

**REPORT OF THE COMMITTEE ON GROUP
MORTALITY AND MORBIDITY**

The Committee's investigations prepared in 1950 covered the following matters:

- I. Group Annuity Mortality
- II. Group Life Insurance
- III. Group Accident and Health Insurance, including Group Hospital and Surgical Expense Insurance.

The details of these investigations are to be published separately from the *Transactions* and will be available for general distribution through the office of the Society of Actuaries. A brief description of the studies is set forth below.

SECTION I

GROUP ANNUITY MORTALITY

The report deals with the experience on matured lives for the years 1948 and 1949, and brings forward the combined experience to the end of 1949. The Committee has decided to discontinue the active life study undertaken in previous years, since the study had some limitations which made it subject to possible misunderstanding. Moreover, other sources of information regarding mortality on active lives are available.

The current study has been prepared on the same basis as the previous reports and is subdivided between cases of retirement on and after normal retirement date and cases of retirement prior to normal retirement date. Attention is directed to the fact that there were a number of deaths reported in 1948 which were actually incurred prior to 1948. The figures in the current report relating to the 1946-1947 experience have been adjusted to recognize these deaths and these figures are intended to supersede the comparable figures included in the last preceding report.

The mortality for the years 1948-1949 shows no significant variation from the experience of the two preceding years, although it indicates a continuance of a lower level of mortality than was experienced during the prewar years.

SECTION II

GROUP LIFE INSURANCE

The mortality and disability experience under Group Life insurance policies for the calendar year 1949 is added to the experience of calendar years 1946 to 1948 set forth in the Committee's 1949 report.

The experience is shown separately with respect to the three principal disability provisions in Group Life insurance policies, namely, the Waiver of Premium Disability Clause, the Extended Death Benefit Clause and the Total and Permanent Installment (or Lump Sum) Disability Clause. The data are analyzed extensively by industry classification and by age group for each type of disability clause. The entire experience is compared with the Commissioners Standard Ordinary Table, while the industry analysis uses the experience under all nonrated industry codes as a standard. Accidental deaths are tabulated separately.

SECTION III

GROUP ACCIDENT AND HEALTH INSURANCE, INCLUDING GROUP HOSPITAL AND SURGICAL EXPENSE INSURANCE

The Group Accident and Health Insurance experience was analyzed for policy years ending in 1947 to 1949 except for the experience of three companies which contributed for policy years ending July 1, 1946 to June 30, 1949.

The experience is shown separately for each of the five coverages, Group Accident and Sickness Insurance, Employee Group Hospital Expense Insurance, Employee Group Surgical Expense Insurance, Dependent Group Hospital Expense Insurance and Dependent Group Surgical Expense Insurance.

A secular trend table shows that the Group Accident and Sickness experience of the last year improved slightly over that of the preceding year. The reverse was indicated for all but one of the Group Hospital and Surgical Expense Insurance plans studied.

A size analysis (based on exposure) indicated that the Group Accident and Sickness experience becomes somewhat less favorable with increase in size. The Group Hospital and Surgical experience showed a similar but less conclusive trend except for the smallest size groups.