

**TRANSACTIONS OF SOCIETY OF ACTUARIES
1984 REPORTS**

**REPORT OF THE COMMITTEE ON GROUP LIFE
AND HEALTH INSURANCE**

GROUP LONG-TERM DISABILITY INSURANCE

This report presents the results of the continuing study of the morbidity experience relative to Group Long-Term Disability Insurance. The reader should be careful in analyzing the results of this study, in part because of the elimination of the data of one company from the analyses of the rates of both disablement and termination. An examination of the data file indicated that the submission of experience for the company contained incorrect data on reported claims. As a result of this problem, the claims experience of calendar years 1978 and 1979 was understated in two prior Group LTD Studies (*TSA, 1980 Reports* and *TSA, 1981 Reports*). The Committee decided to exclude the questionable data file until the extent of the data problems had been adequately determined and the appropriate modifications made. Data from that company also were excluded for the study published in the *1982 Reports*.

As in previous reports, the available experience included in this report is predominantly that of insured 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 benefit 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, because a considerable volume of exposure, shown in the tables, could not be coded with respect to certain characteristics that may influence the level of the rates 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:

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

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

ANALYSIS OF RATES OF DISABLEMENT

As previously stated, the reader should be careful in analyzing and comparing these results because of the elimination of the data of one company. Incorrect data caused an understatement in claims for the years 1978 and 1979 in the prior Group LTD Studies in the *TSA, 1980 Reports* and *TSA, 1981 Reports*.

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 substantially influenced 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 in this section of the report, the reader should note that the claim experience shown may be understated 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. A full claims history for the new

year of experience usually is reported in the subsequent year if the company continues to contribute data. Consequently, the tabulars, the number of claims, the rates of disablement, and the actual-to-tabular ratios shown in the various tables may be understated somewhat for some age and sex cells.

Note that under plans with an offset provision, claims were reported and included in rates of disablement, even though the existence of social security or other disability income may have caused no benefit to be payable under the plan.

Experience on Plans with a Six-Month Elimination Period

Table I-1, Rates of Disablement, 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, 1977-81. Crude rates of disablement based on the number of lives are shown by sex and age group. In the context of this report, the age group classification has been determined according to "age nearest birthday" as of the date of disablement. The corresponding experience on non-jumbo groups, defined as groups with fewer 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. Note that about 6 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 the exposure that 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 3 percent of the experience is based on an "any occupation" definition for the full period of disability.

Slight decreases in the male experience in Tables I-1 and I-1A compared to the previous study account for the overall improvement in rates of disablement. The female experience remains virtually unchanged from the previous study. These points should be considered in light of the elimination of the one company's data and the decrease in exposures.

Table I-2, Rates of Disablement by Calendar Year, analyzes the crude rates of disablement shown in Table I-1 and I-1A by the underlying calendar years of experience, for all ages and for combined males, females, and sex-unknown exposures. Some portion of the variation in the overall rates of disablement from year to year is the result of changes in the distributions of

TABLE I-1
 CRUDE RATES OF DISABLEMENT PER 1,000 LIVES EXPOSED
 (Six-Month Elimination Period; Calendar Year of Issue Excluded,
 Calendar Years of Experience 1977-81;
 All Experience Units Combined)

Attained Age	Life-Years Exposed	Number of Claims	Rate of Disablement per 1,000 Lives
All Experience: Males, Females, and Sex Unknown			
Under 40.....	1,873,102	2,312	1.23
40-44.....	376,596	873	2.32
45-49.....	359,436	1,343	3.74
50-54.....	334,430	2,150	6.43
55-59.....	266,864	3,095	11.60
60-64.....	151,535	2,301	15.18
All ages.....	3,361,963	12,074	3.59
Male Experience Only			
Under 40.....	1,088,976	1,157	1.06
40-44.....	252,367	505	2.00
45-49.....	241,649	836	3.46
50-54.....	223,999	1,362	6.08
55-59.....	181,321	2,194	12.10
60-64.....	102,217	1,704	16.67
All ages.....	2,090,529	7,758	3.71
Female Experience Only			
Under 40.....	714,963	1,092	1.53
40-44.....	107,292	337	3.14
45-49.....	101,300	464	4.58
50-54.....	95,518	714	7.48
55-59.....	74,356	769	10.34
60-64.....	42,304	521	12.32
All ages.....	1,135,733	3,897	3.43

the exposed risk by age groups. In addition, the reader should note the substantial decrease in the life years exposed starting in 1980.

Table I-2 shows that, for plans with a six-month elimination period, accidents accounted for about 11 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 containing the most recent calendar year of the study. 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, 1981, may be understated approximately 5-10 percent.

TABLE I-1A
 CRUDE RATES OF DISABLEMENT PER 1,000 LIVES EXPOSED
 (Six-Month Elimination Period; Calendar Year of Issue Excluded;
 Calendar Years of Experience 1977-81; Nonjumbo Experience Units Only)

Attained Age	Life-Years Exposed	Number of Claims	Rate of Disablement per 1,000 Lives
All Experience: Males, Females, and Sex Unknown			
Under 40.....	1,142,549	1,346	1.18
40-44.....	228,957	496	2.17
45-49.....	219,556	820	3.73
50-54.....	209,893	1,339	6.38
55-59.....	172,226	1,926	11.18
60-64.....	103,376	1,577	15.25
All ages.....	2,076,557	7,504	3.61
Male Experience Only			
Under 40.....	726,531	780	1.07
40-44.....	162,528	313	1.93
45-49.....	155,517	540	3.47
50-54.....	146,228	910	6.22
55-59.....	119,386	1,422	11.91
60-64.....	72,525	1,195	16.48
All ages.....	1,382,715	5,160	3.73
Female Experience Only			
Under 40.....	383,182	529	1.38
40-44.....	58,668	170	2.90
45-49.....	56,014	251	4.48
50-54.....	55,668	385	6.92
55-59.....	46,496	424	9.12
60-64.....	26,673	327	12.26
All ages.....	626,701	2,086	3.33

Table I-2 shows the ratios of actual claims to tabular claims. The tabular claims in each study are the current five-year experience adjusted to be equal to 100 percent. The tabular claims for each year were obtained by applying the rates of disablement of nonjumbo size groups from Table I-1A by sex category to the actual exposures for each age-sex group (male, female, and sex 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, Rates of Disablement by Size of Group, subdivides the Table I-1 experience for all ages and for male, female, and sex-unknown exposures combined by the size of the experience unit. Note that experience units containing fewer than 100 lives accounted for 58 percent of the total number of units. This explains the large number of units (about 71 percent of the

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TABLE I-2
 ANALYSIS OF RATES OF DISABLEMENT BY CALENDAR YEAR OF INCURRAL
 (Six-Month Elimination Period; Calendar Year of Issue Excluded;
 All Ages; Males, Females, and Sex Unknown Combined;
 Calendar Years of Experience 1962-81)

CALENDAR YEAR OF INCURRAL	NUMBER OF EXPERIENCE UNITS	LIFT-YEARS EXPOSED	NUMBER OF CLAIMS			RATE OF DISABLEMENT PER 1,000 LIVES	RATIO OF ACTUAL CLAIMS TO TABULAR CLAIMS*
			Accident	Sickness	Total (Incl. Unknown)		
All Experience Units Combined							
1962-66	955	460,375	68	852	1,193	2.59	83%
1967-71	5,309	1,959,727	574	5,245	6,768	3.45	97
1972-76	9,806	3,080,806	962	10,106	11,103	3.60	99
1977	2,082	836,424	350	2,634	2,986	3.57	100%
1978	2,240	844,546	309	2,684	2,995	3.55	99
1979	2,027	772,432	305	2,642	2,949	3.82	108
1980	1,091	448,867	186	1,448	1,634	3.64	106
1981	1,145	459,694	181	1,329	1,510	3.28	98
1977-81	8,585	3,361,963	1,331	10,737	12,074	3.59	102%
Nonjumbo Experience Units Only							
1962-66	935	225,019	22	347	484	2.15	64%
1967-71	5,242	1,317,275	391	3,207	4,241	3.22	88
1972-76	9,714	2,149,365	670	6,739	7,441	3.46	94
1977	2,050	503,167	208	1,649	1,858	3.69	100%
1978	2,212	528,704	185	1,755	1,941	3.67	100
1979	2,002	511,519	181	1,694	1,877	3.67	101
1980	1,073	264,101	103	821	924	3.50	99
1981	1,126	269,066	106	798	904	3.36	97
1977-81	8,463	2,076,557	783	6,717	7,504	3.61	100%

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

total) that experienced no claims. This table indicates that the rate of disablement and the actual-to-tabular ratios tend to be higher for larger groups. Compared to the previous study, some improvements in rates of disablement occurred in units of 500 to 4,999 lives, while those groups with 5,000 or more lives had a slight deterioration.

Table I-3 also includes a dispersion-type analysis of ratios of actual claims to tabular claims. As mentioned previously, the tabulars adjust only for age and sex. However, caution should be used in interpreting the results, because the experience is not adjusted for other characteristics that might have a measurable impact on the rate of disablement. These characteristics include differences among the contributing companies in underwriting and claims administration practices, the extent to which employers use the long-term disability plan as an early retirement vehicle, the proportions of salaried and

TABLE I-3

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 1977-81; All Experience Units Combined)

SIZE OF UNIT	NUMBER OF EXPERIENCE UNITS	LIFE-YEARS EXPOSED	NUMBER OF CLAIMS	RATE OF DISABLEMENT PER 1,000 LIVES	RATIO OF ACTUAL CLAIMS TO TABULAR CLAIMS*	NUMBER OF EXPERIENCE UNITS 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 ..	1,372	19,947	139	6.97	176%	1,320	0	0	0	0	0	0	52
25-49	1,695	61,753	196	3.17	77	1,526	3	0	0	0	0	51	115
50-99	1,924	135,636	417	3.07	80	1,602	0	0	0	1	18	208	95
100-249	1,653	255,369	945	3.70	99	1,094	0	0	28	122	110	250	49
250-499	837	292,832	1,071	3.66	101	342	13	76	81	123	68	122	12
500-999	517	361,041	1,315	3.64	103	124	62	61	64	84	61	56	5
1,000-2,499	345	544,378	1,970	3.62	104	34	50	62	53	67	48	30	1
2,500-4,999	120	405,601	1,451	3.58	99	4	21	18	17	31	21	7	1
Under 5,000 ..	8,463	2,076,557	7,504	3.61	100%	6,049	149	217	243	428	326	724	330
5,000 or more ..	122	1,285,406	4,570	3.56	106%	6	17	12	21	39	20	7	0
Total	8,585	3,361,963	12,074	3.59	102%	6,055	166	229	264	467	346	731	330

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

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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.

Table I-4, Rates of Disablement by Cause of Disability, presents an analysis of the relative rates of disablement by cause of disability. The results are shown for each sex as well as both sexes combined. The number and percentage distribution by the cause of disability of the coded claims are shown for the various age groups. The number of claims in each cell also has been shown to indicate the relative weights of the results.

Table I-4 clearly shows that more than one-third (35%) of the claims for males of all ages is for diseases of the circulatory system and also indicates that this cause increases in percentage with age. The percentage of claims for males caused by diseases of the circulatory system also is in the same proportion as in the previous few studies. Claims for females of all ages are caused slightly more often by diseases of the bones and organs than diseases of the circulatory system. About the only noticeable change in percentages over the past few studies is a slight increase in malignant neoplasms as a cause for claims.

The experience underlying Tables I-1 and I-1A also has been analyzed by employee class, industry, contributory status, and indirect integration. (Indirect integration means that 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 I-5, I-5A, I-6, I-6A, I-6B, I-7, and I-8.

The portion of the Table I-5, Experience by Employee Class, under units containing at least 75 percent salaried employees, the majority of whom were not executives (that is, Code 2), was further analyzed to investigate the effect of three variables on disablement rates: (a) the relationship between the long-term disability benefit (before integration with other income sources) and salary at a time of disablement, (b) the plans' 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. The several classifications are somewhat broad. The various parameters may not be mutually exclusive. The respective subanalyses are shown in portions of Table I-5A, separately for nonjumbo and for all experience units combined. Note that the tabulars and the actual-to-tabular ratios are consistent with those in Table I-5 for Employee Class Code 2.

TABLE I-4

DISTRIBUTION OF THE NUMBER OF CLAIMS BY DIAGNOSIS
(Six-Month Elimination Period; Calendar Year of Issue Excluded; Calendar Years of Experience 1962-81;
All Experience Units Combined; Active Lives Experience Only)

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	7	9	10	9	21	14	18	88	7	3	0	5	5	4	4	28	14	12	10	14	26	18	22	116	
Percent	1	0	1	0	1	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	
Malignant neoplasma (cancer):																									
Number	40	94	86	221	312	508	401	1,662	36	87	78	168	240	234	147	990	76	181	164	389	552	742	548	2,652	
Percent	4	5	6	9	8	9	8	8	4	7	8	13	13	12	11	11	4	6	7	10	10	9	9	9	
Benign and unspecified neoplasms:																									
Number	7	12	13	12	20	25	14	103	12	15	10	5	12	16	4	74	19	27	23	17	32	41	18	177	
Percent	1	1	1	0	1	0	0	0	1	1	1	0	1	1	0	1	1	1	1	0	1	1	0	1	
Allergic, endocrine-system, metabolic, and nutritional diseases:																									
Number	12	37	28	44	69	102	108	400	18	14	17	28	28	37	31	173	30	51	45	72	97	139	139	573	
Percent	1	2	2	2	2	2	2	2	2	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
Diseases of the blood and blood- forming organs:																									
Number	13	17	27	36	48	84	84	309	14	15	18	21	31	40	20	159	27	32	45	57	79	124	104	468	
Percent	1	1	2	1	1	1	2	1	2	1	2	2	2	2	2	2	1	1	2	1	1	2	2	2	
Mental, psychoneurotic, and personality disorders:																									
Number	65	124	79	132	179	197	133	909	96	149	85	96	124	81	46	677	161	273	164	228	303	278	179	1,586	
Percent	6	7	5	5	5	3	3	4	11	12	9	7	7	4	4	7	8	9	7	6	5	4	3	5	
Diseases of the nervous system and sense organs:																									
Number	61	156	114	168	255	346	321	1,421	92	104	79	96	112	130	92	705	153	260	193	264	367	476	413	2,126	
Percent	6	9	8	7	7	6	6	7	10	8	8	7	6	7	7	7	8	9	8	7	6	6	7	7	
Diseases of the circulatory system:																									
Number	37	229	400	848	1,444	2,426	2,171	7,555	40	90	120	210	375	521	394	1,750	77	319	520	1,058	1,819	2,947	2,565	9,305	
Percent	4	13	27	33	37	41	43	35	4	7	13	16	21	27	30	19	4	10	21	27	32	38	41	30	

TABLE I-5

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 1977-81)

EMPLOYEE CODE	EMPLOYEE CLASS	TABLE I-1 EXPERIENCE—NONJUMBO UNITS ONLY				TABLE I-1A EXPERIENCE—ALL UNITS			
		Number of Experience Units	Life-Years Exposed	Number of Claims	Ratio of Actual to Tabular Claims*	Number of Experience Units	Life-Years Exposed	Number of Claims	Ratio of Actual to Tabular Claims*
1.....	At least 75% salaried, majority executive	430	81,924	214	70%	436	137,760	355	73%
2.....	At least 75% salaried, majority nonexecutive	4,142	1,140,731	3,861	92	4,235	2,114,487	6,737	91
3.....	50%-75% salaried	1,506	344,030	1,330	107	1,515	478,396	2,076	120
7.....	At least 50% salaried (exact percentage unknown)	90	13,457	63	121	90	13,457	63	121
	Subtotal (majority salaried)	6,168	1,580,142	5,468	95%	6,276	2,744,100	9,231	97%
6.....	At least 50% hourly	42	25,068	89	103	42	25,068	89	103
4.....	50%-75% hourly	214	59,299	342	170	220	123,027	628	165
5.....	At least 75% hourly	428	141,835	764	157	434	185,550	1,253	176
	Subtotal (majority hourly)	684	226,202	1,195	157%	696	333,645	1,970	169%
9.....	Indeterminate	1,611	270,213	841	90%	1,613	284,218	873	89%
	Total	8,463	2,076,557	7,504	100%	8,585	3,361,963	12,074	102%

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

TABLE I-5A

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 1977-1981)

	NONJUMBO UNITS ONLY				ALL EXPERIENCE UNITS			
	Number of Experience Units	Life-Years Exposed	Number of Claims	Ratio of Actual to Tabular Claims*	Number of Experience Units	Life-Years Exposed	Number of Claims	Ratio of Actual to Tabular Claims*
I. Relationship between Long-Term Disability Benefit and Salary								
<i>Ratio of gross benefit (before reduction of integration) to salary:</i>								
Always less than 50%	54	18,808	66	83%	64	101,201	256	71%
Generally less than 50%	16	4,439	3	26	16	4,439	3	26
Subtotal (less than 50%)	70	23,247	69	81%	80	105,640	259	70%
50% (exactly or approximately)	861	333,383	1,067	84%	896	623,594	1,849	80%
Always more than 50%, exact % unknown	46	14,298	99	152	46	14,298	99	152
Generally more than 50%, exact % unknown	110	14,903	35	60	115	46,809	292	151
More than 50%, but less than or equal to 60%	2,396	567,355	1,928	96	2,418	844,937	2,656	93
More than 60%, but less than or equal to 70%	567	157,463	536	96	582	381,345	1,294	107
More than 70%	15	2,787	4	36	15	2,787	4	36
Subtotal (greater than 50%)	3,134	756,806	2,602	98%	3,176	1,290,176	4,345	102%
Other, including not determinable	77	27,295	123	104%	83	95,077	284	75%
Total salaried, nonexecutive	4,142	1,140,731	3,861	92%	4,235	2,114,487	6,737	91%

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

TABLE I-5A—Continued

	NONJUMBO UNITS ONLY				ALL EXPERIENCE UNITS			
	Number of Experience Units	Life Years Exposed	Number of Claims	Ratio of Actual to Tabular Claims*	Number of Experience Units	Life Years Exposed	Number of Claims	Ratio of Actual to Tabular Claims*
II. Analysis by Plan Integration Provision								
<i>Other income sources included in plan integration provision:</i>								
Social security primary benefit only or in combination with income from other sources	567	183,140	702	102%	578	298,435	761	72%
Social security primary and family benefit only or in combination with income from other sources.....	2,403	599,607	1,863	82	2,426	757,484	2,383	85
Other integration bases	142	51,436	225	139	147	102,978	308	84
Nonintegrated	1,030	306,548	1,071	98	1,084	955,590	3,285	104
Total salaried, nonexecutive	4,142	1,140,731	3,861	92%	4,235	2,114,487	6,737	91%
III. Extent to Which a Disability Income Is Provided During Elimination Period								
<i>Disability income benefit provided during elimination period:</i>								
Full salary	91	36,912	133	99%	104	222,251	620	99%
Less than full salary but generally more than 50%	693	196,225	754	104	732	595,826	1,719	89
Generally less than 50% of salary.....	143	25,148	125	118	148	56,936	352	120
None	434	108,978	386	94	434	108,978	386	94
Noncodable or unknown	2,781	773,468	2,463	87	2,817	1,130,496	3,660	89
Total salaried, nonexecutive	4,142	1,140,731	3,861	92%	4,235	2,114,487	6,737	91%

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

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In examining Tables I-5 through I-8, note that many of the variables analyzed may be interrelated. This is especially true in the analysis by industry (Table I-6), in which the results shown in the various cells may be heavily influenced by the relative level of hourly and salaried employees. The portion of Table I-6, Experience by Industry, under units with "the majority salaried" and "the majority hourly" as defined in Table I-5 were therefore analyzed further to investigate the effect of employee class on the disablement rates by industry classification.

The respective analyses are shown in Table I-6A, separately for nonjumbo units and for all experience units combined. Note 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 ratios shown by industry in Tables I-6 and I-6A have been compared separately for nonjumbo units and for all experience units combined. A summary of the comparisons of Tables I-6 and I-6A is shown in Table I-6B, Industry Experience by Employee Class.

Table I-7, Experience by Contributory Status, separates the experience among plans in which the employee pays the entire cost, plans in which the employer pays the entire cost, and plans in which the employee and employer share the cost. Table I-8, Experience by Plan Indirect Integration Provision, examines the experience by nonduplication level for plans having an indirect integration provision.

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 those nonjumbo units (all employee classes combined) whose plans provide for the direct integration of the long-term disability benefit with either the total primary and family social security benefits or with such social security benefits plus income from other sources. The parameters selected for study were: (a) the disability income provided by the employer-sponsored, short-term plans during the benefit 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 for all sources exceeds a certain percentage of salary (that is, the nonduplication level) or otherwise.

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

Tables II-1 and III-1, Rates of Disablement, for the most recent five-year period are similar to Table I-1 but are based on the experience of plans with a three-month and twelve-month elimination period, respectively. (The "II"

TABLE I-6

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 1977-81)

INDUSTRY CODES	INDUSTRY	TABLE I-1 EXPERIENCE—NONJUMBO UNITS ONLY				TABLE I-1A 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	44	4,807	14	88%	45	13,222	27	54%
10-14	Mining	185	75,631	478	166	185	75,631	478	166
15-17	Contract construction	206	72,878	293	113	206	72,878	293	113
19-27	Food, tobacco, textile and wood products	1,022	263,001	1,234	121	1,036	374,324	2,051	134
28-32	Chemical, petroleum, rubber, leather and stone products	607	174,661	619	99	627	340,315	1,249	102
33-37	Metal, machinery, and transportation equipment	1,681	407,424	1,360	91	1,710	670,143	1,943	81
38-39	Instruments and miscellaneous manufacturing	270	59,743	267	114	270	59,743	267	114
40-49	Transportation, communication, electric, gas, and sanitary services	423	136,445	628	124	434	257,479	1,099	120
50-59	Wholesale and retail trade	1,302	265,398	959	103	1,302	265,398	959	103
60-67	Finance, insurance, and real estate	1,111	306,212	786	76	1,128	667,143	1,775	92
70-89	Services	1,504	276,524	777	79	1,534	531,854	1,844	95
91-97	Public administration	69	31,825	86	80	69	31,825	86	80
	All other classifiable	10	979	2	55	10	979	2	55
99	Nonclassifiable	29	1,029	1	24	29	1,029	1	24
	Total	8,463	2,076,557	7,504	100%	8,585	3,361,963	12,074	102%

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

TABLE I-6A

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 1977-81)

INDUSTRY CODES	INDUSTRY	TABLE I-1 EXPERIENCE—NONJUMBO UNITS ONLY				TABLE I-1A 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. Groups Containing a Majority of Hourly Employees									
01-09	Agriculture, forestry, and fisheries	1	32	0	0%	1	32	0	0%
10-14	Mining	19	23,615	171	180	19	23,615	171	180
15-17	Contract construction	42	17,110	73	179	42	17,110	73	179
19-27	Food, tobacco, textile and wood products	126	32,596	297	218	131	69,273	782	229
28-32	Chemical, petroleum, rubber, leather and stone products	49	21,237	99	170	51	34,820	115	121
33-37	Metal, machinery, and transportation equipment	136	42,287	176	146	136	42,287	176	146
38-39	Instruments and miscellaneous manufacturing	8	565	1	58	8	565	1	58
40-49	Transportation, communication, electric, gas, and sanitary services	42	14,571	81	143	47	71,754	355	159
50-59	Wholesale and retail trade	141	46,239	168	107	141	46,239	168	107
60-67	Finance, insurance, and real estate	35	7,821	20	73	35	7,821	20	73
70-89	Services	72	18,141	91	127	72	18,141	91	127
91-97	Public administration	13	1,988	18	221	13	1,988	18	221
	All other classifiable	0	0	0	0	0	0	0	0
99	Nonclassifiable	0	0	0	0	0	0	0	0
	Total	684	226,202	1,195	154%	696	333,645	1,970	167%

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

TABLE I-6A—Continued

INDUSTRY CODES	INDUSTRY	TABLE I-1 EXPERIENCE—NONJUMBO UNITS ONLY				TABLE I-1A 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*
II. Groups Containing a Majority of Salaried Employees									
01-09	Agriculture, forestry, and fisheries	33	4,102	12	87%	34	12,517	25	52%
10-14	Mining	163	51,954	307	160	163	51,954	307	160
15-17	Contract construction	149	54,627	157	74	149	54,627	157	74
19-27	Food, tobacco, textile and wood products	763	209,239	845	105	772	283,885	1,177	106
28-32	Chemical, petroleum, rubber, leather and stone products	471	141,607	469	90	489	293,678	1,083	100
33-37	Metal, machinery, and transportation equipment	1,349	304,606	997	84	1,378	567,325	1,580	76
38-39	Instruments and miscellaneous manufacturing	185	52,823	256	125	185	52,823	256	125
40-49	Transportation, communication, electric, gas, and sanitary services	306	108,189	498	123	312	172,040	695	107
50-59	Wholesale and retail trade	964	194,338	716	107	964	194,338	716	107
60-67	Finance, insurance, and real estate	759	216,203	554	76	774	563,129	1,511	95
70-89	Services	958	212,808	593	80	988	468,138	1,660	97
91-97	Public administration	48	28,406	64	68	48	28,406	64	68
	All other classifiable	4	529	0	0	4	529	0	0
99	Nonclassifiable	16	711	0	0	16	711	0	0
	Total	6,168	1,580,142	5,468	94%	6,276	2,744,100	9,231	96%

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

TABLE I-6B

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 1977-81)

INDUSTRY CODES	INDUSTRY	TABLE I-1A EXPERIENCE--NONJUMBO UNITS ONLY				TABLE I-1 EXPERIENCE--ALL UNITS			
		All	Majority Salaried	Majority Hourly	Indetermi- nate	All	Majority Salaried	Majority Hourly	Indetermi- nate
01-09	Agriculture, forestry, and fisheries	88%	87%	0%	98%	54%	52%	0%	98%
10-14	Mining	166	160	180	0	166	160	180	0
15-17	Contract construction	113	74	179	1,163	113	74	179	1,163
19-27	Food, tobacco, textile and wood products	121	105	218	113	134	106	229	113
28-32	Chemical, petroleum, rubber, leather and stone products	99	90	170	117	102	100	121	117
33-37	Metal, machinery, and transportation equipment	91	84	146	99	81	76	146	99
38-39	Instruments and miscellaneous manufacturing	114	125	58	38	114	125	58	38
40-49	Transportation, communication, electric, gas, and sanitary services	124	123	143	114	120	107	159	114
50-59	Wholesale and retail trade	103	107	107	73	103	107	107	73
60-67	Finance, insurance, and real estate	76	76	73	79	92	95	73	78
70-89	Services	79	80	127	57	95	97	127	57
91-97	Public administration	80	68	221	77	80	68	221	77
	All other classifiable	55	0	0	120	55	0	0	120
99	Nonclassifiable	24	0	0	58	24	0	0	58
	Total	100%	94%	154%	90%	102%	96%	167%	89%

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

TABLE I-7
 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 1977-81)

	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 Calims to Tabular Claims*	Number of Experience Units	Life-Years Exposed	Number of Claims	Ratio of Actual Claims to Tabular Claims*
Employee-pay-all.	482	179,050	706	104%	499	407,180	1,353	100%
Employer-pay-all.	4,942	949,911	3,405	102	4,971	1,345,898	4,169	94
Contributory, employer and employee share cost	2,884	880,812	3,142	97	2,959	1,535,063	6,297	110
Unknown	155	66,784	251	99	156	73,822	255	92
Total	8,463	2,076,557	7,504	100%	8,585	3,361,963	12,074	102%

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

TABLE I-8

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 1977-81)

	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	5,557	1,229,084	4,108	92%	5,594	1,619,231	5,339	92%
Indirect integration—nonduplication level:								
Less than 50%	13	11,965	25	53	13	11,965	25	53
50-59%	348	166,412	733	118	369	392,592	1,364	109
60-69%	1,048	259,818	1,006	110	1,085	584,642	2,161	98
70-79%	1,378	353,692	1,427	110	1,400	662,023	2,791	125
80-89%	69	27,170	124	138	74	63,094	313	151
Greater than 89%	24	13,048	30	69	24	13,048	30	69
Integrated but noncodable	26	15,368	51	133	26	15,368	51	133
Total	8,463	2,076,557	7,504	100%	8,585	3,361,963	12,074	102%

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

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 1977-81; Nonjumbo—All Employee Classes)

Indirect Integration Classification	Relationship between LTD Benefit and Salary	Relationship between Disability Income Provided during the Elimination Period and Salary	Number of Experience Units	Life-Years Exposed	Number of Claims	Ratio of Actual Claims to Tabular Claims*
Nonduplication level less than 60%	50% or less	50% or less	55	13,611	42	94%
		Greater than 50%	45	17,267	73	104
		Subtotal	100	30,878	115	100%
	Greater than 50%	50% or less	46	21,850	126	125%
		Greater than 50%	40	8,202	67	200
		Subtotal	86	30,052	193	144%
Subtotal	186	60,930	308	124%		
Nonduplication level greater than or equal to 60%	50% or less	50% or less	49	16,324	105	161%
		Greater than 50%	9	1,109	2	56
		Subtotal	58	17,433	107	155%
	Greater than 50%	50% or less	293	66,734	278	110%
		Greater than 50%	306	75,057	214	82
		Subtotal	599	141,791	492	96%
Subtotal	657	159,224	599	103%		
None	50% or less	50% or less	762	215,527	615	75%
		Greater than 50%	27	10,931	26	80
		Subtotal	789	226,458	641	75%
	Greater than 50%	50% or less	3,811	697,522	2,397	95%
		Greater than 50%	89	35,985	79	62
		Subtotal	3,900	733,507	2,476	94%
Subtotal	4,689	959,965	3,117	89%		
Total			5,532	1,180,119	4,024	96%

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

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TABLE II-1
 CRUDE RATES OF DISABLEMENT PER 1,000 LIVES EXPOSED
 (Three-Month Elimination Period; Calendar Year of Issue Excluded;
 Calendar Years of Experience 1977-81;
 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	655,846	1,349	2.06
40-44	123,232	436	3.54
45-49	110,468	619	5.60
50-54	101,143	793	7.84
55-59	81,572	1,092	13.39
60-64	50,023	861	17.21
All ages.....	1,122,284	5,150	4.59
Male Experience Only			
Under 40	389,957	660	1.69
40-44	80,608	249	3.09
45-49	71,264	369	5.18
50-54	65,030	488	7.50
55-59	52,427	711	13.56
60-64	32,733	598	18.27
All ages.....	692,019	3,075	4.44
Female Experience Only			
Under 40	242,123	665	2.75
40-44	37,677	174	4.62
45-49	34,583	233	6.74
50-54	31,789	280	8.81
55-59	25,910	347	13.39
60-64	15,348	232	15.12
All ages.....	387,430	1,931	4.98

series is for three-month elimination periods, and the "III" series of tables is for twelve-month elimination.) Note that the number of claims underlying the disablement rate for some of the sex-age cells shown in these tables is relatively small.

As with plans having 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. One percent of the experience on plans with a three-month elimination period and about 4 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.

TABLE III-1
 CRUDE RATES OF DISABLEMENT PER 1,000 LIVES EXPOSED
 (Twelve-Month Elimination Period; Calendar Year of Issue Excluded;
 Calendar Years of Experience 1977-81; 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.....	188,113	202	1.07
40-44.....	37,683	45	1.19
45-49.....	39,455	112	2.84
50-54.....	40,794	220	5.39
55-59.....	32,648	332	10.17
60-64.....	16,628	169	10.16
All ages.....	355,321	1,080	3.04
Male Experience Only			
Under 40.....	144,959	144	0.99
40-44.....	28,458	27	0.95
45-49.....	29,626	86	2.90
50-54.....	30,988	160	5.16
55-59.....	24,276	251	10.34
60-64.....	12,648	138	10.91
All ages.....	270,955	806	2.97
Female Experience Only			
Under 40.....	36,230	52	1.44
40-44.....	7,472	17	2.28
45-49.....	7,903	23	2.91
50-54.....	7,841	54	6.89
55-59.....	6,697	72	10.75
60-64.....	3,018	26	8.61
All ages.....	69,161	244	3.53

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, no benefit may have been payable under plans with an offset provision.

Compared to the previous study, the three-month elimination period data show a decrease in rates of disablement. While the 12-month data for the overall rate of disablement remains about the same as the last study, some changes have occurred with the male and female rates. Unlike the six- and twelve-month elimination period experience, the three-month data have notable increases in the life years exposed and claims.

Tables II-2 and III-2, Rates of Disablement by Calendar Year, analyze the crude rates of disablement shown in Tables II-1 and III-1, respectively, by the underlying calendar year of experience for all ages and for males,

TABLE II-2

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 1962-81; All Experience Units Combined)

CALENDAR YEAR OF INCURRAL	NUMBER OF EXPERIENCE UNITS	LIFE-YEARS EXPOSED	NUMBER OF CLAIMS			RATE OF DISABLEMENT PER 1,000 LIVES	RATIO OF ACTUAL CLAIMS TO TABULAR CLAIMS*
			Accident	Sickness	Total (Incl. Unknown)		
1962-66	913	124,958	36	297	411	3.29	76%
1967-71	4,863	756,728	433	2,460	3,278	4.33	95
1972-76	8,580	1,097,220	698	4,630	5,340	4.87	107
1977	1,560	252,629	127	1,025	1,153	4.56	99%
1978	1,819	258,209	149	970	1,120	4.34	92
1979	1,614	262,360	143	1,076	1,227	4.68	102
1980	1,322	168,439	107	697	804	4.77	106
1981	1,381	180,647	109	737	846	4.68	105
1977-81	7,696	1,122,284	635	4,505	5,150	4.59	100%

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

TABLE III-2

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 1962-81; All Experience Units Combined)

CALENDAR YEAR OF INCURRAL	NUMBER OF EXPERIENCE UNITS	LIFE-YEARS EXPOSED	NUMBER OF CLAIMS			RATE OF DISABLEMENT PER 1,000 LIVES	RATIO OF ACTUAL CLAIMS TO TABULAR CLAIMS*
			Accident	Sickness	Total (Incl. Unknown)		
1962-66	58	21,316	0	38	40	1.88	69%
1967-71	264	144,002	21	227	287	1.99	73
1972-76	467	289,354	82	793	877	3.03	107
1977	129	72,726	19	218	237	3.26	110%
1978	137	106,139	43	290	333	3.14	102
1979	137	105,263	42	221	263	2.50	81
1980	68	36,950	7	115	122	3.30	111
1981	69	34,243	9	116	125	3.65	127
1977-81	540	355,321	120	960	1,080	3.04	100%

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

females, and sex-unknown exposures combined. Some portion of the variation in the overall rates of disablement from year to year is the result of changes in the distributions of the 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—only about 12 percent on plans with a three-month elimination period and about 11 percent on plans with a twelve-month elimination period for calendar years 1962–81.

As with plans having 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 somewhat 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 the ratio of disablement.

Tables II-3 and III-3, Analysis by Size of Experience Unit, 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 the experience unit. Experience units containing fewer than 100 lives accounted for about 72 percent of the total number of units on plans with a three-month elimination period and 41 percent on plans with a twelve-month elimination period. This explains the large number of units that experienced no claims. These tables show that the rates 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, the reader should use caution 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, the reader should be reminded of the various caveats noted throughout this study.

TABLE II-3

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 1977-81; All Experience Units Combined)

SIZE OF UNIT	NUMBER OF EXPERIENCE UNITS	LIFE-YEARS EXPOSED	NUMBER OF CLAIMS	RATE OF DISABLEMENT PER 1,000 LIVES	RATIO OF ACTUAL CLAIMS TO TABULAR CLAIMS*	NUMBER OF EXPERIENCE UNITS 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	1,649	24,632	107	4.34	83%	1,556	0	0	0	0	0	3	90
25-49	2,045	72,884	297	4.07	82	1,786	1	0	0	0	1	89	168
50-99	1,816	125,435	493	3.93	84	1,415	0	0	0	5	35	270	91
100-249	1,303	195,735	846	4.32	95	773	0	4	33	103	125	224	41
250-499	439	155,092	767	4.95	107	137	20	38	47	63	55	71	8
500-999	266	184,298	828	4.49	99	53	32	32	34	47	31	35	2
1,000-2,499	137	198,133	1,038	5.24	117	11	17	15	24	26	18	26	0
2,500-4,999	31	101,525	421	4.15	100	1	6	8	3	5	3	5	0
Under 5,000	7,686	1,057,734	4,797	4.54	99%	5,732	76	97	141	249	268	723	400
5,000 or more	10	64,550	353	5.47	104%	0	0	1	4	4	1	0	0
Total	7,696	1,122,284	5,150	4.59	100%	5,732	76	98	145	253	269	723	400

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

TABLE III-3

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 1977-81; All Experience Units Combined)

SIZE OF UNIT	NUMBER OF EXPERIENCE UNITS	LIFE-YEARS EXPOSED	NUMBER OF CLAIMS	RATE OF DISABLEMENT PER 1,000 LIVES	RATIO OF ACTUAL CLAIMS TO TABULAR CLAIMS*	NUMBER OF EXPERIENCE UNITS 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	40	452	1	2.21	74	39	0	0	0	0	0	0	1
25-49	78	2,787	8	2.87	77	71	0	0	0	0	0	1	6
50-99	104	7,371	14	1.90	60	90	0	0	0	0	0	12	2
100-249	129	21,338	62	2.91	88	89	0	0	2	10	5	21	2
250-499	61	22,308	72	3.23	99	25	0	6	8	8	6	8	0
500-999	49	35,357	100	2.83	85	14	4	8	2	13	4	4	0
1,000-2,499	44	69,575	250	3.59	110	4	2	6	6	15	4	7	0
2,500-4,999	18	65,539	145	2.21	81	3	6	3	1	1	4	0	0
Under 5,000	523	224,727	652	2.90	93	335	12	23	19	66	23	53	11
5,000 or more	17	130,594	428	3.28	115	0	0	5	1	5	5	1	0
Total	540	355,321	1,080	3.04	100	335	12	28	20	71	28	54	11

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

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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 of Actual Claims to Tabular Claims	% of Total Exposure	Ratio of Actual Claims to Tabular Claims	% of Total Exposure	Ratio of Actual Claims to Tabular Claims
I.....	9%	112%	2%	62%	10%	128%
II.....	2	88	1	41	3	27
III.....	18	116	33	115	31	115
IV.....	2	124	4	102	0	30
V.....	2	47	3	72	1	0
VI.....	0	0	0	0	0	0
VII.....	12	113	10	129	5	98
VIII.....	0	0	0	0	0	0
IX.....	36	100	19	79	43	97
X.....	0	0	0	0	0	0
XI.....	15	78	23	88	4	38
XII.....	2	36	1	120	3	70
XIII.....	2	97	3	113	1	125
All.....	100%	100%	100%	100%	100%	100%

ANALYSIS OF RATES OF TERMINATION

Experience on Plans with a Six-Month Elimination Period

As previously stated, the reader should be careful in comparing the results of this study with those of previous studies because of the elimination of the data of one company. Even though the disablement experience of the company was understated, the rates of termination were not directly affected by the data problems. However, the Committee decided to exclude the entire questionable data file from further analyses until the extent of the problems could be determined and the appropriate corrections made.

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 by age groups, for the period 1962-1981. Because of the small number of terminations at the later durations, the experience has been truncated at the end of eight years of disablement. Note 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 65,870 claims exposed to termination, of which 12,074 and 19,064 originated from the 1977-81 and the 1962-76 portions, respectively,

TABLE A-1
 CRUDE TERMINATION RATES PER 1,000 CLAIMS
 EXPOSED TO DEATH OR RECOVERY
 (Six-Month Elimination Period; Calendar Years of Experience 1962-81)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
7th month.....	62.5	44.5	51.0	36.2	23.4	16.8
8th month.....	68.8	50.8	57.2	39.2	24.3	16.8
9th month.....	65.7	48.5	54.6	35.9	22.4	16.1
10th month.....	60.1	41.8	48.1	31.9	19.9	13.5
11th month.....	53.4	36.9	42.6	28.4	18.4	11.2
12th month.....	52.4	38.2	43.0	28.4	17.1	12.4
1st year (last 6 months).....	312.3	234.0	262.3	184.1	119.1	83.8
13th month.....	47.0	37.7	40.8	26.2	15.7	10.9
14th month.....	40.2	32.0	34.7	21.8	14.0	9.2
15th month.....	39.7	27.7	31.7	19.1	12.1	10.0
16th month.....	32.9	25.2	27.7	17.0	10.4	9.4
17th month.....	27.9	25.0	26.0	16.7	9.2	8.3
18th month.....	26.8	22.0	23.5	15.8	10.3	7.9
19th month.....	27.3	17.6	20.7	12.1	10.1	7.8
20th month.....	24.9	14.5	17.8	10.2	8.0	8.0
21st month.....	20.7	13.5	15.8	10.5	7.9	7.2
22nd month.....	17.0	15.5	16.0	9.9	7.5	5.8
23rd month.....	17.2	15.3	15.9	10.3	7.3	6.2
24th month.....	27.7	17.4	20.6	12.8	8.0	7.2
2nd year.....	298.9	234.1	255.5	167.9	114.1	93.8
3rd year.....	214.2	140.0	162.4	101.1	72.1	64.6
4th year.....	93.1	73.8	79.0	55.5	50.3	51.4
5th year.....	54.9	47.6	49.6	39.8	44.6	33.2
6th year.....	52.2	43.6	45.7	33.6	43.0	32.5
7th year.....	57.8	42.5	46.0	32.5	40.4	19.5†
8th year.....	19.1*	29.2	26.8	34.6	35.4	22.6†
Male Only						
1st year (last 6 months).....	311.5	238.5	263.7	177.1	117.1	80.5
2nd year.....	307.3	241.5	262.6	156.9	112.0	95.0
3rd year.....	217.1	145.7	166.5	97.1	73.0	65.5
4th year.....	114.8	88.4	95.4	57.6	54.1	56.1
5th year.....	49.7	52.6	51.9	41.1	49.4	34.9
6th year.....	59.2	35.6	41.5	36.9	49.8	33.4
7th year.....	58.7†	51.0	52.8	36.2	44.7	22.0†
8th year.....	19.8*	27.5	25.6	42.2	37.6	21.5†
Female Only						
1st year (last 6 months).....	313.4	227.5	260.2	196.6	124.4	96.0
2nd year.....	287.7	223.3	245.7	188.4	120.0	89.1
3rd year.....	210.3	132.1	156.9	108.8	69.6	60.9
4th year.....	63.6	52.3	55.5	51.2	39.1	33.5
5th year.....	62.3	40.4	46.2	37.0	30.4	26.9
6th year.....	41.4†	55.3	52.0	27.0	23.1	29.8*
7th year.....	55.3†	29.6†	35.5	24.8	28.1	6.7*
8th year.....	17.5*	32.0†	28.8†	18.4	28.7	30.1*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

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of the active lives experience (all experience units combined), with the remaining 34,732 claims from experience units that were not included in the study of rates of disablement. In the past, the Committee had conducted an analysis of the termination rates of only the claims that also were included in the rates of disablement portion of the study. The rates of termination for these claims were found to be generally 5–15 percent higher than those shown in Table A-1 for the combined experience. No such examination was performed this time.

Table A-2 displays the actual number of claims that terminated by death or recovery, while Table A-3 presents the ratios of the actual number of 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 in Table A-3 would appear to be a result of the shorter elimination periods of the individual health insurance experience underlying the first-year termination rates of the 1964 CDT. In addition, the percentage of claims terminated is somewhat lower than in the previous study.

Table A-4 further analyzes the claim termination experience by examining, by claim incurral year during the period 1962–81, the ratio (for all ages combined) of the actual number of 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 illustrates the value of a monthly benefit of \$1 payable for a maximum period of 60 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.

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 46,402 male and 19,468 female claims in this analysis. As in Table A-5, illustrative values are shown on two alternate bases. In making any comparisons by sex, however, the reader is reminded that the 1964 CDT is a unisex table.

TABLE A-2
NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
(Six-Month Elimination Period; Calendar Years of Experience 1962-81)

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)	1,055	1,414	2,469	2,466	3,437	1,098
2nd year	550	871	1,421	1,536	2,498	873
3rd year	219	333	552	684	1,264	399
4th year	57	122	179	297	724	178
5th year	24	61	85	173	517	55
6th year	16	43	59	117	389	18
7th year	13	30	43	89	249	7
8th year	3	18	21	79	145	6
Male Only						
1st year (last 6 months)	582	857	1,439	1,528	2,479	836
2nd year	324	530	854	928	1,811	703
3rd year	122	203	325	437	945	322
4th year	42	88	130	207	583	152
5th year	12	40	52	121	428	45
6th year	11	20	31	86	337	15
7th year	8	23	31	68	204	7
8th year	2	10	12	65	114	5
Female Only						
1st year (last 6 months)	473	557	1,030	938	958	262
2nd year	226	341	567	608	687	170
3rd year	97	130	227	247	319	77
4th year	15	34	49	90	141	26
5th year	12	21	33	52	89	10
6th year	5	23	28	31	52	3
7th year	5	7	12	21	45	0
8th year	1	8	9	14	31	1

TABLE A-3

RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR RECOVERY
TO NUMBER OF TERMINATIONS EXPECTED
FROM THE 1964 COMMISSIONERS DISABILITY TABLE*
(Six-Month Elimination Period; Calendar Years of Experience 1962-81)

DURATION OF DISABILITY	ALL AGES OF DIS- ABILITY COMBINED	AGE AT DISABILITY					
		Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined							
1st year (last 6 months) . . .	35.4%	57.8%	45.2%	49.9%	39.6%	31.3%	24.5%
2nd year	71.7	96.1	84.8	88.9	71.7	65.3	68.2
3rd year	59.3	92.8	71.2	78.6	61.4	53.9	53.6
4th year	47.8	53.6	51.9	52.5	46.9	47.1	48.1
5th year	46.5	40.8	44.7	43.6	44.1	49.4	33.5
6th year	50.0	47.9	51.1	50.2	45.0	53.0	34.8
7th year	50.3	62.0	57.9	59.0	47.3	51.9	21.5†
8th year	46.0	22.9†	43.4	37.8	52.2	46.1	24.6†
Male Only							
1st year (last 6 months) . . .	33.9%	57.6%	46.1%	50.2%	38.1%	30.8%	23.6%
2nd year	69.8	98.8	87.5	91.4	67.0	64.0	69.1
3rd year	58.7	94.1	74.0	80.7	59.0	54.5	54.4
4th year	51.8	66.1	62.2	63.5	48.7	50.7	52.5
5th year	50.5	37.0	49.3	45.7	45.6	54.7	35.2
6th year	56.1	54.4	41.8	45.6	49.3	61.4	35.8
7th year	55.6	63.1†	69.4	67.7	52.7	57.4	24.2†
8th year	50.3	23.8†	40.8	36.0	63.7	49.0	23.4†
Female Only							
1st year (last 6 months) . . .	38.9%	58.0%	43.9%	49.4%	42.4%	32.7%	28.1%
2nd year	75.9	92.5	80.9	85.3	80.4	68.6	64.8
3rd year	60.8	91.1	67.1	75.8	66.1	52.0	50.5
4th year	38.0	36.7	36.8	36.8	43.3	36.5	31.3
5th year	36.5	46.3	37.9	40.6	41.0	33.7	27.2
6th year	34.6	38.0†	64.9	57.2	36.1	28.5	31.9†
7th year	36.7	59.4†	40.3†	45.6	36.1	36.0	7.3†
8th year	34.9	21.0†	47.6†	40.6†	27.7	37.3	32.7†

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

† Involves fewer than ten terminations.

TABLE A-4

RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR RECOVERY TO NUMBER OF TERMINATIONS EXPECTED
FROM THE 1964 COMMISSIONERS DISABILITY TABLE*
(Six-Month Elimination Period; All Ages of Disablement Combined; Calendar Years of Experience 1962-81)

DURATION OF DISABLEMENT	YEAR OF DISABLEMENT											
	1971 and Prior	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	All Years
Male and Female Combined												
1st year (last 6 months)	39.6%	34.2%	33.3%	31.9%	34.3%	32.4%	36.1%	35.6%	26.1%	43.6%	49.4%	35.4%
2nd year	87.7	78.7	70.8	68.1	65.8	69.5	75.6	56.6	32.6	71.0	.....	71.7
3rd year	80.2	68.9	56.8	63.5	53.9	56.2	47.3	22.9	18.2	.....	.....	59.3
4th year	66.0	55.8	51.0	43.5	52.3	31.5	17.5	14.0	.....	.....	.....	47.9
5th year	66.3	47.0	52.0	50.2	32.0	17.2	8.8	.....	.....	.....	.....	46.5
6th year	74.6	47.3	55.7	28.4	18.1	16.1	.....	.....	.....	.....	.....	50.0
7th year	71.8	49.7	43.3	17.6	7.9†	.....	.....	.....	.....	.....	.....	50.3
8th year	66.6	32.3	13.1	14.7†	.....	.....	.....	.....	.....	.....	.....	46.0
Male Only												
1st year (last 6 months)	38.0%	35.6%	31.4%	29.7%	32.7%	30.9%	34.9%	34.0%	23.1%	40.2%	41.9%	33.9%
2nd year	83.7	75.7	71.1	65.0	65.0	69.9	72.7	53.9	31.1	68.5	.....	69.8
3rd year	77.3	68.1	56.9	66.4	51.8	56.5	45.5	21.1	16.0	.....	.....	58.7
4th year	68.5	57.6	57.4	48.3	57.4	35.4	20.1	14.7	.....	.....	.....	51.8
5th year	69.9	52.8	48.8	52.3	39.2	21.0	10.4	.....	.....	.....	.....	50.5
6th year	79.7	56.8	57.8	34.1	23.7	12.6	.....	.....	.....	.....	.....	56.0
7th year	78.0	49.0	50.4	20.8	8.9†	.....	.....	.....	.....	.....	.....	55.6
8th year	70.3	39.7	15.9	16.6†	.....	.....	.....	.....	.....	.....	.....	50.3
Female Only												
1st year (last 6 months)	43.8%	30.5%	38.0%	36.9%	37.8%	35.5%	38.7%	38.8%	31.4%	49.9%	61.0%	38.9%
2nd year	98.5	86.1	70.0	75.0	67.6	68.6	81.3	62.0	35.2	75.6	.....	75.9
3rd year	88.6	71.0	56.7	56.6	58.7	55.6	51.1	27.0	22.3	.....	.....	60.8
4th year	58.4	51.0	35.3	32.8	40.7	23.0	11.9	12.0†	.....	.....	.....	38.0
5th year	55.7	31.9	59.4	45.8	15.8†	9.0†	5.1†	.....	.....	.....	.....	36.5
6th year	59.6	23.6†	50.8	16.1†	5.8†	21.5†	.....	.....	.....	.....	.....	34.6
7th year	53.8	51.2	26.3†	10.9†	5.6†	.....	.....	.....	.....	.....	.....	36.7
8th year	56.0	14.5†	6.8†	10.7†	.....	.....	.....	.....	.....	.....	.....	34.9

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

† Involves fewer than ten terminations.

TABLE A-5

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 Rates of Termination	Ratio to 1964 CDT	Based on Table A-1 Rates of Termination*	Based on 1964 CDT Rates of Termination	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	\$25.58	\$16.59	154%	\$30.47	\$28.46	107%
35.5	31.53	18.44	171	34.89	30.86	113
45.5	36.61	21.71	169	38.87	33.50	116
55.5	41.99	26.85	156	41.96	36.68	114
62.5	20.46	14.91	137	16.37	15.77	104
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period						
25.5	\$57.34	\$32.62	176%	\$77.35	\$63.86	121%
35.5	75.42	38.72	195	93.05	73.54	127
45.5	81.05	42.87	189	94.16	73.57	128
55.5	63.91	38.40	166	67.21	55.60	121
62.5	20.46	14.91	137	16.37	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.

TABLE A-6

ILLUSTRATIVE VALUES UNDER PLANS WITH A 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 Rates of Termination	Ratio to 1964 CDT	Based on Table A-1 Rates of Termination*	Based on 1964 CDT Rates of Termination	Ratio to 1964 CDT
Male Only						
25.5	\$55.73	\$32.62	171%	\$74.89	\$63.86	117%
35.5	73.27	38.72	189	90.74	73.54	123
45.5	82.63	42.87	193	95.27	73.75	129
55.5	63.69	38.40	166	66.81	55.60	120
62.5	20.51	14.91	138	16.36	15.77	104
Female Only						
25.5	\$59.58	\$32.62	183	\$80.77	\$63.86	126
35.5	78.62	38.72	203	96.43	73.54	131
45.5	78.27	42.87	183	92.18	73.57	125
55.5	64.60	38.40	168	68.43	55.60	123
62.5	20.26	14.91	136	16.43	15.77	104

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

Tables AA-1, AA-2, AA-3, AA-4, and AA-5 also analyze the experience of terminations for plans with a six-month elimination period and are 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, 1977-81. As in Table A-1, the claim experience shown has been truncated at the end of eight years.

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 rates over various restricted observation periods for the first six years and the 1964 CDT thereafter, for each age group on a basis consistent with Tables A-5 and AA-4.

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 corresponding tables on plans with a six-month elimination period (that is, the A, AA, and AAA 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 the 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 36,115, of which 5,150 and 9,029 emanated from the 1977-81 and 1962-76 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 with plans having a six-month elimination period, the low first-year ratios shown for plans with a three-month elimination period in Table B-3 would seem to be a result of the shorter elimination periods of the 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, CC, and CCC series of tables. These tables are similar in format to the corresponding tables of the A and B series. The number of claims exposed to termination was 6,678, of which 1,080 and

TABLE AA-1
 CRUDE TERMINATION RATES PER 1,000 CLAIMS
 EXPOSED TO DEATH OR RECOVERY
 (Six-Month Elimination Period; Calendar Years of Experience 1977-81)

DURATION OF DISABEMENT	AGE AT DISABEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
7th month.....	64.4	45.6	52.8	40.2	23.7	15.2
8th month.....	63.3	46.2	52.7	38.4	24.1	13.7
9th month.....	56.8	43.5	48.4	32.3	21.6	13.8
10th month.....	50.5	37.8	42.5	29.5	17.5	13.2
11th month.....	48.4	30.9	37.3	26.6	16.5	11.2
12th month.....	48.8	31.9	38.0	27.2	17.7	11.3
1st year (last 6 months).....	289.6	213.9	242.7	179.2	115.1	75.9
13th month.....	40.6	32.4	35.3	24.1	15.9	8.8
14th month.....	30.3	30.2	30.3	16.4	13.5	7.8
15th month.....	29.4	25.4	26.8	13.1	10.9	9.7
16th month.....	29.6	20.2	23.5	12.9	8.5	8.5
17th month.....	24.6	19.8	21.4	13.7	8.1	6.7
18th month.....	23.0	18.7	20.3	11.6	8.7	6.1
19th month.....	23.3	13.7	17.0	8.1	8.3	5.7
20th month.....	17.2†	11.3	13.4	8.8	6.4	6.2
21st month.....	12.0	12.1	12.0	9.3	5.9	5.7
22nd month.....	11.5†	11.1	11.3	8.1	5.7	5.5
23rd month.....	13.0	8.9	10.3	8.8	6.2	6.1
24th month.....	19.9	13.3	15.5	9.1	7.1	5.7
2nd year.....	242.9	197.0	213.2	135.0	100.3	79.5
3rd year.....	167.6	105.3	125.2	68.5	54.5	45.3
4th year.....	82.6	51.4	60.1	41.8	34.6	35.0
5th year.....	37.9	31.8	33.6	29.0	32.4	22.5
6th year.....	44.2†	35.9	38.0	24.4	28.6	6.8*
7th year.....	37.4†	29.9	31.8	21.8	32.4	0.0*
8th year.....	15.4*	12.8†	13.4†	27.9	27.4	16.8*
Male Only						
1st year (last 6 months).....	279.6	200.4	228.2	171.4	114.5	73.1
2nd year.....	240.9	205.0	216.8	129.6	98.6	80.2
3rd year.....	165.7	109.2	126.2	64.2	55.2	47.9
4th year.....	116.9	66.3	80.1	42.8	37.8	38.2
5th year.....	38.5†	38.5	38.6	29.8	36.3	22.0
6th year.....	56.5†	36.6	41.6	29.6	33.7	8.7*
7th year.....	51.0†	34.6	38.6	25.2	35.9	0.0*
8th year.....	24.6*	17.2†	19.0†	35.2	29.7	19.9*
Female Only						
1st year (last 6 months).....	299.6	230.6	259.1	192.5	116.8	84.7
2nd year.....	244.4	186.7	208.8	144.5	104.4	77.3
3rd year.....	169.4	100.2	124.0	76.1	52.7	36.5
4th year.....	39.7†	31.0	33.6	39.8	26.3	24.6
5th year.....	37.3†	22.7†	27.0	27.4	22.2	24.2†
6th year.....	24.8*	35.1†	32.7	14.3	15.6	0.0*
7th year.....	16.1*	22.5*	21.0†	14.8†	22.8	0.0*
8th year.....	0.0*	6.0*	4.6*	12.1†	20.9	0.0*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

TABLE AA-2
 NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
 (Six-Month Elimination Period; Calendar Years of Experience 1977-81)

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)	437	529	966	801	1,205	332
2nd year	227	345	572	460	888	290
3rd year	100	132	232	213	449	128
4th year	31	48	79	114	266	64
5th year	10	25	35	71	212	22
6th year	9	22	31	52	163	2
7th year	6	15	21	39	141	0
8th year	2	6	8	44	83	3
Male Only						
1st year (last 6 months)	205	278	483	484	856	244
2nd year	114	200	314	282	628	224
3rd year	52	78	130	128	325	104
4th year	25	36	61	77	210	53
5th year	5	18	23	48	171	16
6th year	7	13	20	41	140	2
7th year	5	11	16	31	114	0
8th year	2	5	7	38	65	3
Female Only						
1st year (last 6 months)	232	251	483	317	349	88
2nd year	113	145	258	178	260	66
3rd year	48	54	102	85	124	24
4th year	6	12	18	37	56	11
5th year	5	7	12	23	41	6
6th year	2	9	11	11	23	0
7th year	1	4	5	8	27	0
8th year	0	1	1	6	18	0

TABLE AA-3

RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR RECOVERY
TO NUMBER OF TERMINATIONS EXPECTED
FROM THE 1964 COMMISSIONERS DISABILITY TABLE*
(Six-Month Elimination Period; Calendar Years of Experience 1977-81)

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)	34.1%	53.6%	41.3%	46.1%	38.6%	30.3%	22.2%
2nd year	61.0	78.1	71.4	73.9	57.6	57.4	57.9
3rd year	43.8	72.6	53.5	60.4	41.6	40.7	37.6
4th year	34.1	47.6	36.2	39.9	35.3	32.4	32.7
5th year	33.3	28.2	29.9	29.5	32.1	35.9	22.7
6th year	33.9	40.5†	42.2	41.8	32.6	35.3	7.3†
7th year	37.6	40.2†	40.8	40.7	31.7	41.6	0.0†
8th year	35.0	18.5†	19.1†	18.9†	42.2	35.6	18.3†
Male Only							
1st year (last 6 months)	32.2%	51.7%	38.7%	43.4%	36.9%	30.1%	21.4%
2nd year	59.8	77.5	74.2	75.4	55.3	56.4	58.4
3rd year	43.3	71.8	55.5	61.1	39.0	41.2	39.8
4th year	37.6	67.4	46.7	53.2	36.2	35.4	35.7
5th year	36.5	28.6†	36.1	33.9	33.0	40.2	22.2
6th year	39.6	51.9†	42.9	45.6	39.6	41.5	9.3‡
7th year	42.3	54.8†	47.1	49.4	36.6	46.1	0.0†
8th year	40.5	29.5†	25.6†	26.6†	53.1	38.7	21.7†
Female Only							
1st year (last 6 months)	38.1%	55.4%	44.5%	49.2%	41.5%	30.7%	24.8%
2nd year	63.5	78.6	67.6	72.2	61.7	59.7	56.2
3rd year	45.0	73.4	50.9	59.6	46.2	39.3	30.3
4th year	26.3	22.9†	21.8	22.2	33.6	24.6	23.0
5th year	26.0	27.7†	21.3†	23.7	30.3	24.6	24.4†
6th year	20.8	22.8†	41.2†	36.0	19.1	19.3	0.0†
7th year	26.2	17.3†	30.7†	26.9†	21.5†	29.2	0.0†
8th year	21.3	0.0†	8.9†	6.4†	18.2†	27.2	0.0†

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

† Involves fewer than ten terminations.

TABLE AA-4

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 Rates of Termination	Ratio to 1964 CDT	Based on Table AA-1 Rates of Termination*	Based on 1964 CDT Rates of Termination	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	\$28.67	\$16.59	173%	\$33.82	\$28.46	119%
35.5	34.39	18.44	186	37.63	30.86	122
45.5	38.87	21.71	179	41.44	33.50	113
55.5	43.43	26.85	162	43.41	36.68	118
62.5	20.80	14.91	140	16.57	15.77	105
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period						
25.5	\$67.63	\$32.62	207%	\$89.49	\$63.86	140%
35.5	85.94	38.72	222	104.20	73.54	142
45.5	88.76	42.87	207	103.12	73.57	140
55.5	67.22	38.40	175	70.70	55.60	127
62.5	20.80	14.91	140	16.57	15.77	105

* Annuity values are based on the crude, ungraduated, combined 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

ILLUSTRATIVE VALUES, UNDER PLANS WITH A 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 Rates of Termination	Ratio to 1964 CDT	Based on Table AA-1 Rates of Termination*	Based on 1964 CDT Rates of Termination	Ratio to 1964 CDT
Male Only						
25.5	\$66.48	\$32.62	204%	\$86.63	\$63.86	136%
35.5	84.89	38.72	219	101.04	73.54	137
45.5	90.03	42.87	210	103.68	73.57	141
55.5	66.98	38.40	174	70.35	55.60	127
62.5	20.86	14.91	140	16.57	15.77	105
Female Only						
25.5	\$69.54	\$32.62	213%	\$93.53	\$63.86	146%
35.5	87.48	38.72	226	108.56	73.54	148
45.5	86.65	42.87	202	102.21	73.57	139
55.5	67.91	38.40	177	71.64	55.60	129
62.5	20.62	14.91	138	16.58	15.77	105

* 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.

TABLE AAA
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	\$14.91
1977-81*	\$67.63	\$85.94	\$88.76	\$67.22	\$20.80
Ratio to 1964 CDT	207%	222%	207%	175%	140%
1962-81*	\$57.34	\$75.42	\$81.05	\$63.91	\$20.46
Ratio to 1964 CDT	176%	195%	189%	166%	137%
Annuity Value as of End of Twelfth Month of Disablement					
1964 CDT	\$63.86	\$73.54	\$73.57	\$55.60	\$15.77
1977-81*	\$89.49	\$104.20	\$103.12	\$70.70	\$16.57
Ratio to 1964 CDT	140%	142%	140%	127%	105%
1962-81*	\$77.35	\$93.05	\$94.16	\$67.21	\$16.37
Ratio to 1964 CDT	121%	127%	128%	121%	104%

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

TABLE B-1
 CRUDE TERMINATION RATES PER 1,000 CLAIMS
 EXPOSED TO DEATH OR RECOVERY
 (Three-Month Elimination Period; Calendar Years of Experience 1962-81)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
4th month.....	131.9	108.7	118.9	92.0	57.0	39.7
5th month.....	146.8	123.6	133.7	97.7	62.1	45.2
6th month.....	129.1	112.3	119.5	85.6	56.0	40.6
7th month.....	112.8	95.4	102.7	70.2	46.5	33.0
8th month.....	96.5	78.5	86.1	62.3	36.3	28.9
9th month.....	85.4	60.7	70.9	53.4	30.8	22.2
10th month.....	79.9	50.4	62.4	44.4	27.4	18.1
11th month.....	70.4	51.9	59.2	37.2	22.9	15.3
12th month.....	65.5	46.6	54.0	32.8	20.5	13.0
1st year (last 9 months)....	622.1	533.9	572.7	449.8	307.7	229.2
13th month.....	58.0	44.3	49.6	29.7	17.6	12.2
14th month.....	51.9	36.9	42.7	25.4	14.6	11.3
15th month.....	47.3	33.1	38.5	23.1	14.1	11.1
16th month.....	38.0	35.8	36.6	21.7	14.6	9.5
17th month.....	36.3	33.6	34.6	19.0	13.7	8.6
18th month.....	37.2	26.4	30.4	17.1	11.1	7.5
19th month.....	31.4	18.2	23.1	16.0	9.2	5.7
20th month.....	35.8	15.7	22.9	15.0	9.4	8.0
21st month.....	36.1	15.8	23.0	13.0	9.5	9.2
22nd month.....	29.2	18.7	22.4	13.2	8.7	6.5
23rd month.....	23.1	17.9	19.7	12.5	8.1	5.9
24th month.....	21.2	21.2	21.2	12.1	7.7	5.0
2nd year.....	365.4	275.6	309.9	197.4	129.9	96.0
3rd year.....	184.6	179.8	181.6	125.3	80.6	80.1
4th year.....	77.3	76.9	77.1	70.5	56.5	64.9
5th year.....	72.5	70.0	70.8	40.6	55.3	61.4
6th year.....	29.4*	42.5	38.8	34.0	52.1	18.0*
Male Only						
1st year (last 9 months)....	638.4	540.7	582.6	439.9	297.3	229.6
2nd year.....	369.3	290.9	319.6	204.7	130.4	95.7
3rd year.....	168.9	174.9	173.6	125.4	86.3	89.5
4th year.....	74.8†	89.7	85.3	83.5	62.4	63.9
5th year.....	81.5†	98.9	94.1	50.7	62.2	63.5
6th year.....	43.0†	66.0	59.4	37.4	58.7	0.0*
Female Only						
1st year (last 9 months)....	603.3	525.2	560.7	465.0	331.7	227.8
2nd year.....	360.7	256.2	298.3	185.2	128.5	96.6
3rd year.....	200.6	185.8	191.0	124.9	65.4	51.5
4th year.....	80.0†	59.8	66.4	48.4	40.6	67.9
5th year.....	61.6†	33.3†	42.0	23.8	36.5	56.2†
6th year.....	8.1*	15.5*	13.9*	28.5	34.5	65.7*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

TABLE B-2
 NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
 (Three-Month Elimination Period; Calendar Years of Experience 1962-81)

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)	1,941	2,123	4,064	3,203	4,178	1,432
2nd year	311	387	698	626	1,008	333
3rd year	71	138	209	270	472	173
4th year	16	36	52	111	255	68
5th year	12	26	38	50	204	27
6th year	3	12	15	33	137	2
Male Only						
1st year (last 9 months)	1,057	1,197	2,254	1,909	2,822	1,076
2nd year	164	228	392	407	736	250
3rd year	35	74	109	172	365	146
4th year	8	24	32	81	205	48
5th year	7	21	28	40	168	20
6th year	3	10	13	22	113	0
Female Only						
1st year (last 9 months)	884	926	1,810	1,294	1,356	356
2nd year	147	159	306	219	272	83
3rd year	36	64	100	98	107	27
4th year	8	12	20	30	50	20
5th year	5	5	10	10	36	7
6th year	0	2	2	11	24	2

TABLE B-3
RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR RECOVERY
TO NUMBER OF TERMINATIONS EXPECTED
FROM THE 1964 COMMISSIONERS DISABILITY TABLE*
(Three-Month Elimination Period; Calendar Years of Experience 1962-81)

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)	48.0%	70.1%	60.7%	64.8%	53.4%	41.0%	34.6%
2nd year	82.9	117.5	99.8	107.2	84.3	74.3	69.8
3rd year	68.7	80.0	91.4	87.3	76.1	60.2	66.5
4th year	55.1	44.5	54.1	50.8	59.6	52.8	60.6
5th year	58.4	53.9	65.7	61.6	45.1	61.2	62.0
6th year	56.3	27.0†	49.8	42.2	45.5	64.2	19.3†
Male Only							
1st year (last 9 months)	46.2%	71.9%	61.4%	66.0%	52.3%	39.6%	34.6%
2nd year	82.8	118.8	105.4	110.7	87.4	74.6	69.6
3rd year	70.8	73.2	88.9	83.7	76.2	64.4	74.3
4th year	60.6	43.1†	63.1	56.3	70.6	58.3	59.7
5th year	67.8	60.6†	92.8	82.1	56.2	68.9	64.1
6th year	65.0	39.4†	77.5	64.5	50.0	72.4	0.0†
Female Only							
1st year (last 9 months)	51.3%	67.9%	59.7%	63.5%	55.3%	44.2%	34.3%
2nd year	83.1	116.9	92.8	103.0	79.1	73.5	70.3
3rd year	64.3	86.9	94.4	91.5	75.9	48.9	42.7
4th year	42.6	46.1†	42.1	43.7	40.9	38.0	63.4
5th year	37.8	45.8†	31.2†	36.5	26.3	40.4	56.8†
6th year	37.8	7.4†	18.2†	15.2†	38.1	42.6	70.3†

* As published by the Health Insurance Association of America, Table B1, Volume III.
† Involves fewer than ten terminations.

TABLE B-4

RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR RECOVERY TO NUMBER OF TERMINATIONS EXPECTED
FROM THE 1964 COMMISSIONERS DISABILITY TABLE *
(Three-Month Elimination Period; All Ages of Disablement Combined; Calendar Years of Experience 1962-81)

DURATION OF DISABLEMENT	YEAR OF DISABLEMENT											
	1971 and Prior	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	All Years
Male and Female Combined												
1st year (last 9 months)	56.3%	51.6%	47.7%	45.9%	42.8%	42.1%	46.7%	44.2%	42.5%	48.6%	49.2%	48.0%
2nd year	106.2	88.7	71.1	73.5	80.4	71.5	71.1	84.4	78.0	78.4	.....	82.9
3rd year	97.2	63.6	65.2	61.2	69.0	58.8	56.3	54.8	55.3	.....	.....	68.7
4th year	79.2	56.3	44.4	49.1	43.5	47.8	45.1	51.3	.....	.....	.....	55.1
5th year	72.1	54.1	63.9	60.3	55.3	44.5	30.9	.....	.....	.....	.....	58.4
6th year	76.0	67.9	59.8	39.9	41.9	22.2†	.....	.....	.....	.....	.....	56.3
Male Only												
1st year (last 9 months)	55.1%	49.5%	45.4%	43.5%	40.2%	40.6%	44.0%	42.7%	41.0%	45.2%	47.4%	46.2%
2nd year	104.9	88.5	69.6	71.1	79.2	72.3	72.5	90.7	73.3	68.9	.....	82.8
3rd year	96.6	62.7	70.9	66.4	73.3	64.5	48.6	55.6	66.1	.....	.....	70.8
4th year	81.7	62.6	50.9	53.7	49.2	49.1	54.6	67.8	.....	.....	.....	60.6
5th year	80.0	60.8	74.4	67.9	72.3	54.8	33.2†	.....	.....	.....	.....	67.8
6th year	80.6	77.2	72.7	51.1	52.0	26.2†	.....	.....	.....	.....	.....	65.0
Female Only												
1st year (last 9 months)	59.1%	55.6%	52.0%	49.9%	47.7%	44.8%	51.6%	46.9%	45.0%	53.7%	52.0%	51.3%
2nd year	109.3	89.2	74.0	77.7	82.6	69.9	68.0	71.5	85.6	94.0	.....	83.1
3rd year	98.9	65.4	52.7	51.1	60.0	47.6	72.1	53.2	36.4	.....	.....	64.3
4th year	72.5	41.3	30.2	40.3	31.1	45.1	24.1†	18.0†	.....	.....	.....	42.6
5th year	51.3	38.4†	41.9	45.3	19.5†	24.4†	25.1†	.....	.....	.....	.....	37.8
6th year	64.3	48.0†	33.2†	18.3†	22.0†	14.3†	.....	.....	.....	.....	.....	37.8

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

† Involves fewer than ten terminations.

TABLE B-5

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 Rates of Termination	Ratio to 1964 CDT	Based on Table B-1 Rates of Termination*	Based on 1964 CDT Rates of Termination	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	\$15.38	\$ 5.43	283%	\$27.27	\$27.50	99%
35.5	19.78	5.95	332	30.68	29.72	103
45.5	25.11	7.82	321	34.93	32.18	109
55.5	33.44	12.25	273	38.80	35.19	110
62.5	19.91	9.67		16.30	15.77	
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period						
25.5	\$30.03	\$ 9.41	319%	\$66.89	\$63.86	105%
35.5	41.74	11.09	376	78.87	73.54	107
45.5	50.88	14.23	358	82.81	73.57	113
55.5	49.76	17.24	289	62.91	55.60	113
62.5	19.91	9.67	206	16.30	15.77	103

*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

ILLUSTRATIVE VALUES, UNDER PLANS WITH A 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 Rates of Termination	Ratio to 1964 CDT	Based on Table B-1 Rates of Termination*	Based on 1964 CDT Rates of Termination	Ratio to 1964 CDT
Male Only						
25.5	\$29.14	\$ 9.41	310%	\$67.76	\$63.86	106%
35.5	40.32	11.09	364	76.90	73.54	105
45.5	50.89	14.23	358	81.26	73.57	110
55.5	50.08	17.24	290	62.36	55.60	112
62.5	19.88	9.67	206	16.29	15.77	103
Female Only						
25.5	\$31.06	\$ 9.41	330%	\$66.06	\$63.86	103
35.5	43.64	11.09	394	81.44	73.54	111
45.5	50.95	14.23	358	85.48	73.57	116
55.5	49.14	17.24	285	64.40	55.60	116
62.5	19.97	9.67	206	16.33	15.77	104

*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
 CRUDE TERMINATION RATES PER 1,000 CLAIMS
 EXPOSED TO DEATH OR RECOVERY
 (Three-Month Elimination Period; Calendar Years of Experience 1977-81)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
4th month.....	138.9	101.9	118.8	92.3	50.5	33.4
5th month.....	151.3	118.2	133.0	89.1	55.5	38.4
6th month.....	128.6	104.7	115.2	76.9	48.8	36.3
7th month.....	112.3	87.7	98.4	63.2	41.1	27.0
8th month.....	94.7	77.1	84.8	53.9	33.1	23.7
9th month.....	83.6	62.7	71.6	48.1	28.0	22.7
10th month.....	80.1	52.3	64.0	44.4	25.7	17.4
11th month.....	67.0	50.8	57.5	34.2	21.9	12.1
12th month.....	52.6	42.6	46.7	27.8	20.4	9.9
1st year (last 9 months).....	618.6	518.0	564.5	422.3	282.3	200.8
13th month.....	46.4	45.0	45.6	27.7	16.9	9.6
14th month.....	47.3	39.0	42.4	24.6	13.0	9.6
15th month.....	39.2	28.6	32.9	22.7	13.2	9.0
16th month.....	33.7	32.8	33.2	19.1	13.7	6.7†
17th month.....	37.7	35.0	36.1	14.5	11.4	6.1
18th month.....	36.5	26.3	30.5	13.6	9.0	6.2†
19th month.....	33.5	21.6	26.3	15.7	8.4	4.8†
20th month.....	39.4	18.4†	26.7	16.0	9.3	7.2
21st month.....	35.5	11.8†	21.0	13.5	9.3	8.6
22nd month.....	23.5†	14.7†	18.1	12.9	8.6	6.2†
23rd month.....	18.0†	15.1†	16.2	12.2	8.1	5.4†
24th month.....	16.9†	16.5	16.6	12.0	7.4	3.4*
2nd year.....	339.9	266.1	296.3	186.6	121.0	79.5
3rd year.....	162.9	170.5	168.0	114.7	69.8	62.7
4th year.....	67.1†	65.0	65.7	59.4	47.8	51.6
5th year.....	83.2	64.4	70.7	40.0	49.1	53.6
6th year.....	25.4*	44.6†	38.8	34.7	45.1	0.0*
Male Only						
1st year (last 9 months).....	618.4	521.8	565.0	415.8	276.0	194.5
2nd year.....	363.1	272.8	308.4	197.5	124.0	79.8
3rd year.....	146.9	152.7	152.1	112.6	76.8	71.9
4th year.....	73.8†	79.3	77.7	73.4	53.4	55.0
5th year.....	98.1†	77.4	84.2	54.9	56.9	58.6
6th year.....	44.2*	64.6†	58.8†	41.1	51.5	0.0*
Female Only						
1st year (last 9 months).....	618.5	513.5	563.7	432.2	295.6	217.9
2nd year.....	315.2	258.1	282.7	168.7	113.8	78.8
3rd year.....	178.7	190.4	185.2	118.1	52.3	36.9
4th year.....	59.3*	46.6†	51.3	37.8	33.6	42.7†
5th year.....	67.5*	48.8†	55.4†	17.6†	28.8	43.3*
6th year.....	0.0*	21.3*	15.3*	25.0†	28.9	0.0*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

TABLE BB-2
NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
(Three-Month Elimination Period; Calendar Years of Experience 1977-81)

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)	946	931	1,877	1,102	1,574	526
2nd year	164	186	350	248	442	133
3rd year	39	71	110	116	218	75
4th year	9	18	27	53	128	32
5th year	10	16	26	34	125	15
6th year	2	9	11	24	90	0
Male Only						
1st year (last 9 months)	467	492	959	643	1,048	373
2nd year	87	102	189	165	323	99
3rd year	19	34	53	72	170	63
4th year	5	12	17	39	102	24
5th year	6	11	17	28	104	11
6th year	2	7	9	17	74	0
Female Only						
1st year (last 9 months)	479	439	918	459	526	153
2nd year	77	84	161	83	119	34
3rd year	20	37	57	44	48	12
4th year	4	6	10	14	26	8
5th year	4	5	9	6	21	4
6th year	0	2	2	7	16	0

TABLE BB-3

RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR RECOVERY
TO NUMBER OF TERMINATIONS EXPECTED
FROM THE 1964 COMMISSIONERS DISABILITY TABLE
(Three-Month Elimination Period; Calendar Years of Experience 1977-81)

DURATION OF DISABILITY	ALL AGES OF DIS- ABILITY COMBINED	AGE AT DISABILITY					
		Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined							
1st year (last 9 months) . . .	45.5%	69.7%	58.9%	63.9%	50.2%	37.6%	30.3%
2nd year	77.3	109.3	96.4	102.1	79.6	69.2	57.8
3rd year	60.1	70.6	86.6	80.4	69.7	52.1	52.0
4th year	46.1	38.6†	45.7	43.0	50.1	44.7	48.2
5th year	53.4	61.9	60.4	61.2	44.4	54.4	54.1
6th year	50.6	23.3†	52.3†	42.0	46.4	55.6	0.0†
Male Only							
1st year (last 9 months) . . .	43.3%	69.6%	59.3%	64.0%	49.4%	36.8%	29.3%
2nd year	77.9	116.8	98.8	106.4	84.3	70.9	58.0
3rd year	61.7	63.6	77.6	73.1	68.4	57.3	59.7
4th year	52.4	42.5†	55.8	50.9	62.0	50.0	51.4
5th year	63.5	72.9†	72.6	73.1	60.9	63.0	59.2
6th year	60.2	40.6†	75.8†	63.6†	55.0	63.6	0.0†
Female Only							
1st year (last 9 months) . . .	49.3%	69.7%	58.4%	63.8%	51.4%	39.4%	32.9%
2nd year	76.1	101.4	93.5	97.2	72.0	65.1	57.3
3rd year	56.7	77.4	96.8	88.2	71.8	39.1	30.6
4th year	33.2	34.2†	32.8	33.5	32.0	31.4	39.9†
5th year	32.7	50.2†	45.8†	47.7†	19.6†	31.9	43.8†
6th year	31.1	0.0†	25.0†	16.6†	33.4†	35.6	0.0†

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

† Involves fewer than ten terminations.

TABLE BB-4

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 Rates of Termination	Ratio to 1964 CDT	Based on Table BB-1 Rates of Termination*	Based on 1964 CDT Rates of Termination	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	\$15.96	\$ 5.43	294%	\$28.72	\$27.50	104%
35.5	20.67	5.95	347	31.30	29.72	105
45.5	26.67	7.82	341	35.75	32.18	111
55.5	35.10	12.25		39.55	35.19	
62.5	20.71	9.67		16.53	15.77	
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period						
25.5	\$31.92	\$ 9.41	339%	\$71.51	\$63.86	112%
35.5	44.24	11.09	399	81.31	73.54	111
45.5	54.76	14.23	318	85.46	73.57	116
55.5	52.56	17.24	305	64.42	55.60	116
62.5	20.71	9.67	214	16.53	15.77	105

* 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

ILLUSTRATIVE VALUES, UNDER PLANS WITH A 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 Rates of Termination	Ratio to 1964 CDT	Based on Table BB-1 Rates of Termination*	Based on 1964 CDT Rates of Termination	Ratio to 1964 CDT
Male Only						
25.5	\$31.40	\$ 9.41	334%	\$69.97	\$63.86	110%
35.5	43.86	11.09	396	81.10	73.54	110
45.5	54.26	14.23	381	83.63	73.57	114
55.5	52.43	17.24	304	63.64	55.60	114
62.5	20.83	9.67	215	16.53	15.77	105
Female Only						
25.5	32.53	\$ 9.41	346%	73.19	\$63.86	115%
35.5	44.78	11.09	404	81.68	73.54	111
45.5	55.52	14.23	390	88.37	73.57	120
55.5	53.03	17.24	308	66.42	55.60	119
62.5	20.40	9.67	211	16.56	15.77	105

* 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.

TABLE BBB

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
1977-81*	\$31.92	\$44.24	\$54.76	\$52.56	\$20.71
Ratio to 1964 CDT	339%	399%	318%	305%	214%
1962-81*	\$30.03	\$41.74	\$50.88	\$49.76	\$19.91
Ratio to 1964 CDT	319%	376%	358%	289%	206%
Annuity Value as of End of Twelfth Month of Disablement					
1964 CDT	\$63.86	\$73.54	\$73.57	\$55.60	\$15.77
1977-81*	\$71.51	\$81.31	\$85.46	\$64.42	\$16.53
Ratio to 1964 CDT	112%	111%	116%	116%	105%
1962-81*	\$66.89	\$78.87	\$82.81	\$62.91	\$16.30
Ratio to 1964 CDT	105%	107%	113%	113%	103%

* Annuity values are based on 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
 CRUDE TERMINATION RATES PER 1,000 CLAIMS
 EXPOSED TO DEATH OR RECOVERY
 (Twelve-Month Elimination Period; Calendar Years of Experience 1962-81)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
13th month.....	10.8†	12.6	11.9	11.6	10.4	12.7
14th month.....	18.6†	16.4†	17.2	13.1	12.0	12.0
15th month.....	22.3†	17.0	18.9	11.0†	10.2	11.8
16th month.....	14.6*	12.5*	13.3†	9.9	7.9	10.0†
17th month.....	10.1*	9.9†	10.0	13.1	9.6	8.6†
18th month.....	25.7	12.1†	17.1	11.8†	8.4	6.5*
19th month.....	24.4*	11.3†	16.2†	10.1	5.9	4.9*
20th month.....	12.8*	10.5*	11.3†	10.3†	5.0	5.7†
21st month.....	11.2*	9.6†	10.2†	9.5†	5.0	7.1†
22nd month.....	5.7*	8.7*	7.6*	11.8	6.0	9.3†
23rd month.....	11.6†	10.0†	10.6	12.0†	9.0	10.3†
24th month.....	13.7*	9.0*	10.7*	7.8†	10.2	13.0
2nd year.....	167.2	130.9	144.5	124.3	95.1	106.4
3rd year.....	60.7	64.7	63.7	90.3	66.5	62.6
4th year.....	111.1†	54.4†	71.7	70.2	67.6	61.3
5th year.....	89.3*	29.4*	45.5†	38.0	55.0	14.3*
6th year.....	83.4*	43.0*	53.1†	44.5	63.5	25.0*
Male Only						
2nd year.....	173.9	150.8	159.5	126.6	96.0	109.0
3rd year.....	52.7†	59.6	57.8	84.3	65.5	65.9
4th year.....	139.8†	56.8†	82.2	80.1	78.4	60.0
5th year.....	111.0*	37.1*	57.3†	32.9†	62.5	16.5*
6th year.....	102.3*	55.2*	67.3†	51.2	72.2	27.8*
Female Only						
2nd year.....	146.2	64.6†	95.6	116.2	91.2	87.5
3rd year.....	84.3*	80.0†	81.7	110.3	70.3	39.2*
4th year.....	0.0*	42.5*	28.8*	35.9*	24.5†	71.9*
5th year.....	0.0*	0.0*	0.0*	55.8*	24.8*	0.0*
6th year.....	0.0*	0.0*	0.0*	20.3*	28.3*	0.0*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

TABLE C-2
NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
(Twelve-Month Elimination Period; Calendar Years of Experience 1962-81)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
2nd year	54	71	125	136	272	100
3rd year	12	21	33	66	127	29
4th year	7	7	14	30	88	15
5th year	3	3	6	12	52	1
6th year	2	3	5	11	43	1
Male Only						
2nd year	42	63	105	106	222	90
3rd year	9	14	23	48	102	27
4th year	7	6	13	27	82	13
5th year	3	3	6	8	48	1
6th year	2	3	5	10	39	1
Female Only						
2nd year	12	8	20	30	50	10
3rd year	3	7	10	18	25	2
4th year	0	1	1	3	6	2
5th year	0	0	0	4	4	0
6th year	0	0	0	1	4	0

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

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							
2nd year	55.4%	53.8%	47.4%	50.0%	53.0%	54.4%	77.4%
3rd year	47.2	26.3	32.9	30.5	54.8	49.7	52.0
4th year	59.8	64.0†	38.3†	47.4	59.3	63.2	57.3
5th year	52.0	66.4†	27.6†	40.1†	42.1	60.9	14.5†
6th year	71.0	76.5†	50.5†	58.4†	59.5	78.3	26.8†
Male Only							
2nd year	57.6%	55.9%	54.6%	55.2%	54.0%	54.9%	79.3%
3rd year	46.1	22.8†	30.3	27.7	51.2	48.9	54.7
4th year	67.8	80.5†	40.0†	54.4	67.6	73.4	56.0
5th year	57.3	82.5†	34.8†	50.5†	36.5†	69.2	16.7†
6th year	81.7	93.8†	64.7†	74.0†	68.4	89.0	29.7†
Female Only							
2nd year	47.0%	47.0%	23.4%†	33.0%	49.6%	52.2%	63.7%
3rd year	51.4	36.5†	40.7†	39.0	67.0	52.5	32.5†
4th year	27.2	0.0†	29.9†	19.0†	30.3†	22.9†	67.2†
5th year	31.1†	0.0†	0.0†	0.0†	61.8†	27.4†	0.0†
6th year	28.9†	0.0†	0.0†	0.0†	27.1†	34.9†	0.0†

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

† Involves fewer than ten terminations.

TABLE C-4

RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR RECOVERY
TO NUMBER OF TERMINATIONS EXPECTED
FROM THE 1964 COMMISSIONERS DISABILITY TABLE*
(Twelve-Month Elimination Period; All Ages of Disablement Combined; Calendar Years of Experience 1962-81)

DURATION OF DISABLEMENT	YEAR OF DISABLEMENT											
	1971 and Prior	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	All Years
Male and Female Combined												
2nd year	82.9%	78.5%	48.4%	74.3%	58.8%	75.3%	72.0%	49.3%	7.5%	159.2%	.....	55.4%
3rd year	84.0	62.7	43.6	61.6	56.8	51.8	43.6	13.1†	5.3†	.....	.....	47.1
4th year	77.1	66.8	90.2	72.1	28.1†	34.8†	25.0†	11.0†	.....	.....	.....	59.7
5th year	70.4	44.2†	94.1	46.7†	39.8†	6.3†	5.2†	.....	.....	.....	.....	52.6
6th year	83.7	69.1†	86.2†	58.6†	55.9†	14.7†	.....	.....	.....	.....	.....	70.9
Male Only												
2nd year	83.6%	83.2%	53.7%	80.8%	59.7%	72.4%	79.1%	49.0%	8.1%	169.9%	.....	57.6%
3rd year	82.9	57.0	45.1	57.3	47.0	50.6	40.4	17.3†	5.5†	.....	.....	46.1
4th year	85.2	77.5	104.5	80.7	23.6†	36.3†	33.0†	14.4†	.....	.....	.....	67.8
5th year	72.1	46.9†	117.5	57.4†	45.9†	8.3†	0.0†	.....	.....	.....	.....	57.3
6th year	91.3	87.2†	116.5†	54.8†	71.1†	20.5†	.....	.....	.....	.....	.....	81.7
Female Only												
2nd year	79.4%	55.2%†	24.0%†	45.4%†	54.2%	81.6%	49.9%	49.4%	5.2%†	100.8%†	.....	46.9%
3rd year	88.7	86.9†	36.5†	80.6†	93.6†	55.5†	52.3†	0.0†	4.7†	.....	.....	51.1
4th year	40.8†	20.9†	21.9†	30.7†	43.9†	29.1†	0.0†	0.0†	.....	.....	.....	27.0
5th year	62.9†	32.7†	0.0†	0.0†	15.0†	0.0†	20.8†	.....	.....	.....	.....	34.4†
6th year	50.0†	0.0†	0.0†	73.6†	0.0†	0.0†	.....	.....	.....	.....	.....	28.6†

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

† Involves fewer than ten terminations.

TABLE C-5

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	VALUES AS OF END OF ELIMINATION PERIOD		
	Based on Table C-1 Rates of Termination*	Based on 1964 CDT Rates of Termination	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	\$ 41.26	\$30.28	136%
35.5	44.22	33.03	134
45.5	43.71	36.02	121
55.5	45.73	39.53	116
62.5	16.25	15.77	103
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period			
25.5	\$ 94.58	\$63.86	148%
35.5	106.65	73.54	145
45.5	93.01	73.57	126
55.5	65.55	55.60	118
62.5	16.25	15.77	103

* 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

ILLUSTRATIVE VALUES, UNDER PLANS WITH A 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 Rates of Termination	Ratio to 1964 CDT
Male Only			
25.5	\$ 92.25	\$63.86	144%
35.5	104.60	73.54	142
45.5	92.55	73.57	126
55.5	65.09	55.60	117
62.5	16.21	15.77	103
Female Only			
25.5	\$103.64	\$63.86	162%
35.5	113.93	73.54	155
45.5	94.61	73.57	129
55.5	67.43	55.60	121
62.5	16.50	15.77	105

* 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
 CRUDE TERMINATION RATES PER 1,000 CLAIMS
 EXPOSED TO DEATH OR RECOVERY
 (Twelve-Month Elimination Period; Calendar Years of Experience 1977-81)

DURATION OF DISABLEMENT	AGE AT DISABLEMENT					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
13th month.....	8.5*	6.3*	7.2†	7.6†	8.6	9.5†
14th month.....	19.3†	6.4*	11.2†	6.6†	8.7	8.4†
15th month.....	21.7†	10.5†	14.7	6.6*	6.7†	9.8*
16th month.....	11.0*	11.9*	11.6*	6.6†	4.8†	7.4*
17th month.....	2.2*	8.1*	5.9*	8.6*	6.8	8.8*
18th month.....	20.1†	6.8*	11.9	4.8*	4.8*	9.0*
19th month.....	22.5*	8.4*	13.8†	6.7†	2.0*	6.6*
20th month.....	11.7*	8.5*	9.7†	11.4†	2.8*	6.7*
21st month.....	11.8*	7.1*	8.9†	7.6*	3.2*	6.7*
22nd month.....	4.8*	5.7*	5.4*	4.8*	4.0†	8.1*
23rd month.....	12.2†	5.8*	8.2†	7.7†	6.8	8.2*
24th month.....	14.7*	4.3*	8.2*	7.7*	7.2†	9.8†
2nd year.....	149.4	86.2	110.5	83.5	64.2	94.7
3rd year.....	25.2*	47.9	39.4	57.5	42.1	37.0†
4th year.....	71.4*	32.6*	45.3†	23.9*	59.6	48.5†
5th year.....	79.2*	0.0*	23.0*	41.5†	38.2	26.5*
6th year.....	0.0*	45.8*	33.0*	44.9†	55.9	0.0*
Male Only						
2nd year.....	162.0	96.8	122.0	87.3	61.6	95.4
3rd year.....	13.8*	41.2†	31.3†	47.7	41.1	41.4†
4th year.....	88.9*	26.8*	46.8†	29.1*	68.6	55.0†
5th year.....	98.7*	0.0*	27.7*	40.0†	48.0	31.0*
6th year.....	0.0*	51.7*	38.0*	60.5†	68.0	0.0*
Female Only						
2nd year.....	110.6†	52.9†	75.3	71.6	75.0	88.5*
3rd year.....	54.1*	68.6*	64.0†	85.0†	44.6†	0.0*
4th year.....	0.0*	61.5*	38.1*	8.1*	29.5*	0.0*
5th year.....	0.0*	0.0*	0.0*	45.7*	4.1*	0.0*
6th year.....	0.0*	0.0*	0.0*	0.0*	12.6*	0.0*

* Involves fewer than five terminations.

† Involves fewer than ten terminations.

TABLE CC-2
NUMBER OF CLAIMS TERMINATED BY DEATH OR RECOVERY
(Twelve-Month Elimination Period; Calendar Years of Experience 1977-81)

DURATION OF DISABILITY	AGE AT DISABILITY					
	Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined						
2nd year	36	33	69	47	87	41
3rd year	3	11	14	22	40	8
4th year	3	3	6	4	36	5
5th year	2	0	2	7	17	1
6th year	0	2	2	7	20	0
Male Only						
2nd year	29	28	57	36	67	37
3rd year	2	7	9	14	31	8
4th year	3	2	5	4	32	5
5th year	2	0	2	5	17	1
6th year	0	2	2	7	19	0
Female Only						
2nd year	7	5	12	11	20	4
3rd year	1	4	5	8	9	0
4th year	0	1	1	0	4	0
5th year	0	0	0	2	0	0
6th year	0	0	0	0	1	0

TABLE CC-3
RATIOS OF ACTUAL CLAIMS TERMINATED BY DEATH OR RECOVERY
TO NUMBER OF TERMINATIONS EXPECTED
FROM THE 1964 COMMISSIONERS DISABILITY TABLE*
(Twelve-Month Elimination Period; Calendar Years of Experience 1977-81)

DURATION OF DISABILITY	ALL AGES OF DISABILITY COMBINED	AGE AT DISABILITY					
		Under 30	30-39	Under 40	40-49	50-59	60-64
Male and Female Combined							
2nd year	39.8%	48.1%	31.2%	38.2%	35.6%	36.8%	68.9%
3rd year	28.5	10.9†	24.3	18.8	34.9	31.4	30.7†
4th year	43.5	41.1†	23.0†	29.9†	20.2†	55.8	45.3†
5th year	39.2	58.9†	0.0†	20.1†	46.0†	42.3	26.4†
6th year	61.4	0.0†	53.8†	35.8†	60.1†	68.9	0.0†
Male Only							
2nd year	41.2%	52.1%	35.1%	42.2%	37.2%	35.2%	69.4%
3rd year	26.6	6.0†	20.9†	15.0†	29.0	30.7	34.4†
4th year	49.5	51.2†	18.9†	30.9†	24.6†	64.2	51.4†
5th year	45.7	73.4†	0.0†	24.2†	44.3†	53.1	31.3†
6th year	75.8	0.0†	60.7†	41.4†	80.9†	83.8	0.0†
Female Only							
2nd year	34.9%	35.6%†	19.1%†	26.0%	30.6%	42.9%	64.4%†
3rd year	35.1	23.4†	34.8†	30.4†	51.6†	33.3†	0.0†
4th year	21.3†	0.0†	43.3†	25.1†	6.8†	27.6†	0.0†
5th year	15.9†	0.0†	0.0†	0.0†	50.7†	4.5†	0.0†
6th year	9.2†	0.0†	0.0†	0.0†	0.0†	15.6†	0.0†

* As published by the Health Insurance Association of America, Table B1, Volume III.
† Involves fewer than ten terminations.

TABLE CC-4

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	VALUES AS OF END OF ELIMINATION PERIOD		
	Based on Table C-1 Rates of Termination*	Based on 1964 CDT Rates of Termination	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	\$ 43.85	\$30.28	145%
35.5	47.26	33.03	143
45.5	47.56	36.02	132
55.5	48.07	39.53	122
62.5	16.44	15.77	
Benefit Payable to Age 65 with First Payment Due at End of Elimination Period			
25.5	\$102.90	\$63.86	161%
35.5	115.62	73.54	157
45.5	103.70	73.57	141
55.5	69.27	55.60	125
62.5	16.44	15.77	104

* 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

ILLUSTRATIVE VALUES, UNDER PLANS WITH A 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	VALUES AS OF END OF ELIMINATION PERIOD		
	Based on Table C-1 Rates of Termination*	Based on 1964 CDT Rates of Termination	Ratio to 1964 CDT
Male Only			
25.5	\$100.99	\$63.86	158%
35.5	115.59	73.54	157
45.5	103.71	73.57	141
55.5	69.12	55.60	124
62.5	16.43	15.77	104
Female Only			
25.5	\$110.77	\$63.86	173%
35.5	114.67	73.54	156
45.5	103.78	73.57	141
55.5	69.74	55.60	125
62.5	16.47	15.77	104

* 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.

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TABLE CCC

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
1977-81*	\$102.90	\$115.62	\$103.70	\$69.27	\$16.44
Ratio to 1964 CDT	161%	157%	141%	125%	104%
1962-81*	\$ 94.58	\$106.65	\$ 93.01	\$65.55	\$16.25
Ratio to 1964 CDT	148%	145%	126%	118%	103%

* 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.

1,204 originated from the 1977-81 and 1962-76 portions, respectively, of the active lives experience, and the balance from experience units that were not included in the study of rates of disablement.

CONCLUSION

The overall termination rates shown in this report, which include one additional year of experience, are slightly lower (depending upon the elimination period, plan, age group, duration, and sex) than those shown in the previous study. The financial consequences of this change are apparent from a comparison of annuity values shown in Tables A-5, B-5, and C-5 between the prior report and this report. The variation from one report to the next once again underscores the need to exercise caution and judgment when using the disabled life annuity values shown in a given year's report for actuarial purposes such as reserving.

This study is very late in being published. The Committee recognizes the need to make data available on a more timely basis. However, this particular report was held up by the delay in receiving data contributions. The Committee has terminated the Group Weekly Indemnity Study because of lack of data and must consider the appropriate course of action for this report.

Over the years, a substantial group long-term disability data base has been established. The Committee wants to continue to build this data base and expand its usage for special studies by the Society as well as for individual companies. To accomplish this task, steps are being taken to obtain data from companies on a more timely basis. There also is a planned increase in staff support. An additional professional has been hired by the Society for the sole purpose of working on mortality and morbidity experience studies.