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HEALTH and INSURANCE PLANS UNDER COLLECTIVE BARGAINING



**Life Insurance and Accidental Death
and Dismemberment Benefits**
Early Summer 1960

Bulletin No. 1296
UNITED STATES DEPARTMENT OF LABOR
Arthur J. Goldberg, Secretary
BUREAU OF LABOR STATISTICS
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Preface

This study of the life insurance and accidental death and dismemberment benefit features of health and insurance plans under collective bargaining, based on an analysis of 300 selected plans, is the last in a series of 5 Bureau of Labor Statistics reports dealing separately with the various components of health and insurance plans. The first report described accident and sickness benefits (BLS Bull. 1250, issued June 1959); the second, hospital benefits (BLS Bull. 1274, March 1960); the third, surgical and medical benefits (BLS Bull. 1280, November 1960); and the fourth, major medical benefits (BLS Bull. 1293, May 1961). As a whole, this series brings up to date the Bureau's earlier Analysis of Health and Insurance Plans Under Collective Bargaining, Late 1955 (BLS Bull. 1221, November 1957).

Each of the 300 plans analyzed covered at least 1,000 workers. The selected plans, in total, provided benefit coverage to almost 5 million workers, or about two-fifths of the estimated coverage of all health and insurance plans under collective bargaining. The provisions of these plans do not necessarily reflect the provisions of smaller plans under collective bargaining or those in nonunion situations.

This study was conducted and the bulletin was prepared in the Bureau's Division of Wages and Industrial Relations by Dorothy R. Kittner, with the assistance of Stanley S. Sacks and Maurice L. Cunningham, under the supervision of Donald M. Landay.

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Health and Insurance Plans Under Collective Bargaining

Life Insurance and Accidental Death and Dismemberment Benefits, Early Summer 1960

Introduction

Life insurance included in collectively bargained health and insurance programs invariably covers death arising from any cause at any time, on the job or off. On the other hand, some plans limit accidental death and dismemberment benefits to off-the-job accidents, presumably because protection for on-the-job accidents is provided by workmen's compensation. Where payable, both life insurance and accidental death and dismemberment benefits are provided in addition to workmen's compensation benefits. Similarly, both benefits are provided in addition to any death benefits that may be payable under a pension plan.¹

Life insurance and accidental death and dismemberment benefits are almost always provided through group term insurance policies purchased from commercial insurance carriers. In addition to, or occasionally in lieu of, group term insurance, some plans have group insurance policies with paid-up or cash surrender values. Unlike other health and insurance benefits, the life insurance coverage is always continued for at least 30 days after cessation of active employment and during this period, the worker may convert his coverage to an individual policy without first being required to take a physical examination.² A few plans provide "death" or "funeral" benefits, self-insured by the employer or by a fund to which he contributed; for this study, it was considered that these plans provided a life insurance benefit unless such a benefit was incidental to another major purpose, e. g., to provide pensions.

Although employer-sponsored group life insurance coverage was initially limited to active workers, many plans have been extended to cover retired workers and some to dependents of active workers. With few exceptions, only the active worker receives accidental death and dismemberment benefits.

This study describes the characteristics of life insurance and accidental death and dismemberment benefits under 300 selected collectively bargained health and insurance programs in effect during the summer of 1960. The eligibility requirements, financing methods, types and amounts of benefits, and the permanent and total disability provisions of the life insurance policies were analyzed.

In addition to the benefits provided under basic insurance programs that covered all workers in the bargaining unit, some plans made available additional or supplementary life insurance and accidental death and dismemberment benefits.

¹ Pension Plans Under Collective Bargaining: Death Benefits and Survivor Options, December 1960 (forthcoming BLS Bull.).

² This provision reflects the influence of the New York State insurance law which requires insurance companies doing business in that State to include a 30-day conversion period in all their group term insurance contracts, regardless of the State in which they are written.

Workers desiring the added coverage had to pay all or part of the cost of such increased coverage. The provisions described in this bulletin, unless otherwise indicated, relate to total benefits available to active and retired workers (i. e., basic insurance benefits plus supplementary insurance benefits, where provided). Because of the inclusion of supplementary coverage, data presented in this study, except where noted, are not comparable with those shown in the Bureau's previous study.³

Scope of Study

The 300 health and insurance plans studied for life insurance and accidental death benefit provisions were selected to provide a broadly representative view of the type of protection provided by major plans under collective bargaining, i. e., those covering 1,000 or more workers.⁴ In selecting the sample, consideration was given to industry, geographic location, type of bargaining unit, and size of plan as measured by active worker coverage.⁵ The 300 selected plans, ranging in coverage from 1,000 to a half million workers, provided health and insurance protection to a total of 4.9 million workers (table 1), or about 40 percent of the estimated total number of workers under all health and insurance plans under collective bargaining.⁶ Almost 3 out of 4 plans (219), covering two-thirds of the workers, were in manufacturing industries (table 2). Nearly a third of the plans (95), covering more than 40 percent of the workers, were negotiated by multiemployer groups.

Prevalence

Life insurance was provided active workers by 295 of the 300 plans studied (table 2). This benefit was extended to retired workers⁷ by almost 2 out of 3 of these plans (189) representing the same proportion of the workers in the sample. A much larger proportion of single employer plans (about 3 out of 4) than of multiemployer plans (3 out of 10) extended benefits to retired workers. Only nine plans, covering 5 percent of the workers in the sample, insured dependents of active workers; only one of these nine plans also covered retired workers (table 3).

³ Analysis of Health and Insurance Plans Under Collective Bargaining, Late 1955 (BLS Bull. 1221, November 1957).

⁴ The same sample of plans was used for the studies of accident and sickness benefits (BLS Bull. 1250), hospital benefits (BLS Bull. 1274), surgical and medical benefits (BLS Bull. 1280), and major medical benefits (BLS Bull. 1293), summarized in the Monthly Labor Review issues of June 1959 (pp. 646-652), February 1960 (pp. 150-160), June 1960 (pp. 598-604), July 1960 (pp. 710-717), and April 1961 (pp. 371-379), respectively.

⁵ The sample comprised 271 plans also studied in the Bureau's 1955 report and 29 replacements that were required because of a decrease in plan coverage to fewer than 1,000 workers, company merger or shutdown, or lack of sufficient current data.

⁶ All coverage data reported in this study relate to the number of active workers (men and women) covered by the plans. No attempt was made to determine the number of women workers, dependents, or retired workers covered by the plans studied.

⁷ The term "retired workers," as used in this bulletin, does not necessarily cover all pensioners. Workers retired before the extension of benefits to pensioners are sometimes not covered and retired workers who did not meet prescribed eligibility requirements are excluded.

Accidental death and dismemberment benefits were included in somewhat more than half of the 300 plans studied (162), covering less than half of the workers (47 percent) (table 2). In contrast with the extension of life insurance, less than 5 percent of these plans provided benefits for retired workers, and no plan had such coverage for dependents.

From late 1955 to early summer 1960, the proportion of plans studied that provided life insurance benefits to active workers and to their dependents has remained about the same. In contrast, coverage of retired workers increased from 49 percent of the plans in 1955 to 63 percent in 1960. During the same period, there was little change in accidental death and dismemberment benefit coverage of both active and retired workers.

Supplementary life insurance coverage was available to active workers under 36 of the 204 single employer plans that provided basic coverage; no multi-employer plans provided such additional benefits. Only 15 of the 189 plans that extended basic coverage to retired workers also extended supplementary coverage to them; only 3 plans provided supplementary accidental death and dismemberment benefits.

Financing⁸

The entire cost of life insurance for the active worker was paid by the employer under almost 3 out of 5 (168) of the 295 plans (table 4). Under the remaining plans (127), the cost of life insurance coverage was shared by the employer and worker.⁹

Under most plans (145) employers paid the entire cost of retired workers' life insurance coverage. Considering only the 189 plans that provided life insurance for both groups, the employer financed the entire cost of benefits under three-fourths of the plans for retirees, compared with less than one-half of the plans for active workers (table 6). Thirty plans (about one out of six) required the retired worker to pay part of the cost of his insurance coverage.¹⁰ Dependents' life insurance coverage was employer financed under eight of the nine plans providing such coverage; it was jointly financed under the remaining one.

The accidental death and dismemberment benefit was paid for by the employer under 7 out of 10 of the 162 plans with this benefit (table 5). Under the

⁸ If the worker contributed toward the cost of the health and insurance program as a whole (with the employer paying the remaining cost), the benefit was classified as jointly financed. If both basic and supplementary insurance were available to the worker (active or retired), the benefit was classified according to how the total amount of insurance coverage was financed; for example, if the basic coverage was paid for solely by the employer and the supplementary coverage by the active worker, the benefit was classified as "employer and worker" financed.

⁹ Four of these plans provided jointly financed basic and supplementary insurance; 21 plans provided employer financed basic insurance and jointly financed supplementary insurance; 7 plans, employer financed basic insurance and worker financed supplementary insurance; and 4 plans provided jointly financed basic insurance and worker financed supplementary insurance.

¹⁰ The employer paid the full cost of the basic insurance extended to retired workers under 6 of these 30 plans and the retired workers contributed only toward the cost of the supplementary insurance extended to him (5 plans) or paid the full cost of the additional coverage (1 plan); 1 plan provided jointly financed basic and supplementary insurance.

remaining plans (49), the employer and the worker shared the cost.¹¹ The cost of retired workers' benefits was paid solely by the employer under three plans, and shared under four plans.

Life insurance coverage for retired workers was provided by 4 out of 5 (102) of the 127 plans that provided jointly financed benefits for active workers. Only one out of two plans with employer financed insurance for active workers extended coverage to retired employees, owing chiefly to the small proportion of multiemployer plans that extended benefits to retirees. However, under 3 out of 5 of the 102 plans with jointly financed benefits for active workers, workers' contributions ceased immediately upon retirement (table 6). Retired workers also received employer financed benefits from all but 3 of the 87 plans with such benefits for active workers. Only four plans required retired workers to assume the full cost of their coverage.

Eligibility Requirements¹²

Life insurance and accidental death and dismemberment benefits were usually effective after the worker had completed a short period of employment (table 7). Almost three out of four plans made life insurance available by the end of 4 months of employment, and within that same time period, accidental death and dismemberment benefit protection commenced under four out of five plans. In plans providing both benefits, however, the employment period required for coverage by each benefit was, with six exceptions, the same. Where health and insurance plans established different eligibility rules for their various benefits, which was not the general practice, a longer employment period was required for life insurance and accidental death benefits than for other types of protection.¹³

One out of seven plans either reduced life insurance benefits or denied them to workers hired after they had reached an advance age—most frequently age 65 (table 8). Twenty-eight plans reduced the benefit and 13 plans denied them to such workers.

The accidental death and dismemberment benefit of newly hired workers covered by 10 of the 162 plans was also affected by age at hiring. Six provided a reduced benefit to older workers, and four plans no benefit.

¹¹ One of these plans provided employer financed basic accidental death and dismemberment insurance and jointly financed supplementary insurance; and two plans provided jointly financed basic accidental death and dismemberment insurance and worker financed supplementary insurance.

¹² Eligibility requirements, as discussed in this section, refer only to the period of employment required of the worker before he is eligible to participate in the plan. Under some plans, in addition to specifying an employment requirement, a period of union membership was also required. This period rarely exceeded the employment requirement.

¹³ The eligibility requirements for other benefits in the same plans as analyzed in this bulletin will be found in the other bulletins in this series. For accident and sickness benefits, see BLS Bull. 1250, table 5, p. 5; for hospital benefits, BLS Bull. 1274, table 7, p. 10; and for surgical and medical benefits, BLS Bull. 1280, table 9, p. 13.

Life Insurance for Active Workers

Basis for Determining Amount.—A uniform or "flat" amount of life insurance was provided by over half of the 295 plans (table 9). Under the remaining 136 plans, the total amount of insurance available was dependent on earnings, service, or other criteria applicable to the individual worker. Over 1 out of 3 of the 295 plans, covering almost half the workers, considered earnings in determining the amount of benefits.¹⁴ As in 1955, multiemployer plans usually provided a flat amount of life insurance, and single employer programs a graduated amount.¹⁵

Amount of Insurance Provided Under Flat-Benefit Plans.—The total amount of life insurance available under the 159 flat-benefit plans ranged from \$500 (8 plans) to \$15,000 (1 plan). Over half of these plans (55 percent), covering a slightly larger proportion of the workers (59 percent), provided less than \$2,500 (table 10). At least \$4,000 was provided by slightly more than one out of four plans. The average benefit, including supplements, was \$2,431; excluding supplements, the average basic insurance amounted to \$2,270—an increase of 18 percent over the late 1955 average.¹⁶

Jointly financed flat benefits were, on the average, more than twice the amount of the employer financed benefits (\$4,459, compared with \$1,803) (table 10). More than half the workers with insurance financed entirely by the employer were covered for less than \$1,500.

¹⁴ Twenty-four of the 36 plans with supplementary insurance provided a flat amount of basic insurance, and the remaining plans provided a basic amount graduated according to earnings (6 plans), service (5 plans), or earnings and service (1 plan). Except for 8 plans that provided a flat amount of supplementary as well as basic insurance, the amount of supplementary insurance available was based on earnings (in 3 plans, earnings and service).

¹⁵ The following tabulation shows the basis for determining the amount of basic life insurance provided by the plans analyzed in this bulletin and in the 1955 report (Cf. table B-1 in BLS Bull. 1221). Unlike the data presented in table 9, the basis for determining the amount of optional insurance provided under 36 single employer plans providing supplementary insurance, described in footnote 14, does not affect the classification of plans in this tabulation.

Basis of determining amount	Plans	
	1960	1955
All plans providing basic life insurance -----	295	284
Flat amount -----	175	177
Graduated amount -----	118	102
Earnings -----	89	75
Service -----	18	12
Length-of-union membership -----	2	4
Service and earnings -----	6	7
Other -----	3	4
Flat amount plus graduated amount -----	2	5
Union membership -----	2	0
Earnings or service -----	0	5

¹⁶ Based on a comparison of the average amount specified in 175 plans that provided a flat amount of basic insurance coverage in the summer of 1960 with the amount provided under 177 plans in late 1955 and shown in table B-2, BLS Bull. 1221.

Amount of Insurance Provided by Graduated-According-to-Earnings Plans.—To show the amount of life insurance protection provided by graduated plans, the benefits payable to workers at selected earnings levels—\$4,000 and \$5,000 a year—have been computed. It is important to note that the amounts shown in this bulletin for these workers under graduated plans would not be applicable to workers at other earnings levels.

The total amount of life insurance available to workers earning \$4,000 and \$5,000 annually varied greatly among the 104 plans that determined insurance coverage according to earnings alone. Coverage ranged from \$1,500 to \$11,000 for workers earning \$4,000 yearly, and from \$1,500 to \$14,000 for those with annual earnings of \$5,000. Over 95 percent of the \$4,000-a-year workers and 75 percent of the \$5,000-a-year workers were covered by an amount equal to or greater than their annual earnings rate (table 11). At least \$6,000 was provided workers earning \$4,000 yearly by almost two out of five plans, representing nearly a third of the workers whose insurance was based on earnings alone. At least this amount was available to nearly half the \$5,000-a-year workers under more than half of the plans. About one out of six workers under graduated plans was eligible for insurance equal to at least twice his annual earnings rate. On the average, the \$4,000-a-year worker was insured for \$5,318, and the \$5,000-a-year worker for \$6,364.

Two out of three graduated plans, as compared with only slightly more than one out of four flat benefit plans, required the worker to contribute toward the cost of his total coverage (table 11). Contributory plans provided higher benefits, on the average, than noncontributory plans, but the difference was not as great among graduated plans as among flat plans. For the \$4,000-a-year worker, for example, graduated contributory plans averaged \$5,416 and non-contributory \$5,062—a difference of 7 percent—compared with a difference of almost 150 percent between the average for contributory and noncontributory flat plans. For the \$5,000-a-year worker, jointly financed graduated benefits averaged \$6,584 and the employer-financed benefit, \$5,790, a difference of about 14 percent.

The average basic benefit provided a \$4,000-a-year worker under plans determining the basic amount according to earnings rose slightly during the last 5 years—i. e., from \$4,954 in late 1955 to \$4,990 in the summer of 1960.¹⁷ The increase in these averages does not reflect the fact that some of the plans increased the benefit for workers in the lower and higher earnings classifications without affecting the benefits of \$4,000-a-year workers.

Amount of Insurance Provided by Graduated-by-Length-of-Service Plans.¹⁸—For a \$4,000-a-year worker, the minimum benefit provided under the 29 plans that graduated benefits according to length of service ranged from \$250 to \$8,000, with 3 out of 4 of these 29 plans providing \$2,000 or less. The maximums ranged from \$1,000 to \$13,000, but were usually under \$5,000. Minimum coverage was usually available as soon as the worker completed the employment requirements: 5 plans required less than 1 month, 3 plans required 1 or 2 months, 16 plans required 3 to 6 months inclusive, and 5 plans required a year. Once acquiring minimum coverage, the worker's benefit was increased

¹⁷ Based on a comparison of the average basic benefit of the plans under which earnings were a factor in determining the basic coverage.

¹⁸ Includes 12 plans in which earnings were also a factor in determining the amount of coverage and 4 plans that based the amount on length-of-union membership, which, for calculation purposes, was assumed to equal length of service.

until he received the maximum benefit provided under the plan (in from 1 to 35 years). Most frequently, as shown below, 5 years¹, or longer, service was required to reach the maximum.

Service or union membership requirement for maximum life insurance benefit	Number of plans
All plans with amount of life insurance based on service or union membership -----	29
1 year -----	5
2 years -----	4
3 years -----	1
5 years -----	8
6 years -----	1
7 years -----	1
10 years -----	4
14 years -----	1
15 years -----	2
20 years -----	1
35 years -----	1

Variation in Amount Based on Sex.—Generally, both men and women received the same amount of life insurance protection; only 10 plans provided women workers less coverage than men. As shown below, most frequently these 10 plans provided women workers half of the amount given to men.

Percent of amount of total life insurance provided men workers that was provided women workers with earnings of at least \$3,000 and not more than \$5,000 a year	Plans	Workers (thousands)
All plans providing less insurance for women workers than for men workers -----	10	88.9
50 percent -----	6	65.1
52 percent -----	¹ 1	11.5
62½ percent -----	2	21.1
66⅔ percent -----	1	1.2

¹ Under this plan, women earning less than \$2,500 received 65 percent of the amount provided men earning \$3,000 or less.

The life insurance benefit for \$4,000-a-year women workers was less than their annual earnings rate under all except 2 of these 10 plans.

Reduction in Benefits During Active Employment.—Although, under most plans, the amount of life insurance remained unchanged regardless of the worker's age, in 24 plans, benefits for active workers were reduced at age 65. One plan discontinued benefits at age 65. Three other plans, as shown in the following table, reduced benefits at ages 66 and 68:

Provision	Plans	Workers (thousands)
Plans reducing or discontinuing benefit -----	28	786.0
Reduced at age:		
65 -----	24	767.5
66 -----	2	6.7
68 -----	1	5.0
Discontinued at age:		
65 -----	1	6.8

Benefits were reduced by either of two methods which were also commonly used in reducing benefits for retired workers. About half the 27 plans made a single reduction at a specified age; the rest gradually reduced the coverage to a minimum level that was maintained during the remainder of the worker's employment.

Continuance of Coverage During Layoff.¹⁹—Almost 3 out of 5 plans (175) provided for the continuance of life insurance for laid-off workers. About one out of five of these plans provided coverage for more than 6 months. The financing of benefits for laid-off workers was the same as for active workers under two-thirds of the 175 plans. The remaining plans required workers to assume the full cost of their benefits. In some plans, the cost was to be assumed immediately upon layoff, but in a larger proportion, after a specified period of time ranging from 1 to 6 months after layoff. Under 22 plans, for example, coverage during layoff was paid for by the employer for the first 6 months and for an additional 18 months by the workers who elected to continue coverage.

Life Insurance for Retired Workers²⁰

Benefits were reduced upon retirement by all but a few of the 189 plans that extended life insurance coverage to retired workers. Only 14 plans provided all workers, throughout their entire retirement period, with coverage equal to that available to them immediately before retirement (table 12). An additional 10 plans temporarily continued the amount in effect immediately prior to retirement, but after a designated period—usually a year—coverage was reduced.

Under 124 (about 2 out of 3) of the 189 plans extending life insurance to retired workers, immediately upon retirement benefits were reduced to an amount which was then maintained during the entire retirement period. Benefits under 28 plans were reduced at the time workers retired and periodically thereafter until a specified minimum level was reached.

¹⁹ This discussion excludes the 30-day conversion period referred to on p. 1.

²⁰ See footnotes 6 and 7, p. 2. Except where indicated, the discussion relates to the total amount of insurance (basic plus supplementary where provided) extended to retired workers.

Provision for life insurance coverage for retired workers was most frequently found in plans that provided a graduated amount of insurance to active workers. In over four out of five of the plans with a graduated benefit for active workers coverage was extended to retired workers, as against less than half of the flat-benefit plans (tables 9 and 12).

Length of service was rarely a factor in determining a worker's coverage after retirement. Fewer than 1 out of 5 plans (34) related the benefit amount to the number of years the worker had served prior to retirement.

The average amount of life insurance provided retired workers previously earning \$4,000 a year was \$2,019 at age 65 and \$1,429 at age 70 (table 13). This 30-percent decline between the ages of 65 and 70 stemmed from the very sharp reductions made by 23 plans and the discontinuance of benefits by 3 plans.²¹ For the same reason, although 1 out of 6 plans provided at least \$4,000 of life insurance for 65-year-old retirees, only about 1 out of 10 plans provided retirees at age 70 with at least this amount. Similar reductions were made for retirees formerly earning \$5,000 a year.

Basic life insurance coverage for the 65-year-old retired worker, who earned \$4,000, averaged \$1,742 in the summer of 1960 as against \$1,684 in late 1955.²² No significant change in the average basic amount available to 70-year-old retirees was reported.

Life Insurance for Active Workers' Dependents

Nine plans—two more than in late 1955—provided a life insurance benefit for dependents of active workers. Seven of these plans covered all dependents (spouse and dependent children). The coverage for a dependent spouse was, as shown below, either \$500 (seven plans) or \$1,000 (two plans), while for children it ranged from \$100 to \$500, depending on their age.

Amount of insurance			Plans	Workers (thousands)
All plans providing life insurance for dependents -----			9	245.4
Dependent children				
Dependent spouse	Minimum	Maximum		
\$500	-	- -----	2	160.0
500	\$100	\$250 -----	3	55.9
500	100	500 -----	2	16.6
1,000	100	500 -----	2	12.9

²¹ These data relate to 137 plans that provided computable benefits at ages 65 and 70.

²² Unlike the averages in table 13 which include supplemental coverage, these 1960 averages, like the 1955 averages, were based on the amount of basic coverage extended to retired workers. They exclude the supplemental coverage extended to retired workers by nine plans that provided active workers a flat amount or an amount based on earnings.

Permanent and Total Disability Provisions

A permanent and total disability benefit provision was included in all but 20 of the 295 plans providing life insurance (table 14). About a fourth of the plans (71) provided for a cash settlement of the full policy amount, usually payable in monthly installments rather than in a single lump sum. Two-thirds of the plans (189) maintained the insurance for the length of the disability or for a specified period and waived contributions from disabled workers covered by jointly financed plans. The full amount of insurance was maintained by 2 out of 3 (121) of these plans for the duration of the disability, and by 1 out of 5 (37) for a stipulated period—usually a year. The rest of these plans (31) maintained the full amount of coverage for a specified period, after which a reduced amount was provided for the remainder of the disability period.

To qualify for coverage under the permanent and total disability provision of the life insurance contract, the disability usually had to occur before a stated age—generally before age 60 (194 plans) or age 65 (52 plans) (table 15). Only 16 plans also required that the worker must have been insured for or must have worked for a stipulated period of time.

Accidental Death and Dismemberment Insurance

The accidental death and dismemberment benefits found in 162 of the 300 selected plans were, with one exception, provided in addition to life insurance benefits. Unlike life insurance, however, which covered death from any cause at any time, one out of four accidental death benefit plans covered only off-the-job accidents. This restriction was presumably made because workers involved in on-the-job accidents would be entitled to workmen's compensation benefits.

	Plans	Workers (thousands)
All plans providing accidental death and dismemberment benefits -----	162	2,321.2
Occupational and nonoccupational cases covered -----	118	1,753.8
Only nonoccupational cases covered -----	42	540.2
Only occupational cases covered -----	2	27.2

Seven out of 10 of the plans provided a flat accidental death and dismemberment benefit (table 16). Most of the remaining plans provided a benefit graduated according to earnings. Except for 15 plans, the basis for determining the amount of accidental death and dismemberment benefit was the same as the one used in determining the life insurance coverage.

The amount of the accidental death benefit in over three out of five of the plans was equal to the amount of life insurance provided. Almost all of the remaining plans had a smaller accidental death benefit (table 17).

Of the 113 plans with a flat accidental death benefit, 81 provided less than \$3,000 and only 18 of the plans provided \$4,000 or more (table 18). The average benefit was \$2,691—almost \$500 more than the average benefit provided in late 1955. The average flat death benefit exceeded the average flat life insurance benefit by \$260 because several of the larger plans that provided relatively low life insurance benefits provided no accidental death benefit.

The 40 plans that graduated death benefits according to earnings provided, on the average, \$3,373 for the \$4,000-a-year worker and \$3,621 for the worker earning \$5,000 annually (table 19).²³ These amounts were substantially less than the average graduated life insurance benefits (table 11) for these earnings levels because several of the larger plans, covering two-thirds of the workers, provided accidental death benefits equal to one-half of the life insurance benefits.

The multidismemberment benefit—the cash amount payable for accidental loss of (a) two or more limbs, (b) complete loss of sight, or (c) loss of sight in one eye plus loss of one limb—was the same as the accidental death benefit in all except five plans, where the multidismemberment benefit was larger. All plans provided one-half of the multidismemberment benefit as a single dismemberment benefit (payment for the loss of one limb or the sight of one eye).

Three plans reduced and four plans discontinued accidental death benefits when a worker reached age 65 or older.

Provision	Plans	Workers (thousands)
Plans reducing or discontinuing benefit -----	7	149.9
Reduced at age:		
65 -----	2	15.6
66 -----	1	4.0
Discontinued at age:		
65 -----	1	120.0
68 -----	1	5.0
70 -----	2	5.3

Only seven plans extended benefits to retired workers. Six plans provided the same amount of coverage that was available to the worker immediately prior to retirement, but two of these six plans discontinued coverage shortly after retirement.

²³ The amount of accidental death benefits under graduated plans was ascertained by the same method as that used for life insurance, see p. 6.

Table 1. Health and insurance plans studied in manufacturing and nonmanufacturing industries by number of workers covered and type of bargaining unit, early summer 1960¹

Workers covered	(Workers in thousands)							
	All industries							
	Total		Single employer		Multiemployer			
	Plans	Workers	Plans	Workers	Plans	Workers		
All plans studied -----	300	4,933.2	205	2,806.7	95	2,126.5		
1,000 and under 5,000 workers -----	137	351.7	102	262.4	35	89.3		
5,000 and under 10,000 workers -----	59	419.1	39	272.0	20	147.1		
10,000 and under 15,000 workers -----	34	387.0	20	224.6	14	162.4		
15,000 and under 25,000 workers -----	26	472.0	17	302.9	9	169.1		
25,000 and under 50,000 workers -----	28	928.8	17	532.0	11	396.8		
50,000 and under 100,000 workers -----	5	306.6	4	250.8	1	55.8		
100,000 workers and over -----	11	2,068.0	6	962.0	5	1,106.0		
	Manufacturing				Nonmanufacturing			
	Single employer		Multiemployer		Single employer		Multiemployer	
	Plans	Workers	Plans	Workers	Plans	Workers	Plans	Workers
All plans studied -----	179	2,650.4	40	672.5	26	156.3	55	1,454.0
1,000 and under 5,000 workers -----	86	218.6	14	39.5	16	43.8	21	49.8
5,000 and under 10,000 workers -----	34	240.7	11	77.6	5	31.3	9	69.5
10,000 and under 15,000 workers -----	17	188.6	8	90.8	3	36.0	6	71.6
15,000 and under 25,000 workers -----	16	287.9	1	18.0	1	15.0	8	151.1
25,000 and under 50,000 workers -----	16	501.8	3	109.8	1	30.2	8	287.0
50,000 and under 100,000 workers -----	4	250.8	1	55.8	-	-	-	-
100,000 workers and over -----	6	962.0	2	281.0	-	-	3	825.0

¹ All coverage data reported in this study relate to the number of active workers (men and women) covered by the plans which provide the specified benefit. No attempt was made to determine the number of women workers, dependents, or retired workers covered by the plans.

Table 2. Health and insurance plans studied by industry and groups eligible for life insurance and accidental death and dismemberment benefits, early summer 1960¹

(Workers in thousands)

Industry	Total		All plans providing life insurance for—						All plans providing accidental death and dismemberment benefits for—			
			Active workers		Dependents of active workers		Retired workers		Active workers		Retired workers	
	Plans	Workers	Plans	Workers	Plans	Workers	Plans	Workers	Plans	Workers	Plans	Workers
All plans studied -----	300	4,933.2	295	4,381.8	9	245.4	189	3,154.0	162	2,321.2	7	54.4
Manufacturing -----	219	3,322.9	219	3,322.9	3	28.1	150	2,644.1	114	1,643.8	6	36.4
Food and kindred products -----	17	168.1	17	168.1	1	9.6	14	140.6	7	42.2	-	-
Tobacco manufactures -----	3	24.0	3	24.0	-	-	2	22.5	-	-	-	-
Textile mill products -----	11	44.7	11	44.7	1	7.0	1	2.4	7	17.7	-	-
Apparel and other finished products -----	6	395.1	6	395.1	-	-	5	383.1	1	7.5	-	-
Lumber and wood products, except furniture -----	3	44.5	3	44.5	-	-	1	7.5	3	44.5	-	-
Furniture and fixtures -----	5	68.1	5	68.1	-	-	2	3.3	4	66.1	-	-
Paper and allied products -----	13	49.5	13	49.5	-	-	12	43.1	8	32.3	1	5.5
Printing, publishing, and allied industries -----	6	21.7	6	21.7	-	-	1	2.5	4	19.0	1	2.5
Chemicals and allied products -----	10	109.4	10	109.4	-	-	9	96.2	5	31.9	-	-
Petroleum refining and related industries -----	8	92.7	8	92.7	-	-	8	92.7	3	38.7	1	7.5
Rubber and miscellaneous plastics products -----	8	108.3	8	108.3	-	-	6	105.8	6	105.8	-	-
Leather and leather products -----	11	68.7	11	68.7	-	-	3	19.3	1	3.5	-	-
Stone, clay, and glass products -----	10	76.8	10	76.8	-	-	9	56.8	5	43.8	1	11.6
Primary metal industries -----	21	499.2	21	499.2	1	11.5	21	499.2	6	33.4	1	5.0
Fabricated metal products -----	11	98.1	11	98.1	-	-	7	79.3	6	25.3	-	-
Machinery, except electrical -----	22	147.0	22	147.0	-	-	16	123.8	14	123.2	-	-
Electrical machinery, equipment and supplies -----	16	330.2	16	330.2	-	-	11	307.3	9	264.6	-	-
Transportation equipment -----	23	902.0	23	902.0	-	-	13	618.1	17	712.0	-	-
Instruments and related products -----	8	33.4	8	33.4	-	-	6	27.9	5	12.8	1	4.3
Miscellaneous manufacturing industries -----	7	41.4	7	41.4	-	-	3	12.7	3	19.5	-	-
Nonmanufacturing -----	81	1,610.3	76	1,058.9	6	217.3	39	509.9	48	677.4	1	18.0
Mining, crude petroleum, and natural gas production -----	4	194.9	4	194.9	-	-	3	193.6	2	11.3	-	-
Transportation -----	22	870.7	20	352.7	2	160.0	10	68.6	15	321.2	1	18.0
Communications -----	2	38.3	2	38.3	-	-	2	38.3	-	-	-	-
Utilities: Electric and gas -----	11	35.2	10	34.2	-	-	9	31.7	1	1.9	-	-
Retail and wholesale trade -----	12	60.4	12	60.4	2	15.9	5	31.7	11	57.9	-	-
Hotels and restaurants -----	5	67.1	5	67.1	-	-	-	-	3	52.6	-	-
Services -----	9	140.1	9	140.1	-	-	5	90.0	5	86.7	-	-
Construction -----	15	196.4	13	164.0	2	41.4	4	48.8	10	138.6	-	-
Miscellaneous nonmanufacturing industries -----	1	7.2	1	7.2	-	-	1	7.2	1	7.2	-	-

¹ See footnote 1, table 1.

Table 3. Classification of plans providing life insurance and accidental death and dismemberment benefits by groups eligible, early summer 1960¹

(Workers in thousands)				
Eligible groups			Total	
Active workers	Dependents of active workers	Retired workers	Plans	Workers
All plans providing life insurance -----			295	4,381.8
x	-	-	98	993.9
x	-	x	188	3,142.5
x	x	-	8	233.9
x	x	x	1	11.5
All plans providing accidental death and dismemberment benefits -----			162	2,321.2
x	-	-	155	2,266.8
x	-	x	7	54.4

¹ Based on a study of 300 health and insurance plans under collective bargaining covering approximately 5 million workers. All coverage data relate to the number of active workers (men and women) covered by the plans. No attempt was made to determine the number of women workers, dependents, or retired workers covered by the plans.

Table 4. Method of financing life insurance benefit by groups eligible and type of bargaining unit, early summer 1960¹

Groups covered and method of financing ²	(Workers in thousands)					
	Total		Type of bargaining unit			
	Plans	Workers	Single employer		Multiemployer	
Plans			Workers	Plans	Workers	
<u>Active workers</u>						
All plans providing benefits -----	295	4,381.8	204	2,805.7	91	1,576.1
Employer only -----	168	2,347.5	81	826.4	87	1,521.1
Employer and worker ³ -----	127	2,034.3	123	1,979.3	4	55.0
<u>Dependents of active workers</u>						
All plans providing benefits -----	9	245.4	2	18.5	7	226.9
Employer only -----	8	238.4	1	11.5	7	226.9
Employer and worker -----	1	7.0	1	7.0	-	-
Worker only -----	-	-	-	-	-	-
<u>Retired workers</u>						
All plans extending benefits -----	189	3,154.0	160	2,371.0	29	783.0
Employer only ⁴ -----	145	2,678.6	120	1,978.4	25	700.2
Employer and retired worker ⁵ -----	6 ³⁰	305.8	29	256.8	1	49.0
Employer and active worker -----	2	27.0	-	-	2	27.0
Retired worker only ⁷ -----	4	30.4	3	23.6	1	6.8
Other ⁸ -----	8	112.2	8	112.2	-	-

¹ See footnote 1, table 3.

² If the worker contributed toward the cost of the health and insurance program as a whole (with the employer paying the remaining cost), the life insurance benefit was classified as jointly financed. If both basic and supplementary insurance were available to the worker (active or retired), the benefit was classified according to how the total amount of insurance coverage was financed; for example, if the basic coverage was paid for solely by the employer and the supplementary coverage by the active worker, the benefit was classified as "employer and worker" financed.

³ 4 plans provided basic and supplementary insurance financed by the employer and worker; 21 plans provided basic insurance financed solely by the employer and supplementary insurance, by the employer and the worker; 7 plans provided basic insurance financed solely by the employer, and supplementary insurance, solely by the worker; and 4 plans provided basic insurance financed by the employer and worker and supplementary insurance, solely by the worker. Also, 4 plans provided for the employer to pay the full cost of the insurance after the worker reached age 65; 1 plan provided employer-financed insurance during the first 2 years of coverage; and 1 plan provided employer-financed insurance for workers under age 35 or with less than 5 years of service.

⁴ 6 plans provided basic and supplementary insurance financed solely by the employer.

⁵ 4 plans provided basic insurance financed solely by the employer and supplementary insurance by the employer and the retired worker; 1 plan provided basic insurance financed solely by the employer and supplementary insurance, solely by the retired worker; and 1 plan provided basic and supplementary insurance financed by the employer and the retired worker.

⁶ Under 2 plans, life insurance provided retired workers over a certain age (age 68 in 1 plan and age 70 in the other) was financed solely by the employer.

⁷ 3 of these plans provided basic and supplementary insurance.

⁸ These plans provided "paid-up" life insurance coverage that was purchased by the retired worker during his active employment. In some of these plans the employer purchased additional insurance coverage for the retired worker.

Table 5. Method of financing accidental death and dismemberment benefits by groups eligible and type of bargaining unit, early summer 1960¹

(Workers in thousands)

Groups covered and method of financing ²	Total		Type of bargaining unit			
			Single employer		Multiemployer	
	Plans	Workers	Plans	Workers	Plans	Workers
<u>Active workers</u>						
All plans providing benefits -----	162	2,321.2	103	1,505.4	59	815.8
Employer only -----	113	1,231.9	56	436.1	57	795.8
Employer and worker ³ -----	49	1,089.3	47	1,069.3	2	20.0
<u>Retired workers</u>						
All plans extending benefits -----	7	54.4	5	33.9	2	20.5
Employer only -----	3	14.3	2	11.8	1	2.5
Employer and retired worker -----	4	40.1	3	22.1	1	18.0

¹ See footnote 1, table 3.² See footnote 2, table 4.³ 1 plan provided basic insurance financed solely by the employer and supplementary insurance financed by the employer and the worker; and 2 plans provided basic insurance financed by the employer and the worker and supplementary insurance financed solely by the worker.Table 6. Relationship of method of financing life insurance and accidental death and dismemberment benefits for active and retired workers, early summer 1960¹

(Workers in thousands)

Method of financing ²	Life insurance		Accidental death and dismemberment benefit	
	Plans	Workers	Plans	Workers
All plans providing benefit for active workers and retired workers -----	189	3,154.0	7	54.4
Benefit for active worker financed by employer -----	87	1,433.1	3	14.3
Benefit for retired worker financed:				
By employer -----	84	1,373.9	3	14.3
By retired worker and employer -----	2	52.4	-	-
By retired worker -----	1	6.8	-	-
Benefit for active worker financed by employer and worker -----	102	1,720.9	4	40.1
Benefit for retired worker financed:				
By employer -----	61	1,304.7	-	-
By retired worker and employer -----	28	253.4	4	40.1
By active worker and employer -----	2	27.0	-	-
By retired worker -----	3	23.6	-	-
Other -----	8	112.2	-	-

¹ See footnote 1, table 3; 295 plans provided a life insurance benefit for active workers.² See footnote 2, table 4.

Table 7. Eligibility requirements for life insurance and accidental death and dismemberment benefits, early summer 1960¹

(Workers in thousands)				
Effective date of coverage	Life insurance		Accidental death and dismemberment benefit	
	Plans	Workers	Plans	Workers
All plans providing benefits -----	295	4,381.8	162	2,321.2
After employment for—				
Under 1 month -----	51	1,324.0	26	584.8
1 and under 2 months -----	31	350.2	16	108.1
2 and under 3 months -----	23	133.1	17	90.5
3 and under 4 months -----	63	461.2	39	311.1
4 and under 5 months -----	4	91.3	2	75.0
5 and under 6 months -----	2	15.0	-	-
6 and under 7 months -----	49	666.9	16	105.3
8 and under 9 months -----	1	6.3	1	6.3
12 and under 13 months -----	13	186.2	3	10.7
First day of month following completion of employment for—				
Under 1 month -----	8	66.9	6	30.2
1 and under 2 months -----	15	311.7	11	281.1
2 and under 3 months -----	7	504.8	6	496.0
3 and under 4 months -----	12	104.1	6	53.0
4 and under 5 months -----	1	3.0	1	3.0
6 and under 7 months -----	3	8.3	2	10.8
7 or more -----	2	5.9	1	3.3
Other -----	10	142.9	9	152.0

¹ See footnote 1, table 3.

Table 8. Plans reducing or denying life insurance or accidental death and dismemberment benefits for active workers hired after a specified age, early summer 1960¹

(Workers in thousands)				
Provision	Life insurance		Accidental death and dismemberment benefit	
	Plans	Workers	Plans	Workers
All plans reducing or denying benefits for workers hired after a specified age -----	41	976.5	10	207.2
Reduced benefits provided if hired after specified age -----	28	785.6	6	76.9
50 years -----	1	10.0	-	-
55 years -----	2	90.8	-	-
60 years -----	5	66.0	3	57.3
65 years -----	18	612.1	2	15.6
66 years -----	2	6.7	1	4.0
Benefits not available if hired after specified age -----	11	176.9	4	130.3
50 years -----	1	11.6	-	-
55 years -----	3	7.0	-	-
65 years -----	7	158.3	2	125.0
70 years -----	-	-	2	5.3
Other -----	² 2	14.0	-	-

¹ See footnote 1, table 3. 295 plans provided life insurance for active workers, and 162, accidental death and dismemberment benefits.

² These plans did not provide life insurance to workers becoming union members at age 56 or later.

Table 9. Basis of determining total amount of life insurance for active workers by type of bargaining unit, early summer 1960¹

Basis of determining amount	(Workers in thousands)					
	All plans		Type of bargaining unit			
			Single employer		Multiemployer	
Plans	Workers	Plans	Workers	Plans	Workers	
All plans studied -----	300	4,933.2	205	2,806.7	95	2,126.5
Plans providing life insurance -----	295	4,381.8	204	2,805.7	91	1,576.1
Flat amount ² -----	159	1,774.9	81	575.0	78	1,199.9
Graduated -----	118	2,466.2	107	2,104.0	11	362.2
Earnings ³ -----	89	1,956.1	87	1,929.2	2	26.9
Service -----	13	200.8	9	30.1	4	170.7
Length-of-union membership -----	2	94.6	-	-	2	94.6
Service and earnings ⁴ -----	11	150.7	9	125.7	2	25.0
Other -----	3	64.0	2	19.0	1	45.0
Flat amount plus amount graduated according to earnings, service, or union membership ⁵ -----	18	140.7	16	126.7	2	14.0

¹ See footnote 1, table 1.

² 8 plans provided a flat amount of basic insurance and a flat amount of supplementary insurance.

³ 1 plan provided a flat amount for women workers. 6 plans provided basic and supplementary insurance based on earnings.

⁴ 3 plans provided basic insurance based on service and supplementary insurance based on earnings; 2 plans provided basic insurance based on service and supplementary insurance based on service and earnings; and 1 plan provided basic insurance based on service and earnings, and supplementary insurance based on earnings.

⁵ 15 plans provided a flat amount of basic insurance and supplementary insurance based on earnings; 1 plan provided a flat amount of basic insurance and supplementary insurance based on service and earnings; and 2 plans provided a flat amount plus an amount graduated according to union membership.

Table 10. Amount of life insurance provided active workers under plans providing a flat amount of insurance¹ by method of financing, early summer 1960²

Amount	(Workers in thousands)					
	Method of financing ³					
	Total		Employer only		Employer and worker	
Plans	Workers	Plans	Workers	Plans	Workers	
All plans providing a flat amount of life insurance ⁴ -----	159	1,774.9	114	1,355.1	45	419.8
Under \$1,000 -----	9	323.1	9	323.1	-	-
\$1,000 and under \$1,500 -----	38	446.1	33	430.6	5	15.5
\$1,500 and under \$2,000 -----	11	53.9	10	52.7	1	1.2
\$2,000 and under \$2,500 -----	30	215.7	19	145.2	11	70.5
\$2,500 and under \$3,000 -----	8	86.9	6	82.9	2	4.0
\$3,000 and under \$3,500 -----	11	100.7	8	91.8	3	8.9
\$3,500 and under \$4,000 -----	10	97.2	7	84.4	3	12.8
\$4,000 and under \$4,500 -----	15	147.3	7	40.7	8	106.6
\$4,500 and under \$5,000 -----	2	64.8	-	-	2	64.8
\$5,000 and under \$6,000 -----	18	178.9	14	97.4	4	81.5
\$6,000 and under \$7,000 -----	5	29.3	1	6.3	4	23.0
\$7,000 and over -----	2	31.0	-	-	2	31.0
Average flat amount ⁵ -----		\$2,431		\$1,803		\$4,459

¹ Includes all plans providing flat amounts of basic and supplementary insurance.

² See footnote 1, table 3.

³ See footnote 2, table 4; 295 plans provided life insurance for active workers.

⁴ Includes 5 plans providing a lesser amount for women workers.

⁵ Amount provided by each plan weighted by number of workers covered.

Table 11. Amount of life insurance provided active workers earning \$4,000 and \$5,000 yearly under plans graduating the amount of insurance according to earnings alone¹ by method of financing, early summer 1960²

(Workers in thousands)

Amount	Method of financing ³					
	Total		Employer only		Employer and worker	
	Plans	Workers	Plans	Workers	Plans	Workers
All plans providing life insurance based on earnings alone ⁴ -----	104	2,078.2	35	576.0	69	1,502.2
<u>\$4,000-a-year-worker</u>						
Under \$2,000 -----	1	1.9	1	1.9	-	-
\$2,000 and under \$2,500 -----	3	37.4	-	-	3	37.4
\$2,500 and under \$3,000 -----	1	1.5	1	1.5	-	-
\$3,000 and under \$3,500 -----	2	31.3	1	18.0	1	13.3
\$3,500 and under \$4,000 -----	4	21.0	1	8.9	3	12.1
\$4,000 and under \$4,500 -----	28	534.2	16	283.3	12	250.9
\$4,500 and under \$5,000 -----	12	532.6	5	70.1	7	462.5
\$5,000 and under \$6,000 -----	13	244.1	3	14.5	10	229.6
\$6,000 and under \$7,000 -----	14	304.4	2	89.8	12	214.6
\$7,000 and under \$8,000 -----	2	20.4	-	-	2	20.4
\$8,000 and under \$9,000 -----	12	227.2	2	35.5	10	191.7
\$9,000 and under \$10,000 -----	10	111.2	3	52.5	7	58.7
\$10,000 and under \$11,000 -----	1	4.4	-	-	1	4.4
\$11,000 -----	1	6.6	-	-	1	6.6
Average graduated amount -----		\$5,318		\$5,062		\$5,416
<u>\$5,000-a-year-worker</u>						
Under \$2,000 -----	1	1.9	1	1.9	-	-
\$2,000 and under \$2,500 -----	1	30.2	-	-	1	30.2
\$2,500 and under \$3,000 -----	2	3.8	1	1.5	1	2.3
\$3,000 and under \$3,500 -----	2	31.3	1	18.0	1	13.3
\$3,500 and under \$4,000 -----	-	-	-	-	-	-
\$4,000 and under \$4,500 -----	4	142.8	1	8.9	3	133.9
\$4,500 and under \$5,000 -----	15	326.1	13	316.5	2	9.6
\$5,000 and under \$6,000 -----	22	599.0	6	26.3	16	572.7
\$6,000 and under \$7,000 -----	14	290.7	5	75.3	9	215.4
\$7,000 and under \$8,000 -----	11	215.9	1	7.8	10	208.1
\$8,000 and under \$9,000 -----	6	78.0	1	31.8	5	46.2
\$9,000 and under \$10,000 -----	2	11.4	-	-	2	11.4
\$10,000 and under \$11,000 -----	13	254.9	3	65.5	10	189.4
\$11,000 and under \$12,000 -----	5	49.8	2	22.5	3	27.3
\$12,000 and under \$13,000 -----	5	35.8	-	-	5	35.8
\$14,000 -----	1	6.6	-	-	1	6.6
Average graduated amount ⁵ -----		\$6,364		\$5,790		\$6,584

¹ Includes 15 plans providing a flat amount of basic insurance and supplementary insurance based on earnings.

² See footnote 1, table 3; 295 plans provided life insurance for active workers.

³ See footnote 2, table 4.

⁴ Includes 5 plans providing a lesser amount for women workers.

⁵ See footnote 5, table 10.

Table 12. Plans extending life insurance benefit to retired workers by basis of determining total amount of insurance provided active workers, early summer 1960¹

Basis of determining amount of life insurance for active workers	(Workers in thousands)					
	Total		Amount of life insurance extended retired workers			
	Plans	Workers	Same as for active workers		Less than amount for active workers	
Plans			Workers	Plans	Workers	
All plans extending life insurance to retired workers	189	3,154.0	14	523.3	² 175	2,630.7
Flat amount	76	970.1	10	501.4	66	468.7
Graduated	99	2,077.4	3	15.3	96	2,062.1
Earnings	79	1,826.6	3	15.3	76	1,811.3
Service	8	24.4	-	-	8	24.4
Length-of-union membership	2	94.6	-	-	2	94.6
Service and earnings	9	121.8	-	-	9	121.8
Other	1	10.0	-	-	1	10.0
Flat amount plus amount graduated...	14	106.5	1	6.6	13	99.9
According to earnings	13	101.9	1	6.6	12	95.3
Other	1	4.6	-	-	1	4.6

¹ See footnote 1, table 3; 295 plans provided a life insurance benefit for active workers.

² Includes plans that maintained the amount that a retired worker had before retirement for a stipulated period after retirement, following which it was reduced; plans that based the amount after retirement on years of service before retirement; and plans that extended coverage to retired workers for a specified period only.

Table 13. Amount of life insurance provided workers at age 65 and 70 who retired at age 65 and earned \$4,000 and \$5,000 yearly before retirement, early summer 1960¹

Amount of insurance	(Workers in thousands)							
	\$4,000 a-year-worker				\$5,000 a-year-worker			
	At age 65 ²		At age 70		At age 65 ²		At age 70	
	Plans	Workers	Plans	Workers	Plans	Workers	Plans	Workers
Plans providing prior to retirement a flat amount or an amount based on earnings alone	168	2,898.6	³ 165	2,890.1	168	2,898.6	³ 165	2,890.1
Under \$500	1	7.5	1	7.5	1	7.5	1	7.5
\$500 and under \$1,000	18	478.6	21	501.3	18	478.6	21	501.3
\$1,000 and under \$1,500	50	797.2	53	814.0	47	782.5	49	797.8
\$1,500 and under \$2,000	12	75.6	14	217.3	15	90.3	14	202.9
\$2,000 and under \$2,500	17	138.7	20	182.6	14	118.9	19	183.9
\$2,500 and under \$3,000	3	44.4	5	50.9	4	48.3	8	68.2
\$3,000 and under \$3,500	2	3.4	3	15.4	2	8.9	3	15.0
\$3,500 and under \$4,000	7	90.6	2	17.3	5	62.7	2	12.4
\$4,000 and under \$4,500	9	56.0	6	69.6	2	18.0	1	12.0
\$4,500 and under \$5,000	3	7.6	4	26.5	3	22.2	3	19.3
\$5,000 and under \$6,000	3	133.7	2	16.0	10	68.3	8	91.7
\$6,000 and under \$7,000	3	15.9	1	1.9	4	17.1	2	6.4
\$7,000 and under \$8,000	4	51.2	1	6.0	4	131.9	2	7.9
\$8,000 and under \$9,000	3	30.0	-	-	2	19.2	-	-
\$9,000 and under \$10,000	-	-	-	-	3	48.5	-	-
\$10,000 and under \$11,000	1	4.4	-	-	1	7.5	-	-
\$11,000	1	6.6	1	6.6	-	-	-	-
\$12,000	-	-	-	-	1	4.4	-	-
\$14,000	-	-	-	-	1	6.6	1	6.6
Other	⁴ 31	957.2	⁴ 31	957.2	⁴ 31	957.2	⁴ 31	957.2
Average amount ⁵		\$2,019		\$1,429		\$2,239		\$1,558

¹ See footnote 1, table 3; 189 plans extended a life insurance benefit to workers retiring at age 65 and 186 extended such a benefit when they reached age 70.

² Immediately after retirement; excludes subsequent reduction.

³ Excludes 3 plans with 8,500 workers which dropped benefit before worker reached age 70; however, these plans are included in the average benefit.

⁴ The amounts provided under these plans were not computable.

⁵ See footnote 5, table 10.

Table 14. Disposition of life insurance benefit under permanent and total disability provisions, early summer 1960¹

(Workers in thousands)		
Method of settlement ²	Plans	Workers
All plans with permanent and total disability provisions -----	275	4,194.6
Full amount of insurance paid -----	71	1,061.8
In installments -----	55	796.8
In lump sum -----	5	68.3
In installments or lump sum (worker's option) -----	11	196.7
Portion of insurance paid in installments, balance maintained -----	6	172.1
For duration of disability -----	4	158.6
For specified period -----	2	13.5
Full amount of insurance maintained -----	189	2,555.1
For duration of disability -----	121	1,294.1
For specified period -----	37	484.4
For specified period; reduced amount for duration of disability -----	31	776.6
Portion of insurance discontinued, balance maintained for duration of disability -----	2	21.8
Full amount of insurance maintained or paid in installments (worker's option) -----	2	344.2
Other -----	5	39.6

¹ See footnote 1, table 3; 295 plans provided life insurance for active workers.

² Under 26 plans, different methods of settlement were provided if disability occurred before or after a specified age or with less than a specified amount of service. In these cases, the lower age or service requirement was used to classify the plan provision.

Table 15. Eligibility requirements for permanent and total disability life insurance benefit, early summer 1960¹

Service or insured coverage requirements	(Workers in thousands)									
	Plans providing permanent and total disability benefits		Benefits are available if disability occurs—							
			At any age		Prior to age					
	Plans	Workers	Plans	Workers	55		60		65	
All plans providing disability benefits -----	275	4,194.6	28	764.1	1	11.7	194	2,931.4	52	487.4
No service or insured coverage requirements -----	257	3,748.9	26	669.5	1	11.7	179	2,595.3	51	472.4
Service requirement -----	2	123.9	-	-	-	-	2	123.9	-	-
1 year -----	1	3.9	-	-	-	-	1	3.9	-	-
15 years -----	1	120.0	-	-	-	-	1	120.0	-	-
Insured coverage requirement -----	14	227.2	-	-	-	-	13	212.2	1	15.0
1 year -----	12	167.2	-	-	-	-	12	167.2	-	-
2 years -----	1	15.0	-	-	-	-	-	-	1	15.0
6 years -----	1	45.0	-	-	-	-	1	45.0	-	-
Union membership requirement -----	2	94.6	2	94.6	-	-	-	-	-	-
5 years -----	2	94.6	2	94.6	-	-	-	-	-	-

¹ See footnote 1, table 3; 295 plans provided life insurance for active workers.

Table 16. Basis for determining total amount of accidental death and dismemberment benefit, early summer 1960¹

(Workers in thousands)		
Basis for determining amount	Plans	Workers
All plans providing accidental death benefit -----	162	2,321.2
Flat amount -----	113	1,031.2
Graduated -----	47	1,282.2
Earnings -----	38	1,074.1
Service -----	6	181.6
Earnings and service -----	3	26.5
Flat amount plus amount graduated according to earnings -----	2	7.8

¹ See footnote 1, table 3; includes 3 plans that provided basic and supplemental insurance.

Table 17. Relationship of accidental death benefit to amount of life insurance provided workers earning \$4,000 and \$5,000 yearly, early summer 1960¹

(Workers in thousands)								
Amount of accidental death benefit	Basis for determining amount of accidental death benefit							
	Plans graduating benefit according to earnings				Plans providing a uniform benefit		Plans using other methods to determine amount of benefit	
	\$4,000-a-year worker		\$5,000-a-year worker		Plans	Workers	Plans	Workers
	Plans	Workers	Plans	Workers				
All plans providing accidental death benefit and life insurance -----	40	1,081.9	40	1,081.9	112	1,028.8	9	208.1
Accidental death benefit was—								
More than face value of life insurance -----	-	-	-	-	3	96.0	-	-
Less than triple but more than double the face value -----	-	-	-	-	2	51.0	-	-
Less than double the face value -----	-	-	-	-	1	45.0	-	-
Same as the face value of life insurance -----	27	298.4	26	288.4	73	604.9	5	39.6
Less than the face value of life insurance -----	13	783.5	14	793.5	34	306.0	4	168.5
More than one-half the face value -----	5	41.3	6	51.3	13	144.0	3	165.5
One-half the face value -----	7	721.0	7	721.0	7	37.5	1	3.0
Less than one-half the face value -----	-	-	-	-	14	124.5	-	-
Other -----	1	21.2	1	21.2	-	-	-	-
Other -----	-	-	-	-	2	21.9	-	-

¹ See footnote 1, table 3; 161 plans provided life insurance and accidental death benefits.

Table 18. Amount of accidental death benefit provided active workers by plans providing a flat amount, early summer 1960¹

(Workers in thousands)

Amount of benefit	Plans	Workers
All plans providing a flat amount of accidental death benefit -----	113	1,031.2
\$500 and under \$1,000 -----	6	26.3
\$1,000 and under \$1,500 -----	28	166.6
\$1,500 and under \$2,000 -----	10	55.3
\$2,000 and under \$2,500 -----	29	209.9
\$2,500 and under \$3,000 -----	8	157.3
\$3,000 and under \$3,500 -----	11	143.7
\$3,500 and under \$4,000 -----	3	68.5
\$4,000 and under \$4,500 -----	7	87.7
\$4,500 and under \$5,000 -----	-	-
\$5,000 and under \$6,000 -----	10	109.9
\$6,000 and over -----	1	6.0
Average flat amount ² -----	\$2,691	

¹ See footnote 1, table 3; 162 plans provided an accidental death benefit.

² See footnote 5, table 10.

Table 19. Amount of accidental death benefit provided workers earning \$4,000 and \$5,000 yearly under plans graduating the amount of insurance according to earnings alone, early summer 1960¹

(Workers in thousands)

Amount of benefit	\$4,000-a-year-worker		\$5,000-a-year-worker	
	Plans	Workers	Plans	Workers
All plans providing an accidental death benefit based on earnings alone---	40	1,081.9	40	1,081.9
Under \$2,000 -----	-	-	-	-
\$2,000 and under \$2,500 -----	3	462.5	4	464.0
\$2,500 and under \$3,000 -----	2	4.8	-	-
\$3,000 and under \$3,500 -----	3	122.6	2	121.4
\$3,500 and under \$4,000 -----	4	21.0	-	-
\$4,000 and under \$4,500 -----	13	243.8	10	102.8
\$4,500 and under \$5,000 -----	4	74.3	-	-
\$5,000 and under \$6,000 -----	6	69.1	14	262.7
\$6,000 and under \$7,000 -----	4	68.8	3	81.5
\$7,000 and under \$8,000 -----	-	-	5	29.6
\$8,000 and under \$9,000 -----	-	-	1	4.9
\$9,000 and under \$10,000 -----	1	15.0	-	-
\$11,000 and under \$12,000 -----	-	-	1	15.0
Average graduated amount ² -----		\$3,373		\$3,621

¹ See footnote 1, table 3; 162 plans provided an accidental death benefit.

² See footnote 5, table 10.

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