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Group Life Insurance Programs Established by Catholic Colleges in the United States

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GROUP LIFE INSURANCE PROGRAMS ESTABLISHED BY CATHOLIC COLLEGES IN THE UNITED STATES

by

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CHAPTER I

INTRODUCTION

Why The Need for Group Insurance:

Modern industrial life has made tremendous strides, but along with this has developed personal insecurity. As our industrial system expanded rapidly, those elements in our economy which make for instability have constantly increased; because of this an ever larger proportion of our population is affected by insecurity; yet at the same time various other protections which in times past provided a small amount of security for the individual have been undermined.

At a time when a large percentage of the American population was attached to the soil it was protected in a measure against the worse effects of business depressions; however, as the importance of agriculture continues to decline in the American economy this form of security is steadily decreasing. Then too, at one time the family was an important institution for security purposes. When families were larger there wasn't as much stress placed upon the earning power of one member of the family. As a result, this not only meant more wage earners per family unit, but it brought with it to a large extent mutual assistance. Parents who were up in years could be supported by the many workers in the family. Unemployed married children could take their families back to

live with their parents. A good portion of the industrial fluctuations and their resultant disturbances could be absorbed by the family unit. But, the steady decline of the birth rate in recent years has greatly altered the whole picture. One, two, and three children in families are now the rule; the number of potential wage earners in a family has decreased; and the ability of the family to take care of its own dependents has been greatly reduced.

The United States is now well on the way to becoming the most aged aggregation of people throughout the world.[1] In 1940 there were 6.7 per cent of all Americans over sixty-five. At the present time there are between eight and nine per cent over sixty-five; and it is assumed that by 1980 between twelve and fourteen per cent will be over sixty-five.

Twenty-seven per cent of the people eligible to vote in 1980 will have attained the age of sixty. This is quite a large group and any interest that these twenty-seven per cent can muster together will probably be looked upon very favorably by the government.[2]

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1 Carter, Isabel G., The Annals of the American Academy of Political and Social Science, March, 1939, Vol. 202, Philadelphia, 1939, P. 8

2 Transcript of Proceedings of Northern Illinois Pension Clinic, Illinois State Chamber of Commerce, Chicago, 1949, P. 58

A change has taken place in the age structure of the working force in the ordinary business or industry. In 1925 a particular automobile company had one per cent of its employees over sixty. In 1949 it had eighteen per cent of its employees over sixty. It can be readily seen, therefore, why the leaders of the labor unions, at least in that industry, are at the present time interested in old-age pensions, group insurance and other fringe benefits, and why they would not have been so much interested in 1925.[3]

In 1935 the Federal Government saw the need and enacted legislation which provided for a minimum layer of social security. The second layer in providing for the worker is group insurance and private pension plans. The third layer is the savings of the individual.

The survivor benefits of Social Security are not large enough to live on. For example, the maximums for survivors of an insured person under the 1952 amendments to the Social Security Act are:[4]

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3 Ibid, P. 59

4 College Life Insurance Programs and Social Security, Teachers Insurance and Annuity Association of America, 1951, Pg. 7.

	Maximum Monthly Benefit
Widow and one child under eighteen	$127.50
Widow and two or more children under eighteen	$168.75
Widow, widower or dependent parent 65 and over	$ 63.75

The total benefits for all survivors of an insured person can not exceed $168.75 per month plus one lump sum payment at the time of death not to exceed $255.00.[5]

The Federal program provides the helpful minimum layer, but it does not do the whole job. Some of the gaps in the program are:

1. Only $255.00 as a maximum is available for final hospital bills, funeral expenses, and other unpaid expenses.

2. There is no provision for paying off a large debt such as a mortgage.

3. When the family is compelled to reduce its living standards, there is no readjustment income.

4. Provision for income to the children during their school years is also lacking.

5. No income for the widow from the time the youngest[6] child is eighteen until the widow reaches age sixty-five.

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5 Labor Relations Reference Manual, 30 LRRM 3068.

6 <u>College Life Insurance Programs and Social Security</u>, P. 7-8.

Most of the people on the college staff and the non-academic personnel have only their salaries to live on, and the salary leaves very little for the individual to make the necessary life insurance provisions for his family if he dies early. On each college staff, there are usually some men and women who cannot obtain any life insurance on an individual basis because of poor health. Therefore, Group Life Insurance provides the opportunity through low-cost coverage, protecting all of the employees regardless of the physical aspect.

If the college is not covered by Old Age Survivors Insurance, it is even of greater importance for it to assist its employees to provide minimum protection for their dependents.[7]

In order to find out how Catholic colleges in the United States have dealt with the problem of survivors benefits through the establishment of group life insurance programs for their employees, the author conducted a survey of such programs. An analysis of the study will be shown in Chapters V and VI of this thesis.

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7 Ibid, P. 8.

CHAPTER II

CHARACTERISTICS OF GROUP INSURANCE

The Group:

The provision for a minimum of fifty employees to constitute a group is to assure the functioning of the law of averages. This law is based on the regularity of the occurrence of events, so that what seems random occurrence in the individual happening simply seems so because of insufficient or incomplete knowledge of what is expected to occur. The law of averages then may be stated as follows "The greater the number of exposures, the more nearly will the actual results obtained approach the probable result expected with an infinite number of exposures". In other words if you flip a coin a sufficiently large number of times, the results of your trials will approach one-half heads and one-half tails, the theoretical probability if the coin is flipped an infinite number of times.[1]

In going from the insurance of medically selected lives to the insurance of groups without medical examination, it would not be wise to allow any practice that would permit personal selection against the insurance company. In order to

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1. Mehr, Robert I. and Cammack, Emerson, Principles Of Insurance, Richard D. Irwin, Inc. Chicago, March, 1952, P.16

avoid the element of unfavorable selection, all members of the group must be included, or at least a sufficient number to permit a fairly representative risk.

In actual practice, the group need not include all classes of employees. Groups in an organization may be established arbitrarily. A policy can be issued covering the clerical force and officials of the company; it may insure only employees who have fulfilled a specified eligibility period, such as a certain number of years' service; or it may cover the employees in a particular department. A few individuals from one department and those from another, even if the total equals fifty, are not eligible unless the insurance is offered to all. If only one division of the employees is offered insurance, a few employees of some other group may not be included. However, any arbitrary grouping is permissible as long as the possibility of individual selection is eliminated.

When the total premium is paid by the employer the group is considered "non-contributory" and the insurance extends to 100% of the members of the group. The plan is "contributory" when the premium is paid by the employer and the employee together, and to secure the insurance such groups

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2. Magee, John H., General Insurance, Richard D. Irwin, Inc., Chicago, 1949, P. 802.

must include a minimum of at least 75% of the eligible employees in the class.[3]

Medical Examinations:

Generally, all employees or all of any class or classes of employees, are insured disregarding age or physical condition and without a medical examination. The attractiveness of group insurance has no doubt been increased because of the fact that no medical examination is needed. Apparently the medical examination is omitted because the mortality rate in any alike group is only the average rate as shown by the mortality tables. Some states take the added precaution of requiring that premiums be based on a standard not lower than that of certain specified mortality tables and interest assumptions, and that the company keep separate the mortality experience under their group policies.[4]

The Policy Contract:

The group insurance policy is in the form of a master contract between the insurance company and the employer. The employer applies for the insurance and holds the policy. The employees under a master or blanket policy are issued "certificates of participation".[5] The certificates state the

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3. Ibid, P. 802.

4. Group and Salary Savings, Insurance Research and Review Service, Section 21, Replacement No. 1, Card No. 8

5. Mehr, Robert I. and Osler, Robert W., Modern Life Insurance, The Macmillan Co., New York, 1949, P. 213.

various rights of the employees, privileges of conversion, disability rights and optional modes of settlement.

The certificates merely constitute a notice to the employee of his participation. The master contract usually states that distribution of the certificates must be made to the employees. These certificates do not, however, constitute any type of contract between the employee and the employer.

Generally group insurance applications are not signed by the individual. The rights and privileges of the employee and the beneficiary are shown in the certificate of participation. Participation by an employee may begin at the time of employment; or there may be specified waiting periods applying to new employees. The purpose of this provision is to eliminate casual workers and "floaters" because the frequency of their entrance and termination would increase the administrative costs. At times, provision is only made for full-time employees under the plan.

The employee's insurance is usually terminated thirty-one days after the termination of employment or upon the dropping of the master plan by the employer. Sometimes, depending upon the employer, policies will provide that temporary lay-offs will not be counted as termination of employment.[6]

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6. Ibid, P. 213.

Payment of Premiums:

Premiums for the group policy are usually paid by the employer and the employees jointly. Sometimes an employer may wish to pay the whole cost of the group insurance. This is felt to have good effect on the morale of the employees and their relationship with the employer. Group insurance in most cases is purchased on a contributory basis, the employees contributing from fifty per cent to seventy-five per cent of the premium; but generally not more than sixty-cents per month for each $1,000 of life insurance.[7]

The Beneficiary:

The usual requirement in the naming of a beneficiary is that the beneficiary can not be the employer. Each employee may designate his own beneficiary. As a result, there are as many beneficiary designations as there are employees insured.

A beneficiary under a group policy has the right to bring suit against the insurance company; however, as there is no contractual relationship regarding the insurance between the employer and the employee, there is no right of action against the employer.[8] In the case of non-contributory insurance which

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7. Group and Salary Savings, Insurance Research and Review Service, Section 21, Replacement Card No. 1, Cd. 12.

8. Magee, John H., General Insurance, P. 805.

the cost is entirely assumed by the employer, he assumes no obligation to keep the policy in force and he may at his option discontinue the insurance.

Terminating the Insurance--Conversion Privilege:

Employees insured under a group policy are usually given the right to continue the insurance as individuals, without medical examination, in the event that for any reason employment is terminated. This privilege permits the employee to convert his insurance under the group plan to any of the policies issued by the company, with the exception of term insurance, for a face amount equal to that of the group certificate. The conversion privilege extends for a period of thirty-one days after the termination of employment.

When the conversion privilege is used, the premium charged for the new policy is based upon current rates for the policy required, computed according to the attained age and occupation of the employee at the time of conversion. The right of conversion under older group policies was entirely dependent upon the continuance of the master policy, and failure to renew the group policy terminated any rights of individual certificate holders.[9] Recently, however, some of the

9. Ibid, P. 805.

newer policies have extended the protection of the certificate holder, stating that if the group policy for any reason is terminated, an employee who has been insured for five years may convert to an individual policy, without medical examination, in an amount not greater than the amount of his group insurance, but in any instance not greater than $2,000.00.

Until recently the right to convert insurance within thirty-one days of the termination of employment did not carry with it a continuation of insurance without action on the part of the employee. Under the older policies when employment was severed, the liability of the insurer to the employee ended. If the employee desired to continue his insurance, he himself was obligated to take the initiative by making application for conversion within thirty-one days. The failure to make such an application resulted in a lapse of the insurance as of the stoppage of employment. Newer policies recognize the danger to the employee in the delay to take steps to convert his insurance. In order to do away with this period of no coverage, the newer policies now provide that the employee shall be actually covered during thirty-one days following termination of employment.[10] This is the law in most states. The following is a quotation from the Illinois Insurance Code.

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10. Ibid, P. 804-5.

231 Standard Provisions for Group Life Policies

(d) "A provision, except in the case of a policy described in clause (d) of subsection (2) of Section 230, that the company will issue to the employer or trustee for delivery to the employee, or member, whose life is insured under such policy, an individual certificate setting forth a statement as to the insurance protection to which he is entitled, to whom payable, together with provisions to the effect that in case of the termination of the employment or membership for any reason whatsoever the employee or membershall be entitled to have issued to him by the company, without evidence of insurability, and upon application made to the company within thirty-one days after such termination, and upon the payment of the premium applicable to the class of risk to which he belongs and to the form and amount of the policy at his then attained age, a policy of life insurance in any one of the forms customarily issued by the company, except term insurance, in an amount equal to the amount of his protection under such group insurance policy at the time of such termination." 11

Application for the conversion may then be filed after termination of employment, and the new insurance becomes effective, after the end of the thirty-one day period.

In the case of absence from the service of the employer, if the absence of the employee is temporary, due to physical disability or leave of absence, and if the premium is paid by the employer, the insurance may be kept in force. It is up to the discretion of the employer, if a former employee returning to service may be reinstated to his original position or he may be treated as a new employee. 12

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11. Illinois Insurance Code, 1947, The Department of Insurance, P. 127-8.

12. Magee, John H., General Insurance, P. 805

"Absence because of military service has created a considerable problem. When employers elected to keep insurance in force for those in their employ entering military service, insurance companies were obliged to face a situation not contemplated when the contracts were issued. The situation in most instances was solved by an agreement on the part of the employer to pay an extra premium for each employee covered while in military service. Another solution that proved attractive was a provision by the insurance company to provide a waiting period of 120 days after the entra nce into military service before the increased premium was charged. This waiting period allowed the employee to arrange for cover under the National Service Life Insurance Act. The parties at interest could then elect as to whether or not the group insurance was to remain effective." 13

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13. Ibid, P. 805

III

WHO PAYS? HOW MUCH DOES IT COST?

Contributory vs. Noncontributory Plans:

Approximately 75 per cent of all employees covered by group life insurance regularly contribute toward the premium cost of the insurance. About sixty per cent of all the master policies in effect are of the contributory type. These figures represent the situation with companies writing mostly employers group life insurance. Where the company specializes in other types of groups, the distribution may be altogether different. For example, in the case of labor-union group life business, about ninety-five per cent of the business is on a noncontributory basis, i.e, the premiums are paid from the union funds without direct contribution from the members. Where most of the business is on associations, especially associations of public employees, almost one hundred per cent of the business is contributory.

For about the first ten years of group life history the non-contributory plan predominated. After about 1922-23 there was a decided swing to the contributory basis. Up until the present time there was again a swing to the non-contributory plan.[1]

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1. Gregg, Davis W., An Analysis of Group Life Insurance, University of Penn. Press, Philadelphia, 1950, P. 191

Since the beginning of World War II, a greater proportion of the new plans have been written on an employer-pay-all basis, and a number of old plans have been switched to this type also. There are a number of reasons for this trend; for example, the federal income tax and wage stabilization policies during the last war had a tendency to encourage group insurance on a noncontributory basis since the costs were deductible as a business expense; the group insurance programs were permissible as fringe benefits under the wage stabilization law also. Then too, the high level of business activity since the beginning of the second war encouraged the use of the non-contributory plans.

The non-contributory plan has as can be easily seen, the advantage to the employee that he does not have to pay for this insurance. Added to this, the non-contributory plan is easier and less expensive to administer because payroll deductions are eliminated and no efforts need to be exerted to keep up participation. In the initial enrollment, the time and the expense is less than that of a contributory plan. When all employees participate under the employer-pays-all program, there is less selection against the company than where only seventy-five per cent are participating under the contributory plan.[2]

2. Ibid, P. 191-194

Finally, if the employer pays all the premium, the excess dividend problem does not exist, and there will not be any criticism as to the handling of premium refunds.

The contributory plan has the advantage to the employer that the company's insurance costs are lower for any given benefit if the employees make a contribution toward the premium. In other words, for a given outlay of money by the employer a more liberal group plan can be obtained if the employees add their contributions to this amount. Another advantage is that the employees tend to be more conscious of their insurance coverage and to appreciate it more when they share in its cost. Also, when the employees pay part of the cost, they are not as likely to demand constant revisions and extensions, and added to this the employer is not very likely to discontinue the plan, where the employees are making a substantial contribution to its cost.[3]

Proportion on Contributory Basis:

During the war years the trend for group life insurance was definitely toward non-contributory plans. However, the tendency is now jointly supported plans. In a survey conducted by the National Industrial Conference Board in 1945, half the plans in industry were paid for entirely by the employer. But a 1949 survey showed that more than three-

3. Ibid, P. 191-194.

quarters of the group insurance plans require employee contributions.

How Much Does Insurance Cost:

The cost of group insurance on the one year term plan is very low---in most cases about one per cent of the total amount insured. The actual cost per $1,000.00 of life insurance depends upon the nature of the industry and on the age and sex distribution of the employees. The low cost is due primarily to the savings in expenses. The cost of the medical examination is eliminated, while the commission payable is at a much lower rate than for individual insurances on the term plan, especially for large groups, since the rate of commission decreases as the total premium increases. Moreover, the administrative expenses of the insurance carrier are lower than for individual policies because they have developed and are continuously developing simpler methods of accounting for large numbers of items on a group basis.[4]

In order to obtain a picture of the approximate cost of an insurance program, The National Industrial Conference Board in its 1949 survey inquired of the participating companies the gross premium cost of the insurance program for the employees and the employer combined. This amount was to be

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4. MacLean, Joseph B, Life Insurance, New York, 1951, P. 394.

given as a per cent of the total payroll. Of the 136 companies furnishing these data, the costs of group insurance vary from a minimum of 0.15% of the payroll to a maximum of 8%. In 49.2% or almost half of the companies, the cost was 2% or more of total payroll, while in nearly two thirds of the companies cooperating, it was between 1.5% and 2.9% of the payroll.[5]

Employees' Contributions:

As can be seen from Table I, 46.1% of the colleges reporting, specified their employees' contributions as being sixty cents per month; 23.1 per cent contributed fifty cents; in 23.1 per cent the group life insurance cost was not determinable because it was incorporated in other employee benefits; and 7.7 per cent had various other premiums.

College's Share of Cost:

The difference between what the employee contributes and the cost of the group life insurance program is what the college pays. In some cases it is on a fifty-fifty basis.

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4. Company Group Insurance Plans, Studies in Personnel Policy, No. 112, National Industrial Conference Board, New York, 1951, P. 19.

TABLE I

EMPLOYEE CONTRIBUTIONS UNDER CONTRIBUTORY PLANS
ESTABLISHED BY 13 CATHOLIC COLLEGES IN THE U.S.

Monthly Contribution	Number	Per Cent of Colleges Reporting
$.40	0	----
$.45	0	----
$.50	3	23.1%
$.55	0	----
$.60	6	46.1%
Other	1	7.7%
Non-determinable*	3	23.1%
Total	13	100.0%

* Amount is incorporated in other group benefit contributions.

CHAPTER IV

GROUP LIFE INSURANCE

Group life insurance is payable for death from any cause. It is actually term insurance as it is written on a one-year renewable contract, has no cash surrender values, paid-up or other nonforfeitable loan values. It is written without a physical examination and usually terminates 31 days after the individual leaves his employment.

Group life insurance then is based upon the same fundamental insurance principles as ordinary life insurance--with the important exception that risk selection based on the group is substituted for individual selection of the lives.

> Group selection is not concerned with the conditions of health, morals, or habits of any particular individual in the group. Instead, group selection is aimed at obtaining a group of individual lives or, what is even more important, an aggregation of such groups of lives, which will yield a certain predictable rate of mortality. If a sufficient mass of risk-units (groups of lives in this case) is obtained, and if these risk units are reasonably homogeneous in nature, then advantage can be taken of the predictability of the death hazard.1

How Much Life Insurance:

The amount of life insurance must be based, therefore, on some plan that precludes individual selection. In other words the amount of insurance on any individual must be fixed

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1. Gregg, Davis W., An Analysis of Group Life Insurance, P. 25

by rule and must not be subject in any way to his own selection.

There are five methods used to determine the amount of the insurance: (1) it may be the same for all employees; (2) it may be based on the employee's earnings; (3) it may be based on the employee's position; (4) it may depend on length of service; (5) it may depend on two or more of the factors.

The first method has to its advantage, simplicity. It is objectionable in that an amount which is adequate and suitable in the case of one employee may not be so for another.

The second plan is the most common and is probably the best. Insurance which is based upon the amount of salary or wages is an improvement over the simple plan of providing a flat amount of insurance for all and is now widely adopted. It adjusts the amount of the insurance to the employee's needs and standard of living. Moreover, the amount which he contributes is adjusted to his ability to pay.[2]

Example of Group Life Insurance[3]
Benefits Based on Salary Schedule

Yearly Earnings	Amount of Insurance
$1,000 or less	$1,000
$1,001 to $2,000	$2,000
$2,001 to $3,000	$3,000
Over $3,000	$5,000

2. Maclean, Joseph B., Life Insurance, Pg. 387.
3. Ibid, P. 388.

The third method of determing the amount of insurance is according to the position held. An example of the schedule is as follows:

Officers	$10,000
Foremen and department heads . . .	$ 5,000
Other employees	$ 2,500

The disadvantage with this method is that there may be difficulty in defining the different "classes" or "positions".

The fourth method for determing the amount of insurance is made to depend upon length of service. This seems to be better for noncontributory than contributory plans. It does not work well under a contributory plan because of increases in the contribution regardless of the increases in the salary. In most cases the insurance begins at a minimum amount of $500 or $1,000 for employees having less than six months or one year of service and increases by degrees to a specified maximum according to a scale stated in the policy. The advantage of this method is that it gives recognition to long service and as a result encourages permanence of service. However, it doesn't differentiate between the needs of high-paid and low-paid employees unless different classes are insured on different schedules. Under either the contributory or non-contributery plans a service schedule will probably[4]

4. Ibid, 388-389.

result in increasing the average premium cost to the employer, because the percentage of the amount of insurance on the older employees with longer service tends to increase.

Because of necessity a reasonable limit is placed on the amount of insurance that will be issued to any class in a particular group to prevent the selection against the insurance company which would result if very high amounts of insurance were permitted, since these very high amounts might be chosen by the employer whose executives were in bad health. At the present time the maximum amount of insurance that will be issued on any one employee in any group by most insurance companies is usually determined by the total amount of insurance on the group. It is higher for large groups than for small groups.

Additional Life Insurance:

Sometimes an employee wishes to take, at his own option, additional insurance at group rates. Such a plan would not be wise since an employee in poor health would be likely to avail himself of this privilege to the maximum extent, while many of those in good health would not do so in spite of the favorable terms for this insurance in comparison with the cost of insurance which could be obtained elsewhere.[5]

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5. Ibid, P. 389.

As a result there would be a selection against the insurance carrier. Even with a medical examination it would not be practicable, since the premium rate is not sufficient for the expense incident to individual insurance.[6]

Premium Rates:

The amount of premium which is contributed by the employee varies. For example: It may be sixty cents per one thousand dollars of life insurance; however, for an extra hazardous industry, the contribution may be higher. If the average age of the employees is low, the contribution per month may be lower. The premium which is paid by the employee under the group plan is generally low.

Although premium rates usually are low on group policies, the statutes of many states prescribe a minimum standard upon which they shall be based.

The employer pays the premiums to the insurance company. Even in cases where a portion of the premiums is collected from the employees through a deduction from their wages by the employer, the employer is liable to the company for the payment of premiums on the group policy. The insurer is not concerned with whether the employer collects a part from the employees or not.

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6. Ibid, P. 390.
7. Group & Salary Savings, Insurance Research and Review Service, Sec. 21, Cards 13 and 14.

The insurer's contact with the insured employees is through the employer, and the contact of the employees is through the employer.

Group policies, just like other types of insurance, in most cases prescribe a grace period for the payment of each premium after the first. Sometimes statutes require this period. Because the number of employees that are insured changes constantly, the premiums are paid monthly.

The grace period generally is held to extend the group contract past the date when the premium is due. As the contract is between the employer and the insurer, the grace period is held to be personal to the employer.

There are some statutes which expressly provide that the employee shall have a grace period for the payment of his own premiums.[8]

Beneficiaries and Options:

Each employee is given the opportunity of naming any beneficiary he desires and of changing the beneficiary at any time upon notifying the insurance company on forms provided by it.

The insurance may be paid to the beneficiary in one

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8. Ibid, Cards 13 and 14.

9. Company Group Insurance Plans, National Industrial Conference Board, P. 10.

large sum, or arrangements may be made by the employee to have it paid out in installments. The beneficiary is also given the same privilege if the employee dies without previously making arrangements for installment payments. The amount and the duration of these payments are subject to the approval of the insurance company.

Extended Death Benefits:

If death occurs within thirty-one days after termination of the employment, the laws of most states provide that the individual's beneficiary must be paid the death benefit.

At one time the death benefit was paid in advance to employees who were permanently and totally disabled. Experience with this type of insurance protection has shown unsatisfactory results. Many insurance companies have discontinued it, but a great deal still remains on the books of most companies.

Instead of the total and permanent disability feature, there is the more popular waiver of premium. If the disability occurs before the age of sixty or sixty-five and while the employee is still insured, the life insurance remains in force[10]

10. Ibid, P. 27.

and the contributions stop. The type of extended death benefit that is available is dependent upon the underwriting regulations of the insurance company.

Layoffs and Leaves of Absence:

Insurance regulations state that the life insurance benefit may be continued for a certain period if any employee is given a leave of absence or has been laid off. For laid-off employees, this stipulation is applicable only if they are carried on the regular roster and are regarded as employees, subject to recall as they may be needed. This extension period is allowed only if the premiums are continued.

There is a diversity of policy in regard to the length of time the insurance is kept in force. The period may run from immediate stoppage to a length of one year.[11]

Life Insurance for Retired Employees:

A very important problem which is being considered more and more is the continuing of insurance for retired employees. The problem and the solution to it is a difficult one.

When an employee is retired from a company, there are several alternatives with which to handle his group life insurance:[12] the employee may convert all or part of his insurance

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11. Ibid, P. 28.

12. Gregg, Davis W., An Analysis of Group Life Ins.

to an individual policy; the insurance may be permitted to lapse; or the employer may decide to continue all or part of the employee's insurance, either with or without the premium contributions from the employee. Only a very small amount of insurance is converted, since the premium rates are very high at the usual retirement age. As a result, there are two alternatives: either the employer has to continue all or part of the insurance or it will lapse.

Many employers have been hesitant to allow their employees to lose all of their group insurance on retirement, especially when the employee depends upon this coverage as his only life insurance protection. Because of this, some employers have continued to carry their retired employees on their group life insurance roster with a decided effect upon the cost of the plan.

When the retired employees of a company are continued to be carried under the group life insurance plan, there is no longer the decrease from the group of the older, high-premium cost persons. The end result leads to an increasing average premium cost which will tend to higher levels as the proportion of retired insured persons increases. The increased cost always falls on the employer as he either pays the entire premium in a noncontributory plan, or all of the excess premium over the[13]

13. Ibid, P. 181-184.

employee's level contributions in a contributory plan.

> An actuarial study was recently made to determine what the actual effects on premium cost would be if insurance were continued on employees retired at age sixty-five. It was found that if instead of lapsing the insurance at age sixty-five it were continued in full on the retired employees, the net cost per month per $1,000 could be expected to increase from $.60 to $1.42 --an increase of 137 per cent. If the insurance were continued to the extent of 50 per cent, 25 per cent, or 10 per cent, the net cost would increase 73 per cent, 38 per cent, and 17 per cent, respectively. 14

Most of the group insurance companies recommend to the employer that insurance be continued on retired employees only for reduced amounts. Some companies advise the amount of the insurance be reduced one half on reaching retirement age, while some recommend that it be reduced to a maximum of $500 or $1,000.

It may be that the employer wishes to continue the group insurance on retired employees. In this event a group permanent plan might be used in place of the group term insurance. In using a group permanent plan, the costs may be spread over the longer period of time and the employee may share the cost to a greater extent. The recent interest in group permanent insurance has been brought about, therefore, by the problem of how to handle the life insurance of retired employees.[15]

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14. Ibid, P. 181-184.

15. Ibid, P. 181-184.

Group Permanent Insurance:

Group permanent insurance was introduced in 1942 by the Bankers Life Company of Iowa and is now offered by most of the group writing companies. It has had rather a slow growth and as yet it has not taken the place of group term insurance.

Three reasons were responsible for the development of this group insurance. One reason was the increasing demand for a type of coverage which would provide cash or paid-up insurance values upon termination of employment, especially at the advanced ages. The second reason was the necessity for a plan in which the insurance could be continued after retirement and on a fully paid-up basis. The third reason grew out of the development of "pension trust" plans under which individual policies were issued to trustees, which was to secure the advantages of group underwriting procedures and administrative methods in connection with such plans.[16]

> Where a group permanent plan is adopted for pension purposes the plan of insurance is usually the "Income Endowment" form (providing units such as $1,000 of insurance and $10.00 monthly income at the maturity date.) In other cases a popular plan is Whole Life paid-up at age sixty-five. In some plans, insurance during the first five years after the employee becomes eligible for insurance, is on the renewable term basis, the permanent plan of insurance taking effect thereafter. In order to reduce the percentage of early withdrawals there is usually a waiting period of at least three years before an employee becomes eligible. 17

16. McClean, Joseph B., Introduction to Life Insurance, McGraw-Hill Book Co., New York, 1950, Pg. 181-2.

17. Ibid, Pg. 181-2.

Group permanent policies as yet have not been standardized to the same extent as group term insurance, but they are written up on an individual basis with the benefits and provisions to fit each situation. Because of the large expense of soliciting and writing this type of contract, they are not usually issued unless the total amount of the insurance on the group is at least $250,000. Lare annual premiums are, therefore, involved. As a result of this, and because of the greater desirability that such a contract should be maintained in force by the employer, a group permanent plan is not suitable in all cases.[18]

> The business of the employer should be one which has stable earnings, which is well established, and where labor turnover is not heavy, and the total cost to the employer should not be too high a proportion of available net income. 19

Although all the above requirements may be met at the time the policy is issued. the employer may have a poor year and may find it hard or impossible to pay the current premiums. In order to meet this type of situation some group permanent policies contain a provision that, upon request by the employer, the permanent insurance may be discontinued and replaced by renewable term insurance. If this is done, the amount of term insurance on each employee is the difference[20]

18. Ibid, 181-2.
19. Ibid, 181-2.
20. Ibid, 181-2.

between the full amount and the reduced paid-up insurance available under the permanent policies. At a later date, the permanent plan can be resumed by converting the term insurance then in force on each employee to the permanent plan as of the current date with premiums at the then attained age.

Under the group permanent plan, in case of termination of employment, any cash or insurance value which has arisen from the employee's own contribution is available to him. Under the non-contributory plan the employee would not receive anything but, in most cases, the contract gives him the same conversion opportunity as under the group term contract.[21]

21. Ibid, P. 181-2.

CHAPTER V

RESULTS OF A SURVEY CONDUCTED FOR THE PURPOSE OF THIS THESIS

Seventy-five questionnaires were mailed to various Catholic colleges throughout the United States. Of this number twenty-six were mailed to Jesuit universities and colleges and the balance of forty-nine were mailed to non-Jesuit colleges and universities. Thirty-three replied to the questionnaire or 44.0 per cent. (See Table I-A)

TABLE I-A

QUESTIONNAIRES ISSUED AND PER CENT RETURNED

Questionnaires Issued	75
Questionnaires Returned	33
Per Cent of Returns	44%

Of the thirty-three Catholic colleges reporting, fifteen or 45.5 per cent have group life insurance programs in force; in seven or 21.2 per cent of the cases there was no detailed information available, and eleven or 33.3 per cent had no programs in force. (See Table II)

Table III shows the pendulum has again swung back to contributory plans. Of the total number of colleges reporting 39.4 per cent of the plans are on a contributory basis; only

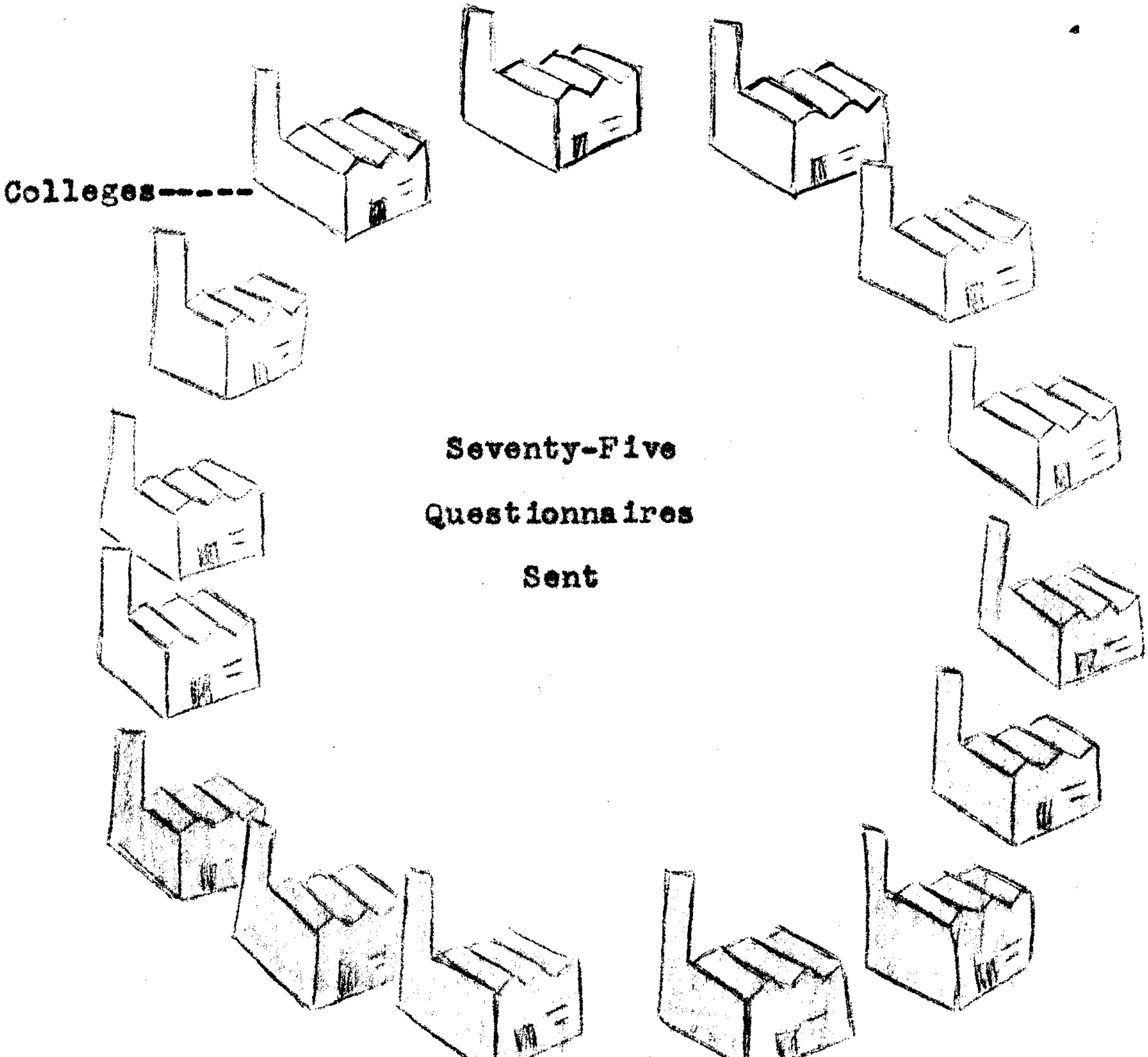
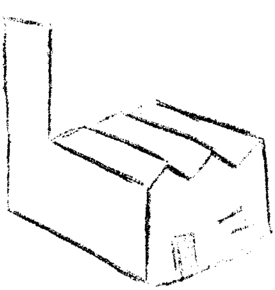


FIGURE 1

SCOPE OF THE SURVEY

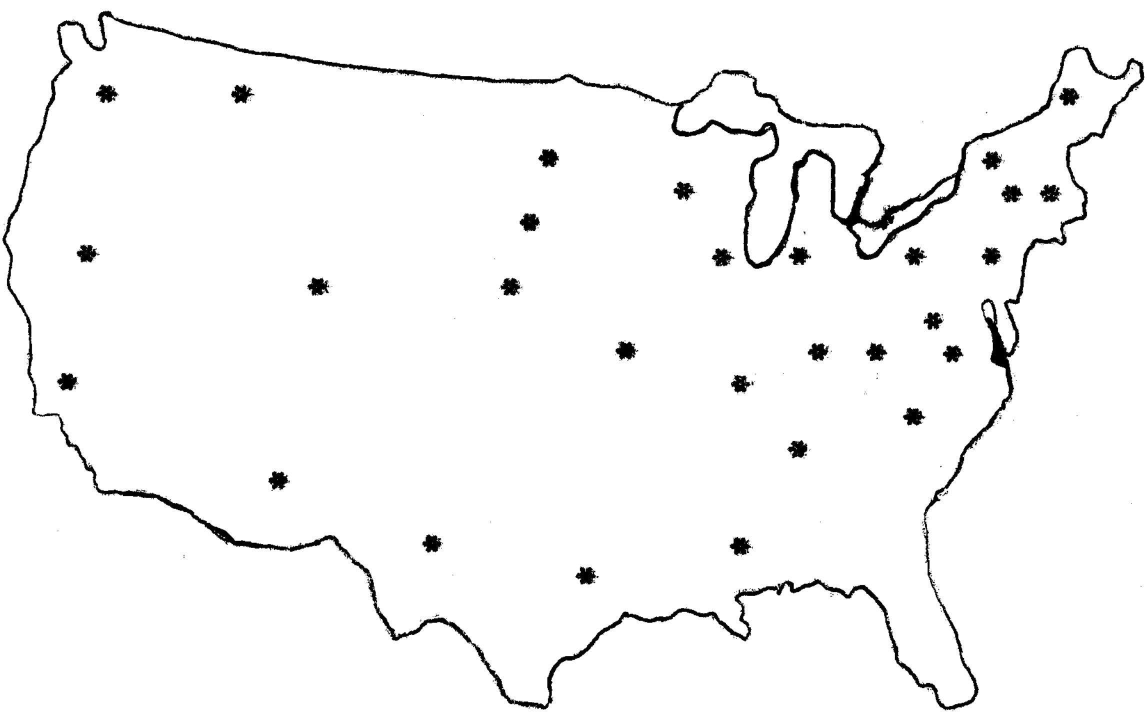


-------Represents five colleges.

Thirty-three reporting = 44.0 Per Cent

FIGURE 2

SCOPE OF THE SURVEY



* States to which questionnaires were mailed having Catholic colleges.

All Jesuit American colleges were mailed questionnaires.

TABLE II

NUMBER AND PERCENTAGE OF COLLEGES HAVING PROGRAMS *

Questionnaires	Number	Per Cent of Colleges Reporting
Colleges with program	15	45.5
Colleges without program	11	33.3
No detailed information available	7	21.2
Total	33	100.0

* See appendix for names and locations of colleges.

two or 6.1 per cent are on a non-contributory basis; seven colleges or 21.2 per cent did not present sufficient information; and one-third or 33.3 per cent of the colleges have no plans whatsoever. However, of the total number with complete information available as to plans, 86.7 per cent are on the contributory basis and 13.3 per cent are non-contributory. The arguments in favor of the contributory plans were enumerated in Chapter III.

Approximately twelve per cent determine the amount of insurance for each employee according to his annual salary; 12.1 per cent by the employee's occupation; 3.0 by the individual's length of service; 15.2 per cent grant the same amount of insurance for all employees; 3.0 per cent did not reply to this inquiry; and in 21.2 per cent of the cases there was no detailed information available; the balance or 33.3 per cent did not have any plans in force. (See Table IV).

As to the total and permanent disability feature, most of the colleges make some provision. In 9.1 per cent of the returns, the employee after becoming totally and permanently disabled can arrange to continue his insurance with the company issuing the insurance; in 24.2 per cent of the colleges reporting, the insurance company will waive the premiums; only one employer, or 3.0 per cent of these reporting colleges, will pay the premiums; 9.1 per cent of the colleges make no provi-

TABLE III

NUMBER AND PER CENT OF CONTRIBUTORY--NON CONTRIBUTORY PLANS

Type of Plan	Number	Per Cent of Colleges Reporting
Contributory	13	39.4
Non-Contributory	2	6.1
No Plans	11	33.3
No detailed information available	7	21.2
Total Reporting	33	100.0

TABLE IV

COVERAGE ACCORDING TO SCHEDULE OF BENEFITS

Amount of Insurance Determined by	Number	Per Cent of Total Reporting
Annual Salary	4	12.1
Occupation	4	12.1
Length of Service	1	3.0
Same for all employees	5	15.2
Not answered	1	3.0
No detailed information available	7	21.2
No Plans in Force	11	33.3
Total Reporting	33	99.9

sion; 21.2 per cent did not give detailed information; and 33.3 per cent have no plans for group life insurance in force. (See Table V)

In most cases if the employee does not take out the group life insurance within a specified period of time a medical examination will be required before he can join after such period. In 18.2 per cent of the returns the colleges require an examination after thirty-one days; in 6.1 per cent of the cases after ninety- days; in 3.0 per cent they always require an examination; in 18.2 per cent there is no mention of the period of time as to when an examination will be required; in 21.2 per cent of the returns the colleges did not provide sufficient information; and 33.3 per cent had no plans in force. (See Table VI)

Table VII shows that in the majority of the plans, the insurance under the group policy will terminate either immediately upon termination of employment or after thirty-one days, unless converted into an individual policy. In 18.2 per cent of the returns the survey showed the insurance would terminate immediately; in 15.2 per cent the coverage would terminate after thirty-one days; in 9.1 per cent of the reporting colleges no period of time was mentioned; in one case or 3.0 per cent another period of time was permitted; in 21.2 per cent of the cases no detailed information was

TABLE V

PROVISIONS FOR PERMANENT AND TOTAL DISABILITY OCCURRING BEFORE AGE SIXTY

Provision	Number	Per Cent of Colleges Reporting
Employee can arrange to continue the insurance	3	09.1
Insurance company will waive the premium	8	24.2
Employer will pay the premium	1	03.0
No provision made	3	09.1
No detailed information available	7	21.2
No plans in force	11	33.3
Total Reporting	33	99.9

TABLE VI

MEDICAL EXAMINATION REQUIRED IF EMPLOYEE DOES NOT JOIN PLAN WITHIN SPECIFIED PERIOD OF TIME

Period	Number	Per Cent of Colleges Reporting
31 Days	6	18.2
90 Days	2	6.1
Always Required	1	3.0
No Stipulation Made	6	18.2
No Detailed Information Available	7	21.2
No Plans In Force	11	33.3
Total Reporting	33	100.0

available; and in 33.3 per cent of the returns no group plans were in force.

For those colleges which gave information on layoffs and leaves of absence in their employees insurance booklet or replied to the questionnaire, it was found that in 30.3 per cent of the cases no stipulation is made as to coverage during layoffs and leaves of absence; consideration is given in 15.2 per cent of the colleges reporting; 21.2 per cent did not provide detailed information; and in 33.3 per cent there are no group life insurance plans in force. Most plans permit (1) continuation for three months or (2) the continuation of insurance to the end of the month following the month in which the layoff or leave of absence occurs. (See Table VIII)

In Table IX the majority of group life insurance plans allow the individual whose services are terminated to convert all or part of the insurance to an individual life insurance policy, provided application is made and the first premium is paid within thirty-one days of termination. In 36.4 per cent of the colleges reporting, thirty-one days is allowed; in 6.1 per cent of the cases no period of time was mentioned; one college or 3.0 per cent had some other period of time other than the thirty-one days, but this period was not specified; in 21.2 per cent of the returns no detailed information was available; and in 33.3 per cent of the colleges

TABLE VII

PERIOD IN WHICH INSURANCE COVERAGE CEASES

Period	Number	Per Cent of Colleges Reporting
Immediately upon termination of employment	6	18.2
After thirty-one days	5	15.2
No period mentioned	3	9.1
Other	1	3.0
No detailed information available	7	21.2
No plans in force	11	33.3
Total Reporting	33	100.0

TABLE VIII

COVERAGE DURING TEMPORARY LAY-OFF OR LEAVE OF ABSENCE

Provision ---------	Number	Per Cent of Colleges Reporting
Consideration given	5	15.2
No stipulation made	10	30.3
No detailed information available	7	21.2
No plans in force	11	33.3
Total Reporting	33	100.0

reporting there was no insurance in force. The employee may select any type of life insurance usually issued by the insurance company, with the exception of term insurance. No physical examination is necessary if the employee acts within the specified period.

TABLE IX

CONVERSION PRIVILEGE OFFERRED EMPLOYEE PROVIDING APPLIED FOR IN SPECIFIED PERIOD OF TIME

Period	Number	Per Cent of Colleges Reporting
Thirty-one days	12	36.4
Other	1	3.0
No period mentioned	2	6.1
No detailed information available	7	21.2
No plans in force	11	33.3
Total Reporting	33	100.0

CHAPTER VI

EVALUATION OF COLLEGE GROUP LIFE INSURANCE PROGRAMS

One of the main objectives of the group life insurance program is to give employees and their dependents a feeling of some financial security and also some freedom of worry when death comes. The advantages which the employer may get from the plan are mostly intangible since they stem mainly from employee satisfaction.

Colleges were asked to evaluate their group life insurance program from the standpoint of the group headings shown below. Of the thirty-three colleges reporting fifteen had programs in force. The percentages which follow are based upon the fifteen colleges with programs.

Employee Morale:

By providing employees with a measure of security and freedom of worry, the group life insurance has greatly helped to improve employee morale. In replying to the question as to whether the group life insurance had improved employee morale, 73.3 per cent replied in the affirmative. Some colleges are more enthusiastic about the plan as a morale builder than others. The following is a quotation which indicates the opinion of a large Eastern university.

> Even mention of insurance stimulates employees interest in future even tho (they) may not take out our insurance. As a result many find company that has insurance best suited to their own needs.

Of the reporting colleges 13.3 per cent did not reply to the question asked, 6.7 per cent answered No and the remainder or 6.7 per cent said it was doubtful.

Improved Employer-Employee Relations:

If a group life insurance program creates a higher level of employee morale, then it should also create better employer-employee relations. This was evidently the case as was found in the questionnaire. Approximately the same amount of colleges that felt the plan to be a morale builder felt it to be responsible for better employee-employer relations. About 66.7 per cent of the responding colleges felt that the plan improved employer-employee relations; 13.3 per cent did not reply; 6.7 per cent felt that it did not improve relations; and 13.3 per cent stated that it was doubtful. The following is an excerpt from a small college.

> We feel by our plan we will be able to hold on to our teachers; the plan will give them pause if they intend to get a better job. The purpose was to offer them something special to keep them as teachers in our college.

Effect On Labor Turnover:

Although the group insurance plan proved effective in improving employee morale and creating better employer-employee

relations, it has not been as effective in reducing labor turnover. Only 20.0 per cent of the reporting colleges felt that the group life insurance has had an effect on reducing labor turnover. Forty-six per cent approximately (46.7) felt there was no decrease in labor turnover; 13.3 per cent did not reply to this question; 13.3 per cent expressed doubt as to whether the group life insurance resulted in a decrease in labor turnover; and 6.7 per cent felt that labor turnover was never a problem with them.

Effect on Efficiency:

To the point where an employee feels secure and is relieved from anxiety, the group life insurance plan may play a part in increasing efficiency. The viewpoint of most of the colleges or in 33.3 per cent of the colleges which reported , the consensus of opinion was that the group life insurance program had no effect on increasing employee efficiency. Of the colleges reporting 26.7 per cent felt that the program does increase efficiency of the employee; again 26.7 per cent felt that it was doubtful as to whether the employees efficiency was increased because of the program; and 13.3 per cent did not reply to this question.

Aided in the Recruitment of Employees:

A greater proportion of the colleges with programs felt that having a group life insurance program aids in recruit-

ing employees. Approximately forty-six per cent (46.7) of the total replied in the affirmative; 20.0 per cent replied in the negative; 13.3 per cent did not reply to this question; again 13.3 per cent expressed doubt as to its value in regard to this question; and 6.7 per cent felt that recruitment of employees was never a problem with the college.

<u>Reduction of Absenteeism and Tardiness</u>:

In regard to this question only 6.7 per cent of the colleges with a program felt there was any reduction in absenteeism and tardiness as a result of the program; 40.0 per cent felt that there was no reduction in regard to this question; 26.6 per cent did not reply; 20.0 per cent expressed their doubt as to any decrease in absenteeism and tardiness as a result of the institution of the program; and 6.7 per cent felt that this was never a problem with them.

<u>Stimulation of Interest in the Job and the Organization</u>:

It is apparent from the following that the group life insurance program does stimulate interest in the job and the organization since 40.0 per cent of the colleges with a program felt this was the case with them. However, 26.6 per cent replied in the negative; 26.6 per cent did not reply to this question; and 6.7 per cent expressed their doubt as to any stimulation of interest as the result of instituting such a program.

Transfer of Benefits Between Colleges:

Only one college or 6.7 per cent of the colleges having group life insurance permit the transfer of benefits between colleges; 80.0 per cent do not permit any transfer; and 13.3 per cent did not reply to this question.

Other Factors:

The following are some of the comments which were made in reply to the question as to whether they had any comments to make regarding the group life insurance program in force at their particular college.

> When an employee dies he does not leave a destitute family which might be [embarasing] to the college.
>
> Group Insurance plans enable employees in lower salary brackets to obtain insurance coverage where they could not otherwise afford to do so.
>
> A means of bringing college wages and salaries up to living social standards.
>
> Our group medical-hospital plan under the Blue Cross plan in which the school pays one half the cost seems to have much more influence with employees than does the life insurance coverage.
>
> Employees are very thankful that the plan was put in and hope that there will be additions to it.
>
> Our group insurance is strictly term insurance. It is optional. Contribution is shared by the University and the employee. Participation is ended upon retirement, and this causes some resentment; but any participant may, upon leaving or retiring, convert to regular policy without health examination.

CHAPTER VII

CONCLUSION

Group term insurance is unsatisfactory from several standpoints in case employment is terminated. One disadvantage is tha t the employee is charged that rate for the age which he has attained at the time of conversion to another type of policy. If the employee is getting on in years, this conversion may cost more than he is able to assume. It has been the experience of most of the insurance companies that the death rate under the converted policies is higher than for the policies sold with the requirement of a physical examination. The indication is that the employees who take advantage of the conversion privilege are not up to par physically.

Another disadvantage of group life insurance is that it does not have any cash surrender value. Many individuals cannot understand why they are not entitled to some cash return when they have made contributions for so many years. Then too, it is difficult for the individual to emprehend why the premium rate of the converted policy is not based on the age at which the individual entered the plan.

Dissatisfaction also arises due to the retirement of older workers. The premium rate for the individual climbs steeply as the worker grows older. The basic premium rates for

group life insurance are based mostly upon the ages of all the employees covered. The rate for $1,000.00 life insurance is ten times higher for workers at age seventy than it is at age thirty.[1] Therefore, it is believed that the insurance for the older workers should be a different type than the group term, that is, the premium rate should not increase with age and the policy should have some cash surrender value. Group permanent life insurance might help to solve the above objections.

Under the group permanent plan, the premium is loaded in order to provide for reserves during the earlier years to take care of mortality which is expected later on. The reserves make the paid-up and cash values of this type of policy possible.

The most typical form of group permanent life insurance used is a combination of term and paid-up life insurance. Under this type of insurance, which is usually on a contributory basis, the employees' contributions are used to purchase the paid-up portion of the policy, while the employer's contributions are used to pay for the term insurance. As the paid-up insurance increases, the term insurance decreases. As a result, at the early ages, the employer pays a fairly good portion of the individual's insurance, but he pays a much smaller part[2]

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1. Studies in Personnel Policy, National Industrial Conference Board, #112, P. 28.

2. Ibid, P. 28

near retirement.

It is significant to note that none of the colleges with group life insurance programs continued the insurance for the employee by paying even a small portion of the premium, upon retirement of the employee. It would seem that even though the requirements of the employee at age sixty-five are not as great as they once were, there is still need for at least a reduced amount of life insurance. Yet, due to the increased premium cost based on the employee's advanced age the retiring employee may be unable to convert his insurance, and as a result he is turned out to pasture.

McDonald states that there is a decided trend toward reduced Group Life Insurance for employees who have reached a certain age, usually sixty-five, or who have actually retired from work. He goes on to state that the premium cost of Group Life Insurance at the older ages is high and the need for family protection at this time of life is greatly reduced. Because of these reasons, spending money on full protection for such employees, an employer is diverting money from:

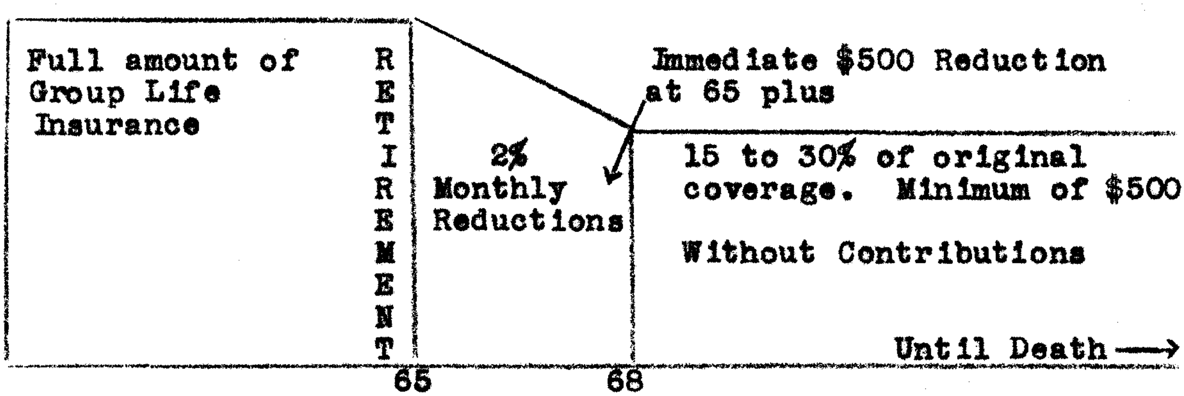
1. Pension benefits which would be of greater benefit to the older group of employees and

2. More adequate Group Life Insurance coverage for the younger and more active employees who, it is felt have a greater need for this protection.

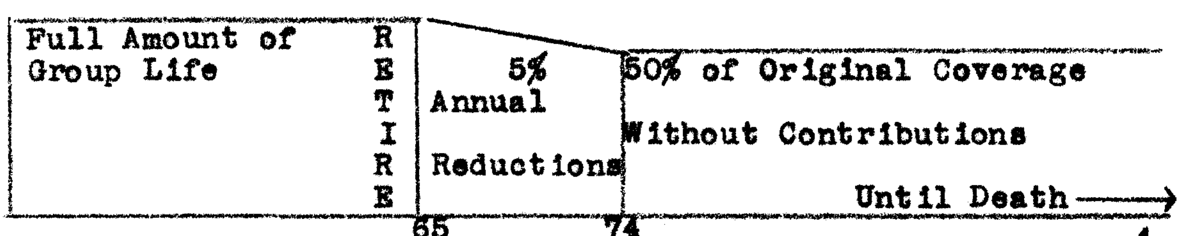
As a result of this, some companies have come to the conclusion that Group Life Insurance should be continued on some reduced basis, in most cases without cost to the employee. Some advocate gradual reduction and others immediate reduction. The following illustrate graphically the practices of some large prominent companies in carrying out these two systems of reducing Group Life Insurance.[3]

Group Life Reduction
After Age 65 or Retirement

1. An Auto Company-- for employees with 10 years or more of coverage--Maximum $50,000 - Minimum $2,500.00



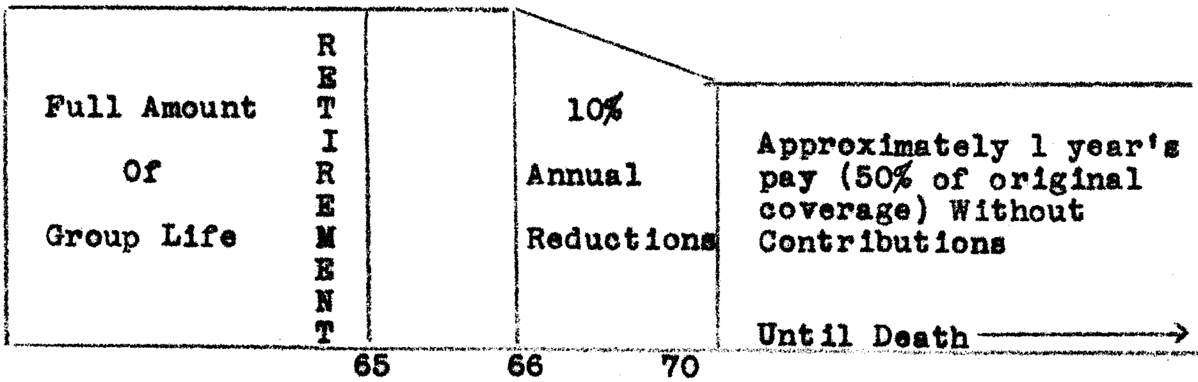
2. A Utility -- Maximum $20,000 - Minimum $2,200



[4]

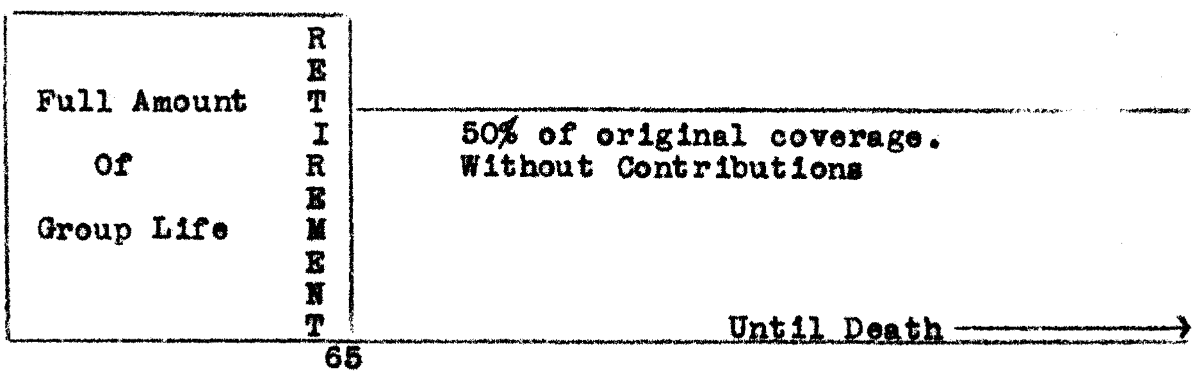
3 & 4 McDonald, Edwin C., Pensions and Group Insurance, New York, 1952, P. 50.

3. An Oil Co. -- Maximum $20,000 -- Minimum $1, 600

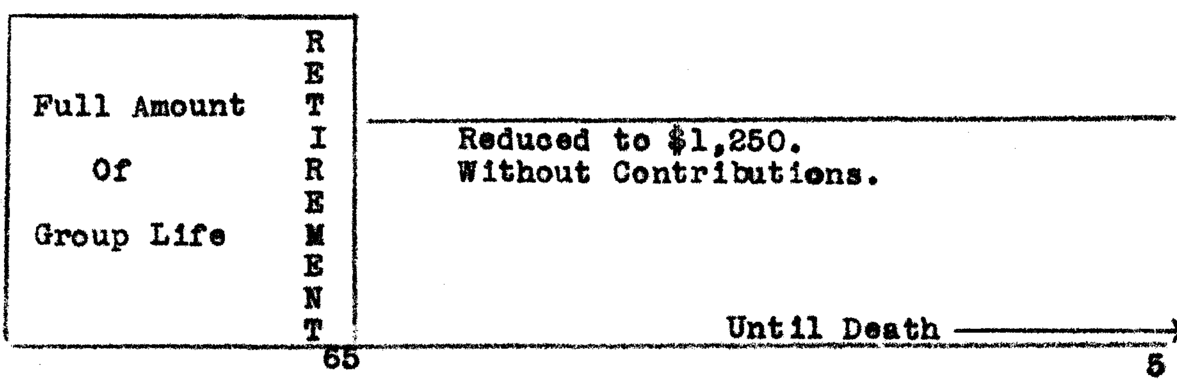


IMMEDIATE

1. A Meat Packing Co. -- Maximum $20,000 -- Minimum $500



2. A Steel Company - Maximum $40,000 -- Minimum $1,500



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5. Ibid, P. 50-2

3. A Steel Co. -- Maximum $20,000 -- Minimum $2,500

Full Amount Of Group Life	R E T I R E 65	Reduced to $1,250. Without Contributions. Until Death →

4. A Chemical Co. -- Maximum $40,000 --Minimum $2,000.

Full Amount of Group Life	R E T I R E 65	Reduced to $1,000.00 Without Contributions. Until Death → [6]

Let us hope then that Catholic colleges will soon follow what industry has seen fit to do, and not permit the faithful employee to leave the employ of the college without some insurance coverage for his remaining years.

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6. Ibid, P. 52.

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APPENDIX I

27 JESUIT COLLEGES AND UNIVERSITIES CONTACTED FOR THIS STUDY 1952

No.	Name of Institution	City	State
1.	Boston College	Chestnut Hill	Massachusetts
2.	Canisius College	Buffalo	New York
3.	Creighton University	Omaha,	Nebraska
4.	Fairfield University*	Fairfield	Connecticut
5.	Fordham University	New York	New York
6.	Georgetown University*	Washington	D.C.
7.	Gonzaga University	Spokane	Washington
8.	Holy Cross College	Worcester	Massachusetts
9.	John Carroll University*	Cleveland	Ohio
10.	LeMoyne College*	Syracuse	New York
11.	Loyola College	Baltimore	Maryland
12.	Loyola University	Chicago	Illinois
13.	Loyola University*	Los Angeles	California
14.	Loyola University	New Orleans	Louisiana
15.	Marquette University*	Milwaukee	Wisconsin
16.	Regis College	Denver	Colorado
17.	Rockhurst College	Kansas City	Missouri
18.	St. Joseph's College*	Philadelophia	Pennsylvania

27 JESUIT COLLEGES AND UNIVERSITIES CONTACTED FOR THIS STUDY 1952

No.	Name of Institution	City	State
19.	St. Louis University*	St. Louis	Missouri
20.	St. Peter's College	Jersey City	New Jersey
21.	Seattle University*	Seattle	Washington
22.	Spring Hill College	Mobile	Alabama
23.	University of Detroit	Detroit	Michigan
24.	University of San Francisco*	San Francisco	California
25.	University of Santa Clara*	Santa Clara,	California
26.	University of Scranton*	Scranton	Pennsylvania
27.	Xavier University	Cincinnati	Ohio

* Signifies colleges replying in this study.

APPENDIX II

49 NON-JESUIT COLLEGES AND UNIVERSITIES CONTACTED FOR THIS SURVEY 1952

No.	Name of Institution	City	State
1.	Assumption College*	Worcester	Massachusetts
2.	Bellarmine College*	Louisville	Kentucky
3.	Belmont Abbey College	Belmont	North Carolina
4.	Carroll College	Helena	Montana
5.	Catholic University of America*	Washington	D.C.
6.	College of St. Francis*	Joliet	Illinois
7.	Dayton University	Dayton	Ohio
8.	DePaul University*	Chicago	Illinois
9.	Dominican College of San Rafael	San Rafael	California
10.	Duquesne University	Pittsburgh	Pennsylvania
11.	Holy Names, College of	Oakland	California
12.	Lewis College*	Lockport	Illinois
13.	Manhattan College*	New York	New York
14.	Marymount College*	Los Angeles	California
15.	Mt. St. Mary's College*	Emmitsburg	Maryland
16.	Mt. St. Mary's College*	Los Angeles	California
17.	Niagara University	Niagara Falls	New York

49 NON-JESUIT COLLEGES AND UNIVERSITIES CONTACTED FOR THIS SURVEY 1952

No.	Name of Institution	City	State
18.	Providence College	Providence	Rhode Island
19.	Rosary College	River Forest	Illinois
20.	St. Ambrose College*	Davenport	Iowa
21.	St. Anselm's College	Manchester	New Hampshire
22.	St. Basil's College	Stamford	Connecticut
23.	St. Benedict's College*	Atchison	Kansas
24.	St. Bonaventure Univ.*	St. Bonaventure	New York
25.	St.Edward's University	Austin	Texas
26.	St. Francis College	Biddeford	Maine
27.	St. Francis College	Fort Wayne	Indiana
28.	St. Francis College	Brooklyn	New York
29.	St. John Fisher College*	Rochester	New York
30.	St. John's University*	Collegeville	Minnesota
31.	St. John's University*	Brooklyn	New York
32.	St. Joseph's College	Collegeville	Indiana
33.	St. Martin's College	Olympia	Washington
34.	St. Mary-of-the-Woods College	St. Mary-of-the Woods	Indiana
35.	St. Mary's College	Orchard Lake	Michigan
36.	St. Mary's College of California	St. Mary's	California

49 NON-JESUIT COLLEGES AND UNIVERSITIES CONTACTED FOR THIS SURVEY 1952

No.	Name of Institution	City	State
37.	St. Mary's College	Winona	Minnesota
38.	St. Mary's University	San Antonio	Texas
39.	St. Michael's College	Santa Fe	New Mexico
40.	St. Michael's College	Winooski Park	Vermont
41.	St. Vincent College*	Latrobe	Pennsylvania
42.	Steubenville College*	Steubenville	Ohio
43.	Stonehill College	North Easton	Massachusetts
44.	Trinity College	Washington	D.C.
45.	University of Notre Dame*	Notre Dame	Indiana
46.	University of St. Thomas*	Houston	Texas
47.	University of Portland	Portland	Oregon
48.	Villanova College	Villanova	Pennsylvania
49.	Xavier University*	New Orleans	Louisiana

* Signifies colleges replying in this survey.

APPENDIX III

12 JESUIT CATHOLIC COLLEGES WHICH REPLIED IN THIS SURVEY

No.	Name of Institution	City	State
1.	Fairfield University	Fairfield	Connecticut
2.	Georgetown University*	Washington	D.C.
3.	John Carroll University	Cleveland	Ohio
4.	LeMoyne College*	Syracuse	New York
5.	Loyola University	Los Angeles	California
6.	Marquette University*	Milwaukee	Wisconsin
7.	St. Joseph's College	Philadelphia	Pennsylvania
8.	St. Louis University*	St. Louis	Missouri
9.	Seattle University*	Seattle	Washington
10.	University of San Francisco*	San Francisco	California
11.	University of Santa Clara*	Santa Clara	California
12.	University of Scranton*	Scranton	Pennsylvania

* Signifies colleges with group life insurance programs.

APPENDIX IV

21 NON-JESUIT CATHOLIC COLLEGES WHICH REPLIED IN THIS SURVEY 1952

No.	Name of Institution	City	State
1.	Assumption College	Worcester	Massachusetts
2.	Bellarmine College	Louisville	Kentucky
3.	Catholic University of America*	Washington	D.C.
4.	College of St. Francis	Joliet	Illinois
5.	DePaul University*	Chicago	Illinois
6.	Lewis College	Lockport	Illinois
7.	Manhattan College*	New York	New York
8.	Marymount College	Los Angeles	California
9.	Mt. St. Mary's College	Emmitsburg	Maryland
10.	Mt. St. Mary's College	Los Angeles	California
11.	St. Ambrose College*	Davenport	Iowa
12.	St. Benedict's College*	Atchison	Kansas
13.	St. Bonaventure Univ.*	St. Bonaventure	New York
14.	St. John Fisher College	Rochester	New York
15.	St. John's University*	Collegeville	Minnesota
16.	St. John's University	Brooklyn	New York
17.	St. Vincent College	Latrobe	Pennsylvania

21 NON-JESUIT CATHOLIC COLLEGES WHICH REPLIED IN THIS SURVEY 1952

No.	Name of Institution	City	State
18.	Steubenville College	Steubenville	Ohio
19.	University of Notre Dame*	Notre Dame	Indiana
20.	University of St. Thomas	Houston	Texas
21.	Xavier University	New Orleans	Louisiana

* Signifies colleges with group life insurance programs.

APPENDIX V

Name and Address of Institution:

The Catholic University of America
Washington 17, D.C.

Insurance Carrier:

The Aetna Life Insurance Co.
Hartford, Connecticut

Eligibility Requirements:

All full time employees with three months of continuous service with the university.

Schedule of Benefits:

All full time employees limited to $1,000.00 of insurance.

Employee Contributions:

Each employee contributes sixty cents per month.

Employer Contributions:

Balance of costs.

Remarks:

Premium waiver in case of total and permanent disability prior to age sixty.

Source:

Cooperative Group Insurance Plan booklet issued by Aetna Life Insurance Co., Hartford, Conn.; received 1952.

APPENDIX V

Name and Address of Institution:

De Paul University
Chicago, Illinois

Insurance Carrier:

Information not available.

Eligibility Requirements:

All regular full time employees except, secretaries, bookkeepers, etc.

Schedule of Benefits:

Classification	Amount of Insurance
Under $3,000 Annual Salary	$3,000
Over $3,000 Annual Salary	$4,000

Employee Contributions:

Sixty cents per $1,000.00 per month.

Employer Contributions:

Balance of cost.

Source:

Questionnaire received in 1952.

APPENDIX V

Name and Address of Institution:

Georgetown University
Washington, D.C.

Insurance Carrier:

The Travelers Insurance Co.
Hartford, Connecticut

Eligibility Requirements:

All full-time lay employees after completing twelve months service.

Schedule of Benefits:

Classification	Amount of Insurance
Full-time members of Academic Faculty	$4,000
All other employees	$2,000

Employee Contributions:

Sixty cents per month for each $1,000 insurance.

Employer Contributions:

Balance of cost.

Remarks:

Premium waiver in case of total and permanent disability prior to age sixty.

Source:

Group Life Insurance Plan booklet issued by The Travelers Insurance Co., Hartford, Connecticut; received 1952.

APPENDIX V

Name and Address of Institution:

Manhattan College
New York, New York

Insurance Carrier:

Metropolitan Life Insurance Co.
New York, New York

Eligibility Requirements:

Faculty: All full-time members after three months of employment.

Non-Academic: All full-time employees after six months of employment.

Schedule of Benefits:

Faculty

If Basic Annual Pay Is	Amount of Insurance Is
Less than $2,500	$2,000
$2,500 - less than $3,000	$2,500
$3,000 - less than $4,000	$3,000
$4,000 - less than $5,000	$4,000
$5,000 or more	$5,000

Non-Academic

If Basic Annual Pay Is	Amount of Insurance Is	
	Female	Male
Less than $1,000	$500	----
$1,000 - less than $1,500	$500	$1,000
$1,500 - less than $2,000	$1,000	$2,000
$2,000 - less than $2,500	$1,500	$2,000
$2,500 - less than $3,000	$1,500	$2,000
$3,000 or more	$1,500	$2,000

APPENDIX V

Employee Contributions:

Not determinable, amount incorporated in other employee benefits.

Employer Contributions:

Balance of cost.

Remarks:

In case of total and permanent disability prior to age sixty, employee can arrange to continue life insurance.

Source:

Your Group Insurance, Faculty and Employees Benefit Plan, Non-Academic, Metropolitan Life Insurance Co., New York; received, 1952.

APPENDIX V

<u>Name and Address of Institution</u>:

Marquette University
Milwaukee, Wisconsin

<u>Insurance Carrier</u>:

Bankers Life Company
Des Moines, Iowa

<u>Eligibility Requirements</u>:

All full-time administrative, teaching and clerical employees after completing six months continuous service.

<u>Schedule of Benefits</u>:

$1,000.00 for all employees.

<u>Employee Contributions</u>:

Fifty cents per month for each $1,000 insurance.

<u>Employer Contributions</u>:

Balance of cost.

<u>Remarks</u>:

Premium waiver in case of total and permanent disability prior to age sixty.

<u>Source</u>:

Group Life Insurance Plan booklet issued by Marquette University and Bankers Life Co., Des Moines, Iowa; received 1952.

APPENDIX V

Name and Address of Institution:

St. Ambrose College
Davenport, Iowa

Insurance Carrier:

The Lincoln National Life Insurance Co.
Fort Wayne, Indiana

Eligibility Requirements:

All full-time lay faculty members and administrative employees after three months of service, provided they have not attained age sixty.

Schedule of Benefits:

Classification	Amount of Insurance
Less than five years of service	$1,000
Five years or more of service	$2,000

Employee Contributions:

None

Employer Contributions:

Employer pays the entire cost.

Source:

St. Ambrose College Retirement and Insurance Plan booklet; received, 1952.

APPENDIX V

Name and Address of Institution:

St. Benedict's College
Atchison, Kansas

Insurance Carrier:

Self-insured by St. Benedict's College.

Eligibility Requirements:

All full-time employees.

Schedule of Benefits:

$1,000 payable to each employee upon death.

Employee Contributions:

$.60 per month per each $1,000 insurance.

Employer Contributions:

$.60 per month per each $1,000 insurance.

Source:

Questionnaire received in 1952.

APPENDIX V

Name and Address of Institution:

St. Bonaventure College
St. Bonaventure, New York

Insurance Carrier:

The Prudential Insurance Co.
Newark, N.J.

Eligibility Requirements:

All full-time lay employees after three months of service.

Schedule of Benefits:

If Basic Annual Pay Is	Amount of Insurance Is
Less than $1,000.00	$ 500
$1,000 - less than $2,000	$1,000
$2,000 - less than $3,000	$1,500
$3,000 - less than $5,000	$2,000
$5,000 - and over	$3,000

Employee Contributions:

Not determinable, amount incorporated in premiums for other employee benefits.

Employer Contributions:

Balance of cost.

Remarks:

Premium waiver in case of total and permanent disability prior to age sixty.

Double indemnity in case of accidental death or dismemberment on or off the job.

Source:

A Plan of Group Insurance for Our Employees booklet, St. Bonaventure College, received, 1952.

APPENDIX V

Name and Address of Institution:

St. John's University
Collegeville, Minnesota

Insurance Carrier:

The Travelers Insurance Co.
Hartford, Connecticut

Eligibility Requirements:

All full-time lay employees after completion of one month of service.

Schedule of Benefits:

Classification	Amount of Insurance
Faculty	$2,000
All other employees	$1,000

Employee Contributions:

Not determinable, included in premiums for other employee benefits.

Employer Contributions:

Balance of cost.

Remarks:

Double indemnity in case of non-occupational accidental death, dismemberment.

Premium waiver in case of total and permanent disability prior to age sixty.

Source:

Group Insurance Protection for You, issued by Order of St. Benedict, Inc., St. John's University and The Travelers Insurance Co., received, 1952.

APPENDIX V

Name and Address of Institution:

Saint Louis University
Saint Louis, Missouri

Insurance Carrier:

The Lincoln National Life Insurance Co.
Fort Wayne, Indiana

Eligibility Requirements:

All full-time faculty members and lay employees after three months of service.

Schedule of Benefits:

If Annual Pay Is	Amount of Insurance Is
Less than $1,800	$ 500
$1,800 - $2,399	$1,000
$2,400 - $2,999	$2,000
$3,000 - $3,599	$3,000
$3,600 - $4,199	$4,000
$4,200 - and over	$5,000

Employee Contributions:

Fifty cents for each $1,000 insurance.

Employer Contributions:

Balance of cost.

Remarks:

Double indemnity in case of accidental death, dismemberment or loss of sight except if covered by Workmen's Compensation Law.

Premium waiver up to a maximum of 12 months, in case of total disability prior to age 65.

Source:

St. Louis University booklet received, 1952.

APPENDIX V

<u>Name and Address of Institution</u>:

Seattle University
Seattle, Washington

<u>Insurance Carrier</u>:

Information not available.

<u>Eligibility Requirements</u>:

All regular full-time employees.

<u>Schedule of Benefits</u>:

$5,000.00 uniform benefit for all employees.

<u>Employee Contributions</u>:

Fifty cents for each $1,000 of insurance.

<u>Employer Contributions</u>:

Balance of cost.

<u>Remarks</u>:

Premium waiver in case of total and permanent disability prior to age sixty.

<u>Source</u>:

Questionnaire received in 1952.

APPENDIX V

Name and Address of Institution:

University of Notre Dame Du Lac
Notre Dame, Indiana

Insurance Carrier:

The Travelers Insurance Co.
Hartford, Connecticut

Eligibility Requirements:

All full-time lay employees of the university.

Schedule of Benefits:

GROUP

Class	I	II	III	IV	V	VI
A(1)	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
(2)	5,000	4,000	3,000	2,000	1,000	500
B	2,500	2,500	2,000	1,500	1,000	500
C	2,000	2,000	2,000	2,000	2,000	2,000
D	1,500	1,500	1,500	1,500	1,500	1,500
E	500	500	500	500	500	500

Class	
A(1)	Department Heads who are not Members of Faculty.
(2)	Deans and Department Heads who are Members of Faculty.
B	Members of Faculty not included in Class A(2)
C(1)	Male General Clerical Employees, and
(2)	Male Employees whose monthly salary or wage is $125 or over, not included in Class A or B
D(1)	Female General Clerical Employees, and
(2)	Male Employees whose monthly salary or wage is less than $125, not included in Class A, B or C.
E	Female Employees not included in Class A, B or D.

APPENDIX V

Group

I. (a) Each employee insured under policy on September 1, 1947 who had attained the 65th anniversary of his date of birth on or before said date.

(b) Each employee who has not attained the 61st birthday.

II. Each employee who has attained the 61st but not the 62nd birthday.

III. Each employee who has attained the 62nd but not the 63d birthday.

IV. Each employee who has attained the 63d but not the 64th birthday.

V. Each employee who has attained the 64th but not the 65th birthday.

VI. Each employee who has attained the 65th but not included in Group I (a).

Employee Contributions:

Employees in Classes A, B, C and D will contribute sixty-cents per month for each $1,000 insurance. Employees in Class E will contribute twenty-cents per month.

Employer Contributions:

Balance of cost.

Remarks:

Premium waiver in case of total and permanent disability prior to age sixty.

Source:

Group Insurance Protection For You, University of Notre Dame and Travelers Insurance Co., booklet, received 1952.

APPENDIX V

Name and Address of Institution:

University of San Francisco
San Francisco, California

Insurance Carrier:

The Travelers Insurance Co.
Hartford, Connecticut

Eligibility Requirements:

All full-time lay employees and part-time faculty members after completing twelve months of service.

Schedule of Benefits:

Classification	Amount of Insurance
Faculty	$4,000
All other employees	$2,000

Employee Contributions:

Sixty cents per month per $1,000 insurance.

Employer Contributions:

Balance of cost.

Remarks:

Premium waiver in case of total and permanent disability prior to age 60.

Source:

Group Life Insurance Plan booklet, University of San Francisco and Travelers Insurance Co., received 1952.

APPENDIX V

Name and Address of Institution:

University of Santa Clara
Santa Clara, California

Insurance Carrier:

Information not determinable.

Eligibility Requirements:

All full-time faculty members.

Schedule of Benefits:

Information not available.

Employee Contributions:

Depends upon age of the employee.

Employer Contributions:

Balance of cost.

Source:

Questionnaire received in 1952.

APPENDIX V

<u>Name and Address of Institution</u>:

University of Scranton
Scranton, Pennsylvania

<u>Insurance Carrier</u>:

Information not available.

<u>Eligibility Requirements</u>:

All regular full-time employees.

<u>Schedule of Benefits</u>:

$2,000 uniform benefit of insurance on each employee.

<u>Employee Contributions</u>:

Sixty cents per month for each $1,000.00 insurance.

<u>Employer Contributions</u>:

Balance of cost.

<u>Source</u>:

Questionnaire received in 1952.

APPENDIX VI

LOYOLA UNIVERSITY

Institute of Industrial Relations
Chicago, Illinois

EVALUATION OF YOUR GROUP LIFE INSURANCE PROGRAM

Approximately how many employees does your Group Life Insurance Plan cover . . . . ________

Please check which class of employees is covered:

1. Faculty members and administrative officers only . . . . ________
2. All regular full-time employees . . . . . . ________
3. Coverage is extended to all employees . . ________

Has Your Group Life Insurance Program Done The Following:
Please check either yes or no.

	Yes	No
1. Improved employee morale?	____	____
2. Improved employer-employee relations?	____	____
3. Decreased labor turnover?	____	____
4. Increased efficiency?	____	____
5. Aided in the recruitment of employees?	____	____
6. Reduced absenteeism and tardiness?	____	____
7. Stimulated interest in the job and the organization?	____	____
8. Permitted transfer of benefits between Catholic colleges? . .	____	____
9. Are there any other advantages or disadvantages which you would like to comment on?	____	____

APPENDIX VII

YOUR GROUP LIFE INSURANCE PROGRAM

1. Is your group life insurance program on a contributory or non-contributory basis? That is, does the employee make a partial contribution or is the whole premium paid by the employer? Check one:

   Contributory__________Non-contributory__________

2. If the plan is contributory, what is the amount of the employees contribution per month for each $1,000 of insurance? Check one:

$.40________	$.50________	$.60________
$.45________	$.55________	Other________

3. Schedule of Insurance:

   Is the amount of the individual employees insurance determined by his: Check one:

   A. Annual Salary__________
   B. Occupation__________
   C. Length of Service__________

4. Is there any provision for permanent and total disability? If the insured under your plan stops work because of total or permanent disability before the age of 60, (Check One)

   a. Can he, the employee, arrange to have the life insurance protection continued?__________

   b. Will the insurance company pay the amount of the insurance in force on the employee's life at the time the disability commenced, in lieu of all other benefits provided for under the policy?__________

   c. If the disability has lingered for nine months and it is presumed to be permanent, will the life insurance continue to be in force during the continuance of such total disability, without any cost to the employee during such disability?__________

APPENDIX VII

YOUR GROUP LIFE INSURANCE PROGRAM

5. Is a medical examination required if the individual (employee) does not join within the specified period of time? If so, what is that period of time? Check one:

   a. 30 days __________ c. 90 days __________
   b. 60 " __________ d. Other __________

6. When does the insurance terminate? Check one:

   a. Does it terminate when employment terminates? ____
   b. Does it terminate when premiums are not met? ____
   c. Other . . . . ____

7. Is any consideration given for temporary lay-offs or leaves of absence? That is, during this time can the insurance be continued until such time that the employee is definitely considered as no longer in the institution's employ: Check one:

   a. Consideration is given for temporary lay-offs or leaves of absence. __________

   b. Consideration is <u>not</u> given for temporary lay-offs or leaves of absence. __________

8. Is there a conversion privilege following termination of employment or retirement from the university? If so, is it the usual 31 days? Check one:

   a. 31 days __________ Other(Specify) __________

9. Is insurance continued in force for the retired employee? If so, is the premium paid by the university in the following manner: Check one:

   a. All of the premium __________
   b. Part of the premium __________
   c. None of the premium __________