	86	137	110	508	20	43	36	36	40	48	28	251	33	94	76	107	126	185	138	759	Percent	2	4	3	3	3	3	3	3	4	5	5	3	3	3	4	4	3	4	4	3	3	3	3	3	Diseases of the genitourinary system:																										Number	19	24	26	31	47	56	47	250	18	28	22	20	20	24	17	149	37	52	48	51	67	80	64	399	Percent	2	2	2	1	1	1	1	1	3	4	3	2	1	2	2	2	3	2	2	2	1	1	1	2	Diseases of the skin and cellular tissue:																										Number	10	15	12	17	21	27	22	124	11	20	6	10	13	19	10	89	21	35	18	27	34	46	32	213	Percent	1	1	1	1	1	1	1	1	2	3	1	1	1	1	1	1	2	2	1	1	1	1	1	1	Diseases of the bones and organs of movement:																										Number	133	261	185	316	448	552	506	2,401	88	154	147	225	250	261	174	1,299	221	415	332	541	698	813	680	3,700	Percent	18	20	15	14	14	12	12	13	17	19	20	21	18	18	17	19	17	19	17	16	15	13	13	15	Congenital malformations:																										Number	2	3	0	2	11	6	2	26	1	1	1	1	4	1	1	10	3	4	1	3	15	7	3	36	Percent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Senility and ill-defined conditions:																										Number	23	31	18	55	67	85	70	349	31	39	31	38	51	43	25	258	54	70	49	93	118	128	95	607	Percent	3	2	2	3	2	2	2	2	6	5	4	4	4	3	2	4	4	3	3	3	3	2	2	2	Accidents, poisoning, and violence:																										Number	310	284	159	196	212	201	127	1,489	135	117	86	89	113	88	58	686	445	401	245	285	325	289	185	2,175	Percent	41	21	13	9	6	4	3	8	25	14	11	8	8	6	6	10	34	19	13	9	7	5	4	9	Undetermined:																										Number	47	90	93	148	215	300	221	1,114	23	55	58	77	90	98	32	453	70	145	151	225	305	398	273	1,567	Percent	6	7	8	7	7	6	5	6	4	7	8	7	7	7	5	6	5	7	8	7	7	6	5	6	Total:																										Number	760	1,335	1,209	2,239	3,337	4,772	4,138	17,790	537	811	740	1,061	1,355	1,452	1,026	6,982	1,297	2,146	1,949	3,300	4,692	6,224	5,164	24,772	Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Number	14	42	39	123	212	409	368	1,207	14	35	31	38	51	56	67	292	28	77	70	161	263	465	435	1,499																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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Undetermined:																										Number	47	90	93	148	215	300	221	1,114	23	55	58	77	90	98	32	453	70	145	151	225	305	398	273	1,567	Percent	6	7	8	7	7	6	5	6	4	7	8	7	7	7	5	6	5	7	8	7	7	6	5	6	Total:																										Number	760	1,335	1,209	2,239	3,337	4,772	4,138	17,790	537	811	740	1,061	1,355	1,452	1,026	6,982	1,297	2,146	1,949	3,300	4,692	6,224	5,164	24,772	Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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TABLE I-5
GROUP LONG-TERM DISABILITY INSURANCE
ANALYSIS OF TABLES I-1 AND I-1A EXPERIENCE BY EMPLOYEE CLASS
(Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
Calendar Years of Experience 1973-77

EMPLOYEE CODE	EMPLOYEE CLASS	TABLE I-1A EXPERIENCE--NONJUMBO UNITS ONLY				TABLE I-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	Number of Claims	Ratio of Actual Claims to Tabular Claims*
1	At least 75% salaried, majority executive	471	119,981	300	71%	478	185,285	416	71%
2	At least 75% salaried, majority nonexecutive	4,814	1,416,006	4,328	88	4,904	2,311,041	7,168	93
3	50%-75% salaried	254	49,488	265	150	259	113,291	525	127
7	At least 50% salaried (exact percentage unknown)	92	10,553	23	58	92	10,553	23	58
	Subtotal (majority salaried)	5,631	1,596,028	4,916	89%	5,733	2,620,170	8,132	93%
6	At least 50% hourly (exact percentage unknown)	1,523	351,813	1,352	112%	1,533	493,391	2,259	135%
4	50%-75% hourly	422	143,222	699	132	422	143,222	699	132
5	At least 75% hourly	343	109,622	596	153	351	161,317	1,114	156
	Subtotal (majority hourly)	2,288	604,657	2,647	125%	2,306	797,930	4,072	140%
9	Indeterminate	2,357	395,170	1,406	107%	2,358	401,668	1,426	107%
	Total	10,276	2,595,855	8,969	100%	10,397	3,819,768	13,630	105%

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table I-1A.

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 long-term disability 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 I-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 I-5 for Employee Code 2.

In examining Tables 5-9 of the "I" series, it should be noted that many of the variables analyzed may be interrelated. This is especially true in the analysis by industry (Table I-6) where the results shown in the various cells may be heavily influenced by the relative levels of hourly and salaried employees.

The portions of the Table I-6 experience under units with "majority salaried" and "majority hourly" as defined in Table I-5 were therefore analyzed to investigate the effect that employee class has on the disablement rates by industry classification. The respective subanalyses are shown in Table I-6A, separately for nonjumbo and for all experience units combined. It should be noted that the tabulars and the actual-to-tabular ratios are consistent with those shown in Tables I-5 and I-6. The actual-to-tabular ratio experience shown by industry in Tables I-6 and I-6A have been compared separately for nonjumbo and for all experience units combined. The results are shown in Table I-6B.

Table I-A examines the interrelationships among various parameters whose effect on rates of disablement may not be mutually exclusive. The analysis was based on the experience of those nonjumbo units, all employee classes combined, that have plans that provide for the direct integration of the long-term disability benefit with either the total primary and family benefits payable under social security or with such social security benefits plus income from other sources. The parameters selected for study were (a) the disability income provided by employer-sponsored, short-term plans during the elimination period, (b) the proportion of salary represented by the long-term disability benefit (before integration), and (c) the point at which the long-term disability benefit is reduced, if at all, when total income from all sources exceeds a certain percentage of salary (i.e., nonduplication level), or otherwise.

EXPERIENCE ON PLANS WITH THREE-MONTH AND TWELVE-MONTH ELIMINATION PERIODS

Tables II-1 and III-1 are similar to Table I-1 but are based on the experience of plans with three-month and twelve-month elimination

TABLE I-5A
 GROUP LONG-TERM DISABILITY INSURANCE
 SUPPLEMENTAL ANALYSIS OF TABLE I-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 1973-77)

	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	Number of Claims	Ratio of A/T Claims*	
I. Relationship between Long-Term Disability Benefit and Salary								
353	<i>Ratio of gross benefit (before reduction for integration) to salary:</i>							
	Always less than 50%.....	99	26,292	53	53%	66,429	115	58%
	Generally less than 50%.....	57	9,199	21	79	9,199	21	79
	Subtotal (less than 50%).....	156	35,491	74	58%	75,628	136	61%
	50% (exactly or approximately).....	1,233	495,418	1,386	79%	781,334	2,289	82%
	Always more than 50%, exact % unknown.....	74	57,340	191	86%	93,771	331	93%
	Generally more than 50%, exact % unknown.....	255	34,858	78	65	72,821	307	112
	More than 50%, but less than or equal to 60%.....	2,466	632,999	2,145	99	931,812	3,031	101
	More than 60%, but less than or equal to 70%.....	424	114,319	345	105	250,972	676	103
	More than 70%.....	15	3,195	12	111	3,195	12	111
	Subtotal (greater than 50%).....	3,234	842,711	2,771	97%	1,352,571	4,357	101%
	Other, including not determinable.....	191	42,386	97	62%	101,508	386	108%
	Total salaried, nonexecutive.....	4,814	1,416,006	4,328	88%	2,311,041	7,168	93%

* Tabular claims were calculated by applying to actual age-sex-group exposures the crude rates of disablement shown in Table I-1A.

TABLE I-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	Number of Claims	Ratio of A/T Claims*
II. Analysis by Plan Integration Provision							
<i>Other income sources included in plan integration provision:</i>							
Nonintegrated.....	1,413	306,544	981	99%	941,960	2,930	100%
Social security primary benefit only or in combination with income from other sources.....	581	236,587	746	85	309,770	890	80
Social security primary and family benefit only or in combination with income from other sources.....	2,612	826,438	2,461	86	981,895	3,025	90
Other integration bases.....	208	46,437	140	88	77,416	323	120
Total salaried, nonexecutive.....	4,814	1,416,006	4,328	88%	2,311,041	7,168	93%
III. Extent to Which a Disability Income Is Provided during Elimination Period							
<i>Disability income benefit provided during the elimination period:</i>							
Full salary.....	102	49,627	226	123%	252,303	734	105%
Less than full salary but generally more than 50%.....	1,015	269,339	852	91	617,398	1,736	88
Generally less than 50% of salary.....	218	15,432	65	124	27,412	167	140
None.....	617	139,872	423	91	139,872	423	91
Noncodable or unknown.....	2,862	941,736	2,762	85	1,274,056	4,108	93
Total salaried, nonexecutive.....	4,814	1,416,006	4,328	88%	2,311,041	7,168	93%

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table I-1A.

TABLE I-6
 GROUP LONG-TERM DISABILITY INSURANCE
 ANALYSIS OF TABLES I-1 AND I-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 1973-77

INDUSTRY CODE(S)	INDUSTRY	TABLE I-1A EXPERIENCE—NONJUMBO UNITS ONLY				TABLE I-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	Number of Claims	Ratio of Actual Claims to Tabular Claims*
01-09.....	Agriculture, forestry, and fisheries	43	11,476	33	78%	45	50,668	65	34%
10-14.....	Mining	203	77,879	454	146	204	83,208	478	142
15-17.....	Contract construction	255	74,350	390	137	255	74,350	390	137
19-27.....	Food, tobacco, textile and wood products	1,110	301,681	1,438	133	1,125	420,974	2,287	147
28-32.....	Chemical, petroleum, rubber, leather and stone products	753	236,810	792	96	776	411,693	1,605	110
33-37.....	Metal, machinery, and transportation equipment	1,943	529,577	1,526	80	1,963	705,776	2,127	85
38-39.....	Instruments and miscellaneous manufacturing	331	61,084	212	94	331	61,084	212	94
40-49.....	Transportation, communication, electric, gas, and sanitary services	560	178,691	748	123	564	219,372	1,025	140
50-59.....	Wholesale and retail trade	1,548	243,734	921	107	1,552	277,186	1,020	106
60-67.....	Finance, insurance, and real estate	1,442	434,107	1,194	90	1,459	736,144	1,842	91
70-89.....	Services	1,896	395,505	1,080	82	1,931	728,352	2,398	96
91-97.....	Public administration	131	42,500	164	109	131	42,500	164	109
	All other classifiable	32	5,035	9	57	32	5,035	9	57
99.....	Nonclassifiable	29	3,426	8	104	29	3,426	8	104
	Total.....	10,276	2,595,855	8,969	100%	10,397	3,819,768	13,630	105%

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table I-1A.

TABLE I-6A

GROUP LONG-TERM DISABILITY INSURANCE
SUPPLEMENTAL ANALYSIS OF TABLE I-6 BY INDUSTRY

(Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
Calendar Years of Experience 1973-77

I. GROUPS CONTAINING A MAJORITY OF HOURLY EMPLOYEES

INDUSTRY CODE(S)	INDUSTRY	NONJUMBO UNITS ONLY				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	Number of Claims	Ratio of Actual Claims to Tabular Claims*
01-09.....	Agriculture, forestry, and fisheries	6	956	2	64%	6	956	2	64%
10-14.....	Mining	83	41,285	264	154	84	46,614	288	147
15-17.....	Contract construction	67	21,216	98	142	67	21,216	98	142
19-27.....	Food, tobacco, textile and wood products	260	74,467	545	193	264	104,259	1,043	243
28-32.....	Chemical, petroleum, rubber, leather and stone products	193	59,822	199	103	193	59,822	199	103
33-37.....	Metal, machinery, and transportation equip- ment	544	137,522	519	108	544	137,522	519	108
38-39.....	Instruments and miscellaneous manufactur- ing	49	11,567	63	140	49	11,567	63	140
40-49.....	Transportation, communication, electric, gas, and sanitary services	157	69,759	269	115	161	110,440	546	153
50-59.....	Wholesale and retail trade	340	65,076	228	102	340	65,076	228	102
60-67.....	Finance, insurance, and real estate	257	50,225	130	84	258	67,621	205	92
70-89.....	Services	277	58,875	234	109	285	158,950	785	122
91-97.....	Public administration	55	13,887	96	184	55	13,887	96	184
	All other classifiable	0	0	0	0	0	0	0	0
99.....	Nonclassifiable	0	0	0	0	0	0	0	0
	Total.....	2,288	604,657	2,647	125%	2,306	797,930	4,072	140%

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table I-1A.

TABLE I-6A—Continued

II. GROUPS CONTAINING A MAJORITY OF SALARIED EMPLOYEES

INDUSTRY CODE(S)	INDUSTRY	NONJUMBO UNITS ONLY				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	Number of Claims	Ratio of Actual Claims to Tabular Claims*
01-09.....	Agriculture, forestry, and fisheries	25	9,707	31	85%	27	48,899	63	34%
10-14.....	Mining	114	35,146	189	138	114	35,146	189	138
15-17.....	Contract construction	144	27,387	112	101	144	27,387	112	101
19-27.....	Food, tobacco, textile and wood products	676	194,246	782	114	687	283,747	1,133	113
28-32.....	Chemical, petroleum, rubber, leather and stone products	448	156,947	520	92	471	331,830	1,333	111
33-37.....	Metal, machinery, and transportation equipment	1,127	344,237	869	69	1,147	520,436	1,470	79
38-39.....	Instruments and miscellaneous manufacturing	169	38,115	103	74	169	38,115	103	74
40-49.....	Transportation, communication, electric, gas, and sanitary services	298	86,906	387	130	298	86,906	387	130
50-59.....	Wholesale and retail trade	882	132,437	484	101	886	165,889	583	99
60-67.....	Finance, insurance and real estate	697	267,844	686	83	712	545,987	1,239	86
70-89.....	Services	971	275,927	686	76	998	508,699	1,453	88
91-97.....	Public administration	57	24,411	61	71	57	24,411	61	71
	All other classifiable	21	2,664	6	69	21	2,664	6	69
99.....	Nonclassifiable	2	54	0	0	2	54	0	0
	Total.....	5,631	1,596,028	4,916	89%	5,733	2,620,170	8,132	93%

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table I-1A.

TABLE I-6B
 GROUP LONG-TERM DISABILITY INSURANCE
 COMPARISON OF TABLES I-6 AND I-6A EXPERIENCE BY EMPLOYEE CLASS
 RATIO OF ACTUAL CLAIMS TO TABULAR CLAIMS*
 (Six-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
 Calendar Years of Experience 1973-77

INDUSTRY CODE(S)	INDUSTRY	TABLE I-1A EXPERIENCE—NONJUMBO UNITS ONLY				TABLE I-1 EXPERIENCE—ALL UNITS			
		All	Majority Salaried	Majority Hourly	Indeterminate	All	Majority Salaried	Majority Hourly	Indeterminate
01-09.....	Agriculture, forestry, and fisheries	78%	85%	64%	0%	34%	34%	64%	0%
10-14.....	Mining	146	138	154	34	142	138	147	34
15-17.....	Contract construction	137	101	142	169	137	101	142	169
19-27.....	Food, tobacco, textile and wood products	133	114	193	93	147	113	243	93
28-32.....	Chemical, petroleum, rubber, leather and stone products	96	92	103	106	110	111	103	106
33-37.....	Metal, machinery, and transportation equipment	80	69	108	86	85	79	108	86
38-39.....	Instruments and miscellaneous manufacturing	94	74	140	114	94	74	140	114
40-49.....	Transportation, communication, electric, gas, and sanitary services	123	130	115	121	140	130	153	121
50-59.....	Wholesale and retail trade	107	101	102	133	106	99	102	133
60-67.....	Finance, insurance, and real estate	90	83	84	108	91	86	92	108
70-89.....	Services	82	76	109	81	96	88	122	81
91-97.....	Public administration	109	71	184	56	109	71	184	56
	All other classifiable	57	69	0	41	57	69	0	41
99.....	Nonclassifiable	104	0	0	107	104	0	0	107
	Total.....	100%	89%	125%	107%	105%	93%	140%	107%

* Tabular claims were calculated by applying to actual age-sex-group exposures the crude rates of disablement shown in Table I-1A.

TABLE I-7
 GROUP LONG-TERM DISABILITY INSURANCE
 ANALYSIS OF TABLES I-1 AND I-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 1973-77

CONTRIBUTORY STATUS	TABLE I-1A EXPERIENCE--NONJUMBO UNITS ONLY				TABLE I-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	Number of Claims	Ratio of Actual Claims to Tabular Claims*
Employee-pay-all.....	779	261,379	1,047	112%	804	541,357	2,057	122%
Employer-pay-all.....	5,409	1,024,002	3,662	106	5,443	1,397,365	4,542	99
Contributory, employer and employee share cost.....	3,209	914,965	3,288	102	3,259	1,379,756	5,643	116
Unknown.....	879	395,509	972	72	891	501,290	1,388	76
Total.....	10,276	2,595,855	8,969	100%	10,397	3,819,768	13,630	105%

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table I-1A.

TABLE I-8
 GROUP LONG-TERM DISABILITY INSURANCE
 ANALYSIS OF TABLES I-1 AND I-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 1973-77

	TABLE I-1A EXPERIENCE—NONJUMBO UNITS ONLY				TABLE I-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	Number of Claims	Ratio of Actual Claims to Tabular Claims*
Preexisting conditions are not covered.....	6,583	999,518	3,467	101%	6,630	1,464,287	5,695	110%
Preexisting conditions are covered.....	3,693	1,596,337	5,502	99	3,767	2,355,481	7,935	102
Total.....	10,276	2,595,855	8,969	100%	10,397	3,819,768	13,630	105%

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table I-1A.

TABLE I-9
 GROUP LONG-TERM DISABILITY INSURANCE
 ANALYSIS OF TABLES I-1 AND I-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 1973-77

	TABLE I-1A EXPERIENCE--NONJUMBO UNITS ONLY				TABLE I-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	Number of Claims	Ratio of Actual Claims to Tabular Claims*
No indirect integration.....	6,698	1,599,897	5,407	97%	6,741	2,000,098	7,118	101%
Indirect integration--nonduplication level:								
Less than 50%.....	23	17,573	31	49	24	41,233	49	45
50%-59%.....	286	123,713	408	90	301	297,298	836	94
60%-69%.....	1,079	325,748	1,194	107	1,123	728,649	2,520	100
70%-79%.....	2,005	454,149	1,638	106	2,022	670,532	2,772	127
80%-89%.....	135	48,324	181	128	136	55,507	225	137
Greater than 89%.....	17	4,455	23	188	17	4,455	23	188
Integrated but noncodable.....	33	21,996	87	149	33	21,996	87	149
Total.....	10,276	2,595,855	8,969	100%	10,397	3,819,768	13,630	105%

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table I-1A.

TABLE I-A
 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 1973-77
 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	1,005	359,405	1,023	81%	
		Greater than 50%	84	24,564	59	72	
			Subtotal	1,089	383,969	1,082	80%
	Greater than 50%	50% or less	4,493	883,292	3,151	103%	
		Greater than 50%	398	124,572	469	104	
			Subtotal	4,891	1,007,864	3,620	103%
		Subtotal	5,980	1,391,833	4,702	97%	
Nonduplication level greater than or equal to 60%	50% or less	50% or less	93	29,541	198	183%	
		Greater than 50%	24	2,667	6	70	
			Subtotal	117	32,208	204	175%
	Greater than 50%	50% or less	177	63,129	256	115%	
		Greater than 50%	512	133,601	357	83	
			Subtotal	689	196,730	613	94%
		Subtotal	806	228,938	817	106%	
Total			6,786	1,620,771	5,519	98%	

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table I-1A.

TABLE II-1
 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 1973-77
 ALL EXPERIENCE UNITS COMBINED

Attained Age	Life Years Exposed	Number of Claims	Rate of Dis- ablement per 1,000 Lives
All Experience: Males, Females, and Sex Unknown			
Under 40	480,881	887	1.84
40-44	93,547	389	4.16
45-49	88,377	556	6.29
50-54	77,055	668	8.67
55-59	57,292	873	15.24
60-64	35,856	743	20.72
All ages	833,008	4,116	4.94
Male Experience Only			
Under 40	231,285	408	1.76
40-44	49,452	186	3.76
45-49	45,315	268	5.91
50-54	39,231	327	8.34
55-59	29,587	489	16.53
60-64	19,620	457	23.29
All ages	414,490	2,135	5.15
Female Experience Only			
Under 40	118,412	268	2.26
40-44	17,792	119	6.69
45-49	17,769	149	8.39
50-54	16,731	164	9.80
55-59	12,424	191	15.37
60-64	7,121	130	18.26
All ages	190,249	1,021	5.37

TABLE III-1
 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 1973-77
 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	160,931	118	0.73
40-44	31,655	55	1.74
45-49	36,029	114	3.16
50-54	34,740	205	5.90
55-59	27,755	273	9.84
60-64	13,307	149	11.20
All ages	304,417	914	3.00
Male Experience Only			
Under 40	116,864	81	0.69
40-44	22,106	30	1.36
45-49	25,378	81	3.19
50-54	24,763	134	5.41
55-59	19,557	216	11.04
60-64	10,013	130	12.98
All ages	218,681	672	3.07
Female Experience Only			
Under 40	25,267	32	1.27
40-44	5,877	19	3.23
45-49	7,101	28	3.94
50-54	7,142	64	8.96
55-59	5,946	53	8.91
60-64	2,050	15	7.32
All ages	53,383	211	3.95

periods, respectively. It should be noted that the number of claims underlying the disablement rate for some of the sex-age cells shown in these tables is relatively small.

As on plans with a six-month elimination period, the experience on plans with three-month and twelve-month elimination periods is based largely on a "his own occupation" definition of disability generally during the first two years following disablement. About 1 percent of the experience on plans with a three-month elimination period and 2 percent of the experience on plans with a twelve-month elimination period is based on an "any occupation" definition for the full period of disability.

The reader is reminded that claims were reported and included in the 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.

Tables II-2 and III-2 analyze the crude rates of disablement shown in Tables II-1 and III-1 by underlying calendar year of experience, respectively, for all ages and for males, females, and sex-unknown exposures combined. Some portion of the variation in the overall disablement rates

TABLE II-2
GROUP LONG-TERM DISABILITY INSURANCE
ANALYSIS OF RATES OF DISABLEMENT
BY CALENDAR YEAR OF INCURRAL
(Three-Month Elimination Period; Calendar Year of Issue Excluded; All Ages;
Males, Females, and Sex Unknown Combined)
Calendar Years of Experience 1962-77
ALL EXPERIENCE UNITS COMBINED

CALENDAR YEAR OF INCURRAL	NUMBER OF EX- PERIENCE UNITS	LIFE YEARS EXPOSED	NUMBER OF CLAIMS			RATE OF DISABLE- MENT PER 1,000 LIVES	RATIO OF ACTUAL CLAIMS TO TABU- LAR CLAIMS*
			Acci- dent	Sickness	Total (Incl. Unknown)		
1962-67	788	95,196	52	333	390	4.10	74%
1968-72	5,164	618,510	505	2,768	3,305	5.34	101
1973	1,396	159,609	129	725	854	5.35	106%
1974	1,436	169,976	103	705	808	4.75	99
1975	1,414	184,478	126	766	896	4.86	102
1976	1,277	181,970	118	861	979	5.38	105
1977	806	136,975	59	519	579	4.23	85
1973-77	6,329	833,008	535	3,576	4,116	4.94	100%

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table II-1.

TABLE III-2

GROUP LONG-TERM DISABILITY INSURANCE
ANALYSIS OF RATES OF DISABLEMENT
BY CALENDAR YEAR OF INCURRAL

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

Calendar Years of Experience 1962-77

ALL EXPERIENCE UNITS COMBINED

CALENDAR YEAR OF INCURRAL	NUMBER OF EX- PERIENCE UNITS	LIFE YEARS EXPOSED	NUMBER OF CLAIMS			RATE OF DISABLE- MENT PER 1,000 LIVES	RATIO OF ACTUAL CLAIMS TO TABU- LAR CLAIMS*
			Acci- dent	Sick- ness	Total (Incl. Unknown)		
1962-67.....	119	39,847	1	62	71	1.78	65%
1968-72.....	344	181,324	29	342	405	2.23	85
1973.....	93	58,835	15	121	137	2.33	83%
1974.....	96	60,049	19	154	173	2.88	98
1975.....	95	57,029	19	212	231	4.05	133
1976.....	128	67,742	16	180	196	2.89	93
1977.....	107	60,762	16	161	177	2.91	95
1973-77	519	304,417	85	828	914	3.00	100%

* Tabular claims were calculated by applying to the actual age-sex-group exposures the crude rates of disablement shown in Table III-1.

from year to year is the result of changes in the distributions of exposed to risk by age groups. These tables further show that accidents account for a small portion of the claims coded for a known cause of disablement—about 14 percent on plans with a three-month elimination period and 9 percent on plans with a twelve-month elimination period. As on plans with a six-month elimination period, the reader is reminded that the claim experience shown in the tables presented in this portion of the report may tend to be understated because of the lag in claim reporting.

Tables II-2 and III-2 also show the ratios of actual claims to tabular claims. The tabular claims for each year were obtained by applying the rates of disablement of all size groups from Tables II-1 and III-1, respectively, by sex category to the actual exposures for each age-sex group (males, females, and sex unknown). These tabulars, therefore, adjust only for age and sex. No adjustments are made for any other factors that might influence disablement rates.

Tables II-3 and III-3 subdivide the experience shown in Tables II-1 and III-1, respectively, for all ages and for males, females, and sex-unknown exposures combined by size of experience unit. Note that experience units of less than 100 lives accounted for over 75 percent of

the total number of units on plans with a three-month elimination period and 39 percent on plans with a twelve-month elimination period. This explains the large number of units which experienced no claims. These tables show that the rate of disablement and the actual-to-tabular ratios tend to increase with the size of the group—a phenomenon that is consistent with the results of prior reports.

Tables II-3 and III-3 also include a dispersion-type analysis of ratios of actual claims to tabular claims. As in Tables II-2 and III-2, these tabulars adjust only for age and sex. Because the experience is not adjusted for other characteristics that might have a measurable impact on the rate of disablement, caution should be used in interpreting the results.

To illustrate the variance among the study's contributors, the respective experience shown in Table I-1A, Table II-1 and Table III-1 has been examined by contributing company. The results, along with the relative exposure, are displayed in Exhibit I in the form of actual-to-tabular ratios. In comparing the differences between the companies, one should be reminded of the various caveats noted throughout this report.

ANALYSIS OF RATES OF TERMINATION

Experience on Plans with a Six-Month Elimination Period

Table A-1 shows, for plans with a six-month elimination period, the crude rates of termination from death or recovery based on number of lives, by sex and age groups, for the period 1962-77. Because of the small number of terminations at the later durations, the experience has been truncated at the end of eight 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 51,086 claims exposed to termination, of which 13,630 originated from the 1973-77 and 11,142 from the 1962-72 active lives experience (all experience units combined), with the balance from experience units that were not included in the study of rates of disablement. The Committee did a subanalysis of the termination rates of only the claims that were included in the rates-of-disablement portion of the study. Termination rates for these claims were found to be generally 10-15 percent higher than those shown in Table A-1.

Table A-2 displays the actual number of claims that terminated by death or recovery, while Table A-3 presents 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 (CDT) to the Table A-1 exposures. The low first-year ratios shown

TABLE II-3

GROUP LONG-TERM DISABILITY INSURANCE
 RATES OF DISABLEMENT AND RATIOS OF ACTUAL CLAIMS TO TABULAR CLAIMS BY SIZE OF EXPERIENCE UNIT EXPOSED
 (Three-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
 Calendar Years of Experience 1973-77
 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.....	1,450	20,587	120	5.83	111%	1,353	0	0	0	0	0	7	90
25-49.....	1,713	62,331	300	4.81	90	1,451	1	0	0	0	2	136	123
50-99.....	1,632	113,013	546	4.83	93	1,219	0	0	1	20	59	260	73
100-249.....	909	136,037	637	4.68	96	515	0	14	36	101	89	131	23
250-499.....	296	103,093	457	4.43	93	104	16	39	21	54	32	30	0
500-999.....	211	143,971	773	5.37	109	30	28	35	22	45	21	29	1
1,000-2,499.....	92	142,316	687	4.83	104	7	16	13	18	17	11	9	1
2,500-4,999.....	16	54,173	211	3.89	90	0	5	3	1	5	2	0	0
Under 5,000.....	6,319	775,521	3,731	4.81	99%	4,679	66	104	99	242	216	602	311
5,000 or more.....	10	57,487	385	6.70	118%	0	0	4	1	2	2	1	0
Total.....	6,329	833,008	4,116	4.94	100%	4,679	66	108	100	244	218	603	311

* Tabular claims were calculated by applying to actual age-sex-group exposures the crude rates of disablement shown in Table II-1.

TABLE III-3
 GROUP LONG-TERM DISABILITY INSURANCE
 RATES OF DISABLEMENT AND RATIOS OF ACTUAL CLAIMS TO TABULAR CLAIMS BY SIZE OF EXPERIENCE UNIT EXPOSED
 (Twelve-Month Elimination Period; Calendar Year of Issue Excluded; All Ages; Males, Females, and Sex Unknown Combined)
 Calendar Years of Experience 1973-77
 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
369 Under 25 lives.....	19	221	0	0.00	0%	19	0	0	0	0	0	0	0
25-49.....	79	2,934	6	2.04	63	74	0	0	0	0	0	0	5
50-99.....	102	7,086	9	1.27	48	94	0	0	0	0	4	4	4
100-249.....	133	21,876	58	2.65	77	100	0	0	3	9	8	10	3
250-499.....	66	24,872	55	2.21	69	32	0	8	11	5	4	6	0
500-999.....	60	43,610	146	3.35	92	14	13	5	4	10	6	7	1
1,000-2,499.....	27	39,803	128	3.22	88	4	5	4	2	8	3	1	0
2,500-4,999.....	23	85,852	249	2.90	101	3	6	3	2	4	2	3	0
Under 5,000.....	509	226,254	651	2.88	89%	340	24	20	22	36	23	31	13
5,000 or more.....	10	78,163	263	3.36	147%	0	1	0	1	4	4	0	0
Total.....	519	304,417	914	3.00	100%	340	25	20	23	40	27	31	13

* Tabular claims were calculated by applying to actual age-sex-group exposures the crude rates of disablement shown in Table III-1.

EXHIBIT I

ANALYSIS OF THE EXPERIENCE OF TABLE I-1A (SIX-MONTH, NONJUMBO),
TABLE II-1 (THREE-MONTH, ALL EXPERIENCE), AND TABLE III-1
(TWELVE-MONTH, ALL EXPERIENCE) BY CONTRIBUTING COMPANY

CONTRIBUTING COMPANY	TABLE I-1A		TABLE II-1		TABLE III-1	
	% of Total Exposure	Ratio A/T	% of Total Exposure	Ratio A/T	% of Total Exposure	Ratio A/T
I.....	9%	98%	3%	71%	10%	97%
II.....	3	99	4	76	5	35
III.....	9	129	24	107	29	114
IV.....	3	111	12	120	2	55
V.....	8	77	11	90	4	47
VI.....	0	0	0	0	0	0
VII.....	5	127	10	97	3	130
VIII.....	16	83	8	66	1	64
IX.....	36	100	0	0	41	103
X.....	0	77	0	38	1	0
XI.....	10	101	27	101	1	64
XII.....	1	144	1	265	3	215
All.....	100%	100%	100%	100%	100%	100%

in Table A-3 would appear to be due to the shorter elimination periods of the individual health insurance experience underlying the first-year termination rates of the 1964 CDT.

Table A-4 further analyzes the claim termination experience by examining, by claim incurral year during the period 1962-77, the ratios (for all ages combined) of the actual terminations to the number of terminations that would have been produced by application of the termination rates from the 1964 CDT to the Table A-1 exposures associated with the claims incurred.

Table A-5 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 percent interest discount. One basis is the Table A-1 crude termination rates for the first six years, regardless of the actual number of terminations in each duration-age cell, and the 1964 CDT rates thereafter. The other basis is the termination rates from the 1964 CDT throughout. It should be noted that reports prior to 1977 used the Table A-1 crude termination rates for the first *four* years and the 1964 CDT rates thereafter. Attention is directed to Exhibit A, which traces for two age groups, on a basis consistent with these previous reports, the ratios of annuity values based on the Table A-1 crude termination

TABLE A-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 1962-77)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
7th month.....	57.9	44.3	49.1	36.1	24.0	17.8
8th month.....	71.5	54.5	60.4	40.0	25.4	18.2
9th month.....	70.1	51.9	58.2	38.2	23.5	17.0
10th month.....	63.8	43.4	50.3	34.1	21.1	13.7
11th month.....	56.1	39.6	45.1	29.5	19.3	11.0
12th month.....	55.6	42.2	46.6	28.7	17.1	12.7
1st year (last 6 months)...	321.2	246.2	272.5	189.7	123.5	87.1
13th month.....	51.1	40.7	44.1	27.1	16.0	11.8
14th month.....	45.3	34.1	37.7	24.7	14.7	9.6
15th month.....	45.2	30.9	35.4	22.5	13.1	10.1
16th month.....	34.5	28.4	30.3	18.9	11.5	10.0
17th month.....	30.4	28.6	29.1	17.8	10.1	9.1
18th month.....	30.8	24.8	26.6	17.9	11.5	9.1
19th month.....	30.9	20.7	23.8	14.4	11.2	9.5
20th month.....	31.5	16.2	20.9	11.5	9.0	9.4
21st month.....	28.3	15.1	19.0	11.5	9.3	8.1
22d month.....	22.3	20.5	21.0	11.1	8.7	6.2
23d month.....	22.2	21.0	21.3	11.5	8.3	6.4
24th month.....	36.9	21.1	25.7	15.3	9.1	8.0
2d year.....	341.0	263.6	288.3	186.2	124.7	102.3
3d year.....	271.5	179.1	205.6	121.9	85.7	78.1
4th year.....	117.1	98.4	103.5	67.1	63.3	68.4
5th year.....	70.8	67.6	68.4	51.7	57.9	45.4
6th year.....	59.4†	57.9	58.3	45.3	60.0	76.4
7th year.....	94.6	56.7	66.2	50.5	56.6	44.6†
8th year.....	38.4*	70.1	62.4	52.3	53.5	32.8*
Male Only						
1st year (last 6 months)...	326.0	256.0	280.2	186.3	121.6	83.2
2d year.....	353.5	270.3	296.8	172.5	122.4	104.1
3d year.....	283.5	179.0	208.9	117.6	86.4	77.5
4th year.....	125.0	106.2	111.2	69.8	67.5	72.9
5th year.....	63.0†	69.0	67.4	52.1	62.9	49.5
6th year.....	63.1†	39.8	45.9	46.7	67.7	71.9
7th year.....	100.0†	70.7	77.8	55.6	60.1	46.3†
8th year.....	26.1*	60.0†	51.5†	63.7	53.7	26.8*
Female Only						
1st year (last 6 months)...	314.3	230.9	260.8	195.8	129.0	102.4
2d year.....	320.6	252.8	274.8	212.1	131.5	94.7
3d year.....	252.6	179.1	200.4	130.3	83.6	80.4
4th year.....	105.0	85.8	91.1	61.6	49.9	47.4
5th year.....	83.4†	65.2	70.0	50.7	41.4	24.5*
6th year.....	52.3*	86.5	77.9	42.1	32.9	117.1*
7th year.....	85.3*	33.9*	47.9†	38.5	44.4	29.4*
8th year.....	54.8*	81.4†	75.4†	26.4†	52.5	75.4*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

TABLE A-2
 GROUP LONG-TERM DISABILITY INSURANCE
 NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
 (Six-Month Elimination Period; Calendar Years of Experience 1962-77)

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)	709	1,013	1,722	1,906	2,581	852
2d year	371	606	977	1,204	1,839	655
3d year	143	240	383	512	909	300
4th year	36	83	119	210	503	132
5th year	15	41	56	121	350	37
6th year	9	27	36	76	253	17
7th year	10	17	27	61	139	7
8th year	2	16	18	48	76	4
Male Only						
1st year (last 6 months)	425	642	1,067	1,208	1,884	652
2d year	239	377	616	724	1,347	539
3d year	89	146	235	332	691	243
4th year	24	56	80	148	411	114
5th year	8	26	34	85	292	33
6th year	6	11	17	55	222	14
7th year	6	14	20	47	114	7
8th year	1	8	9	40	59	3
Female Only						
1st year (last 6 months)	284	371	655	698	697	200
2d year	132	229	361	480	492	116
3rd year	54	94	148	180	218	57
4th year	12	27	39	62	92	18
5th year	7	15	22	36	58	4
6th year	3	16	19	21	31	3
7th year	4	3	7	14	25	0
8th year	1	8	9	8	17	1

TABLE A-3
 GROUP LONG-TERM DISABILITY INSURANCE
 RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR
 RECOVERY TO NUMBER OF TERMINATIONS EXPECTED FROM
 1964 COMMISSIONERS DISABILITY TABLE*
 (Six-Month Elimination Period; Calendar Years of Experience 1962-77)

DURATION OF DISABLEMENT	ALL AGES OF DIS- ABLEMENT COMBINED	AGE AT DISABLEMENT					
		Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined							
1st year (last 6 months).....	36.5%	59.4%	47.6%	51.8%	40.9%	32.5%	25.5%
2d year.....	78.9	109.7	95.5	100.4	79.5	71.3	74.4
3d year.....	71.5	117.6	91.0	99.8	74.1	64.0	64.9
4th year.....	60.3	67.5	69.3	68.8	56.7	59.2	64.0
5th year.....	61.1	52.6	63.4	60.1	57.3	64.1	45.8
6th year.....	70.1	54.5†	68.0	63.8	60.5	74.0	81.8
7th year.....	73.1	101.6	77.2	84.6	73.4	72.7	49.1†
8th year.....	72.1	46.1†	104.2	87.9	79.0	69.6	35.7†
Male Only							
1st year (last 6 months).....	35.3%	60.3%	49.4%	53.3%	40.1%	32.0%	24.4%
2d year.....	76.7	113.7	97.9	103.4	73.6	70.0	75.7
3d year.....	70.3	122.8	91.0	101.4	71.5	64.5	64.3
4th year.....	63.9	72.0	74.7	74.0	58.9	63.1	68.1
5th year.....	64.9	46.8†	64.8	59.3	57.8	69.6	50.0
6th year.....	75.7	57.9†	46.7	50.2	62.4	83.5	77.0
7th year.....	78.7	107.4†	96.3	99.7	80.9	77.2	51.0†
8th year.....	74.4	31.4†	89.1†	72.4†	96.1	69.9	29.1†
Female Only							
1st year (last 6 months).....	39.3%	58.2%	44.6%	49.6%	42.2%	33.9%	30.0%
2d year.....	84.1	103.1	91.6	95.7	90.5	75.2	68.9
3d year.....	74.4	109.5	91.0	97.2	79.1	62.4	66.7
4th year.....	50.4	60.5	60.3	60.4	52.0	46.7	44.3
5th year.....	50.3	62.0†	61.1	61.4	56.2	45.8	24.7†
6th year.....	53.6	48.0†	101.5	85.2	56.3	40.6	125.4†
7th year.....	56.8	91.6†	46.2†	61.0†	56.0	57.0	32.4†
8th year.....	65.5	65.8†	121.0†	106.8†	39.9†	68.4	82.0†

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

† Involves fewer than ten terminations.

TABLE A-4

GROUP LONG-TERM DISABILITY INSURANCE RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR RECOVERY
TO NUMBER OF TERMINATIONS EXPECTED FROM 1964 COMMISSIONERS DISABILITY TABLE*
(Six-Month Elimination Period; Calendar Years of Experience 1962-77)
ALL AGES OF DISABLEMENT COMBINED

DURATION OF DISABLEMENT	YEAR OF DISABLEMENT											
	1967 and Prior	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	All Years
	Male and Female Combined											
1st year (last 6 months) . . .	45.5%	43.0%	38.2%	37.8%	34.4%	34.2%	34.0%	33.2%	35.0%	33.6%	35.5%	36.5%
2d year	99.5	89.7	89.9	75.4	84.4	79.3	71.9	70.3	68.5	66.6	.....	78.9
3d year	91.0	83.7	74.5	76.0	74.6	68.4	57.8	66.2	46.9	.....	.....	71.5
4th year	81.8	61.4	72.1	59.9	53.3	55.9	52.3	38.3	.....	.....	.....	60.3
5th year	70.2	77.0	70.2	57.8	63.4	46.4	53.2	.....	.....	.....	.....	61.1
6th year	88.9	77.8	69.5	67.0	65.5	28.9	.....	.....	.....	.....	.....	70.1
7th year	79.5	77.9	66.9	78.3	48.0	.....	.....	.....	.....	.....	.....	73.1
8th year	87.2	49.3	74.1	42.6	.....	.....	.....	.....	.....	.....	.....	72.1

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

TABLE A-4—Continued

DURATION OF DISABLEMENT	YEAR OF DISABLEMENT											All Years
	1967 and Prior	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	
Male Only												
1st year (last 6 months) . . .	43.8%	43.4%	35.8%	36.8%	32.0%	35.8%	32.4%	31.0%	33.8%	32.1%	34.6%	35.3%
2d year	98.7	85.2	86.5	68.5	79.9	76.6	72.3	68.0	67.9	69.7	.....	76.7
3d year	84.0	80.2	75.5	73.3	73.5	67.1	57.9	69.4	46.2	.....	.....	70.3
4th year	81.4	60.3	81.8	60.9	57.3	57.8	59.4	43.2	.....	.....	.....	63.9
5th year	75.4	87.1	67.6	61.3	67.2	51.3	47.9	.....	.....	.....	.....	64.9
6th year	96.4	76.1	71.2	69.9	76.1	35.9	.....	.....	.....	.....	.....	75.7
7th year	89.5	77.8	69.5	84.8	51.7	.....	.....	.....	.....	.....	.....	78.7
8th year	88.9	47.6	76.0	52.6	.....	.....	.....	.....	.....	.....	.....	74.4
Female Only												
1st year (last 6 months) . . .	49.9%	41.8%	44.0%	40.5%	40.8%	30.3%	37.9%	37.8%	37.5%	36.6%	37.5%	39.3%
2d year	101.5	101.0	98.4	95.2	97.1	86.0	71.0	75.2	69.8	59.5	.....	84.1
3d year	110.0	92.9	71.8	84.6	77.9	71.8	57.5	59.0	48.2	.....	.....	74.4
4th year	82.7	64.5	45.4	56.3	41.1	51.0	35.0	27.7	.....	.....	.....	50.4
5th year	55.0	49.1†	76.8	46.0	51.9	33.5	63.7	.....	.....	.....	.....	50.3
6th year	66.6	82.7	64.7	57.2	33.7†	11.1†	.....	.....	.....	.....	.....	53.6
7th year	50.3	78.3†	59.6†	57.5	33.8†	.....	.....	.....	.....	.....	.....	56.8
8th year	82.5	53.9†	69.0†	9.9†	.....	.....	.....	.....	.....	.....	.....	65.5

† Involves fewer than ten terminations.

**TABLE A-5—GROUP LONG-TERM DISABILITY INSURANCE
ILLUSTRATIVE VALUES OF A MONTHLY BENEFIT OF \$1 PAYABLE FOR
VARIOUS BENEFIT PERIODS, DISCOUNTED AT 3 PERCENT 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 A-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT	Based on Table A-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT
Benefit Payable for Maximum of 60 Months but Not beyond Age 65 with First Payment Due at End of Elimination Period						
25.5.....	\$23.33	\$16.59	141%	\$27.52	\$28.46	97%
35.5.....	29.26	18.44	159	32.43	30.86	105
45.5.....	35.15	21.71	162	37.34	33.50	111
55.5.....	40.81	26.85	152	40.82	36.68	111
62.5.....	20.29	14.91	136	16.26	15.77	103
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period						
25.5.....	\$49.28	\$32.62	151%	\$66.32	\$63.86	104%
35.5.....	66.47	38.72	172	82.53	73.54	112
45.5.....	75.80	42.87	177	88.25	73.57	120
55.5.....	61.10	38.40	159	64.32	55.60	116
62.5.....	20.29	14.91	136	16.26	15.77	103

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

**EXHIBIT A—GROUP LONG-TERM DISABILITY INSURANCE
RATIO OF ANNUITY VALUE PAYABLE TO AGE 65 DISCOUNTED AT 3 PERCENT
BASED ON COMBINED TABLE A-1 EXPERIENCE FOR FIRST FOUR
YEARS AND ON 1964 CDT RATES THEREAFTER TO
ANNUITY VALUES PAYABLE TO AGE 65 DISCOUNTED AT
3 PERCENT BASED ON 1964 CDT THROUGHOUT
(Six-Month Elimination Period; Males and Females Combined)**

AGE AT DISABLE- MENT	YEARS OF DISABLED LIVES TERMINATION EXPERIENCE								
	1962- 69	1962- 70	1962- 71	1962- 72	1962- 73	1962- 74	1962- 75	1962- 76	1962- 77
Ratio Based on Values as of End of Elimination Period									
45.5.....	139%	145%	141%	157%	159%	161%	169%	165%	170%
55.5.....	142	144	143	150	149	150	155	154	156
Ratio Based on Values as of End of Twelfth Month of Disablement									
45.5.....	99%	101%	99%	108%	108%	110%	114%	112%	115%
55.5.....	104	105	104	109	108	110	112	112	113

TABLE A-6
 GROUP LONG-TERM DISABILITY INSURANCE
 ILLUSTRATIVE VALUES, UNDER PLANS WITH SIX-MONTH
 ELIMINATION PERIOD, OF A MONTHLY BENEFIT OF \$1,
 DISCOUNTED AT 3 PERCENT 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 A-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT	Based on Table A-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT
Male Only						
25.5.....	\$47.50	\$32.62	146%	\$64.17	\$63.86	100%
35.5.....	65.40	38.72	169	82.23	73.54	112
45.5.....	77.29	42.87	180	89.73	73.57	122
55.5.....	60.87	38.40	159	63.92	55.60	115
62.5.....	20.35	14.91	136	16.23	15.77	103
Female Only						
25.5.....	\$52.18	\$32.62	160%	\$69.89	\$63.86	109%
35.5.....	68.21	38.72	176	83.11	73.54	113
45.5.....	73.08	42.87	170	85.53	73.57	116
55.5.....	61.96	38.40	161	65.73	55.60	118
62.5.....	20.06	14.91	135	16.35	15.77	104

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

rates for the first *four* years and the 1964 CDT thereafter to those based on the CDT throughout as shown in Table A-5 in the last seven reports for plans providing a monthly benefit to age 65.

Table A-6 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 A-5. There were 36,439 male and 14,647 female claims in this analysis. As was done in Table A-5, illustrative values are shown on two alternate bases. In making any sex comparisons, the reader is reminded that the 1964 Commissioners Disability Table is a unisex table.

Tables AA-1, AA-2, AA-3, AA-4, and AA-5 analyze the experience of terminations for plans with a six-month elimination period and are

TABLE AA-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 1973-77)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
7th month.....	51.3	43.9	46.6	36.5	24.1	17.1
8th month.....	69.6	50.8	57.6	36.2	23.5	17.3
9th month.....	68.3	45.6	53.8	34.5	22.2	15.5
10th month.....	64.0	38.3	47.2	31.4	19.6	13.4
11th month.....	58.5	34.7	42.9	25.6	17.7	9.7
12th month.....	51.9	37.2	42.2	25.2	16.6	11.8
1st year (last 6 months)	312.9	225.8	257.4	175.1	117.5	81.8
13th month.....	46.7	36.2	39.7	24.8	15.4	12.2
14th month.....	39.6	31.7	34.3	23.4	14.0	8.9
15th month.....	42.8	31.2	34.9	20.8	12.7	8.3
16th month.....	40.9	26.1	30.9	17.9	10.3	7.7
17th month.....	33.3	25.5	28.0	16.6	8.5	7.2
18th month.....	31.9	24.4	26.8	15.8	9.3	9.2
19th month.....	31.8	18.8	22.8	11.9	8.6	9.5
20th month.....	29.1	15.3	19.5	10.6	7.7	9.4
21st month.....	28.8	15.0	19.2	11.5	8.2	8.5
22d month.....	23.8†	18.7	20.3	9.6	7.9	6.1
23d month.....	19.6	18.4	18.8	10.2	8.1	5.9
24th month.....	37.8	18.8	24.4	15.3	8.9	7.4
2d year.....	338.6	247.1	276.9	173.1	113.3	95.8
3d year.....	264.8	171.8	198.8	117.7	77.9	69.4
4th year.....	107.0	96.3	99.3	57.3	57.6	68.0
5th year.....	70.3	64.8	66.2	54.8	53.8	32.2
6th year.....	72.0†	64.2	66.2	39.0	55.3	83.7
7th year.....	97.8†	50.4	63.3	44.9	55.8	49.5†
8th year.....	42.0*	57.0	52.5	55.4	56.9	33.8*
Male Only						
1st year (last 6 months)...	305.2	223.5	252.4	179.3	115.9	74.8
2d year.....	360.8	251.4	286.9	161.2	112.7	97.0
3d year.....	273.6	169.4	198.9	113.3	81.8	70.9
4th year.....	107.8	113.2	111.9	61.2	62.8	72.2
5th year.....	58.9†	65.5	63.5	56.0	59.0	35.2
6th year.....	76.4†	48.9	56.4	41.3	61.9	78.1
7th year.....	101.3†	63.8	73.3	47.4	60.7	51.5†
8th year.....	30.1*	59.9†	52.1†	66.7	57.0	27.8*
Female Only						
1st year (last 6 months)...	322.9	229.1	264.5	167.7	121.6	105.8
2d year.....	302.8	240.6	261.2	194.6	114.9	90.8
3d year.....	251.9	175.6	198.7	126.1	66.2	62.7
4th year.....	105.2†	68.0	78.6	49.0	41.7	49.2
5th year.....	89.1†	63.7	70.6	51.8	36.9	18.1*
6th year.....	61.8*	87.8	80.9	34.0	32.6	134.4*
7th year.....	91.8*	28.3*	47.7†	39.3	38.9	33.3*
8th year.....	54.8*	49.2*	50.4†	30.0†	56.7	75.4*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

similar in form and content to Tables A-1, A-2, A-3, A-5, and A-6, respectively, except that the observation period has been restricted to the most current five years of experience, namely, 1973-77. As in Table A-1, the claim experience shown has been truncated at the end of eight years.

TABLE AA-2
GROUP LONG-TERM DISABILITY INSURANCE
NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
(Six-Month Elimination Period; Calendar Years of Experience 1973-77)

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) . . .	423	543	966	979	1,432	450
2d year	240	354	594	674	1,025	366
3d year	94	157	251	326	554	178
4th year	25	59	84	125	335	97
5th year	12	29	41	99	253	20
6th year	9	24	33	51	187	16
7th year	9	12	21	45	117	7
8th year	2	11	13	44	73	4
Male Only						
1st year (last 6 months) . . .	235	320	555	641	1,027	320
2d year	156	217	373	404	746	295
3d year	57	96	153	208	434	146
4th year	16	44	60	92	277	83
5th year	6	18	24	69	212	18
6th year	6	11	17	38	162	13
7th year	5	10	15	33	98	7
8th year	1	7	8	36	56	3
Female Only						
1st year (last 6 months) . . .	188	223	411	338	405	130
2d year	84	137	221	270	279	71
3d year	37	61	98	118	120	32
4th year	9	15	24	33	58	14
5th year	6	11	17	30	41	2
6th year	3	13	16	13	25	3
7th year	4	2	6	12	19	0
8th year	1	4	5	8	17	1

TABLE AA-3
GROUP LONG-TERM DISABILITY INSURANCE
RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR
RECOVERY TO NUMBER OF TERMINATIONS EXPECTED FROM
1964 COMMISSIONERS DISABILITY TABLE*

(Six-Month Elimination Period; Calendar Years of Experience 1973-77)

DURATION OF DISABLEMENT	ALL AGES OF DIS- ABLEMENT COMBINED	AGE AT DISABLEMENT					
		Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined							
1st year (last 6 months).....	34.4% ^c	57.9% ^c	43.6% ^c	48.9% ^c	37.7% ^c	30.9% ^c	23.9% ^c
2d year.....	73.3	108.9	89.5	96.4	73.9	64.8	69.7
3d year.....	66.5	114.7	87.3	96.4	71.5	58.2	57.6
4th year.....	55.3	61.6	67.8	65.9	48.4	53.9	63.6
5th year.....	58.0	52.3	60.8	58.0	60.7	59.6	32.5
6th year.....	65.8	66.1†	75.3	72.3	52.2	68.2	89.6
7th year.....	70.1	105.0†	68.7	80.5	65.3	71.7	54.5†
8th year.....	74.4	50.4†	84.7	73.8	83.6	74.1	36.7†
Male Only							
1st year (last 6 months).....	33.2% ^c	56.5% ^c	43.2% ^c	48.0% ^c	38.6% ^c	30.5% ^c	21.9% ^c
2d year.....	71.8	116.0	91.0	99.9	68.8	64.5	70.5
3d year.....	66.7	118.5	86.1	96.6	68.9	61.1	58.9
4th year.....	60.0	62.1	79.7	74.2	51.7	58.7	67.5
5th year.....	61.6	43.8†	61.4	55.6	62.1	65.3	35.5
6th year.....	70.9	70.1†	57.4	61.6	55.2	76.3	83.7
7th year.....	75.9	108.8†	86.9	93.7	68.9	78.0	56.6†
8th year.....	77.8	36.1†	89.0†	73.1†	100.7	74.2	30.3†
Female Only							
1st year (last 6 months).....	37.2% ^c	59.7% ^c	44.3% ^c	50.3% ^c	36.1% ^c	32.0% ^c	31.0% ^c
2d year.....	76.7	97.4	87.2	90.9	83.1	65.8	66.0
3d year.....	66.1	109.1	89.2	96.2	76.6	49.4	52.1
4th year.....	42.6	60.6†	47.9	52.1	41.4	39.0	46.0
5th year.....	47.6	66.3†	59.8	62.0	57.4	40.9	18.3†
6th year.....	51.0	56.7†	103.1	88.3	45.4	40.2	143.9†
7th year.....	53.5	98.6†	38.6†	60.3†	57.1	50.0	36.7†
8th year.....	64.9	65.8†	73.1†	70.9†	45.2†	73.8	82.0†

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

† Involves fewer than ten terminations.

TABLE AA-4
 GROUP LONG-TERM DISABILITY INSURANCE
 ILLUSTRATIVE VALUES OF A MONTHLY BENEFIT OF \$1 PAYABLE FOR
 VARIOUS BENEFIT PERIODS, DISCOUNTED AT 3 PERCENT 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 AA-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT	Based on Table AA-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT
Benefit Payable for Maximum of 60 Months but Not beyond Age 65 with First Payment Due at End of Elimination Period						
25.5.....	\$23.82	\$16.59	144%	\$27.86	\$28.46	98%
35.5.....	30.60	18.44	166	33.27	30.86	108
45.5.....	36.35	21.71	167	38.11	33.50	114
55.5.....	41.77	26.85	156	41.63	36.68	113
62.5.....	20.48	14.91	137	16.35	15.77	104
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period						
25.5.....	\$50.39	\$32.62	154%	\$67.10	\$63.86	105%
35.5.....	69.98	38.72	181	84.91	73.54	115
45.5.....	79.18	42.87	185	90.80	73.57	123
55.5.....	62.97	38.40	164	66.01	55.60	119
62.5.....	20.48	14.91	137	16.35	15.77	104

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

TABLE AA-5
 GROUP LONG-TERM DISABILITY INSURANCE
 ILLUSTRATIVE VALUES, UNDER PLANS WITH SIX-MONTH
 ELIMINATION PERIOD, OF A MONTHLY BENEFIT OF \$1,
 DISCOUNTED AT 3 PERCENT 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 AA-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT	Based on Table AA-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT
Male Only						
25.5	\$49.35	\$32.62	151%	\$64.81	\$63.86	101%
35.5	69.65	38.72	180	84.23	73.54	115
45.5	79.68	42.87	186	91.90	73.57	125
55.5	62.44	38.40	163	65.27	55.60	117
62.5	20.61	14.91	138	16.34	15.77	104
Female Only						
25.5	\$52.25	\$32.62	160%	\$70.92	\$63.86	111%
35.5	70.54	38.72	182	86.00	73.54	117
45.5	78.30	42.87	183	88.89	73.57	121
55.5	64.78	38.40	169	68.42	55.60	123
62.5	20.03	14.91	134	16.40	15.77	104

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

To allow for the analysis of trends in claim termination experience, Table AAA has been developed. This table traces the annuity values based on crude termination over various restricted observation periods for the first six years and on the 1964 CDT thereafter, for each age group, on a basis consistent with Tables A-5 and AA-4 and some unpublished data.

Experience on Plans with Three-Month and Twelve-Month Elimination Periods

Tables B-1, B-2, B-3, B-4, B-5, B-6, BB-1, BB-2, BB-3, BB-4, BB-5, and BBB analyze the experience of terminations for plans with a three-month elimination period and are similar in form and content to the

TABLE AAA
GROUP LONG-TERM DISABILITY INSURANCE
ILLUSTRATIVE VALUES OF A MONTHLY BENEFIT OF \$1
PAYABLE TO AGE 65, DISCOUNTED AT 3 PERCENT INTEREST
(Six-Month Elimination Period; Males and Females Combined)

BASIS OF ANNUITY VALUES	AGE AT DISABLEMENT				
	25.5	35.5	45.5	55.5	62.5
Annuity Value as of End of Elimination Period					
1964 CDT	\$32.62	\$38.72	\$42.87	\$38.40	\$41.91
1962-67*	\$52.04	\$66.95	\$71.93	\$52.65	\$18.95
Ratio to 1964 CDT	160%	173%	168%	137%	127%
1968-72*	\$47.51	\$60.43	\$70.96	\$58.28	\$20.17
Ratio to 1964 CDT	146%	156%	166%	152%	135%
1973-77*	\$33.25	\$47.70	\$56.65	\$51.35	\$20.06
Ratio to 1964 CDT	102%	123%	132%	134%	135%
1962-77*	\$49.28	\$66.47	\$75.80	\$61.10	\$20.29
Ratio to 1964 CDT	151%	172%	177%	159%	136%
Annuity Value as of End of Twelfth Month of Disablement					
1964 CDT	\$63.86	\$73.54	\$73.57	\$55.60	\$15.77
1962-67*	\$70.06	\$92.59	\$86.16	\$54.97	\$15.47
Ratio to 1964 CDT	110%	126%	117%	99%	98%
1968-72*	\$66.47	\$76.46	\$83.60	\$61.44	\$16.17
Ratio to 1964 CDT	104%	104%	114%	111%	103%
1973-77*	\$77.89	\$89.76	\$90.13	\$64.12	\$16.31
Ratio to 1964 CDT	114%	122%	123%	115%	103%
1962-77*	\$66.32	\$82.53	\$88.25	\$64.32	\$16.26
Ratio to 1964 CDT	104%	112%	120%	116%	103%

* Annuity values are based on the crude, ungraduated, combined male and female termination rates for the respective restricted observation period for the first four years and on the 1964 Commissioners Disability Table rates thereafter.

TABLE B-1
 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 1962-77)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
4th month.....	124.2	109.5	115.8	91.3	60.2	43.8
5th month.....	141.3	126.7	132.9	100.7	65.4	49.9
6th month.....	127.0	118.1	121.9	89.3	59.7	43.5
7th month.....	117.7	99.3	107.1	73.6	50.3	36.0
8th month.....	102.9	78.1	88.4	64.4	39.2	31.5
9th month.....	88.5	59.0	70.9	55.3	32.9	22.3
10th month.....	76.9	50.1	60.8	44.8	28.5	18.8
11th month.....	69.9	53.8	60.0	38.7	23.9	16.7
12th month.....	74.2	50.9	59.7	35.6	20.8	14.2
1st year (last 9 months).....	623.5	542.8	577.3	460.4	323.2	245.5
13th month.....	65.9	41.6	50.7	31.0	18.2	13.8
14th month.....	56.9	32.7	41.5	26.2	16.3	13.1
15th month.....	56.7	35.0	42.8	24.3	16.2	12.7
16th month.....	43.4	34.9	37.9	23.5	16.0	10.6
17th month.....	34.9	29.1	31.1	20.6	14.5	9.5
18th month.....	36.9	26.0	29.7	17.7	12.7	8.0
19th month.....	26.0†	16.2†	19.5	15.3	11.1	6.1
20th month.....	30.9	12.5†	18.7	13.7	10.6	9.8
21st month.....	38.9	17.6	24.6	12.5	9.9	11.8
22d month.....	34.9†	21.3	25.7	13.4	8.6	7.0†
23d month.....	26.6†	21.5	23.2	11.8	8.2	6.5
24th month.....	23.0†	27.1	25.9	11.4	8.0	6.7†
2d year.....	384.8	274.0	314.5	200.4	140.4	109.6
3d year.....	204.0	185.6	191.6	134.3	92.4	94.7
4th year.....	82.6†	86.5	85.7	80.7	61.3	80.4
5th year.....	76.0†	66.3	68.3	41.2	60.1	64.2
6th year.....	29.4*	27.4*	27.8*	33.9	77.9	40.0*
Male Only						
1st year (last 9 months).....	651.0	540.5	586.8	446.1	308.1	248.5
2d year.....	363.7	291.5	316.5	205.3	136.9	109.6
3d year.....	197.6	196.6	197.5	133.3	96.4	102.5
4th year.....	63.8*	95.6	87.2	94.3	67.2	76.1
5th year.....	107.0*	102.1	102.9	46.8	63.9	63.7
6th year.....	29.4*	51.0*	45.4*	32.9†	83.4	0.0*
Female Only						
1st year (last 9 months).....	588.4	545.8	564.7	483.4	360.6	235.6
2d year.....	408.2	248.6	311.3	192.0	150.1	109.8
3d year.....	211.6	169.7	183.0	136.1	80.8	68.5
4th year.....	107.4†	73.7†	83.2	55.9	43.7	92.8
5th year.....	26.3*	14.7*	17.3*	30.1†	49.1	64.4*
6th year.....	26.3*	0.0*	6.2*	36.2†	62.5	159.7*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

TABLE B-2
GROUP LONG-TERM DISABILITY INSURANCE
NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
(Three-Month Elimination Period; Calendar Years of Experience 1962-77)

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) . . .	1,198	1,394	2,592	2,403	3,036	1,022
2d year	185	235	420	439	696	235
3d year	42	83	125	189	314	113
4th year	9	22	31	74	144	43
5th year	5	12	17	23	98	13
6th year	1	3	4	14	73	2
Male Only						
1st year (last 9 months) . . .	697	801	1,498	1,442	2,061	789
2d year	93	147	240	282	503	179
3d year	24	50	74	120	242	95
4th year	4	14	18	55	118	30
5th year	4	11	15	18	78	10
6th year	1	3	4	9	58	0
Female Only						
1st year (last 9 months) . . .	501	593	1,094	961	975	233
2d year	92	88	180	157	193	56
3d year	18	33	51	69	72	18
4th year	5	8	13	19	26	13
5th year	1	1	2	5	20	3
6th year	0	0	0	5	15	2

TABLE B-3
GROUP LONG-TERM DISABILITY INSURANCE
RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR
RECOVERY TO NUMBER OF TERMINATIONS EXPECTED FROM
1964 COMMISSIONERS DISABILITY TABLE*

(Three-Month Elimination Period; Calendar Years of Experience 1962-77)

DURATION OF DISABLEMENT	ALL AGES OF DIS- ABLEMENT COMBINED	AGE AT DISABLEMENT					
		Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined							
1st year (last 9 months).....	49.4%	70.2%	61.7%	65.4%	54.7%	43.1%	37.0%
2d year.....	87.2	123.8	99.2	109.1	85.5	80.3	79.7
3d year.....	76.8	88.4	94.3	92.5	81.6	69.0	78.6
4th year.....	61.9	47.6†	60.9	56.8	68.1	57.3	75.2
5th year.....	61.6	56.5†	62.2	60.1	45.6	66.6	64.9
6th year.....	75.0	27.0†	32.2†	30.5†	45.3	96.1	42.8†
Male Only							
1st year (last 9 months).....	47.4%	73.3%	61.4%	66.4%	53.0%	41.1%	37.5%
2d year.....	85.9	117.0	105.6	110.0	87.6	78.3	79.7
3rd year.....	78.9	85.6	99.9	95.3	81.0	72.0	85.1
4th year.....	67.0	36.7†	67.3	57.8	79.6	62.9	71.2
5th year.....	68.9	79.6†	95.8	90.4	51.9	70.7	64.4
6th year.....	80.6	27.0†	59.8†	49.5†	44.0†	102.8	0.0†
Female Only							
1st year (last 9 months).....	53.3%	66.3%	62.0%	63.9%	57.4%	48.1%	35.5%
2d year.....	90.1	131.3	90.0	107.7	81.9	85.9	79.9
3d year.....	72.2	91.7	86.2	88.4	82.7	60.3	56.9
4th year.....	49.9	61.8†	51.9†	55.2	47.2	40.8	86.8
5th year.....	43.8	19.6†	13.7†	15.2†	33.3†	54.4	65.1†
6th year.....	61.7	24.1†	0.0†	6.9†	48.4†	77.0	171.0†

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

† Involves fewer than ten terminations.

TABLE B-4—GROUP LONG-TERM DISABILITY INSURANCE RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR RECOVERY TO NUMBER OF TERMINATIONS EXPECTED FROM 1964 COMMISSIONERS DISABILITY TABLE*

(Three-Month Elimination Period; Calendar Years of Experience 1962-77)

ALL AGES OF DISABLEMENT COMBINED

DURATION OF DISABLEMENT	YEAR OF DISABLEMENT											
	1967 and Prior	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	All Years
Male and Female Combined												
1st year (last 9 months)...	59.0%	61.3%	56.9%	51.6%	54.0%	51.8%	48.0%	46.3%	43.4%	43.5%	45.3%	49.4%
2d year.....	118.5	106.1	92.5	103.2	103.7	89.3	72.3	73.9	81.6	66.9	.....	87.2
3d year.....	107.2	101.5	108.7	95.1	83.9	62.6	66.5	62.0	61.6	.....	.....	76.8
4th year.....	100.5	92.2	93.4	74.2	52.9	53.9	43.8	51.8	.....	.....	.....	61.9
5th year.....	74.9	70.9	56.3	75.0	73.0	50.5	58.6	.....	.....	.....	.....	61.6
6th year.....	106.8	77.1†	106.7	33.7†	64.1	64.8	.....	.....	.....	.....	.....	75.0
Male Only												
1st year (last 9 months)...	59.2%	60.8%	54.5%	49.1%	53.0%	49.7%	45.4%	43.6%	40.0%	41.4%	42.6%	47.4%
2d year.....	122.7	108.4	97.8	98.7	96.7	89.6	69.9	68.9	78.3	70.3	.....	85.9
3d year.....	109.8	108.9	99.4	92.7	84.3	62.0	71.6	66.4	60.6	.....	.....	78.9
4th year.....	102.7	112.4	96.4	69.7	56.8	59.7	50.1	56.7	.....	.....	.....	67.0
5th year.....	93.2	82.0†	65.4	68.2	81.6	56.0	67.4	.....	.....	.....	.....	68.9
6th year.....	105.1	89.7†	108.2	42.4†	68.0	85.3	.....	.....	.....	.....	.....	80.6
Female Only												
1st year (last 9 months)...	58.5%	62.5%	63.1%	57.8%	56.5%	55.6%	53.0%	50.9%	49.9%	47.2%	50.0	53.3%
2d year.....	109.7	99.8	77.4	114.6	121.6	88.5	77.1	83.2	88.5	61.1	.....	90.1
3d year.....	101.5	81.0†	133.7	101.5	82.8	63.8	54.8	53.1	62.7	.....	.....	72.2
4th year.....	95.6	38.6†	85.4†	86.5	41.5†	40.1	29.9†	41.8†	.....	.....	.....	49.9
5th year.....	33.5†	44.7†	29.7†	93.9†	49.4†	37.7†	38.3†	.....	.....	.....	.....	43.8
6th year.....	109.4†	46.1†	98.2†	8.2†	54.2†	28.9†	.....	.....	.....	.....	.....	61.7

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

† Involves fewer than ten terminations.

TABLE B-5
GROUP LONG-TERM DISABILITY INSURANCE
ILLUSTRATIVE VALUES OF A MONTHLY BENEFIT OF \$1 PAYABLE FOR
VARIOUS BENEFIT PERIODS, DISCOUNTED AT 3 PERCENT 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 B-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT	Based on Table B-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT
Benefit Payable for Maximum of 60 Months but Not beyond Age 65 with First Payment Due at End of Elimination Period						
25.5	\$14.97	\$ 5.43	276%	\$26.14	\$27.50	95%
35.5	19.42	5.95	326	30.60	29.72	103
45.5	24.45	7.82	313	34.46	32.18	107
55.5	32.24	12.25	263	38.02	35.19	108
62.5	19.41	9.67	201	16.11	15.77	102
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period						
25.5	\$28.70	\$ 9.41	305%	\$63.43	\$63.86	99%
35.5	40.64	11.09	366	78.05	73.54	106
45.5	49.10	14.23	345	81.15	73.57	110
55.5	47.73	17.24	277	61.42	55.60	110
62.5	19.41	9.67	201	16.11	15.77	102

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

TABLE B-6
 GROUP LONG-TERM DISABILITY INSURANCE
 ILLUSTRATIVE VALUES, UNDER PLANS WITH THREE-MONTH
 ELIMINATION PERIOD, OF A MONTHLY BENEFIT OF \$1,
 DISCOUNTED AT 3 PERCENT 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 B-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT	Based on Table B-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT
Male Only						
25.5.....	\$27.97	\$ 9.41	297%	\$66.89	\$63.86	105%
35.5.....	39.44	11.09	356	74.98	73.54	102
45.5.....	49.64	14.23	349	79.89	73.57	109
55.5.....	48.59	17.24	282	61.24	55.60	110
62.5.....	19.34	9.67	200	16.11	15.77	102
Female Only						
25.5.....	\$29.55	\$ 9.41	314%	\$59.49	\$63.86	93%
35.5.....	42.45	11.09	383	82.63	73.54	112
45.5.....	48.27	14.23	339	83.45	73.57	113
55.5.....	45.68	17.24	265	62.02	55.60	112
62.5.....	19.64	9.67	203	16.15	15.77	102

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

TABLE BB-1
 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 1973-77)

DURATION OF DISABILITY	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
4th month	128.5	109.1	118.0	90.3	55.5	40.7
5th month	137.1	121.9	128.8	94.3	59.2	44.1
6th month	117.8	110.7	113.9	82.8	52.6	37.4
7th month	114.8	94.2	103.4	64.7	44.3	30.0
8th month	104.4	74.1	87.6	54.1	35.5	27.1
9th month	85.4	57.1	69.3	48.9	30.9	21.8
10th month	68.0	47.1	56.0	41.1	26.3	18.2
11th month	62.9	48.5	54.5	34.3	21.4	15.0
12th month	70.2	44.2	54.8	32.3	18.2	13.2
1st year (last 9 months)	609.4	523.2	562.7	430.1	296.4	222.4
13th month	60.0	29.6	41.7	28.3	14.4	12.5
14th month	57.4	24.4	37.3	23.1	13.7	11.9
15th month	65.1	34.4	46.1	21.2	15.2	11.5
16th month	47.6†	34.3	39.3	19.8	14.7	8.0
17th month	32.5	25.0	27.7	17.7	13.2	8.3
18th month	34.3†	20.6†	25.6	16.7	12.2	7.9
19th month	27.9†	11.7*	17.5	14.0	11.3	4.8*
20th month	29.9†	8.1†	15.7	12.6	10.5	7.6
21st month	35.9†	16.5	23.1	12.1	9.7	11.1
22d month	31.9†	22.2	25.4	12.8	8.5	6.1*
23d month	25.1†	20.9†	22.2	11.5	8.7	4.0†
24th month	19.4*	23.2	22.0	9.9	8.4	4.1*
2d year	379.8	239.8	294.8	182.6	131.9	93.6
3d year	176.7	167.7	170.8	111.6	86.0	84.0
4th year	75.1†	68.8	70.8	77.1	51.8	65.6
5th year	75.6*	66.8	68.4	38.9	55.7	59.7†
6th year	21.7*	31.6*	29.1*	34.6	70.0	25.5*
Male Only						
1st year (last 9 months)	637.9	510.6	567.5	409.5	278.6	221.9
2d year	362.1	254.4	293.1	183.3	129.6	91.0
3d year	174.1	177.7	177.2	115.3	90.2	89.8
4th year	58.2*	80.8	74.6	91.1	57.3	63.4
5th year	119.9*	98.4†	103.1	44.0	57.1	52.5†
6th year	33.3*	56.7*	50.7*	34.8*	74.2	0.0*
Female Only						
1st year (last 9 months)	576.9	539.0	557.1	459.4	338.6	223.6
2d year	399.5	219.0	296.0	181.5	137.8	101.7
3d year	178.6	153.4	162.1	105.2	74.1	63.9
4th year	96.8*	50.8*	64.8†	51.9	35.9	71.7†
5th year	0.0*	18.1*	13.7*	28.3*	51.6	80.7*
6th year	0.0*	0.0*	0.0*	34.5*	58.0	108.0*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

TABLE BB-2
GROUP LONG-TERM DISABILITY INSURANCE
NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
(Three-Month Elimination Period; Calendar Years of Experience 1973-77)

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) . . .	842	849	1,691	1,373	1,836	592
2d year	142	144	286	280	491	139
3d year	29	57	86	121	232	76
4th year	7	14	21	58	99	27
5th year	4	10	14	18	76	9
6th year	1	3	4	12	55	1
Male Only						
1st year (last 9 months) . . .	467	459	926	772	1,214	446
2d year	67	89	156	170	351	102
3d year	17	35	52	79	178	64
4th year	3	10	13	44	81	19
5th year	4	9	13	14	59	6
6th year	1	3	4	8	43	0
Female Only						
1st year (last 9 months) . . .	375	390	765	601	622	146
2d year	75	55	130	110	140	37
3d year	12	22	34	42	54	12
4th year	4	4	8	14	18	8
5th year	0	1	1	4	17	3
6th year	0	0	0	4	12	1

TABLE BB-3
GROUP LONG-TERM DISABILITY INSURANCE
RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR
RECOVERY TO NUMBER OF TERMINATIONS EXPECTED FROM
1964 COMMISSIONERS DISABILITY TABLE*

(Three-Month Elimination Period; Calendar Years of Experience 1973-77)

DURATION OF DISABLEMENT	ALL AGES OF DIS- ABLEMENT COMBINED	AGE AT DISABLEMENT					
		Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined							
1st year (last 9 months).....	46.3%	68.6%	59.5%	63.7%	51.1%	39.5%	33.5%
2d year.....	80.3	122.2	86.8	102.0	77.9	75.4	68.1
3d year.....	68.4	76.5	85.2	82.3	67.8	64.2	69.7
4th year.....	53.5	43.3†	48.4	46.8	65.1	48.5	61.3
5th year.....	57.7	56.2†	62.7	60.0	43.1	61.7	60.3†
6th year.....	68.4	19.9†	37.1†	32.0†	46.2	86.3	27.3†
Male Only							
1st year (last 9 months).....	43.6%	71.8%	58.0%	64.2%	48.7%	37.1%	33.5%
2d year.....	78.3	116.5	92.1	101.8	78.2	74.1	66.2
3d year.....	71.2	75.4	90.3	85.4	70.1	67.3	74.5
4th year.....	58.6	33.5†	56.9	49.3	76.9	53.6	59.2
5th year.....	62.6	89.2†	92.3†	90.3	48.8	63.2	53.0†
6th year.....	73.6	30.6†	66.6†	55.4†	46.5†	91.5	0.0†
Female Only							
1st year (last 9 months).....	51.2%	65.0%	61.3%	63.0%	54.6%	45.1%	33.7%
2d year.....	84.4	128.5	79.3	102.1	77.5	78.9	74.0
3d year.....	62.0	77.4	78.0	78.0	63.9	55.3	53.0
4th year.....	41.3	55.8†	35.8†	42.7†	43.9	33.6	67.0†
5th year.....	45.5	0.0†	17.0†	12.0†	31.3†	57.2	81.5†
6th year.....	55.6	0.0†	0.0†	0.0†	46.2†	71.5	115.7†

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

† Involves fewer than ten terminations.

TABLE BB-4
 GROUP LONG-TERM DISABILITY INSURANCE
 ILLUSTRATIVE VALUES OF A MONTHLY BENEFIT OF \$1 PAYABLE FOR
 VARIOUS BENEFIT PERIODS, DISCOUNTED AT 3 PERCENT 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 BB-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT	Based on Table BB-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.....	\$15.64	\$ 5.43	288%	\$26.82	\$27.50	98%
35.5.....	20.96	5.95	352	32.44	29.72	109
45.5.....	26.32	7.82	337	35.72	32.18	111
55.5.....	33.85	12.25	276	38.69	35.19	110
62.5.....	20.06	9.67	207	16.31	15.77	103
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period						
25.5.....	\$30.62	\$ 9.41	325%	\$66.02	\$63.86	103%
35.5.....	45.10	11.09	407	84.19	73.54	114
45.5.....	53.73	14.23	378	84.90	73.57	115
55.5.....	50.39	17.24	292	62.72	55.60	113
62.5.....	20.06	9.67	207	16.31	15.77	103

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

TABLE BB-5
 GROUP LONG-TERM DISABILITY INSURANCE
 ILLUSTRATIVE VALUES, UNDER PLANS WITH THREE-MONTH
 ELIMINATION PERIOD, OF A MONTHLY BENEFIT OF \$1,
 DISCOUNTED AT 3 PERCENT 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 BB-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT	Based on Table BB-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT
Male Only						
25.5	\$29.51	\$ 9.41	314%	\$68.83	\$63.86	108%
35.5	44.74	11.09	403	81.20	73.54	110
45.5	54.84	14.23	385	83.62	73.57	114
55.5	51.39	17.24	298	62.45	55.60	112
62.5	20.10	9.67	208	16.33	15.77	104
Female Only						
25.5	\$31.72	\$ 9.41	337%	\$62.89	\$63.86	98%
35.5	45.80	11.09	413	88.72	73.54	121
45.5	52.35	14.23	368	87.20	73.57	119
55.5	48.11	17.24	279	63.54	55.60	114
62.5	19.95	9.67	206	16.24	15.77	103

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

corresponding tables on plans with a six-month elimination period (that is, the A series) with two exceptions. The experience shown has been truncated at six years instead of the eight years that was used for plans with a six-month elimination period. Also, the crude termination rates from Table B-1 are used for four years (instead of six years as for plans with a six-month elimination period), with the 1964 CDT termination rates used thereafter, in calculating one of the two sets of illustrative values shown in Tables B-5 and B-6. The number of claims exposed to termination was 25,144, of which 4,116 and 3,695 emanated from the 1973-77 and 1962-72 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.

As on plans with a six-month elimination period, the low first-year ratios shown for plans with a three-month elimination period in Table B-2 would seem to be due to the shorter elimination periods of the

TABLE BBB
 GROUP LONG-TERM DISABILITY INSURANCE
 ILLUSTRATIVE VALUES OF A MONTHLY BENEFIT OF \$1
 PAYABLE TO AGE 65, DISCOUNTED AT 3 PERCENT INTEREST
 (Three-Month Elimination Period; Males and Females Combined)

BASIS OF ANNUITY VALUES	AGE AT DISABLEMENT				
	25.5	35.5	45.5	55.5	62.5
Annuity Value as of End of Elimination Period					
1964 CDT	\$9.41	\$11.09	\$14.23	\$17.24	\$ 9.67
1962-67*	\$20.18	\$19.15	\$32.95	\$38.46	\$17.48
Ratio to 1964 CDT	214%	173%	232%	223%	181%
1968-72*	\$23.97	\$33.64	\$41.05	\$42.18	\$18.36
Ratio to 1964 CDT	255%	303%	288%	245%	190%
1973-77*	\$30.62	\$45.10	\$53.73	\$50.39	\$20.06
Ratio to 1964 CDT	325%	407%	377%	292%	207%
1962-77*	\$28.70	\$40.64	\$49.10	\$47.73	\$19.41
Ratio to 1964 CDT	305%	366%	345%	277%	201%
Annuity Value as of End of Twelfth Month of Disablement					
1964 CDT	\$63.86	\$73.54	\$73.57	\$55.60	\$15.77
1962-67*	\$54.50	\$38.05	\$58.96	\$56.84	\$15.32
Ratio to 1964 CDT	85%	52%	80%	102%	97%
1968-72*	\$54.82	\$65.93	\$72.32	\$57.05	\$15.71
Ratio to 1964 CDT	86%	90%	98%	103%	100%
1973-77*	\$66.02	\$84.19	\$84.90	\$62.72	\$16.31
Ratio to 1964 CDT	103%	114%	115%	113%	103%
1962-77*	\$63.43	\$78.05	\$81.15	\$61.42	\$16.11
Ratio to 1964 CDT	99%	106%	110%	110%	102%

* Annuity values are based on the crude, ungraduated, combined male and female termination rates for the respective restricted observation periods for the first four years and on the 1964 Commissioners Disability Table rates thereafter.

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

(Twelve-Month Elimination Period; Calendar Years of Experience 1962-77)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
13th month	13.8*	21.5†	18.8	14.7	11.6	15.4
14th month	19.2*	34.3†	29.2	17.2	13.5	15.2†
15th month	24.9*	31.1†	29.0†	13.3†	11.7	12.7†
16th month	21.2*	13.5*	16.2*	12.3†	9.7	11.6†
17th month	28.1*	11.8*	17.4†	16.0	10.8	10.3†
18th month	48.1†	27.1†	34.1	17.5	10.6	7.1*
19th month	37.6*	25.1*	29.3*	15.5†	9.9	4.6*
20th month	13.9*	19.8*	17.9*	14.3†	6.4†	3.9*
21st month	7.1*	20.6*	16.3*	15.8†	6.3	6.1*
22d month	7.6*	17.7*	14.5*	20.1	8.1	10.5†
23d month	7.6*	18.8*	15.1*	16.7†	11.6	12.1†
24th month	8.2*	20.0*	16.1*	9.3*	12.7	13.1†
2d year	213.9	232.2	226.5	168.2	115.3	116.1
3d year	181.1†	127.1	146.7	134.4	88.7	85.1
4th year	218.0†	87.9†	126.1	95.3	84.0	55.5†
5th year	81.6*	66.5*	71.1*	40.7†	69.8	5.1*
6th year	269.0*	31.0*	75.8*	47.3†	72.8	41.7*
Male Only						
2d year	214.8	253.7	240.7	165.2	117.0	121.7
3d year	168.0†	118.0†	135.4	121.2	86.0	88.5
4th year	255.2†	89.7*	142.7	102.8	95.5	47.7†
5th year	108.0*	88.4*	94.4*	30.7†	72.9	5.7*
6th year	389.6*	43.0*	105.5*	46.1†	78.0	45.5*
Female Only						
2d year	217.5†	138.5†	168.7	178.8	106.2	76.2†
3d year	230.9*	155.6*	187.9†	188.6	102.1	59.1*
4th year	0.0*	84.1*	68.7*	61.2*	25.1*	113.9*
5th year	0.0*	0.0*	0.0*	90.0*	53.7†	0.0*
6th year	0.0*	0.0*	0.0*	51.9*	43.6*	0.0*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

individual health insurance experience underlying the first-year termination rates of the 1964 CDT.

For plans with a twelve-month elimination period, the experience of terminations is analyzed in the C series of tables. These tables are similar in format to the corresponding tables of the B series. The number of claims exposed to termination was 4,265, of which 914 and 476 originated from the 1973-77 and 1962-72 portions, respectively, of the active lives experience, and the balance from experience units that were not included in the study of rates of disablement.

TABLE C-2
GROUP LONG-TERM DISABILITY INSURANCE
NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
(Twelve-Month Elimination Period; Calendar Years of Experience 1962-77)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
	Male and Female Combined					
2d year	21	45	66	111	210	72
3d year	9	13	22	55	101	25
4th year	6	5	11	27	68	9
5th year	1	3	4	8	42	0
6th year	2	1	3	7	29	1
	Male Only					
2d year	16	40	56	86	176	66
3d year	7	9	16	40	83	23
4th year	6	4	10	24	65	7
5th year	1	3	4	5	37	0
6th year	2	1	3	6	26	1
	Female Only					
2d year	5	5	10	25	34	6
3d year	2	4	6	15	18	2
4th year	0	1	1	3	3	2
5th year	0	0	0	3	5	0
6th year	0	0	0	1	3	0

TABLE C-3
 GROUP LONG-TERM DISABILITY INSURANCE
 RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR
 RECOVERY TO NUMBER OF TERMINATIONS EXPECTED FROM
 1964 COMMISSIONERS DISABILITY TABLE*

(Twelve-Month Elimination Period; Calendar Years of Experience 1962-77)

DURATION OF DISABLEMENT	ALL AGES OF DIS- ABLEMENT COMBINED	AGE AT DISABLEMENT					
		Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined							
2d year.....	71.4%	68.8%	84.1%	78.7%	71.8%	66.0%	84.4%
3d year.....	71.0	78.5†	64.6	70.7	81.7	66.3	70.6
4th year.....	76.8	125.6†	61.9†	83.7	80.5	78.6	51.8†
5th year.....	64.7	60.7†	62.4†	62.8†	45.1†	77.3	5.1†
6th year.....	82.2	246.8†	36.4†	84.8†	63.2†	89.7	44.6†
Male Only							
2d year.....	72.9%	69.1%	91.9%	83.7%	70.5%	67.0%	88.5%
3d year.....	67.8	72.8†	60.0†	65.1	73.6	64.2	73.4
4th year.....	84.3	147.0†	63.1†	94.2	86.8	89.3	44.6†
5th year.....	65.7	80.3†	83.0†	83.3†	34.0†	80.7	5.7†
6th year.....	88.2	357.5†	50.5†	118.0†	61.7†	96.2	48.7†
Female Only							
2d year.....	64.4%	70.0%†	50.2%†	58.4%	76.3%	60.8%	55.4%†
3d year.....	86.6	100.1†	79.1†	91.7†	114.6	76.2	49.0†
4th year.....	38.7†	0.0†	59.2†	46.4†	51.7†	23.5†	106.5†
5th year.....	59.4†	0.0†	0.0†	0.0†	99.8†	59.5†	0.0†
6th year.....	50.2†	0.0†	0.0†	0.0†	69.4†	53.8†	0.0†

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

† Involves fewer than ten terminations.

TABLE C-4—GROUP LONG-TERM DISABILITY INSURANCE RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR RECOVERY TO NUMBER OF TERMINATIONS EXPECTED FROM 1964 COMMISSIONERS DISABILITY TABLE*
(Twelve-Month Elimination Period; Calendar Years of Experience 1962-77)

ALL AGES OF DISABLEMENT COMBINED

DURATION OF DISABLEMENT	YEAR OF DISABLEMENT											All Years
	1967 and Prior	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	
Male and Female Combined												
2d year.....	72.3%	67.5%	60.9%	109.9%	93.7%	80.1%	48.3%	74.5%	59.6%	53.8%		71.4%
3d year.....	87.0	54.8	119.8	104.5	46.1	64.6	44.0	64.0	60.4			71.0
4th year.....	61.3	103.9	84.3	82.9	59.4	69.4	89.7	76.3†				76.8
5th year.....	81.3	76.0†	80.2	61.5†	45.7†	46.4†	59.1†					64.7
6th year.....	108.6	123.2†	61.9†	43.1†	62.1†	122.7†						82.2
Male Only												
2d year.....	72.0%	65.4%	50.8%	116.2%	96.3%	83.9%	52.5%	81.2%	59.1%	54.7%		72.9%
3d year.....	92.7	44.3†	100.6	110.9	51.6	57.9	44.4	59.4	50.9			67.8
4th year.....	65.9	98.4	97.8	83.3	71.3	79.1	101.0	62.5†				84.3
5th year.....	79.9	73.2†	96.0	73.1†	27.2†	48.2†	68.0†					65.7
6th year.....	113.4	138.9†	62.4†	34.3†	71.6†	139.1†						88.2
Female Only												
2d year.....	74.4%†	77.9%†	97.8%	75.0%†	80.8%†	59.9%†	26.9%†	45.2%†	61.4%	49.5%†		64.4%
3d year.....	62.9†	113.4†	201.6	70.3†	17.2†	95.4†	41.8†	83.7†	128.4†			86.6
4th year.....	41.5†	135.7†	14.9†	80.3†	0.0†	23.4†	25.7†	107.9†				38.7†
5th year.....	85.7†	96.5†	0.0†	0.0†	141.2†	37.7†	0.0†					59.4†
6th year.....	88.9†	0.0†	60.3†	76.2†	0.0†	0.0†						50.2†

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

† Involves fewer than ten terminations.

TABLE C-5
GROUP LONG-TERM DISABILITY INSURANCE
ILLUSTRATIVE VALUES OF A MONTHLY BENEFIT OF \$1
PAYABLE FOR VARIOUS BENEFIT PERIODS,
DISCOUNTED AT 3 PERCENT INTEREST
(Twelve-Month Elimination Period;
Males and Females Combined)

AGE AT DISABLEMENT	VALUE AS OF END OF ELIMINATION PERIOD		
	Based on Table C-1 Rates of Termination	Based on 1964 CDT	Ratio to 1964 CDT
Benefit Payable for Maximum of 60 Months but Not beyond Age 65 with First Payment Due at End of Elimination Period			
25.5	\$34.39	\$30.28	114%
35.5	37.48	33.03	113
45.5	40.10	36.02	111
55.5	43.84	39.53	111
62.5	16.08	15.77	102
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period			
25.5	\$73.00	\$63.86	114%
35.5	87.12	73.54	118
45.5	83.47	73.57	113
55.5	62.42	55.60	112
62.5	16.08	15.77	102

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

TABLE C-6
 GROUP LONG-TERM DISABILITY INSURANCE
 ILLUSTRATIVE VALUES, UNDER PLANS WITH
 TWELVE-MONTH ELIMINATION PERIOD, OF A MONTHLY
 BENEFIT OF \$1, DISCOUNTED AT 3 PERCENT INTEREST,
 PAYABLE TO AGE 65, WITH FIRST PAYMENT DUE
 AT END OF ELIMINATION PERIOD

AGE AT DISABLEMENT	VALUE AS OF END OF ELIMINATION PERIOD		
	Based on Table C-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT
Male Only			
25.5.....	\$71.34	\$63.86	112%
35.5.....	85.42	73.54	116
45.5.....	84.29	73.57	115
55.5.....	61.99	55.60	111
62.5.....	15.99	15.77	101
Female Only			
25.5.....	\$82.58	\$63.86	129%
35.5.....	94.84	73.54	129
45.5.....	80.34	73.57	109
55.5.....	64.66	55.60	116
62.5.....	16.66	15.77	106

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

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

(Twelve-Month Elimination Period; Calendar Years of Experience 1973-77)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
13th month.....	11.8*	20.8†	17.4†	15.6	8.2	17.3
14th month.....	18.5*	32.1†	27.1†	12.2*	9.2	19.5†
15th month.....	31.7*	26.1*	28.2*	7.5*	9.1†	14.6*
16th month.....	27.2*	7.9*	15.2*	11.5†	9.4	9.1*
17th month.....	36.1*	8.7*	18.9†	19.6†	9.2†	7.8*
18th month.....	53.8*	26.9*	36.8†	20.2†	9.0	7.9*
19th month.....	40.2*	27.7*	32.3*	15.3†	8.2†	6.5*
20th month.....	8.5*	24.2*	18.7*	18.8†	5.5†	3.4*
21st month.....	0.0*	30.3*	19.7*	20.6†	6.7†	5.3*
22d month.....	9.6*	21.0*	17.0*	16.7†	8.3†	10.9*
23d month.....	9.6*	17.1*	14.3*	12.5*	10.8	9.3*
24th month.....	10.4*	18.1*	15.3*	8.0*	10.6†	6.3*
2d year.....	230.3	232.2	232.1	164.6	99.5	111.8
3d year.....	154.6†	126.2†	139.5	89.5	75.7	76.6
4th year.....	212.9†	68.8*	115.3†	85.9	81.6	56.2†
5th year.....	0.0*	54.2*	41.0*	38.5†	67.7	7.4*
6th year.....	190.0*	0.0*	33.1*	51.5†	69.0	45.5*
Male Only						
2d year.....	262.5	236.1	245.9	163.0	103.2	123.3
3d year.....	149.6†	136.8†	142.9	86.6	71.4	78.2
4th year.....	256.9†	62.9*	128.3†	94.0	93.0	60.9†
5th year.....	0.0*	74.0*	55.7*	31.0*	71.1	8.1*
6th year.....	305.6*	0.0*	49.4*	49.9†	76.8	45.5*
Female Only						
2d year.....	112.3*	210.6†	174.7†	170.8	81.0	0.0*
3d year.....	165.0*	75.4*	123.2*	102.0†	95.6	58.0*
4th year.....	0.0*	88.8*	65.6*	51.0*	21.2*	0.0*
5th year.....	0.0*	0.0*	0.0*	74.8*	47.7*	0.0*
6th year.....	0.0*	0.0*	0.0*	58.0*	17.8*	0.0*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

TABLE CC-2
 GROUP LONG-TERM DISABILITY INSURANCE
 NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
 (Twelve-Month Elimination Period; Calendar Years of Experience 1973-77)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
	Male and Female Combined					
2d year	18	30	48	66	113	39
3d year	6	9	15	24	56	13
4th year	5	3	8	17	47	6
5th year	0	2	2	6	30	0
6th year	1	0	1	7	21	1
	Male Only					
2d year	16	25	41	51	96	39
3d year	5	8	13	19	45	12
4th year	5	2	7	15	45	6
5th year	0	2	2	4	27	0
6th year	1	0	1	6	20	1
	Female Only					
2d year	2	5	7	15	17	0
3d year	1	1	2	5	11	1
4th year	0	1	1	2	2	0
5th year	0	0	0	2	3	0
6th year	0	0	0	1	1	0

TABLE CC-3
 GROUP LONG-TERM DISABILITY INSURANCE
 RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR
 RECOVERY TO NUMBER OF TERMINATIONS EXPECTED FROM
 1964 COMMISSIONERS DISABILITY TABLE*
 (Twelve-Month Elimination Period; Calendar Years of Experience 1973-77)

DURATION OF DISABLEMENT	ALL AGES OF DIS- ABLEMENT COMBINED	AGE AT DISABLEMENT					
		Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined							
2d year	66.5%	74.1%	84.1%	80.3%	70.3%	56.9%	81.3%
3d year	58.1	67.0†	64.1†	67.1	54.4	56.5	63.6
4th year	73.7	122.7†	48.4†	76.1†	72.6	76.3	52.5†
5th year	60.6	0.0†	50.8†	36.0†	42.6†	75.0	7.4†
6th year	76.7	174.3†	0.0†	36.8†	68.9†	85.1	48.7†
Male Only							
2d year	69.3%	84.4%	85.5%	85.1%	69.6%	59.0%	89.6%
3d year	56.4	64.8†	69.5†	68.6	52.6	53.3	64.9
4th year	82.5	148.0†	44.3†	84.3†	79.4	87.0	56.9†
5th year	62.1	0.0†	69.4†	49.0†	34.4†	78.8	8.1†
6th year	84.1	280.3†	0.0†	54.9†	66.7†	94.7	48.7†
Female Only							
2d year	53.3%	36.1%†	76.3%†	60.3%†	72.9%	46.3%	0.0%†
3d year	66.8	71.5†	38.3†	59.5†	61.9†	71.4	48.1†
4th year	28.3†	0.0†	62.5†	43.7†	43.1†	19.9†	0.0†
5th year	52.0†	0.0†	0.0†	0.0†	83.0†	52.8†	0.0†
6th year	33.1†	0.0†	0.0†	0.0†	77.5†	21.9†	0.0†

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

† Involves fewer than ten terminations.

TABLE CC-4
 GROUP LONG-TERM DISABILITY INSURANCE
 ILLUSTRATIVE VALUES OF A MONTHLY BENEFIT OF \$1
 PAYABLE FOR VARIOUS BENEFIT PERIODS,
 DISCOUNTED AT 3 PERCENT INTEREST
 (Twelve-Month Elimination Period;
 Males and Females Combined)

AGE AT DISABLEMENT	VALUE AS OF END OF ELIMINATION PERIOD		
	Based on Table CC-1 Rates of Termination	Based on 1964 CDT	Ratio to 1964 CDT
	Benefit Payable for Maximum of 60 Months but Not beyond Age 65 with First Payment Due at End of Elimination Period		
25.5.....	\$34.45	\$30.28	114%
35.5.....	37.90	33.03	115
45.5.....	41.71	36.02	116
55.5.....	45.01	39.53	114
62.5.....	16.06	15.77	102
	Benefit Payable to Age 65 with First Payment Due at End of Elimination Period		
25.5.....	\$73.73	\$63.86	115%
35.5.....	88.65	73.54	121
45.5.....	87.99	73.57	120
55.5.....	64.25	55.60	116
62.5.....	16.06	15.77	102

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

TABLE CC-5
GROUP LONG-TERM DISABILITY INSURANCE
ILLUSTRATIVE VALUES, UNDER PLANS WITH
TWELVE-MONTH ELIMINATION PERIOD, OF A MONTHLY
BENEFIT OF \$1, DISCOUNTED AT 3 PERCENT INTEREST,
PAYABLE TO AGE 65, WITH FIRST PAYMENT DUE
AT END OF ELIMINATION PERIOD

AGE AT DISABLEMENT	VALUE AS OF END OF ELIMINATION PERIOD		
	Based on Table CC-1 Rates of Termination*	Based on 1964 CDT	Ratio to 1964 CDT
Male Only			
25.5	\$68.37	\$63.86	107%
35.5	87.72	73.54	119
45.5	87.81	73.57	119
55.5	63.76	55.60	115
62.5	15.92	15.77	101
Female Only			
25.5	\$99.57	\$63.86	156%
35.5	93.95	73.54	128
45.5	88.86	73.57	121
55.5	66.90	55.60	120
62.5	17.53	15.77	111

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

TABLE CCC
 GROUP LONG-TERM DISABILITY INSURANCE
 ILLUSTRATIVE VALUES OF A MONTHLY BENEFIT OF \$1
 PAYABLE TO AGE 65, DISCOUNTED AT 3 PERCENT INTEREST
 (Twelve-Month Elimination Period; Males and Females Combined)

BASIS OF ANNUITY VALUES	AGE AT DISABLEMENT				
	25.5	35.5	45.5	55.5	62.5
	Annuity Value as of End of Elimination Period				
1964 CDT.....	\$63.86	\$73.54	\$73.57	\$55.60	\$15.77
1962-67*.....	\$91.98	\$65.25	\$47.21	\$65.06	\$16.15
Ratio to 1964 CDT.....	144%	89%	64%	117%	102%
1968-72*.....	\$66.22	\$86.74	\$76.08	\$58.93	\$16.07
Ratio to 1964 CDT.....	104%	118%	104%	106%	102%
1973-77*.....	\$73.73	\$88.65	\$87.99	\$64.25	\$16.06
Ratio to 1964 CDT.....	115%	121%	120%	116%	102%
1962-77*.....	\$71.34	\$85.42	\$84.29	\$61.99	\$15.99
Ratio to 1964 CDT.....	112%	116%	115%	111%	101%

* Annuity values are based on the crude, ungraduated, combined male and female termination rates for the respective restricted observation periods for the first four years and on the 1964 Commissioners Disability Table rates thereafter.

CONCLUSION

The overall termination rates shown in this report, which include one additional year of experience, are slightly lower (varies by elimination period, 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 the annuity values shown in Tables A-5, B-5, and C-5 of last year's and this year's report. The variation from one report to the next underscores the need to exercise caution and judgment when using the disabled life annuity values shown in this year's report for actuarial purposes such as reserving.

