

**TRANSACTIONS OF SOCIETY OF ACTUARIES  
1983 REPORTS**

**GROUP WEEKLY INDEMNITY INSURANCE**

This is the thirty-sixth annual and final report of the morbidity experience under contracts providing for Group Weekly Indemnity insurance. In compiling this report, the Committee has included the available experience of employer/employee groups and has excluded the experience of trusteeships and association cases insuring employees of the member employers and the experience of union cases, whether or not insurance depends upon continued employment. The experience of plans written under State Cash Sickness Laws and the experience of insured groups outside the United States also have been excluded.

**RATIO OF ACTUAL TO TABULAR CLAIMS**

Experience in this report is presented in the form of ratios of actual to tabular claims. The tabular claims used in this report are those derived from 100 percent of the 1947–49 Weekly Indemnity Nonmaternity and Maternity Tabulars. Similar to last year's report, this report includes only experience for plans with full maternity benefits.

Caution must be used in interpreting the data contained in this report because, among other reasons, the 1947–49 tabulars may not reflect accurately the current claim patterns. The tabulars also do not reflect certain factors, such as age distribution, industry classification, or size of case, that may have a relevant effect on the experience results.

**CONTRIBUTING COMPANIES**

The Committee wishes to express its gratitude to the companies that generously contributed data to this study. The report contains experience for the years 1978, 1979, 1980, 1981, and 1982. Six companies contributed data for some or all of these years. The results generally reflect the composite effect of variations in company practice in administration and claim procedure, as well as variations in experience among groups. However, after careful consideration, the Committee has decided to terminate this study due to the decreasing amount of data available for analysis.

The majority of companies contribute exposures and claims based upon policy years ending in the calendar year designated. If the renewal dates for

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all cases included in the study were distributed uniformly over the year, then the central point of exposure for each policy year would be approximately January 1 of that year. However, this assumption may not be very precise because of a concentration of policy renewals in January and July.

The following companies contributed experience for the study:

- Aetna Life Insurance Company
- Connecticut General Life Insurance Company
- The Hartford Insurance Group
- Metropolitan Life Insurance Company
- Occidental Life Insurance Company of California
- Prudential Insurance Company of America

ANALYSIS OF EXPERIENCE

Federal maternity legislation effective on April 29, 1979, imposed on all groups with fifteen or more lives the requirement that, in any benefit program, pregnancy-related disabilities must be treated the same as disabilities

TABLE I  
 GROUP WEEKLY INDEMNITY EXPERIENCE  
 WITH FULL MATERNITY BENEFIT  
 ALL SIZE GROUPS  
 COMBINED 1980-82 POLICY YEARS' EXPERIENCE, BY PLAN

TABULAR CLAIMS = 1947-49 WEEKLY INDEMNITY TABULARS

Plan	No. Experience Units	Weekly Indemnity Exposed* (000)	Actual Claims Including Maternity (000)	Rate of Actual to 1947-49 Weekly Indemnity Tabular
1-4-13 .....	155	2,539	2,000	0.84
4-4-13 .....	32	461	730	1.89
1-8-13 .....	1,338	22,344	16,237	0.97
8-8-13 .....	234	9,213	3,987	0.68
Total, 13-week plans .....	1,759	34,558	22,955	0.90
1-4-26 .....	572	24,899	27,107	1.18
4-4-26 .....	36	1,468	1,344	0.99
1-8-26 .....	3,123	66,064	59,365	1.06
8-8-26 .....	531	20,854	16,179	0.86
Total, 26-week plans .....	4,262	113,285	103,996	1.05
Total, all plans .....	6,021	147,843	126,951	1.02

\* Weekly Indemnity Exposed is reported in units of \$10 of weekly indemnity in force.

TABLE 2  
 GROUP WEEKLY INDEMNITY EXPERIENCE  
 GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED  
 1980-82 POLICY YEARS' EXPERIENCE, BY PLAN

TABULAR CLAIMS = 1947-49 WEEKLY INDEMNITY TABULARS

PLAN	NONMATERNITY AND MATERNITY COMBINED EXPERIENCE*				NONMATERNITY AND MATERNITY SEPARATE EXPERIENCE*						
	No. Experience Units	Weekly Indemnity Exposed (000)	Actual Claims (000)	Ratio of Actual to 1947-49 Weekly Indemnity Tabular	No. Experience Units	Weekly Indemnity Exposed (000)	Actual Claims		Ratio of Actual to 1947-49 Weekly Indemnity Tabular		
							Non-maternity (000)	Maternity (000)	Non-maternity	Maternity	Combined
Plans with Full Maternity Benefit											
13-week:											
4th-day sickness . . . . .	180	1,882	1,637	1.13	116	1,355	1,090	153	1.19	1.26	1.20
8th-day sickness . . . . .	1,528	16,859	12,162	1.03	733	8,667	5,791	764	1.14	0.88	1.10
Total . . . . .	1,708	18,741	13,799	1.04	849	10,022	6,881	918	1.15	0.92	1.12
26-week:											
4th-day sickness . . . . .	572	12,047	14,600	1.32	313	7,208	8,317	597	1.41	1.07	1.38
8th-day sickness . . . . .	3,538	51,578	43,241	1.03	1,596	24,666	19,358	1,948	1.10	1.00	1.09
Total . . . . .	4,110	63,625	57,840	1.09	1,909	31,874	27,674	2,545	1.18	1.01	1.16
Plans with No Maternity Benefit											
13-week											
4th-day sickness . . . . .	.....	.....	.....	.....	13	236	124	.....	0.81	.....	.....
8th-day sickness . . . . .	.....	.....	.....	.....	183	1,907	1,063	.....	0.96	.....	.....
Total . . . . .	.....	.....	.....	.....	196	2,143	1,187	.....	0.94	.....	.....
26-week											
4th-day sickness . . . . .	.....	.....	.....	.....	29	450	319	.....	0.89	.....	.....
8th-day sickness . . . . .	.....	.....	.....	.....	397	4,875	2,998	.....	0.85	.....	.....
Total . . . . .	.....	.....	.....	.....	426	5,324	3,317	.....	0.85	.....	.....

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

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caused or contributed to by any other medical conditions. This report reflects the impact of this legislation and contains experience for three years for plans with full pregnancy disability benefits.

Table 1 shows the experience for the period 1980–82 for each of eight plans (four different elimination periods; two different maximum benefit periods), all of which provide a full maternity benefit. All size groups are included.

Experience of nonjumbo groups only (units with less than 1,000 insured employees) is displayed in Table 2 for each of four plan combinations for plans with full maternity benefits. For those nonjumbo units for which the data were available, Table 2 separates the combined experience into its nonmaternity and maternity segments. Also included in Table 2 for each of the four plan combinations is the nonjumbo experience for the period 1980–82 of plans that do not provide a maternity benefit.

Table 3 is a three-year trend analysis of the Table 2 experience for each year 1980–82 inclusive. Care should be exercised in analyzing the year-by-year experience because the 1982 experience reflects only four companies' contributions resulting in a significant decrease in the number of experience units. Also, the 1981 and 1982 contributions contain very little experience in the nonmaternity and maternity separate category and in the no-maternity category.

Table 4 is our analysis of experience by size of experience unit. Results are shown separately for plans with and without maternity benefits. Experience of plans with full maternity benefits only is shown.

Table 5 analyzes the nonjumbo experience of plans with no maternity benefits by the female percentage composition of the experience units. The tabular claim costs used to calculate ratios are shown in Table 6. They are based on 100 percent of the 1947–49 Weekly Indemnity Tabulars.

The actual-to-tabular ratios shown in Table 1 indicate improvement in the results under both thirteen-week and twenty-six-week plans. All plans combined had a ratio of 102 percent compared with 108 percent last year. The actual-to-tabular ratio for twenty-six-week plans continues to be higher than that for thirteen-week plans. Fourth-day accident, fourth-day sickness, thirteen-week plans again show the highest ratios among all plans. Although there is a large improvement of the actual-to-tabular ratio for fourth-day accident, fourth-day sickness, twenty-six-week plans, the experience of this fluctuates significantly from period to period as the exposure for this plan is very small. Relative to last year, the exposure for all plans combined decreased by about 17 percent.

TABLE 3  
 GROUP WEEKLY INDEMNITY EXPERIENCE  
 GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED  
 1980-82 POLICY YEARS' EXPERIENCE, BY PLAN

TABULAR CLAIMS = 1947-49 WEEKLY INDEMNITY TABULARS

PLAN	RATIOS OF ACTUAL TO 1947-49 TABULAR FOR POLICY YEAR ENDING IN:		
	1980	1981	1982
<b>Plans with Full Maternity Benefit</b>			
Nonmaternity and maternity combined experience:			
13-week:			
4th-day sickness . . . . .	1.25	0.96	1.05
8th-day sickness . . . . .	1.14	0.95	0.89
Total . . . . .	1.16	0.95	0.91
26-week:			
4th-day sickness . . . . .	1.39	1.31	1.01
8th-day sickness . . . . .	1.12	0.99	0.88
Total . . . . .	1.18	1.05	0.90
Nonmaternity and maternity separate experience*:			
Nonmaternity:			
13-week:			
4th-day sickness . . . . .	1.31	0.69	0.94
8th-day sickness . . . . .	1.23	0.95	0.92
Total . . . . .	1.24	0.92	0.92
26-week:			
4th-day sickness . . . . .	1.47	1.12	1.15
8th-day sickness . . . . .	1.23	0.80	0.85
Total . . . . .	1.30	0.84	0.90
Maternity (all plans) . . . . .	1.00	0.87	1.07
Combined:			
13-week:			
4th-day sickness . . . . .	1.29	0.87	1.02
8th-day sickness . . . . .	1.18	0.94	0.91
Total . . . . .	1.20	0.93	0.93
26 week:			
4th-day sickness . . . . .	1.43	1.16	1.18
8th-day sickness . . . . .	1.22	0.79	0.88
Total . . . . .	1.28	0.84	0.92
<b>Plans with No Maternity Benefit</b>			
13-week:			
4th-day sickness . . . . .	0.80	0.80	1.15
8th-day sickness . . . . .	1.06	0.77	0.37
Total . . . . .	1.04	0.77	0.44
26-week:			
4th-day sickness . . . . .	1.13	0.35	0.44
8th-day sickness . . . . .	0.92	0.75	0.46
Total . . . . .	0.94	0.73	0.45

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

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TABLE 4  
 GROUP WEEKLY INDEMNITY EXPERIENCE  
 ALL SIZE GROUPS  
 COMBINED 1980-82 POLICY YEARS' EXPERIENCE, BY SIZE OF EXPERIENCE UNIT

TABULAR CLAIMS = 1947-49 WEEKLY INDEMNITY TABULARS

Size	No. Experience Units	Weekly Indemnity Exposed (000)	Actual Claims Including Maternity (000)	Ratio of Actual to 1947-49 Weekly Indemnity Tabular
Plans with Full Maternity Benefit				
< 50 lives	1,747	5,069	3,167	0.79
50-99	1,468	10,061	7,297	0.92
100-249	1,656	25,728	20,755	1.00
250-499	645	22,226	20,026	1.11
500-999	302	19,281	20,395	1.23
Total < 1,000	5,818	82,365	71,640	1.07
1,000 or more	203	65,478	55,311	0.97
Grand total	6,021	147,843	126,951	1.02
Plans with No Maternity Benefit				
< 50 lives	261	732	310	0.62
50-99	124	850	480	0.85
100-249	138	1,960	1,163	0.87
250-499	70	2,185	1,410	0.94
500-999	29	1,741	1,141	0.91
Total < 1,000	622	7,467	4,504	0.87
1,000 or more	13	1,724	1,586	1.29
Grand total	635	9,191	6,090	0.95

Table 2 shows that the exposure for plans with nonmaternity benefits continue to decrease significantly from the last report. The actual-to-tabular ratios for plans with nonmaternity benefits generally show improvement with the exception of fourth-day sickness, twenty-six-week plans. Thirteen-week plans continued to have worse results than twenty-six-week plans. As the exposure for plans with nonmaternity benefits gets relatively small, less credibility should be assigned to the results of these plans. For plans with maternity and nonmaternity separate experience, the nonmaternity experience shows improvement while the maternity results deteriorate from last year's experience in all four categories. The ratios remain high for fourth-day sickness, twenty-six-week plans due to poor nonmaternity experience. There is the same relationship of higher ratios for twenty-six-week plans

TABLE 5  
 GROUP WEEKLY INDEMNITY EXPERIENCE  
 GROUPS WITH LESS THAN 1,000 EMPLOYEES EXPOSED  
 1980-82 POLICY YEARS' EXPERIENCE, BY FEMALE PERCENT  
 PLANS WITH NO MATERNITY BENEFIT, ALL BENEFIT PERIODS COMBINED

NONMATERNITY TABULAR CLAIMS = 1947-49  
 WEEKLY INDEMNITY NONMATERNITY TABULARS

Female Percent	No. Experience Units	Weekly Indemnity Exposed (000)	Actual Claims (000)	Ratio of Actual of 1947-49 Weekly Indemnity Tabular
Less than 11%	248	2,627	1,627	0.98
11-21%	108	1,252	642	0.81
21-31%	75	974	503	0.76
31-41%	42	501	256	0.69
41-51%	43	491	269	0.77
51-61%	43	653	390	0.74
61-71%	22	399	353	1.13
71-81%	21	316	249	0.93
81-91%	10	193	168	1.16
91-100%	10	61	48	0.94
Total	622	7,468	4,504	0.87

TABLE 6  
 TABULAR CLAIM COSTS USED TO CALCULATE RATIOS

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

Plan	Male	Female (with Maternity Benefit)	Female (with No Maternity Benefit)
1-4-13	\$5.77	\$13.09	\$ 9.67
4-4-13	5.69	12.91	9.49
1-8-13	4.99	11.40	7.98
8-8-13	4.81	11.01	7.59
1-4-26	7.32	14.56	11.14
4-4-26	7.23	14.37	10.95
1-8-26	6.50	12.81	9.39
8-8-26	6.31	12.41	8.99

\*A description of the development of the tabular factors from Morton D. Miller's paper "Group Weekly Indemnity Continuation Table Study," TSA, Vol. III, can be found in the 1962 Reports.

than for thirteen-week plans as there has been in the past. The exposures of combined experience and separate experience in this report decrease 14 and 33 percent, respectively, from those in last year's report.

The results in Table 3 continue to show that the nonmaternity experience under plans with maternity benefits is worse than the experience of plans with nonmaternity benefits. For plans with full maternity benefit, the 1981 and 1982 ratios for thirteen-week plans tend to be fairly stable. The experience for twenty-six-week plans fluctuated during the last three years; this is partially due to the change in the amount of exposure from year to year. Although the 1982 results for plans with no maternity benefits improved significantly over the 1981 results, the number of experience units for these plans in 1982 is only about 9 percent of that in 1981.

Table 4 indicates that this year's results for plans with maternity benefits are better than those of last year for all size groups. For nonjumbo plans with maternity benefits, the pattern of experience that worsens as the size of the group increases continues. This year jumbo results are slightly more favorable relative to last year. For plans with no maternity benefits, results have improved for all nonjumbo categories except 500-999 life cases. Similar to last year's result, jumbo continues to show a significant deterioration in experience.

Table 5 shows that the experience for groups with between 11 and 60 percent female content is slightly favorable relative to the other groups. In comparison with last year's report, the results for groups with between 11 and 70 percent female content improved while the results for other groups deteriorated. As the number of experience units and the amounts of exposure in each of the female percentage categories has decreased significantly over the last few reports, the results are no longer very credible.

As previously stated, the Committee has decided to stop reporting information on this study. Those parties interested in continuation of this study, however, should contact the Research Department of the Society office to indicate their ability to contribute data in order to reactivate the Group Weekly Indemnity Insurance report.