

Group Long Term Disability Benefit Offset Study – 2012

**Sponsored by
Society of Actuaries Health Section**

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Section I: Introduction

The Society of Actuaries (“SOA”) Health Section engaged Milliman, Inc. to conduct a study of group long-term disability (“LTD”) benefit offsets, which Milliman first performed for the SOA in 2008 and reported in July 2009¹. As with the earlier study, the 2012 Study investigates the percentages of LTD claimants who are receiving disability benefits from sources that offset their LTD benefits, the level of these offset benefits relative to pre-disability earned income and how they are affected by the following:

- duration of disablement,
- age at disablement,
- gender,
- industry,
- state of residence and
- medical conditions causing the disability.

In addition, the 2012 Study investigates the distribution of Social Security approval dates by duration of disablement..

Data for 317,630 claims was submitted to Milliman for this study (versus 267,100 claims for the earlier study) by the nine group LTD carriers listed in Table I. Requested claim data was provided on all claims in a pay status as of a date selected by each submitting company. These dates ranged from November 1, 2011 to November 30, 2011.

Table I Contributors to the Group LTD Benefit Offset Study
Fort Dearborn Guardian Hartford Liberty Mutual MetLife Mutual of Omaha Principal Standard Unum

For the 2012 Study, we added one company (MetLife) and lost one (Reliance Standard). The nine contributors to the 2012 Study represent 60% of group LTD inforce premium in the United States, according to the “2011 U.S. Group Disability Market Survey Summary Report,” published by GenRe.

Data contributed by the four largest LTD carriers comprised 84% of the total data received. Because of the large impact that these four companies would have had on the study’s results, we multiplied their claim data by factors that reduced the effective claim count for each of the four companies to 15% of the total study. As a result of this adjustment, the database compiled for this study was effectively reduced to 126,458 claims. We did a similar claim adjustment exercise in the earlier study, albeit with three LTD carriers.

The specific data for each claim that was requested is as follows:

- Date of disability
- Date of birth
- Gender
- Gross monthly benefit
- Net monthly benefit
- Benefit percent (e.g., 60%)
- Plan maximum monthly benefit
- Plan offset methodology, e.g., primary, family, all sources integration

¹ Beal, Robert W., “Group Long-Term Disability Benefit Offset Study,” Sponsored by the Society of Actuaries’ Health Section, July 2009.

- Minimum monthly benefit
- Elimination period
- Benefit period
- Pre-disability income
- Industry code
- State code
- Occupation code (if available)
- Diagnosis code, e.g., ICD9
- Actual offset benefits – by type, e.g., Social Security disability income (“SSDI”) primary, family, Social Security (or “SS”) retirement, workers’ compensation (“WC”), Retirement disability income (“DI”), state short-term disability (“STD”), etc.
- For each offset type, the date that benefit was first received and the actual end date (if available)
- The date that Social Security was approved or (if the SS award date was not available) the date that the Social Security benefit first offset the LTD benefit.

Some contributors were unable to submit all of the requested data. However, the submitted data that was common to all contributors was sufficient to allow us to study the prevalence of Social Security, WC and pension benefits among LTD claimants in considerable detail.

In presenting the results of the 2012 Study, we compare many of the results to those from the 2009 Study. However, the reader should realize that the list of contributors has changed somewhat and the claim adjustment factors applied to the claim records submitted by the larger LTD carriers are different. These factors may skew the comparison of the results between the two studies, and, thus, differences in results between the two studies may not be solely attributable to the changes in the underlying experience. The reader should be cautious in drawing conclusions based on the changes in results between the two studies.

In conducting our analysis, Milliman relied upon the claim data submitted by the nine LTD carriers. Unless otherwise described in this report, Milliman did not audit or independently verify any of the information furnished, except that we did review the data for reasonableness and consistency. To the extent that any of the data or other information supplied to us was incorrect or inaccurate, the results of our analysis could be materially affected.

This report is intended for the benefit of the Society of Actuaries. Although the authors understand that this report will be made widely available to third parties, Milliman does not assume any duty or liability to such third parties with its work. In particular, the results in this report are technical in nature and are dependent on certain assumptions and methods. No party should rely upon these results without a thorough understanding of those assumptions and methods. Such an understanding may require consultation with qualified professionals. This report should be distributed and reviewed only in its entirety.

Qualifications

We, Robert W. Beal and Tasha S. Khan, are consulting actuaries for Milliman, Inc. This letter provides an opinion regarding emerging LTD experience with respect to benefit offsets. We are members of the American Academy of Actuaries and meet its qualification standards for rendering this opinion.

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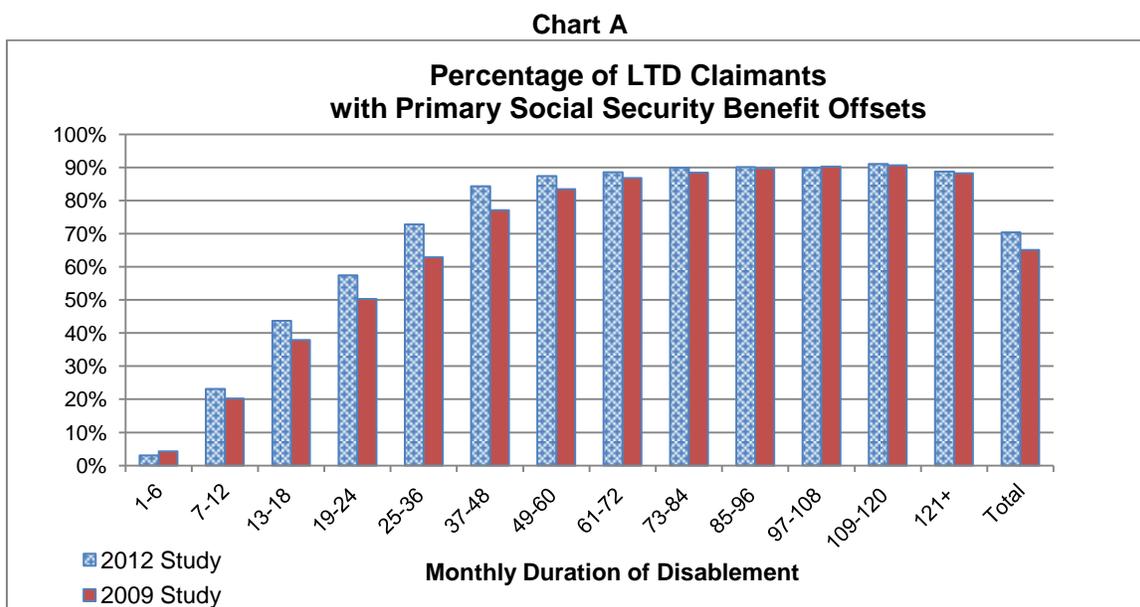
Barbara Scott, SOA Research Administrator

The authors also express their appreciation to the Society of Actuaries' Health Section for providing funding for this study.

Section II: Study Highlights

The report provides the same level of detailed analysis reported in the 2009 Study plus a new analysis on the distribution of Social Security approvals by duration of disablement. This section highlights results from Sections III, IV and V. Key results between the two studies are compared throughout the report. Because the list of contributors and the claim adjustment factors for the larger contributors are different in the 2012 Study, the reader should be cautious in drawing conclusions regarding changes in the underlying experience.

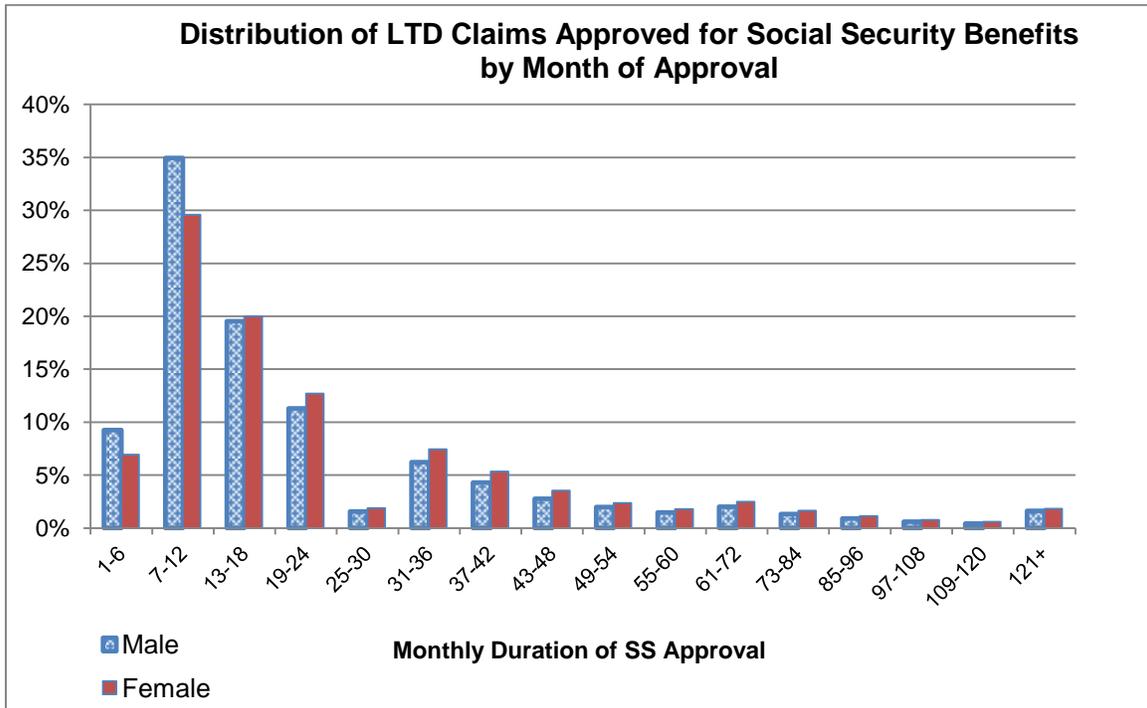
The overall percentage of LTD claimants with Primary Social Security benefit offsets from the 2012 Study (70%) is higher than the overall percentage from the 2009 Study (65%). This increase was noticeable through the first seven years of disablement, as seen in Chart A and is noticeable among most subsets of the business studied in this report.



The differences by state are not as noticeable as seen in the 2009 Study. Among the 15 states with the largest claim counts in the study, South Dakota has the lowest overall percentage (62.7%) of LTD claimants with Primary Social Security Benefit Offsets, and New York has the highest (75.1%). The ratio of average Primary Social Security disability benefits to pre-disablement earned income varies widely among states due to differences in average pre-disablement earned income. California has the lowest ratio (0.28) and South Carolina the highest (0.38).

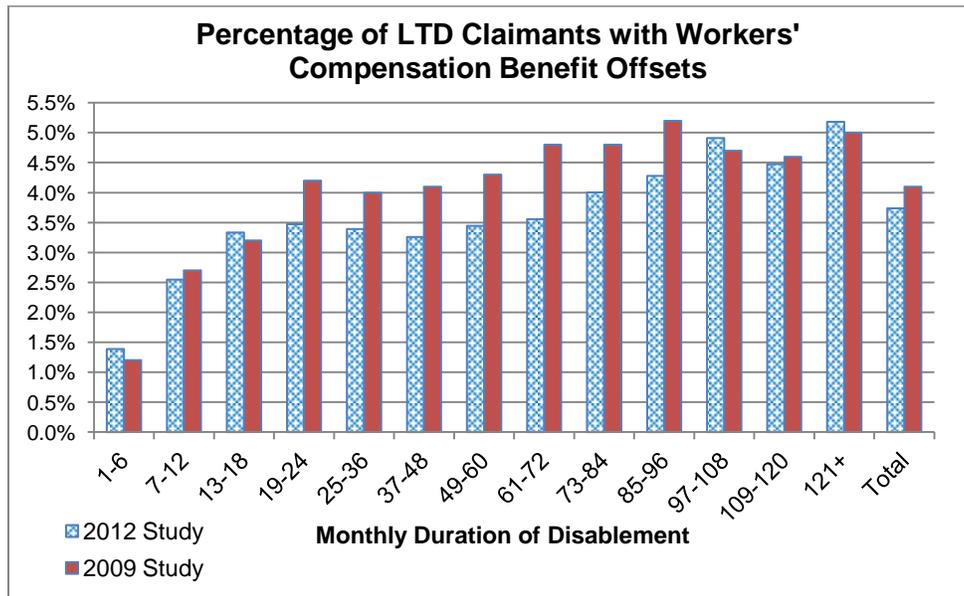
Chart B shows the distribution of claims approved for Social Security by their claim month in which approval was received. The distribution was based on the data from contributors who could provide the month that Social Security disability benefits were approved for each claim. The distributions by Social Security approval month are generally similar for males and females, except the months in which female claimants received approval were somewhat later than for males.

Chart B



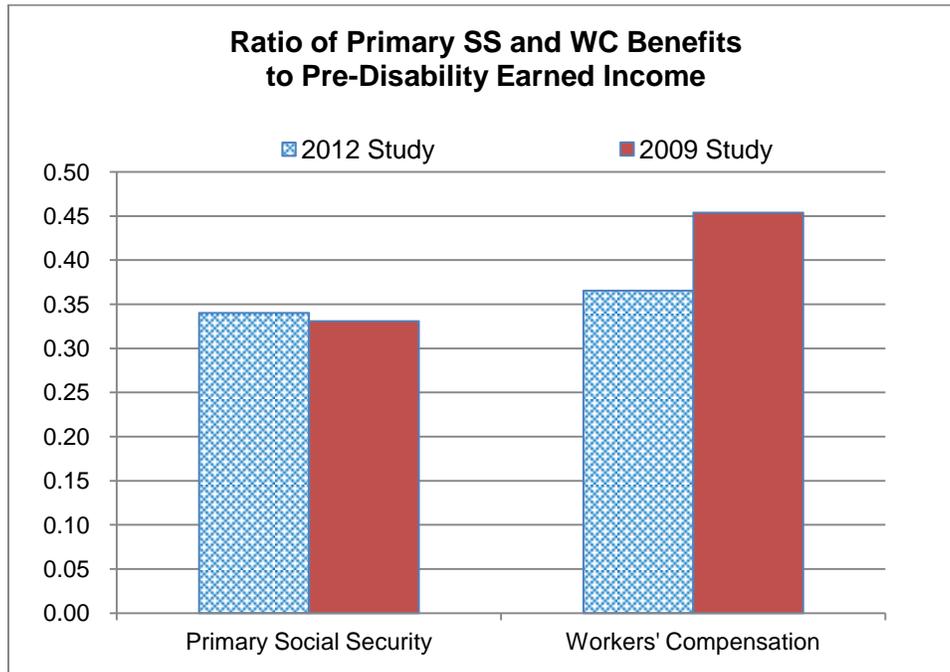
The overall percentage of LTD claimants receiving WC benefit offsets decreased somewhat between the 2009 Study (4.1%) and 2012 Study (3.7%). This decrease occurred primarily in durations of disablement between the 19th and 96th month, as shown in Chart C. This change may not be significant in light of the changes in the claim data contributors and the claim adjustments between the two studies.

Chart C



The ratio of average WC benefits to pre-disability earned income is lower than reported in the earlier study. It is now much closer to the ratio of the average Primary Social Security (SS) disability benefits to pre-disability earned income in the 2012 Study than was observed in the 2009 Study as illustrated in Chart E.

Chart E



The proportion of LTD claimants with Primary Social Security or WC benefit offsets varies significantly by diagnosis. Charts F1 (Primary Social Security Benefit Offsets) and F2 (WC Benefit Offsets) illustrate these differences.

Chart F1

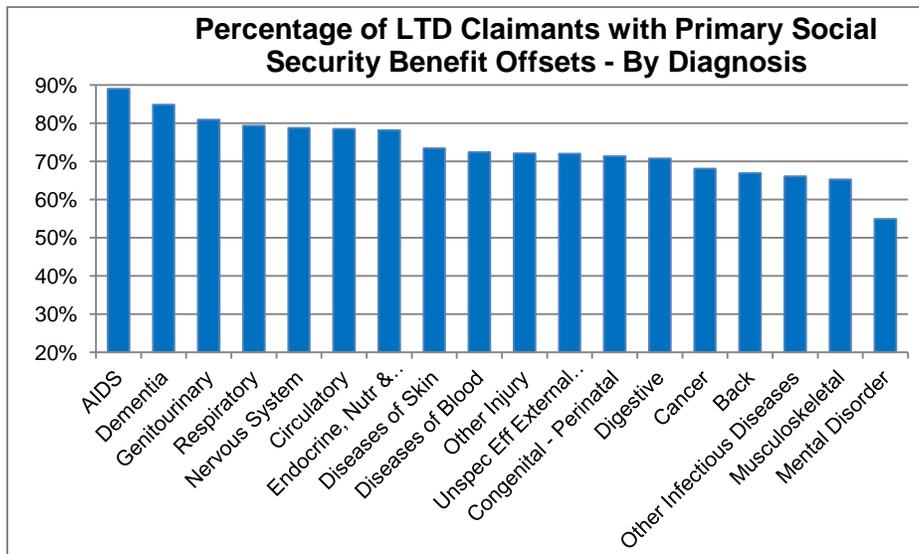
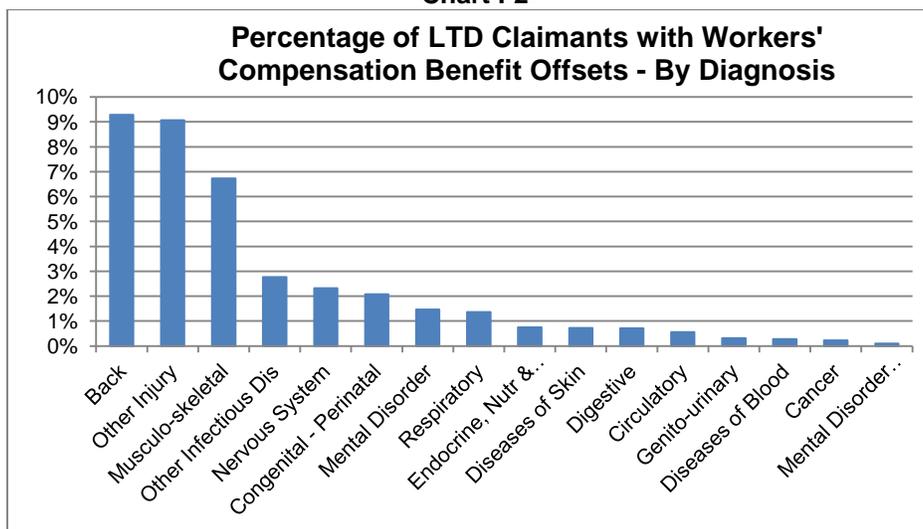


Chart F2

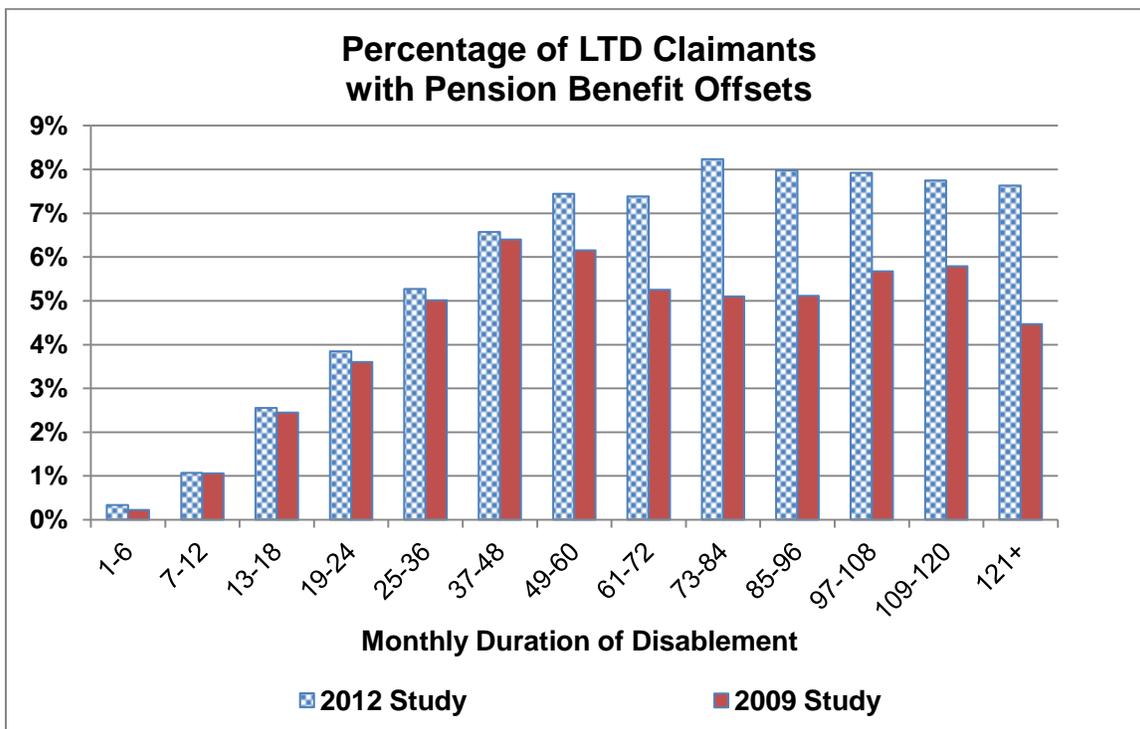


LTD claimants with more acute diagnoses, such as back, musculo-skeletal and other injuries are much more likely to qualify for WC benefit offsets than claimants with other diagnoses but less likely to qualify for Social Security disability benefits.

The percentage of LTD claimants with WC benefit offsets among states varies considerably more than the percentage of claimants with Primary Social Security benefit offsets. Among the 20 top states measured by LTD claimants in the database, Texas has the lowest portion of LTD claimants with WC benefit offsets (43% of average) and New York has the highest (216% of average). In terms of Primary Social Security benefit offsets, South Dakota has the lowest (89% of average) and New York has the highest (107% of average).

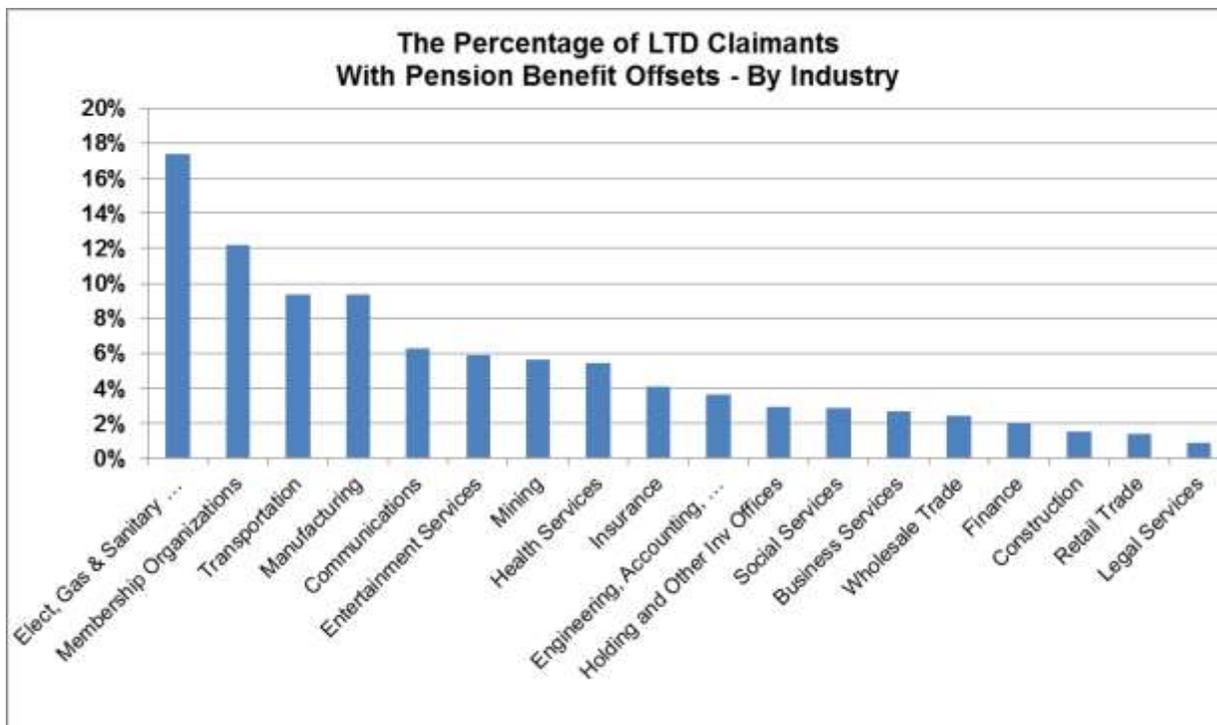
The average prevalence of pension offset benefits for all industries combined, but excluding Public Administration and Educational Services, was 5.6% compared to 4.2% from the 2009 Study. Claimants from Public Administration and Educational Services were excluded since they are often covered by public pension plans that often provide disability benefits, while private pension plans seldom do. The increase in the prevalence rate of pension offset benefits between the two studies was most pronounced in durations after the fourth year of disablement, as shown in Chart G.

Chart G



The prevalence rate of pension offset benefits varies widely among the various industries as shown in Chart H.

Chart H



Conclusion

This study reflects the incidence of these benefits for all claims submitted as of November 2011 and does not follow cohorts of claims over time. Thus, results by duration of disablement reflect different cohorts of claims. The reader of this report should bear this in mind.

There were material changes in the results between 2009 Study and 2012 Study. The percentage of LTD claimants qualifying for Social Security benefits or pension benefits increased noticeably. Some of these changes could be attributable to the changes in the list of contributors and the claim adjustment factors applied to four of the nine contributors. However, we feel a material portion of the change may reflect shifts in the underlying experience, particularly changes in Social Security approvals, perhaps impacted by the recession.

Section III: Social Security Benefit Offsets

This section discusses the proportion of LTD claimants whose LTD benefits are being offset by Primary and Dependent Social Security disability benefits by claim duration. The section also analyzes the ratio of the Primary Social Security benefits to pre-disability earned income, the ratio of the Dependent Social Security benefits to Primary Social Security benefits and the distribution of Social Security approvals by duration of disablement in which approvals were received.

Social Security Disability Benefits

Workers are eligible for SSDI benefits under the Old-Age, Survivors, and Disability Insurance (“OASDI”) program if they acquire sufficient work credits and are disabled as defined in the Social Security Act. Social Security work credits are based on a person’s total annual wages and self-employment income. The number of work credits needed to qualify for SSDI benefits depends upon the person’s age at the time he or she is disabled. Generally, 40 work credits, of which 20 are earned in the last 10 years, are required, but younger workers may qualify with fewer credits.

A strict definition of disability is used to qualify for SSDI benefits. *The worker must have a medically determinable physical or mental condition that (1) prevents him or her from engaging in any substantial gainful work, and (2) is expected to last (or has lasted) at least 12 months or is expected to result in death.* The impairment must be so severe as to prevent the person from not only doing his or her previous work but prevents the worker from engaging in any substantial gainful work in the national economy taking into account his or her age, education and work experience. After qualifying for SSDI benefits (i.e., the date of qualifying for disability, not the date of approval by the Social Security administration), the worker must wait five full calendar months before receiving benefits.

A disabled worker under the normal retirement age can receive a benefit equal to 100% of the primary insurance amount (“PIA”). A spouse of a disabled worker receiving SSDI benefits will also receive benefits if caring for a child who is under the age of 16. Unmarried children of a disabled worker under the age of 18 may also qualify for benefits. The maximum of all dependent SSDI benefits (e.g., spouse and dependent children) is 50% of the PIA. If the disabled worker receiving SSDI benefits is also receiving WC benefits or other disability payments from certain federal, state or local government plans, the maximum monthly benefit to the worker or family is limited to 80% of the workers’ “average current earnings”, as defined by the OASDI program.

Most group LTD plans offset (i.e., reduce) the disability benefits paid under these plans by any SSDI or SS retirement benefits received by the disabled worker. For some plans, disability benefits are offset only for the primary SSDI benefit received by the disabled worker, although more commonly, disability benefits are offset by all SSDI benefits, including those that are paid to the spouse and dependent children.

Primary Social Security Benefits by Gender, Age and Pre-Disability Income

Table III(a) shows the proportion of claimants whose LTD benefits are being offset by primary Social Security disability or retirement benefits, by gender and duration of disablement for the 2009 Study and 2012 Study. In creating this table, we excluded any claims from plans with non-integrated benefits. We did not exclude claims where claimants may not have been eligible for SSDI benefits.

Table III(a) Percentage of Group LTD Claimants With Primary Social Security Benefit Offsets By Gender and Duration of Disablement						
Duration of Disablement (Months)	2012 Study			2009 Study		
	Female	Male	Total	Female	Male	Total
1-6	2.5%	3.8%	3.1%	3.9%	4.8%	4.3%
7-12	20.0%	26.6%	23.1%	18.0%	22.7%	20.2%
13-18	39.8%	48.0%	43.6%	34.5%	41.6%	37.9%
19-24	53.4%	61.9%	57.4%	46.9%	54.2%	50.3%
25-36	70.4%	75.2%	72.8%	60.3%	65.9%	62.9%
37-48	83.6%	85.0%	84.3%	76.0%	78.3%	77.1%
49-60	87.2%	87.8%	87.5%	83.0%	84.0%	83.5%
61-72	88.7%	88.5%	88.6%	86.5%	87.3%	86.8%
73-84	90.2%	89.5%	89.9%	87.8%	89.4%	88.5%
85-96	90.4%	89.8%	90.1%	90.1%	89.3%	89.7%
97-108	89.9%	89.8%	89.9%	90.8%	89.6%	90.3%
109-120	90.8%	91.4%	91.1%	91.3%	90.0%	90.7%
121+	89.5%	87.6%	88.7%	89.0%	87.4%	88.3%
Total	69.3%	71.8%	70.4%	64.1%	66.2%	65.1%
# Claimants	67,113	59,284	126,397	48,901	41,572	90,473

The 2012 Study results in Table III(a) show an increasing pattern of percentages of LTD claimants with Primary Social Security benefit offsets by duration of disablement, exceeding 88% by the sixth year of disablement and exceeding 90% at some later durations. Male claimants have higher percentages with primary Social Security benefit offsets than female claimants during the first 60 months of disablement, with the differences becoming smaller as claims age. The average percentage of LTD claimants with Social Security benefit offsets is higher for the 2012 study than the earlier study for both males and females in durations after the first six months and before the 97th month, possibly reflecting efforts by the Social Security Administration to address a large backlog of pending disability claims.

Table III(b) shows the variability in the proportion of claimants whose LTD benefits are being offset by Primary Social Security disability or retirement benefits among the nine contributors.

Table III(b) Percentage of Group LTD Claimants With Primary Social Security Benefit Offset Variability Among the Nine Contributors					
Duration of Disablement (Months)	Average	Median	Minimum	Maximum	Standard Deviation
1-6	3.1%	2.8%	1.7%	11.3%	3.2%
7-12	23.1%	23.0%	20.1%	31.0%	3.4%
13-18	43.6%	42.0%	35.3%	55.2%	6.0%
19-24	57.4%	55.1%	48.0%	64.7%	5.3%
25-36	72.8%	71.9%	55.6%	78.7%	6.7%
37-48	84.3%	81.6%	64.4%	91.5%	7.8%
49-60	87.4%	87.6%	72.5%	92.1%	5.9%
61-72	88.6%	89.7%	76.7%	94.7%	5.3%
73-84	89.9%	90.6%	82.6%	96.6%	4.4%
85-96	90.1%	92.8%	82.1%	96.5%	5.4%
97-108	89.9%	90.4%	81.5%	94.7%	4.4%
109-120	91.1%	91.3%	86.7%	95.9%	3.4%
121+	88.7%	88.3%	85.4%	95.6%	3.5%
Total	70.4%	69.8%	64.3%	76.8%	4.3%

The range of results among the contributing companies reflects differences in company-specific SSDI assistance programs and in distribution of their LTD claimants by age, gender, income levels, industry, state and medical diagnoses. Variability among the contributors to this study is comparable to the variability in the earlier study as witnessed by the standard deviation of 4.9% from the prior study and 4.3% from the new study.

Table III(c) shows the proportion of claimants with Primary Social Security benefit offsets by age at disablement and duration of disablement. In this table, as well as in all other tables in this report, where there are less than 10 LTD claims in a cell, the results are left blank.

Table III(c) Percentage of Group LTD Claimants With Primary Social Security Benefit Offsets By Age at Disablement and Duration of Disablement										
Duration of Disablement (Months)	0-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+
1-6	0.0%	1.1%	0.7%	1.1%	1.3%	3.1%	2.6%	8.4%	7.5%	4.4%
7-12	8.2%	9.4%	9.6%	12.0%	13.9%	23.7%	33.6%	40.2%	17.1%	4.7%
13-18	16.5%	19.6%	21.6%	23.7%	30.1%	45.7%	61.3%	68.8%	26.5%	7.7%
19-24	27.7%	28.9%	31.3%	35.7%	43.0%	62.1%	75.8%	79.5%	35.4%	4.6%
25-36	44.8%	46.4%	50.3%	56.2%	62.4%	76.8%	85.1%	87.7%	40.0%	0.0%
37-48	66.7%	64.0%	73.0%	72.3%	80.6%	87.9%	91.0%	91.3%	49.1%	
49-60	75.1%	78.6%	78.1%	79.5%	85.3%	89.5%	92.4%	92.2%	58.8%	
61-72	79.7%	77.6%	82.6%	82.8%	87.1%	90.4%	93.3%	91.2%		
73-84	79.4%	83.3%	84.7%	85.4%	89.8%	92.1%	92.8%	86.9%		
85-96	86.5%	83.3%	89.2%	87.4%	89.2%	91.7%	92.9%			
97-108	88.7%	86.1%	85.8%	87.1%	90.6%	91.6%	91.8%			
109-120	89.9%	87.3%	88.0%	90.8%	91.5%	92.4%	91.0%			
121+	88.5%	89.0%	89.2%	89.3%	90.1%	88.3%	42.2%			
Total	57.9%	62.1%	66.6%	69.5%	70.8%	74.5%	76.1%	72.3%	25.5%	5.8%
# Claimants	3,979	6,508	11,091	16,788	23,131	27,118	23,695	11,856	1,661	577

During each of the first eight years of disablement, the percentage of LTD claimants with Primary Social Security benefit offsets generally increases with the age at disablement until age 65. For ages at disablement under 65, the percentages by duration were mostly higher for this study than the prior study.

Table III(d) shows the percentages of LTD claimants with Primary Social Security benefit offsets by pre-disability annual earned income level and duration of disablement. Please note that the pre-disability annual earned income of the nine contributors represents actual income and is not restricted by the LTD plans' maximum benefits.

Table III(d) Percentage of Group LTD Claimants With Primary Social Security Benefit Offsets By Pre-Disability Annual Earned Income and Duration of Disablement									
Duration of Disablement (Months)	Under \$30,000	\$30,000 – 49,999	\$50,000 - 69,999	\$70,000 - 99,999	\$100,000 - 124,999	\$125,000 - 149,999	\$150,000 - 199,999	\$200,000 - 249,999	\$250,000 & Over
1-6	3.5%	3.6%	1.7%	2.1%	5.6%	0.7%	4.5%	4.0%	1.0%
7-12	23.3%	23.4%	22.6%	22.3%	28.7%	22.2%	19.5%	22.5%	13.9%
13-18	41.2%	44.1%	46.0%	46.7%	45.1%	45.3%	43.2%	27.1%	25.0%
19-24	54.6%	58.4%	60.5%	56.8%	66.1%	57.8%	57.2%	51.1%	30.4%
25-36	71.2%	73.8%	74.7%	73.7%	75.5%	74.7%	67.8%	64.8%	33.4%
37-48	83.1%	86.2%	85.5%	84.1%	86.3%	83.7%	76.3%	70.8%	44.4%
49-60	87.0%	89.4%	87.2%	89.3%	89.9%	78.9%	82.6%	70.7%	40.4%
61-72	89.2%	90.1%	89.1%	88.5%	88.7%	78.8%	82.1%	76.6%	41.0%
73-84	90.7%	91.4%	90.2%	88.9%	93.0%	85.6%	80.9%	76.4%	30.4%
85-96	92.0%	91.5%	89.0%	87.4%	93.3%	90.3%	84.6%	73.1%	28.7%
97-108	91.0%	91.7%	89.5%	87.3%	86.4%	86.4%	82.2%	74.6%	31.3%
109-120	91.9%	92.6%	90.6%	92.4%	88.3%	79.7%	84.3%	77.3%	39.7%
121+	89.7%	90.2%	87.7%	88.0%	83.4%	82.9%	70.2%	69.9%	34.1%
Total	72.9%	71.2%	69.4%	67.1%	69.9%	65.9%	62.1%	58.7%	31.9%
# Claimants	40,762	47,413	20,441	10,490	2,879	1,362	1,159	520	1,378

The percentages of LTD claimants with Primary Social Security benefit offsets do not vary materially by pre-disability annual income levels until annual income levels exceed \$250,000. For annual income levels of \$250,000 and higher, significant reductions in the percentages of LTD claimants with Primary Social Security benefit offsets occur in almost all durations.

Table III(e) shows the ratio of Primary Social Security Benefits to pre-disability monthly earned income by gender and duration of disablement.

Table III(e) Ratio of Primary Social Security Benefits to Pre-Disability Monthly Earned Income For Claimants With Primary Social Security Benefit Offsets By Gender and Duration of Disablement			
Duration of Disablement (Months)	Female	Male	Total
1-6	0.351	0.388	0.371
7-12	0.369	0.364	0.366
13-18	0.352	0.363	0.358
19-24	0.365	0.363	0.364
25-36	0.359	0.352	0.355
37-48	0.351	0.347	0.349
49-60	0.296	0.341	0.319
61-72	0.345	0.332	0.338
73-84	0.342	0.335	0.338
85-96	0.345	0.333	0.339
97-108	0.342	0.335	0.338
109-120	0.340	0.322	0.331
121+	0.330	0.309	0.320
Total	0.341	0.340	0.340
# Claimants	46,486	42,551	89,037

There appear to be no material differences in this ratio between male and female claimants on average and only a slightly decreasing pattern in the ratios by duration of disablement.

Table III(f) shows the ratio of Primary Social Security Benefits to pre-disability monthly earned income by age at disablement and duration of disablement.

Table III(f) Ratio of Primary Social Security Benefits to Pre-Disability Gross Monthly Earned Income For Claimants With Primary Social Security Benefit Offsets By Age at Disablement and Duration of Disablement										
Duration of Disablement (Months)	0-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+
1-6						0.401	0.344	0.371	0.411	
7-12	0.435	0.358	0.337	0.350	0.372	0.367	0.380	0.363	0.294	0.366
13-18	0.392	0.384	0.377	0.361	0.359	0.370	0.349	0.363	0.280	0.487
19-24	0.421	0.385	0.358	0.344	0.362	0.363	0.381	0.357	0.283	
25-36	0.389	0.377	0.350	0.349	0.361	0.355	0.357	0.347	0.338	
37-48	0.401	0.358	0.343	0.337	0.342	0.351	0.356	0.343	0.340	
49-60	0.384	0.359	0.331	0.333	0.344	0.268	0.340	0.344		
61-72	0.394	0.359	0.335	0.335	0.335	0.344	0.332	0.347		
73-84	0.397	0.346	0.329	0.334	0.342	0.335	0.339	0.357		
85-96	0.378	0.333	0.336	0.336	0.338	0.336	0.344			
97-108	0.375	0.351	0.344	0.329	0.344	0.339	0.326	0.522		
109-120	0.361	0.340	0.319	0.331	0.335	0.331	0.315			
121+	0.366	0.332	0.322	0.310	0.314	0.323	0.342	0.299		
Total	0.380	0.346	0.332	0.327	0.337	0.334	0.351	0.352	0.296	0.429
# Claimants	2,302	4,041	7,383	11,668	16,388	20,215	18,022	8,566	424	34

The ratios of Primary Social Security benefits to pre-disability earned income do not appear to vary significantly for ages at disablement under 65, except for ages at disability under 30 where higher ratios are observed.

Table III(g) shows the ratio of Primary Social Security Benefits to pre-disability monthly earned income by pre-disability annual income level and duration of disablement.

Table III(g) Ratio of Primary Social Security Benefits to Pre-Disability Gross Monthly Earned Income For Claimants With Primary Social Security Benefit Offsets By Pre-Disability Annual Earned Income and Duration of Disablement									
Duration of Disablement (Months)	Under \$30,000	\$30,000 – 49,999	\$50,000 - 69,999	\$70,000 - 99,999	\$100,000 - 124,999	\$125,000 - 149,999	\$150,000 - 199,999	\$200,000 - 249,999	\$250,000 +
1-6	0.594	0.437	0.330						
7-12	0.559	0.446	0.358	0.292	0.238	0.197	0.164	0.127	0.065
13-18	0.555	0.446	0.366	0.295	0.238	0.202	0.159	0.125	0.042
19-24	0.545	0.446	0.363	0.295	0.240	0.201	0.159	0.125	0.063
25-36	0.537	0.439	0.359	0.292	0.234	0.194	0.158	0.121	0.066
37-48	0.528	0.434	0.357	0.287	0.230	0.191	0.154	0.119	0.065
49-60	0.510	0.417	0.342	0.274	0.220	0.178	0.148	0.113	0.025
61-72	0.503	0.408	0.339	0.268	0.214	0.175	0.140	0.113	0.062
73-84	0.489	0.400	0.331	0.260	0.207	0.172	0.137	0.110	0.061
85-96	0.484	0.394	0.327	0.254	0.200	0.169	0.136	0.102	0.062
97-108	0.478	0.393	0.329	0.251	0.194	0.164	0.130	0.105	0.062
109-120	0.473	0.386	0.318	0.249	0.188	0.160	0.130	0.101	0.060
121+	0.418	0.346	0.279	0.215	0.166	0.135	0.109	0.086	0.071
Total	0.484	0.406	0.338	0.271	0.217	0.180	0.143	0.111	0.053

The decreasing ratios of Primary Social Security benefits to pre-disability monthly earned income as incomes rise reflect the tiered formula used to calculate Primary Insurance Amount as well as the overall cap on SSDI benefits..

Primary Social Security Benefits by Industry

Tables III(h) and III(i) show the percentages of LTD claimants with Primary Social Security benefit offsets by industry. Appendix A describes the SIC codes that comprise the illustrated industries. These industries represent the 20 top industries ranked by the number of claims in the database.

Table III(h) Percentage of Group LTD Claimants With Primary Social Security Benefit Offsets By Industry and Duration of Disablement – Part 1										
Duration of Disablement (Months)	Business Services	Educational Services	Eng. Acctg. Res & Rel Services	Finance	Health Services	Insurance	Manufacturing	Public Administration	Retail Trade	Wholesale Trade
1-6	6.2%	1.9%	2.6%	3.0%	3.6%	1.8%	3.0%	3.1%	4.3%	2.6%
7-12	23.0%	18.9%	22.3%	21.2%	24.6%	20.8%	26.6%	22.6%	22.7%	25.4%
13-18	45.4%	38.1%	42.3%	47.1%	43.4%	38.1%	51.4%	38.6%	42.5%	44.8%
19-24	58.2%	50.2%	55.4%	58.9%	59.6%	57.6%	64.7%	51.3%	54.6%	61.7%
25-36	74.0%	66.8%	74.4%	73.8%	74.8%	73.7%	78.4%	64.2%	73.7%	78.2%
37-48	86.5%	78.8%	81.7%	88.7%	86.6%	89.3%	89.8%	76.7%	87.8%	88.2%
49-60	90.0%	79.0%	89.3%	89.6%	90.7%	90.9%	91.6%	78.5%	89.4%	92.5%
61-72	89.5%	83.1%	89.4%	92.6%	90.3%	92.6%	92.1%	78.7%	93.1%	92.6%
73-84	93.2%	85.1%	92.2%	94.5%	90.8%	95.6%	93.3%	78.3%	93.9%	94.0%
85-96	91.8%	84.5%	92.3%	95.5%	91.5%	95.5%	94.5%	78.0%	94.5%	95.8%
97-108	91.7%	81.5%	89.3%	94.2%	90.9%	96.0%	93.9%	78.4%	95.7%	93.6%
109-120	93.7%	85.1%	91.7%	95.5%	92.3%	92.5%	93.8%	83.1%	94.8%	94.1%
121+	92.2%	84.9%	90.9%	94.9%	90.5%	93.9%	86.2%	80.3%	95.6%	94.2%
Total	73.1%	64.2%	69.7%	73.5%	72.1%	73.5%	76.7%	63.6%	67.0%	73.7%
# Claimants	3,895	10,599	4,138	5,339	12,306	4,186	23,854	9,636	10,808	5,006

Table III(i) Percentage of Group LTD Claimants With Primary Social Security Benefit Offsets By Industry and Duration of Disablement – Part 2										
Duration of Disablement (Months)	Communica-tions	Construction	Elec,Gas & Sani Services	Entertain-ment Services	Holding and Other Investment Offices	Legal Services	Membership Organizations	Mining	Social Services	Transport-ation
1-6	8.9%	6.4%	3.3%	0.5%	2.0%	9.0%	7.5%	0.0%	8.8%	1.6%
7-12	15.4%	28.0%	26.9%	22.4%	20.0%	19.6%	26.2%	28.1%	22.9%	20.7%
13-18	35.3%	43.4%	49.1%	40.3%	48.4%	46.0%	49.2%	47.6%	51.3%	40.0%
19-24	49.9%	60.9%	61.9%	57.2%	51.8%	53.7%	60.0%	62.5%	63.9%	49.6%
25-36	72.8%	73.7%	79.8%	74.0%	72.5%	64.9%	72.5%	75.4%	72.7%	65.9%
37-48	85.9%	76.4%	89.3%	86.4%	85.9%	74.0%	88.3%	86.5%	85.7%	77.2%
49-60	83.8%	93.0%	86.3%	88.4%	87.7%	81.3%	89.5%	91.9%	90.0%	81.8%
61-72	88.5%	92.5%	90.4%	89.5%	96.7%	84.8%	93.7%	92.9%	92.4%	82.2%
73-84	88.4%	90.1%	89.6%	91.7%	98.1%	81.2%	92.1%	93.7%	95.0%	84.8%
85-96	94.6%	93.9%	91.7%	89.1%	98.3%	92.1%	97.4%	92.7%	93.7%	84.4%
97-108	94.2%	93.6%	94.8%	91.3%	98.4%	84.6%	94.4%	94.3%	91.1%	85.0%
109-120	95.8%	96.6%	95.5%	94.7%	93.0%	86.5%	88.9%	96.0%	93.6%	86.3%
121+	93.5%	93.6%	93.7%	93.7%	92.0%	86.1%	90.6%	94.3%	92.6%	85.6%
Total	64.6%	71.3%	76.8%	67.0%	70.9%	70.2%	73.8%	75.1%	73.6%	62.9%
# Claimants	2,311	1,359	2,354	926	685	1,352	1,390	824	1,310	2,946

Public Administration and Education stand out with generally lower percentages than most other industries. This is most likely due to a number of states that have retirement and disability programs for public employees and teachers that do not participate in the Social Security program.

Appendix B provides a distribution of the LTD claimants in the study by diagnosis and industry. Table III(j) compares the percent of LTD claimants with more acute diagnoses (defined as Back, Other Injury or Other Musculoskeletal) to the percent of LTD claimants with Primary Social Security Benefit Offsets, by industry. Public Administration and Education Services are excluded from this comparison because many such plans do not participate in the Social Security program.

Table III(j) Comparison of Industries Percentage of LTD Claimants with Acute Diagnoses Versus Percentage of LTD Claimants with Primary SS Benefit Offsets		
Industry	% with Primary SS Benefit Offset	% with Acute Diagnoses
Transportation	62.9%	40.3%
Communications	64.6%	33.4%
Retail Trade	67.0%	38.0%
Entertainment	67.0%	37.3%
Engineering, Acctg, Research & Rel. Services	69.7%	34.1%
Legal Services	70.2%	30.3%
Holding and Other Investment Offices	70.9%	30.6%
Construction	71.3%	43.3%
Health Services	72.1%	38.9%
Business Services	73.1%	32.1%
Finance	73.5%	28.5%
Insurance	73.5%	28.1%
Social Services	73.6%	33.5%
Wholesale Trade	73.7%	39.1%
Membership Organizations	73.8%	34.1%
Mining	75.1%	46.2%
Manufacturing	76.7%	39.7%
Electric, Gas & Sanitation Services	76.8%	43.1%
All Industries	70.4%	37.1%

Overall, it does not appear that a significant correlation exists between the percent of LTD claimants with acute conditions and the percent of LTD claimants receiving Primary Social Security benefit offsets, as illustrated in Chart I.

Chart I

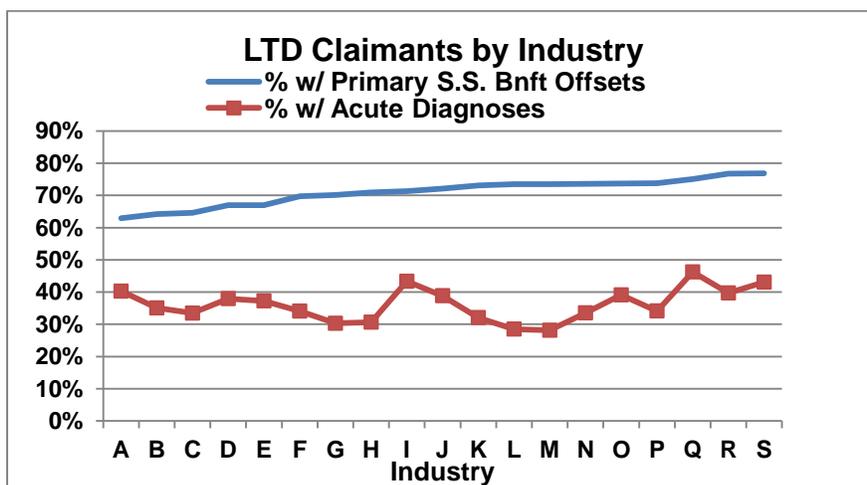


Table III(k) compares the ratios of the Primary Social Security benefits to the pre-disability monthly earned income and the average pre-disability earned annual income for the twenty industries.

Industry	Primary Social Security Benefit / Pre-Disability Earned Income	Average Pre-Disability Earned Income	Total # Claimants
Social Services	0.392	2,734	964
Retail Trade	0.385	3,089	7,242
Wholesale Trade	0.381	3,588	3,688
Manufacturing	0.362	3,875	18,307
Transportation	0.360	4,019	1,853
Membership Organizations	0.359	3,469	1,026
Public Administration	0.358	3,413	6,133
Electric, Gas & Sanitation Services	0.355	4,592	1,809
Communications	0.355	3,869	1,493
Mining	0.354	3,369	524
Entertainment Services	0.347	3,837	621
Educational Services	0.344	3,495	6,809
Construction	0.335	4,447	970
Health Services	0.328	3,826	580
Holding and Other Investment Offices	0.319	3,907	8,873
Insurance	0.306	4,502	3,075
Business Services	0.294	4,828	2,847
Finance	0.293	4,433	3,922
Engineering, Accounting, Research & Related Services	0.293	4,934	2,886
Legal Services	0.203	6,922	948

The differences in the ratios of Primary Social Security benefits to pre-disability monthly earned income among the twenty industries in Table III(k) generally reflect differences in average incomes among the claimants in these categories. Higher average pre-disability earned incomes produce lower ratios. Legal Services has the lowest ratio (0.203) and highest average income, and Social Services have the highest ratio (0.392) and lowest average income, as they did in the 2009 Study.

Primary Social Security Benefits by Diagnosis

Tables III(l) and III(m) show the percentage of LTD claimants with Primary Social Security benefit offsets by diagnosis category and duration of disablement.

Table III(l) Percentage of Group LTD Claimants With Primary Social Security Benefit Offsets By Diagnosis Category and Duration of Disablement – Part 1										
Duration of Disablement (Months)	Other Musculo-skeletal	Back	Nervous System	Circulatory	Cancer	Mental Disorder	Respiratory	Other Infectious Diseases	Digestive	Genito-urinary
1-6	1.6%	2.3%	4.6%	4.8%	5.2%	1.2%	10.6%	0.8%	4.8%	4.8%
7-12	14.3%	13.0%	29.5%	32.2%	36.0%	11.4%	38.7%	19.3%	21.2%	43.1%
13-18	34.7%	31.2%	49.7%	58.2%	61.9%	27.8%	61.2%	42.3%	40.2%	65.1%
19-24	48.7%	44.9%	62.0%	70.4%	75.0%	44.6%	71.2%	62.6%	56.5%	79.5%
25-36	65.7%	63.2%	77.2%	82.6%	82.0%	58.2%	86.1%	72.3%	71.8%	88.4%
37-48	80.2%	79.9%	85.5%	89.4%	90.1%	81.4%	90.8%	92.2%	83.0%	88.9%
49-60	85.1%	84.2%	88.8%	90.7%	91.5%	84.9%	91.6%	90.5%	88.7%	93.5%
61-72	87.6%	85.5%	89.9%	90.8%	91.1%	87.1%	93.8%	93.1%	89.5%	91.6%
73-84	87.5%	88.5%	92.7%	91.9%	91.5%	91.7%	92.8%	94.9%	89.5%	91.0%
85-96	88.9%	88.5%	92.4%	92.1%	89.6%	90.0%	90.7%	94.1%	94.1%	93.3%
97-108	88.8%	88.0%	92.0%	90.2%	90.0%	92.4%	92.6%	94.1%	91.0%	91.2%
109-120	89.9%	89.5%	92.8%	92.7%	92.3%	90.3%	92.2%	92.3%	95.1%	97.7%
121+	87.0%	87.1%	90.6%	89.0%	90.8%	87.2%	88.8%	94.0%	90.0%	93.3%
Total	65.3%	66.9%	78.8%	78.5%	68.1%	54.9%	79.4%	66.1%	70.8%	81.0%
# Claimants	24,932	19,228	18,862	16,770	10,762	7,986	4,294	3,399	2,979	2,759

Table III(m) Percentage of Group LTD Claimants With Primary Social Security Benefit Offsets By Diagnosis Category and Duration of Disablement – Part 2										
Duration of Disablement (Months)	Other Injury	Endocrine, Nutr & Metabolic	AIDS	Diseases of Skin	Congenital - Perinatal	Unspecified Effective External Causes	Diseases of Blood	Mental Disorder - Dementia	Complications of Pregnancy	Normal Pregnancy
1-6	3.8%	5.3%		3.8%	1.1%	0.0%			0.0%	0.0%
7-12	16.4%	27.8%	32.9%	24.5%	24.9%	24.4%	24.6%	52.5%	0.0%	0.0%
13-18	41.1%	45.8%	45.2%	48.3%	38.1%	50.9%	49.0%	57.5%	1.7%	
19-24	54.8%	61.4%	70.4%	58.2%	61.5%	58.0%	61.0%	80.0%		
25-36	67.2%	80.4%	81.6%	82.6%	60.8%	77.8%	78.3%	87.7%		
37-48	79.0%	83.9%	85.9%	87.6%	74.7%	74.3%	79.9%	94.5%		
49-60	86.9%	88.7%	86.1%	91.4%	89.0%	86.6%	85.0%	93.4%		
61-72	82.4%	92.1%	93.6%	86.4%	89.1%	88.9%	88.7%	94.0%		
73-84	87.4%	89.8%	87.9%	92.7%	89.0%	96.5%	89.8%	99.1%		
85-96	91.1%	93.7%	93.2%	94.5%	83.8%	94.7%	84.8%	93.9%		
97-108	86.3%	92.4%	92.9%	94.6%	95.2%	95.7%	97.4%			
109-120	90.0%	93.7%	93.0%	93.3%	88.7%	93.8%	96.9%			
121+	86.1%	90.1%	94.1%	90.6%	92.1%	89.0%	90.5%	95.5%		
Total	72.1%	78.2%	89.0%	73.5%	71.4%	72.0%	72.4%	84.8%	7.1%	4.8%
# Claimants	2,726	2,759	1,121	1,109	863	421	337	305	288	139

For all diagnoses, the percentage exceeds 85% by the 5th year of disablement, and the biggest differences among the various illustrated diagnoses are in the first 4 years. As expected, some diagnoses exhibit significantly higher percentages of claims with Primary Social Security benefit offsets, e.g., circulatory, nervous system, cancer, respiratory, genitourinary, and dementia.

Primary Social Security Benefits by State

Tables III(n) and III(o) show the percentages of LTD claimants with Primary Social Security benefit offsets for the top fifteen states ranked by their number of claims in the database. All other states are grouped into the Other category.

Table III(n) Percentage of Group LTD Claimants With Primary Social Security Benefit Offsets By State and Duration of Disablement – Part 1								
Duration of Disablement(Months)	CA	FL	GA	IL	MA	MD	MI	NC
1-6	2.4%	4.3%	4.0%	2.1%	1.3%	2.1%	3.4%	3.0%
7-12	15.1%	24.0%	19.8%	26.2%	20.4%	18.6%	27.1%	22.4%
13-18	34.6%	45.0%	42.8%	40.3%	43.1%	42.5%	50.7%	44.1%
19-24	46.4%	57.5%	54.0%	57.8%	58.2%	50.5%	65.2%	52.9%
25-36	66.0%	72.4%	65.4%	76.5%	75.6%	68.9%	78.6%	71.5%
37-48	81.7%	86.5%	80.5%	87.0%	83.4%	81.4%	84.5%	84.2%
49-60	86.4%	90.2%	82.5%	90.3%	88.6%	89.7%	93.1%	89.5%
61-72	88.3%	88.4%	88.5%	89.8%	89.1%	88.7%	90.9%	90.4%
73-84	91.5%	92.8%	86.4%	93.2%	88.2%	91.3%	92.5%	90.4%
85-96	88.3%	92.9%	94.3%	90.8%	93.8%	95.3%	95.8%	92.1%
97-108	90.4%	92.6%	93.1%	89.8%	89.3%	92.7%	94.8%	92.3%
109-120	90.2%	94.5%	90.8%	91.4%	88.9%	90.2%	90.6%	94.0%
121+	88.4%	89.4%	89.1%	84.6%	86.2%	91.2%	90.4%	92.6%
Total	68.9%	70.3%	65.8%	68.3%	69.5%	66.9%	72.2%	69.8%
# Claimants	7,593	5,695	3,253	3,189	2,775	2,243	3,314	4,318

Table III(o) Percentage of Group LTD Claimants With Primary Social Security Benefit Offsets By State and Duration of Disablement – Part 2								
Duration of Disablement (Months)	NJ	NY	OH	PA	SC	SD	TX	Other
1-6	2.2%	3.8%	4.9%	3.4%	6.8%	0.5%	3.8%	2.8%
7-12	21.1%	25.1%	26.1%	24.1%	20.5%	20.8%	20.5%	24.1%
13-18	44.3%	49.6%	48.9%	43.7%	49.1%	39.1%	42.4%	43.6%
19-24	59.4%	62.0%	57.1%	62.2%	64.4%	53.3%	59.1%	57.8%
25-36	76.3%	78.6%	72.4%	76.2%	74.4%	63.4%	75.1%	72.8%
37-48	87.4%	89.2%	86.4%	85.1%	88.2%	73.9%	87.6%	83.9%
49-60	88.5%	89.3%	88.5%	89.1%	90.0%	74.3%	88.1%	86.7%
61-72	92.9%	93.8%	87.7%	90.8%	91.9%	80.4%	93.6%	87.4%
73-84	89.6%	94.2%	93.1%	95.6%	93.8%	75.9%	92.6%	88.7%
85-96	90.8%	93.8%	89.3%	90.2%	93.4%	78.8%	93.1%	89.1%
97-108	94.5%	96.8%	88.8%	88.4%	92.3%	80.9%	87.8%	89.0%
109-120	93.1%	94.6%	88.8%	95.6%	95.1%	86.9%	91.0%	90.3%
121+	90.2%	90.5%	81.0%	89.3%	93.3%	88.9%	89.3%	88.5%
Total	74.4%	75.1%	69.0%	71.1%	73.9%	62.7%	68.8%	70.8%
# Claimants	2,733	4,368	3,738	4,815	2,580	1,551	5,795	68,444

The differences by state are not as noticeable as seen in the 2009 Study. South Dakota has the lowest overall percentage (62.7%), and New York has the highest (75.1%).

Table III(p) compares the ratios of Primary Social Security benefits to pre-disability earned income for these key states.

Table III(p) Ratio of Primary Social Security Benefits To Pre-Disability Gross Monthly Earned Income And Average Pre-Disability Earned Income For Claimants With Primary Social Security Benefit Offsets All Durations of Disablement Combined By State			
State	Primary Social Security Benefit / Pre-Disability Earned Income	Average Pre-Disability Earned Income	Total # Claimants
SC	0.383	3,513	1,906
NC	0.373	3,499	3,013
PA	0.370	3,557	3,423
MI	0.366	3,728	2,394
GA	0.362	3,621	2,142
SD	0.352	3,844	972
Other	0.349	3,666	48,473
IL	0.348	3,951	2,177
TX	0.343	3,974	3,986
FL	0.341	3,808	4,004
MD	0.338	4,067	1,500
MA	0.324	4,175	1,928
NY	0.309	4,486	3,281
OH	0.297	4,506	2,580
NJ	0.286	4,974	2,034
CA	0.282	4,969	5,229
Total	0.340	3,861	89,043

The differences in the ratios in Table III(p) are largely attributable to differences in the average income levels among the states.

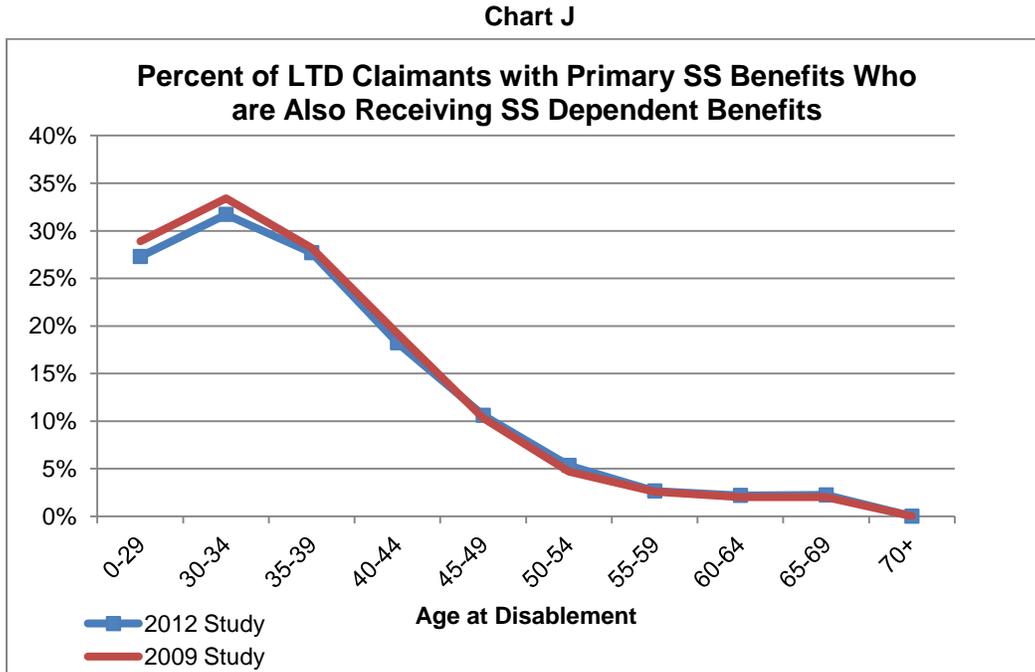
Dependent Social Security Benefits by Gender and Age

Table III(q) shows the percentages of LTD claimants with Primary Social Security benefit offsets who are also receiving Dependent Social Security benefits, by gender and age at disablement. When tabulating these results, we excluded claims that offset only Primary Social Security benefits or were non-integrated.

Table III(q) Percentage of Group LTD Claimants With Primary Social Security Benefit Offsets Who Are Also Receiving Dependent Social Security Benefits By Gender and Age at Disablement			
Age at Disablement	Female	Male	Total
0-29	30.0%	23.5%	27.3%
30-34	31.8%	31.5%	31.7%
35-39	25.8%	30.3%	27.7%
40-44	14.4%	23.1%	18.2%
45-49	7.2%	14.7%	10.6%
50-54	2.6%	8.3%	5.3%
55-59	0.7%	4.4%	2.7%
60-64	0.6%	3.6%	2.2%
65-69	0.7%	3.5%	2.2%
70+	0.0%	0.0%	0.0%
# Claimants	44,385	39,858	84,243

The percentage of LTD claimants with Primary Social Security benefit offsets who also receive Dependent Social Security benefits decreases as the age of disablement increases. The younger claimants are more likely to have children at ages who qualify for Dependent Social Security benefits. The reductions in this percentage are largest for male ages 45+ and female ages 40+. The percentage for female claimants is higher than male claimants until the 35-39 age bracket.

Chart J compares the percentages of LTD claimants with Primary Social Security benefit offsets who also receive Dependent Social Security benefits by age of disablement between the 2012 Study and the 2009 Study.



While the percentage of LTD claimants with Primary Social Security Offsets increased between the two studies, the percentage of these claimants who are also receiving Dependent Social Security benefits decreased slightly for ages under 45.

Table III(r) shows that the percentages of LTD claimants with Primary Social Security benefit offsets who are also receiving Dependent Social Security benefits noticeably decrease as the duration of disablement increases. These percentages may be more a function of the attained age of the claimant rather than the duration of disablement.

Table III(r)
 Percentage of Group LTD Claimants With Primary Social Security Benefit Offsets
 Who Are Also Receiving Dependent Social Security Benefits
 By Age at Disablement and Duration of Disablement

Duration of Disablement (Months)	0-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+
1-6						5.8%	0.0%	0.0%	0.0%	
7-12	33.9%	37.9%	44.7%	30.3%	20.6%	7.8%	3.1%	1.8%	1.7%	0.0%
13-18	24.9%	35.5%	51.1%	33.1%	19.2%	8.7%	2.9%	2.1%	1.9%	0.0%
19-24	25.0%	47.4%	45.8%	36.0%	18.9%	8.8%	3.5%	2.2%	1.9%	
25-36	25.0%	47.1%	48.3%	35.0%	19.9%	8.1%	3.1%	2.4%	3.1%	
37-48	30.2%	47.3%	47.8%	30.6%	16.6%	7.2%	2.3%	2.5%	11.1%	
49-60	34.4%	46.1%	46.4%	28.6%	15.8%	5.6%	2.0%	1.7%		
61-72	32.8%	52.2%	44.7%	24.5%	13.6%	4.8%	2.6%	2.0%		
73-84	34.2%	49.9%	40.6%	24.0%	11.2%	3.9%	2.3%	1.1%		
85-96	36.3%	45.7%	33.9%	22.4%	9.5%	3.4%	2.5%			
97-108	41.7%	41.8%	34.2%	18.5%	7.3%	3.1%	2.3%	0.0%		
109-120	40.7%	42.5%	29.6%	16.2%	5.8%	3.0%	2.6%			
121+	22.0%	18.3%	12.0%	6.7%	2.9%	2.1%	2.8%			
Total	27.3%	31.7%	27.7%	18.2%	10.6%	5.3%	2.7%	2.2%	2.2%	0.0%
# Claimants	2,125	3,720	6,851	10,880	15,392	19,198	17,299	8,335	415	32

Social Security Approval Dates

For LTD claimants that have been approved for Social Security disability benefits, the durations of disablement in which the approvals were received were studied. Where the approval dates were not provided by the contributing company, we substituted the month in which the LTD benefits were first offset by Social Security disability benefits. Table III(s) shows the distribution by claim month of Social Security approval among the open claims.

Table III(s) Distribution of Social Security Approvals by Claim Month All Durations of Disablement Combined		
Month of Social Security Approval	Distribution of Approvals by Claim Month	
	Male	Female
1-6	9.2%	6.9%
7-12	34.9%	29.6%
13-18	19.5%	20.0%
19-24	11.3%	12.7%
25-30	1.5%	1.9%
31-36	6.2%	7.5%
37-42	4.3%	5.3%
43-48	2.7%	3.5%
49-54	2.0%	2.4%
55-60	1.4%	1.8%
61-72	2.0%	2.5%
73-84	1.3%	1.6%
85-96	0.9%	1.1%
97-108	0.6%	0.8%
109-120	0.4%	0.6%
121+	1.6%	1.8%

For male claimants, 75% of all Social Security approvals were received by the 24th month, while for female claimants, 69% were received by the 24th month. However, approvals for Social Security disability benefits occur throughout most durations of disablement.

Appendix C shows the distribution of Social Security approvals by duration of disablement groupings and the months of disablement when approvals were received separately for male claimants and female claimants. These results show that the distribution of approvals lengthens as claims age.

Section IV: Workers' Compensation Benefit Offsets

This section discusses the proportion of LTD claimants with WC benefit offsets and the ratio of WC benefits to pre-disability income. When tabulating these results, we excluded claims with non-integrated benefits.

Workers' Compensation Benefits

WC is a form of insurance that provides compensation for medical care and loss of income for employees who are injured in the course of employment, in exchange for relinquishment of the employee's right to sue his or her employer for negligence.

Specifically, the benefits provided are:

- Medical benefits, which are usually provided without dollar or time limits. In the case of most workplace injuries, this is the only benefit provided.
- Rehabilitation benefits, which include both medical rehabilitation and vocational rehabilitation for those cases involving severe disabilities.
- Cash benefits, which include impairment benefits and disability benefits. The former are paid for certain specific physical impairments, while the latter are available when the injury causes a wage loss.

Four classifications of disability are used for cash benefits, which replace an employee's loss of income or earning capacity due to occupation injury or disease.

- Temporary total
- Permanent total
- Temporary partial
- Permanent partial; which is divided into "nonscheduled" and "scheduled" disabilities

Most cases involve temporary total disability, i.e., the employee is totally disabled, but is expected to recover and return to employment. Permanent total disability generally indicates that the employee is regarded as totally and permanently unable to perform gainful employment.

Income or cash benefits payable under either temporary total or permanent total disability are generally expressed as a percentage of wages. In most states, limitations are placed on maximum and minimum benefits payable weekly; some states also limit the total number of weeks and total dollar amount of benefit eligibility. Where there is permanent total disability, most states provide payments extending through the employee's lifetime.

The wage-replacement percentages are generally the same for temporary total and permanent total disability benefits; however, for permanent total disabilities the time limits tend to be longer and the total dollar amounts higher. Some states also provide additional amounts or other benefits for dependents.

Most states provide temporary or permanent partial disability payments on a nonscheduled basis, i.e., similar to total disability. Certain states define "scheduled" benefits for loss of use of specified body parts; these benefits may replace or be in addition to other payments.

Most group disability plans offset disability benefits by any disability benefits received by the disabled worker under WC.

Workers' Compensation Benefits by Gender, Age and Pre-Disability Income

Table IV(a) shows the proportion of claimants with WC benefit offsets by gender and duration of disablement, comparing the results of the 2012 Study to the 2009 Study.

Table IV(a) Percentage of Group LTD Claimants With WC Benefit Offsets By Gender and Duration of Disablement						
Duration of Disablement (Months)	2012 Study			2009 Study		
	Female	Male	Total	Female	Male	Total
1-6	0.7%	2.4%	1.4%	0.8%	1.6%	1.2%
7-12	2.0%	3.1%	2.5%	2.0%	3.5%	2.7%
13-18	2.6%	4.1%	3.3%	2.6%	3.8%	3.2%
19-24	2.8%	4.2%	3.5%	3.4%	5.1%	4.2%
25-36	2.6%	4.1%	3.4%	3.1%	4.9%	4.0%
37-48	2.5%	4.0%	3.3%	3.5%	4.8%	4.1%
49-60	2.9%	4.0%	3.4%	3.5%	5.3%	4.3%
61-72	3.0%	4.2%	3.6%	4.0%	5.8%	4.8%
73-84	2.8%	5.3%	4.0%	4.4%	5.3%	4.8%
85-96	3.3%	5.5%	4.3%	4.6%	5.8%	5.2%
97-108	4.1%	5.9%	4.9%	3.8%	6.0%	4.7%
109-120	3.6%	5.6%	4.5%	4.1%	5.2%	4.6%
121+	4.2%	6.5%	5.2%	4.4%	5.9%	5.0%
Total	3.0%	4.6%	3.7%	3.4%	4.9%	4.1%
# Claimants	67,113	59,284	126,397	43,942	36,970	80,912

The percentage of LTD claimants with WC benefit offsets increases most significantly during the first 12 months of disablement. Male claimants generally have higher percentages with Workers' Compensation benefit offsets than female claimants. The differences in the results between the two studies may not be significant in light of the changes in the claim data contributors and the claim adjustment factors.

The percentage of LTD claims with WC benefit offsets decreased between the 2009 Study and 2012 Study in durations 19 to 96 months.

Table IV(b) shows the variability in the proportion of claimants whose LTD benefits are being offset by WC benefits among nine contributors.

Table IV(b) Percentage of Group LTD Claimants With WC Benefit Offset Variability Among Nine Contributors					
Duration of Disablement (Months)	Average	Median	Minimum	Maximum	Standard Deviation
1-6	1.4%	1.7%	0.3%	2.2%	0.7%
7-12	2.5%	2.7%	0.9%	3.5%	0.9%
13-18	3.3%	3.8%	1.7%	4.0%	0.9%
19-24	3.5%	3.8%	1.6%	4.2%	1.1%
25-36	3.4%	2.7%	2.6%	4.8%	0.9%
37-48	3.3%	3.4%	2.0%	4.4%	0.8%
49-60	3.4%	3.5%	2.5%	4.2%	0.6%
61-72	3.6%	3.5%	2.2%	4.9%	0.8%
73-84	4.0%	3.5%	1.3%	6.0%	1.4%
85-96	4.3%	3.7%	2.2%	6.4%	1.5%
97-108	4.9%	4.4%	1.2%	7.2%	1.6%
109-120	4.5%	4.1%	1.0%	6.0%	1.6%
121+	5.2%	5.3%	1.1%	8.0%	1.9%
Total	3.7%	3.5%	2.5%	5.2%	0.8%

The range of results among the contributing companies reflects differences in the distribution of their LTD claimants by age, gender, income levels, industry, state and medical diagnoses. Variance as measured by the standard deviation divided by the average is much higher for WC benefit offsets than the Social Security Offset benefit offsets.

Table IV(c) shows the ratio of the WC benefit to the pre-disability earned income by gender and duration of disablement.

Table IV(c) Ratio of Workers' Compensation Benefit to Pre-Disability Earned Income For Claimants with Workers' Compensation Offsets By Gender and Duration of Disablement			
Duration of Disablement (Months)	Female	Male	Total
1-6	0.614	0.517	0.537
7-12	0.579	0.571	0.574
13-18	0.552	0.510	0.526
19-24	0.473	0.504	0.491
25-36	0.372	0.442	0.416
37-48	0.334	0.351	0.345
49-60	0.293	0.331	0.316
61-72	0.261	0.287	0.277
73-84	0.279	0.285	0.283
85-96	0.240	0.274	0.261
97-108	0.218	0.296	0.263
109-120	0.219	0.248	0.237
121+	0.252	0.282	0.269
Total	0.348	0.376	0.365
# Claimants	2,009	2,713	4,722

The ratios in Table IV(c) show a downward trend as the duration of disablement increases. This downward trend by duration may reflect underlying dynamics other than lower actual WC benefit amounts by duration. For example, most LTD insurers offset SSDI first and WC second. As SS benefits are approved in later durations, the WC offset may decrease or go away as the difference between the total offset and the SSDI benefit decreases.

The male ratios are generally higher than the female ratios after 18 months of disablement. There was a significant reduction in the overall ratio of the WC benefit to the pre-disability earned income between the two studies, 0.365 for the 2012 Study versus 0.454 for the 2009 Study.

Table IV(d) shows the proportion of claimants with WC benefit offsets by age at disablement and duration of disablement.

Table IV(d) Percentage of Group LTD Claimants With Workers' Compensation Benefit Offsets By Age at Disablement and Duration of Disablement										
Duration of Disablement (Months)	0-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+
1-6	0.7%	2.0%	2.1%	1.5%	2.3%	1.3%	1.1%	1.0%	0.0%	0.0%
7-12	2.2%	3.5%	3.2%	3.1%	3.3%	2.7%	2.2%	1.7%	2.2%	1.0%
13-18	5.0%	3.4%	5.1%	4.1%	3.6%	3.6%	2.9%	2.3%	1.8%	1.0%
19-24	3.7%	4.3%	3.9%	4.1%	4.6%	3.7%	2.9%	2.4%	2.5%	3.0%
25-36	3.4%	3.4%	4.0%	3.7%	3.8%	3.7%	3.1%	2.7%	1.8%	0.0%
37-48	2.4%	2.9%	3.0%	4.6%	4.5%	3.6%	2.8%	1.8%	0.0%	
49-60	4.6%	3.2%	4.1%	4.0%	4.2%	3.6%	2.6%	3.0%	0.0%	
61-72	2.5%	2.3%	3.4%	4.0%	5.0%	3.5%	2.9%	2.3%		
73-84	2.8%	3.4%	4.8%	4.5%	4.7%	3.7%	3.6%	0.0%		
85-96	2.9%	4.2%	4.8%	5.4%	4.6%	4.4%	2.9%			
97-108	2.7%	6.0%	5.9%	6.5%	5.4%	4.3%	3.0%	5.0%		
109-120	5.8%	4.3%	6.2%	5.5%	4.4%	3.5%	4.0%			
121+	4.3%	4.3%	5.6%	5.9%	5.4%	4.3%	2.0%	1.5%		
Total	3.5%	3.8%	4.7%	4.8%	4.5%	3.7%	2.8%	2.2%	1.9%	1.0%
# Claimants	3,979	6,508	11,091	16,788	23,131	27,118	23,695	11,856	1,661	577

The percentage of LTD claimants with WC benefit offsets decreases after age group 45 - 49 at most durations of disablement. Disabilities at the younger ages may be more likely due to injuries affecting the back or muscles. Disabilities due to cancer and circulatory, which are more likely to occur at the older ages, are less likely to be attributable to events at the worksite.

Workers' Compensation Benefits by Industry

Tables IV(e) and IV(f) show the percentages of LTD claimants with WC benefit offsets by Industry.

Table IV(e)
Percentage of Group LTD Claimants With Workers' Compensation Benefit Offsets
By Industry and Duration of Disablement – Part 1

Duration of Disablement (Months)	Business Services	Educational Services	Engineering, Accounting, Research & Related Services	Finance	Health Services	Insurance	Manufacturing	Public Administration	Retail Trade	Wholesale Trade
1-6	0.0%	1.3%	1.9%	0.0%	0.7%	2.0%	1.6%	1.1%	1.4%	2.2%
7-12	0.5%	2.3%	0.8%	2.5%	2.7%	2.1%	2.4%	3.1%	2.1%	2.9%
13-18	2.2%	3.1%	2.3%	2.2%	3.4%	1.3%	3.2%	4.4%	2.4%	3.5%
19-24	1.8%	2.7%	3.3%	2.4%	3.6%	1.5%	3.8%	3.6%	3.2%	4.3%
25-36	2.2%	2.6%	2.2%	1.5%	3.8%	1.6%	3.4%	4.9%	2.6%	3.5%
37-48	2.0%	2.4%	2.3%	1.5%	3.0%	1.8%	4.2%	4.7%	2.7%	4.4%
49-60	1.8%	2.4%	2.6%	1.7%	2.7%	2.6%	3.8%	5.9%	3.3%	3.7%
61-72	2.2%	3.6%	2.5%	1.8%	3.3%	1.7%	4.4%	6.1%	2.3%	4.9%
73-84	0.5%	2.7%	3.8%	2.1%	3.8%	2.3%	5.3%	7.1%	3.3%	6.8%
85-96	3.7%	3.6%	2.7%	3.3%	4.1%	1.9%	5.0%	6.2%	4.3%	4.8%
97-108	3.5%	4.4%	6.3%	2.4%	4.8%	1.7%	6.0%	7.8%	3.5%	5.8%
109-120	3.5%	3.4%	4.4%	2.5%	5.2%	4.6%	5.2%	6.9%	4.2%	6.7%
121+	2.8%	4.9%	3.8%	3.7%	5.4%	3.5%	6.3%	7.0%	5.2%	7.6%
Total	2.1%	3.2%	2.8%	2.4%	3.8%	2.2%	4.4%	5.3%	3.1%	4.7%
# Claimants	3,895	10,599	4,138	5,339	12,306	4,186	23,854	9,636	10,808	5,006

Table IV(f)
Percentage of Group LTD Claimants With Workers' Compensation Benefit Offsets
By Industry and Duration of Disablement – Part 2

Duration of Disablement (Months)	Communications	Construction	Electric, Gas & Sanitary Services	Entertainment Services	Holding and Other Investment Offices	Legal Services	Membership Organizations	Mining	Social Services	Transportation
1-6	0.0%	4.4%	1.0%	0.5%	0.0%	0.0%	0.0%	10.1%	3.1%	6.1%
7-12	5.7%	2.5%	4.0%	1.7%	2.0%	0.0%	3.2%	1.0%	0.5%	6.5%
13-18	9.7%	2.4%	7.3%	1.6%	0.3%	3.2%	2.4%	6.8%	0.5%	7.2%
19-24	5.0%	4.1%	5.8%	2.0%	2.4%	0.4%	4.1%	3.4%	2.6%	9.9%
25-36	4.8%	2.0%	6.4%	2.9%	3.7%	1.8%	5.3%	8.5%	3.7%	6.5%
37-48	2.5%	3.2%	6.9%	2.4%	3.0%	0.9%	2.7%	6.7%	3.2%	6.5%
49-60	3.9%	1.5%	8.3%	4.9%	3.0%	0.6%	4.0%	6.1%	1.5%	6.2%
61-72	3.4%	5.8%	6.6%	2.5%	5.9%	1.0%	1.4%	4.5%	3.6%	5.6%
73-84	7.5%	5.4%	7.4%	5.5%	1.2%	0.9%	4.7%	6.8%	0.8%	5.7%
85-96	6.1%	5.6%	6.0%	4.4%	8.7%	1.0%	5.9%	13.0%	5.2%	2.6%
97-108	8.0%	9.4%	7.1%	7.4%	7.0%	3.8%	3.8%	5.7%	6.3%	6.6%
109-120	3.9%	1.6%	7.3%	5.3%	6.2%	3.5%	3.9%	2.5%	6.4%	4.1%
121+	5.8%	6.0%	10.2%	6.7%	3.2%	2.6%	5.8%	10.6%	4.3%	7.2%
Total	5.5%	3.7%	7.1%	3.3%	3.2%	1.7%	4.0%	6.7%	2.9%	6.6%
# Claimants	2,311	1,359	2,354	926	685	1,352	1,390	824	1,310	2,946

There are wide variations in the incidence of WC claims by Industry, reflecting in large part differences in the level of manual labor involved. Electric, Gas & Sanitary Services (7.1%), Mining (6.7%) and Transportation (6.6%) have the highest overall incidence of LTD claimants with WC benefit offsets.

Table IV(g) compares the percent of LTD claimants with more acute diagnoses (defined as Back, Other Injury or Other Musculoskeletal) to the percent of LTD claimants with WC Benefit Offsets, by industry.

Table IV(g) Comparison of Industries Percentage of LTD Claimants with Acute Diagnoses Versus Percentage of LTD Claimants with Workers' Compensation Benefit Offsets		
Industry	% with WC Benefit Offset	% with Acute Diagnoses
A. Legal Services	1.7%	30%
B. Business Services	2.1%	32%
C. Insurance	2.2%	28%
D. Finance	2.4%	29%
E. Engineering, Accounting, Research & Related Services	2.8%	34%
F. Social Services	2.9%	34%
G. Retail Trade	3.1%	38%
H. Educational Services	3.2%	35%
I. Holding and Other Investment Offices	3.2%	31%
J. Entertainment	3.3%	37%
K. Construction	3.7%	43%
L. Health Services	3.8%	39%
M. Membership Organizations	4.0%	34%
N. Manufacturing	4.4%	40%
O. Wholesale Trade	4.7%	39%
P. Public Administration	5.3%	40%
Q. Communications	5.5%	33%
R. Transportation	6.6%	40%
S. Mining	6.7%	46%
T. Electric, Gas & Sanitation Services	7.1%	43%
All Industries	3.7%	37%

A higher percent of LTD claimants with acute conditions is often associated with a higher percent of claimants with WC Benefit offsets. Chart K suggests general positive correlation between the percent of LTD claimants with acute conditions and the percent of claimants with WC benefit offsets.

Chart K

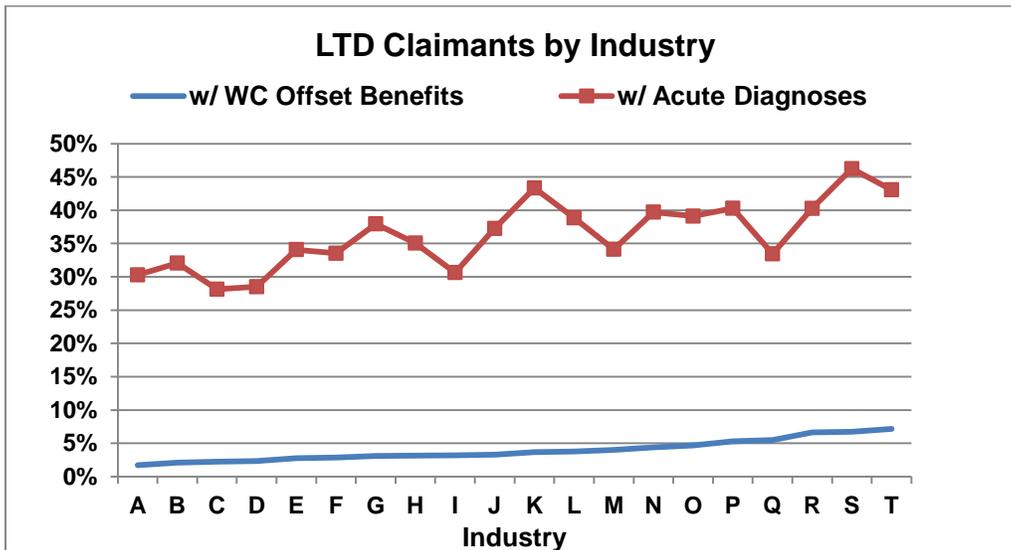


Table IV(h) compares the ratios of WC benefits and Primary Social Security benefits to pre-disability monthly earned income by industry for all durations of disablement combined. WC benefit amount ratios are very sensitive to duration, so averages across all durations should be used with some caution.

Table IV(h) Comparison of the Ratios of Workers' Compensation Benefits And Primary Social Security Benefits to Pre-disability Monthly Earned Income By Industry		
SIC Division	Primary Social Security	Workers' Compensation
Business Services	0.294	0.338
Communications	0.355	0.527
Construction	0.335	0.371
Educational Services	0.344	0.407
Electric, Gas & Sanitary Services	0.355	0.312
Engineering, Accounting, Research & Related Services	0.293	0.360
Entertainment Services	0.347	0.337
Finance	0.293	0.346
Health Services	0.319	0.343
Holding and Other Investment Offices	0.314	0.320
Insurance	0.306	0.348
Legal Services	0.203	0.251
Manufacturing	0.362	0.323
Membership Organizations	0.359	0.358
Mining	0.350	0.368
Public Administration	0.358	0.369
Retail Trade	0.385	0.361
Social Services	0.392	0.371
Transportation	0.360	0.488
Wholesale Trade	0.381	0.375
Total	0.340	0.365

The differences in the ratio of disability benefits to pre-disability earned income between WC benefits and Primary Social Security benefits are much closer in the 2012 Study than observed in the 2009 Study.

Workers' Compensation Benefits by Diagnosis

Tables IV(i) and IV(j) show the percentage of group LTD claimants with WC benefit offsets by diagnosis category.

Table IV(i) Percentage of Group LTD Claimants With Workers' Compensation Benefit Offsets By Diagnosis and Duration of Disablement – Part 1								
Duration of Disablement (Months)	Back	Other Injury	Other Musculo-skeletal	Other Infectious Dis	Nervous System	Congenital - Perinatal	Mental Disorder	Respiratory
1-6	3.1%	11.2%	3.8%	0.6%	1.1%	0.0%	0.0%	0.4%
7-12	5.1%	9.2%	6.1%	3.5%	1.6%	0.4%	0.9%	0.6%
13-18	6.9%	11.2%	7.6%	2.8%	2.2%	2.3%	0.8%	0.4%
19-24	7.5%	11.7%	7.7%	4.0%	1.4%	0.0%	1.2%	0.9%
25-36	7.4%	8.8%	7.6%	2.1%	1.8%	1.8%	1.6%	0.8%
37-48	7.6%	8.7%	6.7%	1.4%	1.6%	2.1%	1.9%	1.1%
49-60	8.2%	7.0%	6.0%	2.0%	2.3%	1.5%	1.7%	1.7%
61-72	9.4%	9.4%	5.8%	2.3%	1.9%	2.3%	1.8%	0.6%
73-84	10.3%	10.1%	6.2%	2.3%	1.7%	4.3%	2.0%	3.2%
85-96	10.9%	12.3%	6.9%	2.8%	2.2%	3.2%	1.6%	1.6%
97-108	11.8%	12.4%	7.6%	4.7%	3.3%	2.3%	1.2%	1.2%
109-120	11.8%	8.1%	6.4%	4.9%	2.0%	2.9%	1.7%	2.7%
121+	14.4%	7.1%	6.8%	2.9%	3.5%	2.8%	2.7%	3.2%
Total	9.3%	9.1%	6.7%	2.8%	2.3%	2.1%	1.5%	1.4%
# Claimants	19,228	2,726	24,932	3,399	18,862	863	7,986	4,294

Table IV(j)
Percentage of Group LTD Claimants With Workers' Compensation Benefit Offsets
By Diagnosis and Duration of Disablement – Part 2

Duration of Disablement (Months)	Endocrine, Nutr & Metabolic	Diseases of Skin	Digestive	Circulatory	Genito-urinary	Diseases of Blood	Cancer	Mental Disorder Dementia
1-6	0.0%	0.0%	0.0%	0.1%	0.0%		0.0%	
7-12	0.0%	0.2%	0.4%	0.3%	0.1%	0.0%	0.1%	0.0%
13-18	0.2%	0.0%	0.5%	0.3%	0.0%	0.0%	0.1%	0.0%
19-24	0.4%	0.0%	0.3%	0.5%	0.1%	0.0%	0.1%	1.1%
25-36	0.7%	0.7%	0.2%	0.4%	0.3%	0.0%	0.2%	0.0%
37-48	0.1%	0.8%	0.9%	0.4%	0.7%	0.0%	0.1%	0.0%
49-60	0.4%	0.4%	1.2%	0.9%	0.3%	0.0%	0.3%	0.0%
61-72	0.2%	0.6%	0.3%	0.7%	0.0%	0.0%	0.1%	0.0%
73-84	1.1%	2.2%	0.5%	0.7%	0.4%	0.0%	0.2%	0.0%
85-96	0.5%	0.3%	1.2%	0.4%	0.0%	2.3%	0.5%	0.0%
97-108	2.3%	1.3%	0.6%	0.8%	0.6%	0.0%	0.6%	
109-120	2.0%	3.0%	0.8%	0.9%	0.8%	1.9%	1.5%	
121+	1.3%	1.3%	1.4%	0.8%	0.6%	0.5%	0.9%	0.0%
Total	0.7%	0.7%	0.7%	0.6%	0.3%	0.3%	0.2%	0.1%
# Claimants	2,719	1,109	2,979	16,770	2,759	337	10,762	305

Certain diagnosis categories such as Other Musculoskeletal, Back and Other Injury have significantly higher percentages of LTD claimants with WC benefit offsets, while others such as Circulatory, Cancer and Genitourinary have very low percentages.

Workers' Compensation Benefit by State

Tables IV(k) shows the percentage of LTD claimants with WC benefit offsets by state.

Table IV(k) Percentage of Group LTD Claimants With Workers' Compensation Benefit Offsets By State		
State	Percentage	Total # Claimants
NY	8.1%	4,368
SC	5.6%	2,580
CA	5.5%	7,593
MA	5.4%	2,775
SD	4.2%	1,551
GA	4.0%	3,253
NJ	3.9%	2,733
PA	3.6%	4,815
Other	3.6%	68,444
MI	3.4%	3,314
NC	3.4%	4,318
FL	3.0%	5,695
IL	2.8%	3,189
MD	2.6%	2,243
OH	2.1%	3,738
TX	1.6%	5,795
Total	3.7%	126,404

The differences in the percentages of LTD claimants with WC benefit offsets by state reflect the distribution of industries and WC regulations and practices among the states. As with the prior study, New York and South Carolina have the highest percentages among the 15 illustrated states in Table IV(k), while Ohio and Texas have the lowest percentages. Texas does not require state-mandated WC programs as do most states. Rather, Texas has disability programs that provide on-the-job injury coverage and satisfy the WC requirement. This may be a key reason why LTD claimants in Texas have the lowest occurrence of WC benefit offsets.

Section V: Pension Benefit Offsets

This section discusses the proportion of LTD claimants with pension benefit offsets and the ratio of pension benefits to pre-disability income. Pension benefits include both disability and retirement benefits. When tabulating these results, we excluded claims with non-integrated benefits. We also excluded claims from two industries, Public Administration and Educational Services, since their Public Employee Retirement System (PERS) and State Teachers Retirement System (STRS) plans typically provide more substantial disability benefits than private retirement plans. Please note that the 2009 Study results shown in this section were modified from what was reported in the 2009 study to exclude all claims from Public Administration and Educational Services and, thus, be consistent with the 2012 results.

Pension Disability Benefits

The treatment of disability benefits within retirement plans varies from employer to employer. Some plans are set up so that a disabled employee automatically receives the pension benefit once he or she meets the plan's definition of total disability. Other plans offer the employee the option of deferring his or her benefits to normal retirement age or taking actuarially reduced benefits as of the date of disability. In this case, the employee may decide to not take the pension benefit, which would result in an offset to the LTD benefit. It is common practice for LTD insurers to not reduce the LTD benefit for any portion of the retirement benefit attributable to employee contributions.

Pension Benefits by Gender, Age and Pre-Disability Income

Table V(a) shows the proportion of claimants with pension benefit offsets by gender and duration of disablement for the 2009 Study and 2012 Study.

Duration of Disablement (Months)	2012 Study			2009 Study		
	Female	Male	Total	Female	Male	Total
1-6	0.2%	0.5%	0.3%	0.2%	0.2%	0.2%
7-12	0.9%	1.3%	1.1%	0.9%	1.2%	1.1%
13-18	2.2%	2.9%	2.6%	2.0%	2.9%	2.4%
19-24	3.3%	4.4%	3.8%	3.0%	4.2%	3.6%
25-36	4.4%	6.0%	5.3%	4.4%	5.7%	5.0%
37-48	5.7%	7.4%	6.6%	5.6%	7.3%	6.4%
49-60	6.6%	8.3%	7.4%	5.4%	7.0%	6.2%
61-72	6.0%	8.8%	7.4%	4.9%	5.7%	5.3%
73-84	7.0%	9.6%	8.2%	4.6%	5.7%	5.1%
85-96	6.6%	9.5%	8.0%	4.6%	5.7%	5.1%
97-108	6.9%	9.1%	7.9%	4.5%	7.1%	5.7%
109-120	5.9%	9.9%	7.7%	5.3%	6.4%	5.8%
121+	5.9%	9.9%	7.6%	4.1%	4.9%	4.5%
Total	4.7%	6.6%	5.6%	3.7%	4.8%	4.2%
# Claimants	54,657	51,505	106,162	36,271	32,038	68,309

The percentage of LTD claimants with pension benefit offsets was 4.2% in the 2009 Study and 5.6% in the 2012 Study. This difference appears mainly in durations 49 months and later.

Table V(b) shows the variability in the proportion of claimants whose LTD benefits are being offset by pension benefits among nine contributors.

Table V(b) Percentage of Group LTD Claimants With Pension Benefit Offset (Excluding Public Administration and Educational Services) Variability Among Nine Contributors					
Duration of Disablement (Months)	Average	Median	Minimum	Maximum	Standard Deviation
1-6	0.3%	0.3%	0.0%	0.7%	0.2%
7-12	1.1%	1.3%	0.1%	2.5%	0.7%
13-18	2.6%	3.0%	0.7%	4.0%	1.0%
19-24	3.8%	4.0%	1.3%	4.6%	1.2%
25-36	5.3%	4.7%	1.0%	7.2%	2.3%
37-48	6.6%	7.1%	1.3%	9.2%	2.7%
49-60	7.4%	7.8%	1.7%	11.2%	3.0%
61-72	7.4%	6.8%	2.3%	12.8%	4.0%
73-84	8.2%	8.3%	0.7%	13.6%	3.8%
85-96	8.0%	6.7%	0.6%	16.7%	4.9%
97-108	7.9%	8.2%	1.4%	14.9%	4.3%
109-120	7.7%	7.0%	0.3%	16.4%	4.8%
121+	7.6%	6.1%	1.2%	16.5%	4.6%
Total	5.6%	4.9%	1.0%	10.9%	2.9%

The range of results among the contributing companies reflects differences in the distribution of their LTD claimants by age and industry. The variance as measured by the standard deviation divided by the average is much higher for pension benefit offsets than either Social Security benefit offsets or WC benefit offsets.

Table V(c) shows the ratio of the pension benefit to the pre-disability earned income by gender and duration of disablement.

Table V(c) Ratio of Pension Benefit to Pre-Disability Earned Income (Excluding Claimants from Public Administration and Educational Services) By Gender and Duration of Disablement			
Duration of Disablement (Months)	Female	Male	Total
1-6	0.099	0.183	0.168
7-12	0.250	0.273	0.264
13-18	0.247	0.291	0.274
19-24	0.244	0.306	0.283
25-36	0.246	0.306	0.286
37-48	0.242	0.292	0.274
49-60	0.250	0.295	0.277
61-72	0.239	0.277	0.264
73-84	0.244	0.280	0.266
85-96	0.241	0.297	0.276
97-108	0.231	0.265	0.251
109-120	0.228	0.265	0.252
121+	0.221	0.250	0.239
Total	0.238	0.282	0.266
Total # Claimants	2,545	3,402	5,946

After the 6th month of disablement, the ratio of pension benefits to the pre-disability earned income by duration of disablement for both genders combined falls in the 0.22 to 0.31 range.

Table V(d) shows the percentage of LTD claimants with pension benefit offsets by age at disablement and duration of disablement.

Table V(d) Percentage of Group LTD Claimants With Pension Benefit Offsets (Excluding Claimants from Public Administration and Educational Services) By Age at Disablement and Duration of Disablement										
Duration of Disablement (Months)	0-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+
1-6	0.00%	0.00%	0.00%	0.00%	0.16%	0.00%	0.56%	0.71%	0.89%	3.66%
7-12	0.15%	0.34%	0.04%	0.46%	0.16%	0.93%	1.50%	1.99%	2.42%	3.36%
13-18	0.00%	0.29%	0.26%	0.57%	1.11%	1.83%	4.56%	4.92%	3.85%	1.94%
19-24	0.34%	0.50%	0.49%	1.08%	1.37%	3.39%	5.89%	7.78%	5.79%	0.00%
25-36	0.10%	0.86%	1.09%	1.32%	2.50%	5.37%	7.99%	8.66%	10.16%	0.00%
37-48	0.88%	0.70%	1.96%	1.64%	3.84%	6.80%	10.16%	9.85%	21.55%	
49-60	0.84%	1.38%	2.45%	2.75%	4.35%	7.89%	11.32%	12.30%	8.67%	
61-72	0.91%	1.30%	2.14%	2.50%	4.37%	8.51%	11.96%	15.98%		
73-84	2.62%	1.80%	1.61%	4.38%	5.98%	10.03%	12.81%	25.79%		
85-96	0.00%	1.73%	2.31%	3.84%	6.79%	10.35%	13.13%			
97-108	0.92%	2.32%	3.12%	3.73%	6.68%	10.96%	13.72%	45.31%		
109-120	0.45%	1.81%	3.50%	3.79%	7.24%	11.17%	13.98%			
121+	1.07%	3.23%	5.04%	6.91%	9.63%	12.97%	22.69%	50.17%		
Total	0.65%	1.76%	2.75%	3.67%	5.03%	7.11%	8.44%	7.20%	4.45%	2.59%
Total # Claimants	3,466	5,523	9,325	14,106	19,373	22,463	19,882	10,099	1,425	507

Table V(d) shows a considerably different pattern by age at disablement than exists for WC. In particular, the proportion of LTD claimants with pension benefit offsets increases with age (prior to age 70), reflecting the provisions of pension plans and specified retirement ages. These results may be more of a function of attained age than age at disablement.

Differences in attained age distributions (rather than age at disablement) between claimants receiving different types of benefit offsets can be observed in Table V(e).

Table V(e) Distribution of LTD Claimants Receiving Benefit Offsets By Type of Benefit Offset			
Attained Age	Primary SS	Workers Comp	Pension
0-29	0.4%	0.9%	0.0%
30-34	1.0%	1.9%	0.2%
35-39	2.3%	3.7%	0.5%
40-44	4.8%	6.7%	1.5%
45-49	9.5%	13.3%	3.6%
50-54	17.6%	20.5%	10.4%
55-59	26.5%	24.3%	27.1%
60-64	32.9%	25.4%	45.8%
65-69	4.8%	2.9%	9.8%
70+	0.1%	0.3%	1.2%
Total	100.0%	100.0%	100.0%
Total Claims	89,043	4,722	5,948

The age distribution for claimants receiving Pension Benefits offsets is more heavily weighted at the older attained ages compared to those receiving primary SSDI or WC offsets.

Table V(f) shows the ratio of pension benefits to pre-disability earned income by age at disablement. The pattern increases with age until 50-54 and then decreases.

Table V(f) Ratio of Pension Benefits to Pre-Disability Earned Income (Excluding Claimants from Public Administration and Educational Services) By Age at Disablement	
Age at Disablement	Ratio
0-29	0.229
30-34	0.224
35-39	0.273
40-44	0.299
45-49	0.315
50-54	0.335
55-59	0.326
60-64	0.282
65-69	0.259
70+	0.260
Total	0.315

Pension Benefits by Industry

Table V(g) shows the percentage of LTD claimants with pension benefit offsets by industry.

Table V(g) Percentage of Group LTD Claimants With Pension Benefit Offsets (Excluding Claimants from Public Administration and Educational Services) By Industry	
Industry	Percentage
Electric, Gas & Sanitary Services	17.4%
Membership Organizations	12.2%
Transportation	9.4%
Manufacturing	9.4%
Communications	6.3%
Entertainment Services	5.9%
Mining	5.6%
Health Services	5.5%
Insurance	4.1%
Engineering, Accounting, Research & Related Services	3.7%
Holding and Other Investment Offices	2.9%
Social Services	2.9%
Business Services	2.7%
Wholesale Trade	2.5%
Finance	2.0%
Construction	1.5%
Retail Trade	1.4%
Legal Services	0.9%

Table V(g) illustrates a very wide range of percentages of LTD claimants with pension benefit offsets by industry (0.9% to 17.4%), reflecting the relative prevalence of pension plans among industries.

Overlap Between Primary Social Security and Pension Benefit Offsets

Table V(h) shows the distribution of LTD claimants with (1) Primary Social Security benefit offsets but no pension offsets, (2) pension offsets but no Primary Social Security benefit offsets, (3) both Primary Social Security and pension benefit offsets, and (4) neither Primary Social Security or pension benefit offsets, by age at disablement. All durations of disablement have been combined.

Table V(h) Distribution of LTD Claimants with Primary Social Security or Pension Benefit Offsets By Age at Disablement (Excluding Claimants from Public Administration and Educational Services)					
Age at Disablement	Primary SS Offsets – No Pension Offsets	Pension Offset – No Primary SS Offsets	Both Primary SS & Pension Offsets	Neither Primary SS nor Pension Offsets	Total
0-29	58.2%	0.2%	0.4%	41.1%	100.0%
30-34	62.0%	0.4%	1.4%	36.3%	100.0%
35-39	65.7%	0.4%	2.3%	31.6%	100.0%
40-44	67.5%	0.5%	3.2%	28.9%	100.0%
45-49	67.5%	0.6%	4.5%	27.5%	100.0%
50-54	69.6%	0.7%	6.4%	23.3%	100.0%
55-59	70.0%	0.8%	7.6%	21.5%	100.0%
60-64	66.9%	0.7%	6.5%	25.9%	100.0%
65-69	23.7%	2.5%	1.9%	71.9%	100.0%
70+	5.4%	1.9%	0.7%	92.1%	100.0%
Total	66.7%	0.6%	5.0%	27.7%	100.0%

Table V(h) shows that 7% ($5.0 / [66.7 + 5.0]$) of LTD claimants with Primary Social Security benefit offsets also have pension benefit offsets while 89% ($5.0 / [0.6 + 5.0]$) of the claimants with pension benefit offsets also have Primary Social Security benefit offsets.

Table V(i) shows the same distribution of LTD claimants as in Table V(h), but by attained age rather than age at disablement.

Table V(i) Distribution of LTD Claimants with Primary Social Security or Pension Benefit Offsets By Attained Age (Excluding Claimants from Public Administration and Educational Services)					
Attained Age	Primary SS Offsets – No Pension Offsets	Pension Offset – No Primary SS Offsets	Both Primary SS & Pension Offsets	Neither Primary SS nor Pension Offsets	Total
0-29	25.5%	0.2%	0.0%	74.3%	100.0%
30-34	35.0%	0.3%	0.2%	64.5%	100.0%
35-39	44.0%	0.2%	0.4%	55.3%	100.0%
40-44	52.7%	0.3%	0.9%	46.0%	100.0%
45-49	58.9%	0.4%	1.4%	39.3%	100.0%
50-54	67.8%	0.5%	2.7%	28.9%	100.0%
55-59	74.1%	0.7%	5.7%	19.5%	100.0%
60-64	76.9%	0.8%	8.6%	13.7%	100.0%
65-69	60.2%	1.2%	9.8%	28.8%	100.0%
70+	6.4%	1.6%	5.5%	86.5%	100.0%
Total	66.7%	0.6%	5.0%	27.7%	100.0%

Appendix A

Division	Industry
CONSTRUCTION	
	15 BUILDING CONSTRUCTION-GENERAL CONTRACTORS AND OPERATIVE BUILDERS
	16 HEAVY CONSTRUCTION OTHER THAN BUILDING CONSTRUCTION-CONTRACTORS
	17 CONSTRUCTION-SPECIAL TRADE CONTRACTORS
MANUFACTURING	
	20 FOOD AND KINDRED PRODUCTS
	21 TOBACCO PRODUCTS
	22 TEXTILE MILL PRODUCTS
	23 APPAREL AND OTHER FINISHED PRODUCTS MADE FROM FABRICS AND SIMILAR MATERIAL
	24 LUMBER AND WOOD PRODUCTS, EXCEPT FURNITURE
	25 FURNITURE AND FIXTURES
	26 PAPER AND ALLIED PRODUCTS
	27 PRINTING, PUBLISHING, AND ALLIED INDUSTRIES
	28 CHEMICALS AND ALLIED PRODUCTS
	29 PETROLEUM REFINING AND RELATED INDUSTRIES
	30 RUBBER AND MISCELLANEOUS PLASTICS PRODUCTS
	31 LEATHER AND LEATHER PRODUCTS
	32 STONE, CLAY, GLASS, AND CONCRETE PRODUCTS
	33 PRIMARY METAL INDUSTRIES
	34 FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND TRANSPORTATION EQUIPMENT
	35 INDUSTRIAL AND COMMERCIAL MACHINERY AND COMPUTER EQUIPMENT
	36 ELECTRONIC AND OTHER ELECTRICAL EQUIPMENT AND COMPONENTS, EXCEPT COMPUTER
	37 TRANSPORTATION EQUIPMENT
	38 MEASURING, ANALYZING AND CONTROLLING INSTRUMENTS; PHOTOGRAPHIC, MEDICAL
	39 MISCELLANEOUS MANUFACTURING INDUSTRIES
TRANSPORTATION	
	40 RAILROAD TRANSPORTATION
	41 LOCAL AND SUBURBAN TRANSIT AND INTERURBAN HIGHWAY PASSENGER TRANSPORTATION
	42 MOTOR FREIGHT TRANSPORTATION AND WAREHOUSING
	43 UNITED STATES POSTAL SERVICE
	44 WATER TRANSPORTATION
	45 TRANSPORTATION BY AIR
	46 PIPELINES, EXCEPT NATURAL GAS
	47 TRANSPORTATION SERVICES

Division	Industry
COMMUNICATIONS	
	481 TELEPHONE COMMUNICATIONS
	482 TELEGRAPH AND OTHER MESSAGE COMMUNICATIONS
	483 RADIO AND TELEVISION BROADCASTING STATIONS
	484 CABLE AND OTHER PAY TELEVISION SERVICES
	489 COMMUNICATIONS SERVICES, NOT ELSEWHERE CLASSIFIED
ELECTRIC, GAS AND SANITARY SERVICES	
	491 ELECTRIC SERVICES
	492 GAS PRODUCTION AND DISTRIBUTION
	493 COMBINATION ELECTRIC AND GAS, AND OTHER UTILITY SERVICES
	494 WATER SUPPLY
	495 SANITARY SERVICES
	496 STEAM AND AIR-CONDITIONING SUPPLY
	497 IRRIGATION SYSTEMS
WHOLESALE TRADE	
	501 MOTOR VEHICLES AND MOTOR VEHICLE PARTS AND SUPPLIES
	502 FURNITURE AND HOME FURNISHINGS
	503 LUMBER AND OTHER CONSTRUCTION MATERIALS
	504 PROFESSIONAL AND COMMERCIAL EQUIPMENT AND SUPPLIES
	505 METALS AND MINERALS, EXCEPT PETROLEUM
	506 ELECTRICAL GOODS
	507 HARDWARE, AND PLUMBING AND HEATING EQUIPMENT AND SUPPLIES
	508 MACHINERY, EQUIPMENT, AND SUPPLIES
	509 MISCELLANEOUS DURABLE GOODS
	511 PAPER AND PAPER PRODUCTS
	512 DRUGS, DRUG PROPRIETARIES, AND DRUGGISTS' SUNDRIES
	513 APPAREL, PIECE GOODS, AND NOTIONS
	514 GROCERIES AND RELATED PRODUCTS
	515 FARM-PRODUCT RAW MATERIALS
	516 CHEMICALS AND ALLIED PRODUCTS
	517 PETROLEUM AND PETROLEUM PRODUCTS
	518 BEER, WINE, AND DISTILLED ALCOHOLIC BEVERAGES
	519 MISCELLANEOUS NONDURABLE GOODS

DIVISION	INDUSTRY
RETAIL TRADE	
	52 BUILDING MATERIALS, HARDWARE, GARDEN SUPPLY, AND MOBILE HOME DEALERS
	53 GENERAL MERCHANDISE STORES
	54 FOOD STORES
	55 AUTOMOTIVE DEALERS AND GASOLINE SERVICE STATIONS
	56 APPAREL AND ACCESSORY STORES
	57 HOME FURNITURE, FURNISHINGS, AND EQUIPMENT STORES
	58 EATING AND DRINKING PLACES
	59 MISCELLANEOUS RETAIL
FINANCE	
	601 CENTRAL RESERVE DEPOSITORY INSTITUTIONS
	602 COMMERCIAL BANKS
	603 SAVINGS INSTITUTIONS
	606 CREDIT UNIONS
	608 FOREIGN BANKING AND BRANCHES AND AGENCIES OF FOREIGN BANKS
	609 FUNCTIONS RELATED TO DEPOSITORY BANKING
	611 FEDERAL AND FEDERALLY-SPONSORED CREDIT AGENCIES
	614 PERSONAL CREDIT INSTITUTIONS
	615 BUSINESS CREDIT INSTITUTIONS
	616 MORTGAGE BANKERS AND BROKERS
	621 SECURITY BROKERS, DEALERS, AND FLOTATION COMPANIES
	622 COMMODITY CONTRACTS BROKERS AND DEALERS
	623 SECURITY AND COMMODITY EXCHANGES
	628 SERVICES ALLIED WITH THE EXCHANGE OF SECURITIES OR COMMODITIES
INSURANCE	
	63 INSURANCE CARRIERS
	64 INSURANCE AGENTS, BROKERS, AND SERVICE
REAL ESTATE	
	651 REAL ESTATE OPERATORS (EXCEPT DEVELOPERS) AND LESSORS
	653 REAL ESTATE AGENTS AND MANAGERS
	654 TITLE ABSTRACT OFFICES
	655 LAND SUBDIVIDERS AND DEVELOPERS
HOSPITALITY SERVICES	
	701 HOTELS AND MOTELS
	702 ROOMING AND BOARDING HOUSES
	703 CAMPS AND RECREATIONAL VEHICLE PARKS
	704 ORGANIZATION HOTELS AND LODGING HOUSES, ON MEMBERSHIP BASIS

Division	Industry
BUSINESS SERVICES	
	731 ADVERTISING
	732 CONSUMER CREDIT REPORTING AGENCIES, MERCANTILE REPORTING AGENCIES
	733 MAILING, REPRODUCTION, COMMERCIAL ART AND PHOTOGRAPHY, AND STENOGR
	734 SERVICES TO DWELLINGS AND OTHER BUILDINGS
	735 MISCELLANEOUS EQUIPMENT RENTAL AND LEASING
	736 PERSONNEL SUPPLY SERVICES
	737 COMPUTER PROGRAMMING, DATA PROCESSING, AND OTHER COMPUTER RELATED
	738 MISCELLANEOUS BUSINESS SERVICES
ENTERTAINMENT SERVICES	
	78 MOTION PICTURES
	79 AMUSEMENT AND RECREATION SERVICES
HEALTH SERVICES	
	801 OFFICES AND CLINICS OF DOCTORS OF MEDICINE
	802 OFFICES AND CLINICS OF DENTISTS
	803 OFFICES AND CLINICS OF DOCTORS OF OSTEOPATHY
	804 OFFICES AND CLINICS OF OTHER HEALTH PRACTITIONERS
	805 NURSING AND PERSONAL CARE FACILITIES
	806 HOSPITALS
	807 MEDICAL AND DENTAL LABORATORIES
	808 HOME HEALTH CARE SERVICES
	809 MISCELLANEOUS HEALTH AND ALLIED SERVICES, NOT ELSEWHERE CLASSIFIED
LEGAL SERVICES	
	81 LEGAL SERVICE
EDUCATIONAL SERVICES	
	821 ELEMENTARY AND SECONDARY SCHOOLS
	822 COLLEGES, UNIVERSITIES, PROFESSIONAL SCHOOLS, AND JUNIOR COLLEGES
	823 LIBRARIES
	824 VOCATIONAL SCHOOLS
	829 SCHOOLS AND EDUCATIONAL SERVICES, NOT ELSEWHERE CLASSIFIED
SOCIAL SERVICES	
	832 INDIVIDUAL AND FAMILY SOCIAL SERVICES
	833 JOB TRAINING AND VOCATIONAL REHABILITATION SERVICES
	835 CHILD DAY CARE SERVICES
	836 RESIDENTIAL CARE
	839 SOCIAL SERVICES, NOT ELSEWHERE CLASSIFIED

Division	Industry
MEMBERSHIP ORGANIZATIONS	
	861 BUSINESS ASSOCIATIONS
	862 PROFESSIONAL MEMBERSHIP ORGANIZATIONS
	863 LABOR UNIONS AND SIMILAR LABOR ORGANIZATIONS
	864 CIVIC, SOCIAL, AND FRATERNAL ASSOCIATIONS
	865 POLITICAL ORGANIZATIONS
	866 RELIGIOUS ORGANIZATIONS
	869 MEMBERSHIP ORGANIZATIONS, NOT ELSEWHERE CLASSIFIED
ENGINEERING, ACCOUNTING, RESEARCH AND RELATED SERVICES	
	871 ENGINEERING, ARCHITECTURAL, AND SURVEYING SERVICES
	872 ACCOUNTING, AUDITING, AND BOOKKEEPING SERVICES
	873 RESEARCH, DEVELOPMENT, AND TESTING SERVICES
	874 MANAGEMENT AND PUBLIC RELATIONS SERVICES

Appendix B
Distribution of LTD Claims by Diagnosis and Industry

**Table B-1
Distribution of LTD Claimants by Diagnosis and Industry – Part 1**

Diagnosis	Business Services	Educational Services	Eng, Acctg, Res & Rel Services	Finance	Health Services	Insurance	Manufacturing	Public Administration	Retail Trade	Wholesale Trade
AIDS	1.57%	0.97%	1.25%	1.37%	0.77%	0.93%	0.50%	1.05%	0.80%	0.65%
Alcohol and Drug	0.03%	0.14%	0.10%	0.12%	0.14%	0.13%	0.05%	0.07%	0.09%	0.07%
Back	13.34%	13.10%	13.88%	11.61%	15.24%	11.59%	16.98%	16.76%	15.26%	16.37%
Cancer	10.74%	8.05%	11.21%	10.45%	8.83%	9.03%	7.42%	7.07%	9.04%	9.01%
Chronic Fatigue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Circulatory	13.82%	11.76%	12.50%	11.84%	11.52%	11.35%	14.04%	13.02%	13.52%	16.56%
Complications of Pregnancy	0.19%	0.81%	0.24%	0.21%	0.28%	0.16%	0.08%	0.15%	0.19%	0.10%
Congenital - Perinatal	0.55%	0.45%	0.77%	0.63%	0.70%	0.72%	0.80%	0.43%	0.69%	0.74%
Digestive	2.57%	2.48%	2.39%	2.35%	2.42%	2.26%	2.13%	2.52%	2.01%	2.52%
Diseases of Blood	0.27%	0.33%	0.37%	0.46%	0.22%	0.34%	0.24%	0.29%	0.24%	0.29%
Diseases of Skin	1.14%	0.64%	0.97%	1.00%	0.96%	1.09%	0.95%	0.58%	1.06%	0.86%
Endocrine, Nutr & Metabolic	2.04%	2.19%	2.00%	2.12%	2.13%	2.10%	2.25%	2.12%	2.14%	1.99%
Genitourinary	2.44%	2.29%	2.19%	2.14%	2.16%	2.56%	1.98%	2.36%	2.29%	2.52%
Mental Disorder	6.93%	9.38%	6.43%	9.61%	5.33%	11.02%	5.47%	7.54%	5.46%	3.40%
Mental Disorder - Dementia	0.26%	0.22%	0.15%	0.25%	0.24%	0.46%	0.27%	0.25%	0.19%	0.24%
Nervous System No Classifiable Diagnosis	16.84%	15.97%	16.49%	19.52%	15.66%	19.60%	13.82%	15.75%	12.88%	12.73%
Normal Pregnancy	0.04%	0.84%	0.03%	0.06%	0.04%	0.02%	0.03%	0.07%	0.02%	0.03%
Other Infect Dis	1.81%	2.62%	2.14%	3.70%	2.62%	4.27%	3.15%	0.93%	4.61%	2.00%
Other Injury	2.22%	2.03%	2.37%	1.87%	1.72%	1.64%	2.23%	2.34%	1.60%	2.34%
Other Musculoskeletal	16.51%	19.94%	17.84%	15.03%	21.90%	14.90%	20.50%	21.19%	21.10%	20.40%
Other Unspec Eff Ext Causes	0.43%	0.21%	0.32%	0.34%	0.40%	0.20%	0.41%	0.20%	0.33%	0.35%
Poisoning	0.00%	0.02%	0.00%	0.01%	0.02%	0.02%	0.03%	0.00%	0.01%	0.01%
Respiratory	3.01%	2.77%	2.90%	2.53%	3.42%	2.88%	3.79%	3.30%	4.03%	3.87%
Toxicity	0.02%	0.01%	0.02%	0.02%	0.02%	0.03%	0.01%	0.01%	0.00%	0.00%
Unknown	0.00%	0.08%	0.02%	0.01%	0.00%	0.00%	0.01%	0.02%	0.00%	0.02%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Table B-2
Distribution of LTD Claimants by Diagnosis and Industry – Part 2**

Diagnosis	Communi- cations	Construction	Elec,Gas & Sani Services	Entertain- ment Services	Holding and Other Investment Offices	Legal Services	Membership Organizations	Mining	Social Services	Transport- ation
AIDS	1.07%	0.55%	0.37%	0.97%	1.14%	3.40%	1.42%	0.18%	1.23%	0.74%
Alcohol and Drug	0.10%	0.11%	0.14%	0.17%	0.05%	0.27%	0.05%	0.00%	0.09%	0.23%
Back	13.38%	17.46%	19.08%	15.00%	11.79%	12.24%	13.01%	22.41%	12.50%	17.61%
Cancer	7.21%	9.17%	6.19%	9.13%	10.42%	10.94%	9.66%	6.64%	9.87%	7.88%
Chronic Fatigue	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Circulatory	11.67%	17.31%	13.60%	14.41%	12.41%	10.99%	14.72%	15.58%	16.00%	15.73%
Complications of Pregnancy	0.19%	0.00%	0.03%	0.36%	0.23%	0.06%	0.13%	0.00%	0.33%	0.17%
Congenital - Perinatal	0.59%	0.44%	0.80%	0.90%	0.68%	0.38%	0.56%	0.45%	0.76%	0.54%
Digestive	2.41%	3.47%	1.84%	2.30%	2.80%	3.13%	2.61%	2.20%	3.07%	2.05%
Diseases of Blood	0.31%	0.28%	0.27%	0.23%	0.40%	0.38%	0.44%	0.15%	0.31%	0.19%
Diseases of Skin	1.25%	1.20%	0.55%	1.15%	0.26%	0.32%	0.68%	0.76%	1.05%	0.83%
Endocrine, Nutr & Metabolic	2.07%	1.43%	2.40%	2.29%	2.75%	2.00%	2.24%	1.53%	2.56%	2.67%
Genitourinary	2.46%	1.80%	1.95%	2.06%	1.53%	2.01%	2.43%	1.29%	2.90%	2.14%
Mental Disorder	10.46%	2.18%	4.78%	6.60%	10.18%	8.14%	5.06%	2.10%	6.14%	3.97%
Mental Disorder - Dementia	0.36%	0.19%	0.30%	0.13%	0.13%	0.37%	0.03%	0.29%	0.31%	0.22%
Nervous System	15.12%	10.63%	12.89%	13.13%	15.36%	19.80%	17.24%	11.47%	13.37%	13.21%
No Classifiable Diagnosis	2.93%	2.62%	2.91%	2.70%	3.04%	3.54%	3.11%	2.59%	3.19%	3.01%
Normal Pregnancy	0.02%	0.00%	0.00%	0.03%	0.16%	0.04%	0.00%	0.00%	0.21%	0.04%
Other Infect Dis	5.17%	1.29%	4.17%	1.11%	4.64%	1.35%	1.36%	2.79%	1.52%	2.21%
Other Injury	2.38%	3.39%	2.74%	2.16%	1.86%	2.14%	2.06%	3.43%	2.25%	2.13%
Other Musculoskeletal	17.70%	22.48%	21.25%	20.10%	16.99%	15.92%	19.07%	20.40%	18.78%	20.53%
Other Unspec Eff Ext Causes	0.33%	0.32%	0.34%	0.74%	0.41%	0.28%	0.38%	0.37%	0.35%	0.46%
Poisoning	0.00%	0.07%	0.00%	0.03%	0.03%	0.00%	0.02%	0.12%	0.10%	0.02%
Respiratory	2.80%	3.52%	3.33%	4.27%	2.72%	2.31%	3.73%	5.21%	3.13%	3.40%
Toxicity	0.01%	0.00%	0.06%	0.00%	0.03%	0.00%	0.00%	0.04%	0.00%	0.02%
Unknown	0.00%	0.07%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Appendix C
 Distribution of LTD Social Security Approvals
 By Duration of Disablement & Month of Social Security Approval

Male & Female Combined

Month of Approval	Table C-1 Duration of Disablement (Months)												
	1-6	7-12	13-18	19-24	25-36	37-48	49-60	61-72	73-84	85-96	97-108	109-120	121+
1	4.5%	0.6%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.2%	0.1%	0.2%	0.2%
2	1.4%	0.4%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
3	9.8%	1.3%	0.8%	0.9%	0.5%	0.5%	0.6%	0.5%	0.3%	0.5%	0.6%	0.5%	0.4%
4	8.5%	1.6%	0.8%	0.9%	0.7%	0.7%	0.6%	0.5%	0.6%	0.5%	0.6%	0.7%	0.4%
5	25.8%	7.1%	3.9%	3.5%	3.1%	3.3%	2.8%	2.9%	2.7%	2.7%	2.4%	2.4%	2.3%
6	50.1%	45.9%	34.1%	29.1%	26.5%	24.5%	23.5%	22.3%	22.3%	22.7%	22.9%	21.8%	19.4%
7		18.5%	13.3%	8.8%	8.4%	6.8%	5.7%	5.5%	5.0%	4.9%	4.5%	5.2%	4.7%
8		10.1%	7.8%	6.2%	6.0%	5.2%	4.6%	4.2%	4.0%	3.7%	3.9%	3.7%	2.5%
9		6.5%	6.4%	6.3%	5.1%	4.8%	4.5%	3.9%	3.7%	3.2%	3.0%	3.2%	2.3%
10		4.7%	6.7%	5.8%	4.7%	4.1%	4.1%	3.7%	3.7%	3.6%	2.9%	3.2%	2.2%
11		2.5%	5.7%	4.8%	4.2%	3.9%	3.8%	3.5%	3.1%	3.0%	2.9%	3.1%	2.2%
12		0.8%	5.8%	5.8%	4.1%	4.2%	3.9%	3.6%	3.2%	3.7%	3.4%	3.2%	2.3%
13-18			14.1%	21.1%	18.4%	17.5%	16.7%	15.9%	14.5%	14.0%	13.2%	13.0%	11.1%
19-24				6.4%	11.0%	9.5%	9.0%	8.3%	8.3%	7.5%	8.5%	8.6%	8.3%
25-36					6.8%	12.0%	13.1%	13.0%	12.6%	12.5%	12.2%	12.9%	12.7%
37-48						2.7%	5.7%	8.4%	9.1%	8.2%	7.8%	6.4%	7.1%
49-60							1.0%	2.8%	3.7%	4.3%	4.9%	4.2%	4.6%
61-72								0.8%	2.4%	2.3%	2.4%	3.0%	3.4%
73-84									0.5%	2.0%	1.5%	1.5%	2.7%
85-96										0.4%	1.8%	1.1%	2.1%
97-108											0.3%	1.5%	1.6%
109-120												0.5%	1.6%
121+													6.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix C
 Distribution of LTD Social Security Approvals
 By Duration of Disablement & Month of Approval

Male Only

Claim Month of Approval	Table C-2 Duration of Disablement (Months)												
	1-6	7-12	13-18	19-24	25-36	37-48	49-60	61-72	73-84	85-96	97-108	109-120	121+
1-6	100.0%	34.7%	14.2%	12.6%	10.8%	9.9%	8.4%	7.4%	6.5%	6.2%	6.4%	6.1%	3.6%
7-12		65.3%	65.4%	48.2%	41.2%	35.5%	33.8%	29.7%	27.9%	27.1%	24.6%	26.4%	16.6%
13-18			20.4%	30.1%	24.1%	22.1%	19.0%	18.0%	17.0%	17.2%	16.1%	15.5%	13.4%
19-24				9.0%	14.7%	12.7%	11.5%	10.0%	10.9%	9.5%	11.9%	11.4%	11.3%
25-36					9.3%	16.1%	18.2%	18.1%	16.7%	16.7%	16.8%	18.2%	16.6%
37-48						3.7%	7.7%	11.3%	12.3%	11.2%	11.1%	8.4%	9.6%
49-60							1.3%	4.6%	5.3%	6.4%	5.8%	5.1%	6.5%
61-72								0.9%	2.8%	3.4%	3.4%	3.7%	4.8%
73-84									0.6%	1.7%	2.4%	2.0%	4.0%
85-96										0.4%	1.1%	1.8%	2.9%
97-108											0.4%	1.1%	2.2%
109-120												0.3%	1.7%
121+													6.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Female Only

Claim Month of Approval	Table C-3 Duration of Disablement (Months)												
	1-6	7-12	13-18	19-24	25-36	37-48	49-60	61-72	73-84	85-96	97-108	109-120	121+
1-6	100.0%	34.5%	13.3%	10.9%	8.3%	6.9%	6.7%	5.1%	4.4%	4.6%	4.3%	4.0%	2.3%
7-12		65.5%	61.7%	42.7%	35.9%	31.5%	28.4%	24.5%	23.1%	22.5%	20.6%	20.7%	14.0%
13-18			25.0%	35.0%	26.2%	22.6%	19.6%	18.5%	17.0%	16.3%	15.4%	14.7%	12.4%
19-24				11.4%	17.4%	14.2%	13.0%	11.7%	11.5%	10.6%	11.7%	12.2%	11.5%
25-36					12.2%	20.1%	20.9%	20.6%	19.0%	18.7%	18.7%	20.1%	18.7%
37-48						4.6%	9.5%	14.3%	15.1%	13.5%	12.2%	10.6%	10.9%
49-60							1.8%	4.2%	6.5%	7.3%	8.6%	7.4%	6.5%
61-72								1.1%	2.6%	4.0%	3.8%	5.2%	5.2%
73-84									0.8%	1.9%	2.5%	2.2%	4.3%
85-96										0.6%	1.6%	1.6%	3.2%
97-108											0.5%	0.9%	2.5%
109-120												0.4%	2.0%
121+													6.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%