

ance shall refer exclusively to insurance coverage, and shall be separate and apart from the loan, sale, or other credit statement of account, instrument, or agreement unless the information is prominently set forth therein. Said application for or notice of proposed insurance shall state that, upon acceptance by the insurer, the insurance shall become effective as of the date the indebtedness is incurred.

(7) APPROVAL OF FORMS AND RATES. (a) All forms of policies, riders, endorsements, certificates, applications, notices of proposed insurance, or other instruments which will be issued or delivered in Wisconsin as a part of a credit accident and health insurance contract shall be submitted to the commissioner of insurance for approval under the terms of this rule.

(b) No policy, rider, endorsement, certificate, application, notice of proposed insurance, or other form pertaining to a credit accident and health insurance contract shall be issued or delivered in Wisconsin on or after the effective date of this rule unless such forms are filed with the commissioner of insurance and approved by him. No credit accident and health insurance shall be effected on a debtor under an existing group policy, commencing with the policy anniversary date on or after the effective date of this regulation, unless a certificate of group insurance or a notice of proposed group insurance, as required herein, is delivered to the debtor on a form filed with the commissioner of insurance and approved by him.

(c) In considering a form of policy, rider, or endorsement for approval, the commissioner of insurance will also consider information submitted in the rate schedule which shall accompany such form. The rate schedule shall also be subject to approval by the commissioner of insurance and shall contain or be accompanied by the following information:

1. The form number or identification symbol of each policy, rider, or endorsement to which the rates apply.

2. A schedule of rates including variations, if any, based on age, sex, occupation, or other classification.

3. An indication of the anticipated benefits payable under the policy, including loss ratio.

4. If the rate filing is a revision of a prior filing, the new filing shall be accompanied by a statement of the experience on the form and the anticipated loss ratio under the revised rate filing.

(d) If an identifiable charge is made to the debtor under a policy of credit accident and health insurance, such identifiable charge shall not exceed the premium set forth in the rate schedule filed with the commissioner of insurance.

(e) On or before February 16, 1959, each insurer authorized to do business in Wisconsin shall furnish the commissioner of insurance a list of all policies, riders, endorsements, certificates, applications, notices of proposed insurance, or any other instruments which it intends to issue to insure residents of Wisconsin for credit accident and health insurance.

(8) ACCOUNTING. Insurers shall maintain records regarding premiums, losses, and other benefits and expenses separately for credit accident and health insurance and for credit life insurance provided by a policy form so that such experience may be filed with the commissioner of insurance at such times and in such manner as may be

prescribed by him. The commissioner of insurance may require insurers to file with him such other information as he may deem necessary for the administration of credit accident and health insurance.

(9) **NONWAIVER OF OTHER REQUIREMENTS.** This rule does not confer any rights on lenders or other creditors which are not permitted by the laws which apply to them.

History: Cr. Register, December, 1958, No. 36, eff. 1-1-59; am. (5) (b), Register, March, 1959, No. 39, eff. 4-1-59.

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Ins 3.17 Reserves for accident and sickness policies. (1) In accordance with section 201.18 (4), Wis. Stats., the following requirements are adopted for the valuation of individual accident and sickness insurance policies.

(2) For purposes of this rule, individual accident and sickness insurance policies will be classified as follows:

(a) Policies which are guaranteed renewable for life or to a specified age, such as 60 or 65, at guaranteed premium rates.

(b) Policies which are guaranteed renewable for life or to a specified age, such as 60 or 65, but under which the insurer reserves the right to change the scale of premiums.

(c) Policies, other than those in paragraph (d) of this subsection, in which the insurer has reserved the right to cancel or refuse renewal for one or more reasons, but has agreed implicitly or explicitly that, prior to a specified time or age, it will not cancel or decline renewal solely because of deterioration of health after issue.

(d) Franchise policies, as defined in section 204.32 (1), Wis. Stats., issued under or subject to an agreement that, except for stated reasons, the insurer will not cancel or refuse to renew the coverage of individual insureds prior to a specified age unless all coverage under the same franchise group is terminated.

(e) Commercial policies and other policies not falling within paragraphs (a) to (d), inclusive, of this subsection.

(3) During the period within which the renewability of the policy is guaranteed or the insurer's right to refuse renewal is limited, the minimum reserves for policies described in paragraphs (a), (b), and (c) of subsection (2) of this rule, issued on or after January 1, 1955, shall be an amount computed on the basis of two-year preliminary term tabular mean reserves employing the following assumptions:

(a) Mortality: 1941 Commissioners Standard Ordinary Mortality Table or American Men Ultimate Mortality Table. (See Table I at the end of this rule.)

(b) Maximum Interest Rate: 3½% compounded annually.

(c) Morbidity or Other Contingency:

1. Disability due to accident and sickness—The Conference Modification of Class III Disability Table for Calculation of Reserves on Non-Cancellable Accident and Health Insurance adopted by the National Association of Insurance Commissioners on June 11, 1941. Pamphlet reprints of this table are on file in the offices of the commissioner of insurance, secretary of state, and revisor of statutes. Pamphlet reprints of said Conference Modification of Class III Disability Table for Calculation of Reserves on Non-Cancellable Accident and Health Insurance are obtainable from the Health Insurance Association of America, 168 North Michigan Avenue, Chicago 1, Illinois.

2. Hospital Expense Benefits—1956 Inter-company Hospital Table. (See Tables II and III at the end of this rule.)

3. Surgical Expense Benefits—1956 Inter-company Surgical Table. (See Tables IV and V at the end of this rule.)

4. Accident only, major medical expense, and other benefits not specified above—each company to establish reserves that place a sound value on the liabilities under such benefit.

(4) Mean reserves shall be diminished or offset by appropriate credit for the valuation net deferred premiums. In no event, however, shall the aggregate reserves for all policies issued on or after January 1, 1955, and valued on the mean reserve basis, diminished by any credit for deferred premiums, be less than the gross pro rata unearned premiums under such policies.

(5) Negative reserves on any benefit may be offset against positive reserves for other benefits in the same individual or family policy, but if all benefits of such policy collectively develop a negative reserve, credit shall not be taken for such amount.

(6) The mean reserves for policies described in paragraphs (d) and (e) of subsection (2) of this rule shall be the pro rata gross unearned premium reserve as defined in section 201.18 (1), Wis. Stats.

(7) An insurer may use any reasonable assumptions as to the interest rate, mortality rates, or the rates of morbidity or other contingency, and may introduce a rate of voluntary termination of policies provided the reserve on all policies to which such assumptions are applied is not less in the aggregate than the amount determined according to the standards specified in subsections (3), (4), (5), and (6) of this rule. Also, subject to the same condition, the insurer may employ methods other than the methods stated above in determining a sound value of its liabilities under policies described in subsection (2) of this rule, including but not limited to the following:

(a) The use of mid-terminal reserves in addition to either gross or net pro rata unearned premium reserves;

(b) Optional use of either the level premium, the one-year preliminary term, or the two-year preliminary term method;

(c) Prospective valuation on the basis of actual gross premiums with reasonable allowance for future expenses;

(d) The use of approximations such as those involving age groupings, groupings of several years of issue, average amounts of indemnity;

(e) The computation of the reserve for one policy benefit as a percentage of, or by other relation to, the aggregate policy reserves, exclusive of the benefit or benefits so valued;

(f) The use of a composite annual claim cost for all or any combination of the benefits included in the policies valued.

(8) For statement purposes the net reserve liability for active lives may be shown as:

(a) The mean reserve with offsetting asset items for net unpaid and deferred premiums; or

(b) The excess of the mean reserve over the amount of net unpaid and deferred premiums; or

(c) It may, regardless of the underlying method of calculation, be divided between the gross pro rata unearned premium reserve and a balancing item for the "additional reserve."

(9) Each insurer issuing policies described by paragraph (b) of subsection (2) of this rule shall maintain historical fund accounts for each group of similar policy forms on a basis reflecting reasonable estimates of premiums, losses, expenses, and reserves. Such estimates shall not be inconsistent with the corresponding items in the Accident and Health Exhibit, Schedule H, of the Annual Statement—Life and

Accident and Health Companies, Insurance Department Form 22-41—
—or with the corresponding items of the Underwriting and Invest-
ment Exhibit of the Annual Statement—Fire and Casualty Insurance
Companies, Insurance Department Form 22-11.

(Note: Comment and Explanation)

Reserve Fund. This rule is based on the concept of the reserve as a fund which, together with future net premiums, will meet the benefit payments arising from the group of policies valued as they accrue in the future. It should be observed that the application of a formula for the calculation of such reserves to an individual policy does not produce a meaningful result since few policyholders will experience average morbidity. For the policyholder in impaired health, the necessary reserve, if it could be determined, would be very much greater than the average result for policyholders as a whole, and for a policyholder in good health such reserve would be less than the average.

Occupation. Experience tables available for the determination of reserves are generally based upon the average results of the insured policyholders and therefore represent a cross section of the insured population, including individuals with unusual freedom from occupational and other accident hazards, as well as those subject to a considerable extra hazard owing to occupation or avocation. Accordingly, it is not considered necessary to make special provision in the valuation of the liabilities for policies involving special occupational hazards. It may also be observed that where tabular reserve methods are employed the incidence of any additional cost owing to occupational hazard may be such that there will be no increase in the reserve otherwise required.

Two-Year Preliminary Term. The preliminary term method of valuation recognizes the fact that expenses in the first year are much higher than those in renewal years and normally leave none of the first year premium available for the reserve fund. This method has been long accepted as appropriate and adequate for valuation purposes of life insurance. In contrast to life insurance, the claim cost at the early policy years under accident and health insurance may be substantial. Thus, for two policy years or even longer, the insurer may have a substantial unliquidated initial expense before setting up any additional reserve. For these reasons this rule provides for a preliminary term period of two years in the minimum reserve basis.

Assumptions as to Rate of Termination of Policies. The voluntary termination of policies may have a substantial effect on the level of premiums required for accident and health policies as well as on the amount of the reserve which should be maintained. In view, however, of the wide variation in termination rates among different insurers and the fluctuation of termination rates with changing business conditions, it is not recommended, at this time, that a rate of voluntary termination be employed in the calculation of minimum reserves. It is

recommended, however, that an insurer be permitted to employ a lapse rate in the computation of reserves, provided that the net result is at least equal to the minimum reserves specified by the regulations.

Loss of Time Benefits. Pending the development of a new table by the Society of Actuaries, the continued use of the Conference Modification of Class III Disability Table for Calculation of Reserves on Non-Cancellable Accident and Health Insurance as a minimum basis is recommended. However, it is strongly recommended that in any case where, in the judgment of the company, this basis does not place a sound value on the liabilities under its accident and health policies an adequate reserve be established. Particular consideration should be given to the adequacy of reserves under policies which provide sickness benefits in excess of a two-year limit.

Benefits for Confining Disability. The continued use of the Conference Modification of Class III Disability Table for Calculation of Reserves on Non-Cancellable Accident and Health Insurance as the minimum standard of valuation for loss of time policies providing house confinement sickness benefits in accordance with the National Association of Insurance Commissioners advisory ruling of June 11, 1941 is recommended. This ruling appears on page 162 of the Proceedings of the National Association of Insurance Commissioners, Seventy-second Session, 1941.

Accident-only Benefits. Any of the recognized tables of accidental death rates, such as the Inter-Company Double Indemnity Mortality Table, Transactions of the Actuarial Society of America, Vol. XXXV, p. 381, may be used as a basis for establishing reserves for the accidental death benefit. With respect to disability benefits payable only as a result of accidental injuries, it is suggested that companies may establish reserves based upon an appropriate modification of the Conference Modification of Class III Disability Table for Calculation of Reserves on Non-Cancellable Accident and Health Insurance or such other table as may be used for valuing benefits payable for accident and sickness disability, such modification reflecting the proportion of disability arising from accidental injuries at each of the ages involved.

Medical Expense Benefits. With respect to benefits payable on a per diem or per visit basis, it is suggested that reserves be established according to appropriate percentages of the incidence of disability if benefits are payable during total disability only, or of the incidence of hospitalization if benefits are limited to in-hospital care. For in-hospital medical expense benefits payable on cases not involving surgery, available evidence indicates that 40% of the corresponding per diem hospital confinement cost may represent a reasonable estimate of the benefit cost for valuation purposes.

As a basis for the valuation of major medical expense benefits pending the accumulation and analysis of inter-company experience data, reference may be made to the material pre-

sented by Mr. Morton D. Miller, Transactions of the Society of Actuaries, Vol. VII, p. 1, and by Mr. Charles N. Walker, Transactions of the Society of Actuaries, Vol. VII, p. 404.

New or Experimental Benefits. For some benefits there will be insufficient data for the development of experience tables suitable for general use in computing reserves. With respect to such benefits each insurer should, on the basis of its appraisal of the benefit costs, establish and maintain reserves which place a sound value on the liabilities thereunder.

Net Annual Claim Costs. For use in developing net annual claim costs in computing reserves, as well as to assist in valuing policies under these requirements, it is recommended that companies make use of the paper "Reserves for Individual Hospital and Surgical Expense Insurance" appearing in the Transactions of the Society of Actuaries, Vol. IX, p. 334.)

TABLE I
YEARLY DEATH RATE PER 1000 (1000q_x)
AMERICAN MEN ULTIMATE MORTALITY TABLE (AM⁽⁵⁾)
1941 COMMISSIONERS STANDARD ORDINARY MORTALITY
TABLE (1941 CSO)

Age	1000q _x		Age	1000q _x	
	AM ⁽⁵⁾	1941 CSO		AM ⁽⁵⁾	1941 CSO
0	112.46*	22.58	52	13.62	14.30
1	26.39	5.77	53	14.78	15.43
2	11.87	4.14	54	16.08	16.65
3	7.09	3.38	55	17.47	17.98
4	4.91	2.99	56	19.02	19.43
5	3.94	2.76	57	20.69	21.00
6	3.38	2.61	58	22.51	22.71
7	3.05	2.47	59	24.49	24.57
8	2.93	2.31	60	26.68	26.59
9	2.96	2.12	61	29.03	28.78
10	3.07	1.97	62	31.58	31.18
11	3.17	1.91	63	34.37	33.76
12	3.26	1.92	64	37.33	36.58
13	3.32	1.98	65	40.66	39.64
14	3.39	2.07	66	44.18	42.96
15	3.46	2.15	67	48.08	46.56
16	3.53	2.19	68	52.16	50.46
17	3.63	2.25	69	56.64	54.70
18	3.71	2.30	70	61.47	59.30
19	3.81	2.37	71	66.70	64.27
20	3.92	2.43	72	72.33	69.66
21	4.02	2.51	73	78.39	75.50
22	4.12	2.59	74	84.92	81.81
23	4.18	2.68	75	91.94	88.64
24	4.25	2.77	76	99.51	96.02
25	4.31	2.88	77	107.65	103.99
26	4.35	2.99	78	116.31	112.59
27	4.39	3.11	79	125.69	121.86
28	4.41	3.25	80	135.74	131.85
29	4.43	3.40	81	146.42	142.60
30	4.46	3.56	82	157.87	154.16
31	4.48	3.73	83	170.05	166.57
32	4.51	3.92	84	183.15	179.88
33	4.59	4.12	85	197.07	194.18
34	4.68	4.35	86	211.80	209.37
35	4.78	4.59	87	227.29	225.63
36	4.94	4.86	88	244.08	243.00
37	5.12	5.15	89	261.70	261.44
38	5.32	5.46	90	280.35	280.99
39	5.56	5.81	91	299.46	301.73
40	5.84	6.18	92	321.08	323.64
41	6.16	6.59	93	341.88	346.66
42	6.54	7.03	94	363.64	371.00
43	6.94	7.51	95	387.76	396.21
44	7.42	8.04	96	411.11	447.19
45	7.94	8.61	97	443.40	548.26
46	8.52	9.23	98	457.63	724.67
47	9.18	9.91	99	500.00	1000.00
48	9.89	10.64	100	562.50	
49	10.70	11.45	101	571.43	
50	11.58	12.32	102	666.67	
51	12.54	13.27	103	1000.00	

*Bowerman's Extension.

TABLE II
1956 INTER-COMPANY HOSPITAL TABLE
NET ANNUAL CLAIM COSTS FOR USE IN COMPUTING RESERVES

Attained Age	Room and Board Benefit* 90 Day Maximum		Maternity Expense Benefit
	Male	Female	Female For \$100 Max. Benefit
	For \$10 Daily Benefit		
20.....	5.88	6.79	32.84
21.....	5.82	7.05	30.62
22.....	5.81	7.31	28.50
23.....	5.80	7.57	26.52
24.....	5.80	7.84	24.69
25.....	5.79	8.10	22.95
26.....	5.77	8.36	21.27
27.....	5.74	8.63	19.60
28.....	5.72	8.90	17.92
29.....	5.72	9.17	16.26
30.....	5.77	9.44	14.65
31.....	5.86	9.72	13.12
32.....	5.99	10.01	11.70
33.....	6.14	10.30	10.40
34.....	6.33	10.59	9.20
35.....	6.54	10.88	8.08
36.....	6.78	11.17	7.02
37.....	7.06	11.47	6.00
38.....	7.36	11.76	4.99
39.....	7.69	12.06	4.01
40.....	8.05	12.36	3.10
41.....	8.44	12.66	2.28
42.....	8.86	12.97	1.60
43.....	9.30	13.28	1.08
44.....	9.77	13.59	0.68
45.....	10.25	13.90	0.39
46.....	10.75	14.21	0.17
47.....	11.28	14.52	
48.....	11.83	14.83	
49.....	12.38	15.15	
50.....	12.93	15.48	
51.....	13.48	15.82	
52.....	14.03	16.16	
53.....	14.59	16.50	
54.....	15.15	16.86	
55.....	15.71	17.23	
56.....	16.28	17.60	
57.....	16.84	17.98	
58.....	17.42	18.37	
59.....	18.00	18.78	
60.....	18.60	19.23	
61.....	19.20	19.70	
62.....	19.81	20.19	
63.....	20.43	20.71	
64.....	21.08	21.27	
65.....	21.77	21.89	
66.....	22.40	22.47	
67.....	22.95	22.99	
68.....	23.60	23.62	
69.....	24.48	24.49	
70.....	25.75	25.75	
71.....	27.57	27.57	
72.....	29.83	29.83	
73.....	32.31	32.31	
74.....	34.78	34.78	
75.....	37.00	37.00	
76.....	38.98	38.98	
77.....	40.87	40.87	
78.....	42.67	42.67	
79.....	44.38	44.38	
80.....	46.00	46.00	

*Use 40% of the Net Annual Claim Cost per \$1 of Room and Board Benefit to obtain the Net Annual Claim Cost for each dollar of Daily Maximum Physician's In-Hospital Calls Benefit.

TABLE III
1956 INTER-COMPANY HOSPITAL TABLE
NET ANNUAL CLAIM COSTS FOR USE IN COMPUTING RESERVES
MISCELLANEOUS HOSPITAL EXPENSE BENEFIT

At- tained Age	Males					Females					At- tained Age
	For an Unallocated Maximum of					For an Unallocated Maximum of					
	\$25	\$50	\$100	\$150	\$250	\$25	\$50	\$100	\$150	\$250	
20	1.96	3.13	4.90	5.96	7.44	2.34	3.74	5.85	7.12	8.88	20
21	1.96	3.14	4.95	6.02	7.53	2.41	3.88	6.10	7.43	9.29	21
22	1.95	3.15	4.98	6.07	7.60	2.48	4.01	6.34	7.74	9.69	22
23	1.94	3.15	5.01	6.13	7.68	2.55	4.14	6.58	8.05	10.08	23
24	1.94	3.16	5.04	6.18	7.75	2.62	4.27	6.82	8.35	10.48	24
25	1.93	3.16	5.07	6.22	7.81	2.68	4.39	7.05	8.65	10.87	25
26	1.91	3.15	5.08	6.25	7.86	2.74	4.51	7.27	8.94	11.24	26
27	1.90	3.14	5.08	6.26	7.89	2.79	4.62	7.49	9.22	11.61	27
28	1.88	3.12	5.09	6.27	7.91	2.84	4.73	7.70	9.50	11.97	28
29	1.86	3.11	5.09	6.29	7.94	2.89	4.83	7.90	9.76	12.32	29
30	1.86	3.12	5.13	6.35	8.02	2.94	4.94	8.11	10.04	12.69	30
31	1.86	3.14	5.18	6.42	8.12	2.99	5.05	8.33	10.33	13.06	31
32	1.87	3.17	5.25	6.52	8.25	3.04	5.15	8.54	10.60	13.42	32
33	1.88	3.21	5.34	6.64	8.42	3.09	5.26	8.75	10.88	13.79	33
34	1.90	3.25	5.44	6.77	8.59	3.13	5.36	8.97	11.17	14.17	34
35	1.93	3.31	5.56	6.93	8.80	3.18	5.47	9.18	11.45	14.53	35
36	1.96	3.38	5.70	7.11	9.04	3.22	5.56	9.38	11.72	14.89	36
37	1.99	3.46	5.86	7.33	9.32	3.27	5.67	9.60	12.00	15.27	37
38	2.04	3.55	6.03	7.56	9.62	3.31	5.77	9.81	12.28	15.64	38
39	2.08	3.65	6.23	7.81	9.96	3.35	5.86	10.01	12.56	16.00	39
40	2.13	3.74	6.42	8.06	10.28	3.39	5.96	10.22	12.83	16.37	40
41	2.18	3.85	6.62	8.32	10.62	3.43	6.06	10.42	13.10	16.73	41
42	2.22	3.95	6.82	8.58	10.97	3.46	6.15	10.62	13.37	17.09	42
43	2.28	4.06	7.04	8.87	11.34	3.50	6.24	10.82	13.65	17.45	43
44	2.33	4.17	7.26	9.16	11.73	3.54	6.33	11.02	13.92	17.81	44
45	2.39	4.29	7.50	9.48	12.14	3.57	6.43	11.22	14.19	18.17	45
46	2.45	4.42	7.75	9.81	12.57	3.61	6.52	11.43	14.46	18.54	46
47	2.51	4.55	8.01	10.15	13.02	3.64	6.61	11.62	14.73	18.89	47
48	2.58	4.70	8.29	10.52	13.51	3.67	6.69	11.82	14.99	19.25	48
49	2.65	4.85	8.59	10.90	14.01	3.70	6.78	12.02	15.26	19.61	49

TABLE III—Continued

At- tained Age	Males					Females					At- tained age
	For an Unallocated Maximum of					For an Unallocated Maximum of					
	\$25	\$50	\$100	\$150	\$250	\$25	\$50	\$100	\$150	\$250	
50	2.72	5.00	8.89	11.30	14.53	3.74	6.87	12.22	15.54	19.97	50
51	2.80	5.17	9.22	11.73	15.09	3.77	6.96	12.42	15.80	20.33	51
52	2.88	5.34	9.55	12.17	15.67	3.80	7.05	12.62	16.08	20.70	52
53	2.96	5.51	9.90	12.63	16.27	3.83	7.13	12.82	16.35	21.06	53
54	3.05	5.70	10.28	13.12	16.91	3.86	7.22	13.01	16.61	21.41	54
55	3.14	5.90	10.67	13.64	17.59	3.89	7.30	13.21	16.88	21.78	55
56	3.24	6.11	11.09	14.19	18.32	3.91	7.39	13.40	17.15	22.14	56
57	3.35	6.35	11.55	14.80	19.11	3.94	7.47	13.61	17.43	22.51	57
58	3.46	6.53	12.02	15.41	19.92	3.97	7.55	13.79	17.69	22.86	58
59	3.57	6.82	12.49	16.04	20.74	4.00	7.64	13.99	17.96	23.22	59
60	3.67	7.04	12.93	16.61	21.49	4.02	7.72	14.19	18.23	23.59	60
61	3.76	7.24	13.34	17.16	22.21	4.05	7.81	14.39	18.51	23.96	61
62	3.84	7.43	13.74	17.69	22.91	4.08	7.89	14.59	18.77	24.32	62
63	3.92	7.62	14.13	18.20	23.59	4.10	7.98	14.79	19.05	24.69	63
64	3.99	7.79	14.49	18.69	24.24	4.13	8.06	14.98	19.32	25.06	64
65	4.06	7.95	14.83	19.14	24.84	4.15	8.14	15.18	19.59	25.42	65
66	4.12	8.10	15.15	19.57	25.40	4.18	8.22	15.38	19.86	25.79	66
67	4.16	8.23	15.43	19.95	25.91	4.21	8.31	15.59	20.15	26.13	67
68	4.21	8.34	15.70	20.31	26.39	4.23	8.39	15.79	20.43	26.55	68
69	4.24	8.45	15.95	20.65	26.85	4.25	8.47	15.98	20.70	26.91	69
70	4.28	8.55	16.18	20.96	27.27	4.28	8.55	16.18	20.96	27.27	70
71	4.30	8.61	16.39	21.26	27.67	4.30	8.61	16.39	21.26	27.67	71
72	4.32	8.64	16.57	21.51	28.01	4.32	8.64	16.57	21.51	28.01	72
73	4.34	8.68	16.75	21.76	28.34	4.34	8.68	16.75	21.76	28.34	73
74	4.35	8.70	16.90	21.97	28.63	4.35	8.70	16.90	21.97	28.63	74
75	4.36	8.72	17.06	22.19	28.94	4.36	8.72	17.06	22.19	28.94	75
76	4.37	8.74	17.21	22.41	29.23	4.37	8.74	17.21	22.41	29.23	76
77	4.38	8.76	17.35	22.61	29.51	4.38	8.76	17.35	22.61	29.51	77
78	4.39	8.77	17.49	22.81	29.79	4.39	8.77	17.49	22.81	29.79	78
79	4.39	8.78	17.55	22.99	30.08	4.39	8.78	17.55	22.99	30.03	79
80	4.39	8.78	17.56	23.16	30.27	4.39	8.78	17.56	23.16	30.27	80

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TABLE IV
1956 INTER-COMPANY SURGICAL TABLE
NET ANNUAL CLAIM COSTS FOR USE IN COMPUTING RESERVES

Attained Age	Surgical Expense Benefit*		Attained Age	Surgical Expense Benefit*	
	Male	Female		Male	Female
	For \$200 "Standard" Schedule			For \$200 "Standard" Schedule	
20	3.60	4.40	43	3.92	8.25
21	3.56	4.68	44	4.03	8.24
22	3.52	4.95	45	4.14	8.20
23	3.48	5.21	46	4.26	8.12
24	3.46	5.46	47	4.40	8.01
25	3.44	5.70	48	4.54	7.88
26	3.43	5.98	49	4.69	7.74
27	3.42	6.16			
28	3.43	6.37	50	4.84	7.62
29	3.43	6.58	51	5.00	7.51
			52	5.16	7.40
30	3.44	6.76	53	5.32	7.30
31	3.45	6.92	54	5.49	7.20
32	3.46	7.06	55	5.64	7.12
33	3.48	7.18	56	5.79	7.05
34	3.50	7.31	57	5.94	7.00
35	3.52	7.44	58	6.08	6.95
36	3.54	7.59	59	6.21	6.90
37	3.56	7.75			
38	3.59	7.91	60	6.32	6.86
39	3.63	8.04	61	6.42	6.82
			62	6.50	6.77
40	3.68	8.14	63	6.56	6.73
41	3.75	8.20	64	6.62	6.70
42	3.83	8.24	65	6.66	6.66

*In order to obtain Net Annual Claim Costs for a particular Surgical Schedule, follow the procedure outlined in Table V.

TABLE V
1956 INTER-COMPANY SURGICAL TABLE
EVALUATION SCHEDULE FOR SURGICAL BENEFITS
PER \$100 SCHEDULE

Procedure	Weight	Amount Payable per \$100 Maximum (Prorated if Maximum is other than \$100)	Product
	Adult Male		
Benign tumors and cysts, superficial removal	.564		
Appendectomy	.712		
Cholecystectomy	.095		
Herniotomy, single	.391		
Herniotomy, bilateral	.101		
Hemorrhoidectomy, Int. or Ext.	.229		
Hemorrhoidectomy, Int. and Ext.	.154		
Prostatectomy, perineal or suprapubic	.059		
Nasal septum, submucous resection	.130		
Tonsillectomy and/or Adenoidectomy	.711		Σ
	Adult Female		
Thyroidectomy, subtotal	.087		
Appendectomy	.429		
Cholecystectomy	.160		
Dilation and curettage	.330		
Uterine fixation	.096		
Panhysterectomy	.157		
Hysterectomy—abd.	.326		
Hysterectomy—vag.	.065		
Other uterine operations incl. oophorectomy etc.	.110		
Tonsillectomy and adenoidectomy	.304		Σ

The weights are so determined that the sum of the products evaluates a schedule as a percentage of "standard", and are derived from the frequencies for the commoner operations. Apply the above factors (percentage of "standard") to the net annual claim costs for a \$200 "standard" schedule shown in Table IV to obtain the adjusted net annual claim costs for a particular schedule (\$200 basis). Where the particular schedule is for some amount other than \$200, the factors should be adjusted accordingly (i.e. \$250 schedule multiply by 1.25.)

History: Cr. Register, April, 1959, No. 40, eff. 5-1-59.

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