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1 FEB 1957

MEMORANDUM FOR: Executive Officer, Office of Personnel

SUBJECT:

Semi-Annual Report **BENEFITS AND CASUALTY DIVISION**

1. Transmitted herewith are semi-annual reports prepared by the Insurance Branch and the Casualty Affairs Branch of this Division pursuant to the Director of Personnel's directive of 11 July 1955.

2. In addition to the attached reports, it is significant to note only that in addition to performing their functions as Chief and Deputy Chief of this Division, these individuals and other members of our staff have also served as officers of the Government Employees Health Association, Inc. and the Northwest Federal Credit Union. A substantial number of work hours have been devoted in carrying out these responsibilities in addition to those officially assigned as officers and members of this Division.



Chief, Benefits and Casualty Division

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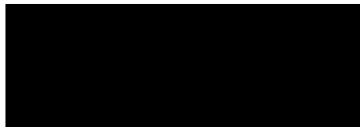
TO : Chief, Benefits and Casualty Division/Pers.

DATE: 25 January 1957

FROM : Chief, Insurance Branch/BCD/Pers.

SUBJECT: Semi-Annual Report and Program Plans

Attached is semi-annual report as requested by the Director of Personnel in his memorandum dated 11 July 1955.



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Attachments

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Report of Progress and Accomplishments

during the period 1 July 1956 - 31 December 1956

1. The payment of approximately 500 refunds of WAEPA life insurance prepaid premiums was completed. In addition, the conversion of records of WAEPA premium payments from the old hand-posting card system to the new National Cash Register account cards was completed. Records of payments of all plans administered by GEHA are now kept by the National Cash Register system.
2. In October an exhibit was completed and opened during the Intelligence "county fair" held monthly in the R&S Building in conjunction with the B.O.C. series. A representative from this Branch is in attendance during these sessions to assist with insurance and other benefits matters.
3. A prepared lecture on GEHA insurance coverage, was worked out with representatives of the Employees Services Branch, for use in connection with the E.O.D. lectures to new employees.
4. The booklet "Your Health and Life Insurance Program" was prepared by this Branch for distribution to all employees in connection with the Annual Insurance Drive. In addition, a "Book Dispatch" and "Instruction Sheets for Preparation of Applications and Filing of Claims" was prepared for the overseas stations.
5. Representatives of the Branch conducted more than twenty lectures on insurance prior to and during the "Drive." During and after many of these lectures, applications were received from employees, thereby obviating the need for their coming to Curie Hall to apply.
6. The Annual Application Drive for Mutual Hospitalization and United Benefit Life insurance, during which period all physical requirements and waiting periods were waived, was conducted from 1 October 1956 through 31 October 1956 for Headquarters employees, and from 1 October 1956 through 30 November 1956 for overseas employees. During the drive period approximately 5,000 applications for the above mentioned coverage were received and processed.

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7. Due to certain security requirements, it became necessary for the Board of Directors to cancel the contract with Group Hospitalization, Incorporated as of 31 December 1956. Negotiations were held and arrangements made so that G.H.I. policyholders could change over to Mutual coverage without loss of coverage or incurring a waiting period. A letter, dated 1 October 1956, was dispatched to all G.H.I. policyholders appraising them of these facts.

8. Applications for transferring G.H.I. to Mutual were accepted through 31 December 1956. With the exception of a few justifiable administratively approved cases, this phase of the operation has been completed.

9. Effective 1 September 1956, the rate of the Mutual Hospitalization family contract was reduced from \$7.98 per month to \$7.40.

10. Certain added benefits were obtained under the GEHA plans, as follows:

a. The allowance for maternity claims was raised from \$9.00 to \$10.00 per day, and overseas hospitalization allowance raised from \$9.00 to \$13.50 per day.

b. The maximum coverage under the Specified Diseases plan was raised from \$5,000 to \$10,000 for each incidence of such disease.

c. Unmarried dependents up to age 24 may be covered while attending college so long as the parents continue to provide the chief means of support.

11. An audit of the Insurance Branch bookkeeping methods was conducted on 13 July by a representative of the Audit Staff, Office of the Comptroller.

12. The regular quarterly microfilming of records of the Branch was completed during August 1956.

13. On 29 October 1957 the Board of Directors determined that GEHA coverage will be limited to Staff Employees and Staff Agents only. In justifiable instances, where the component involved desired, memos of justification, together with the application, may be submitted to the Board for decision. A list of all contract type employees, presently having GEHA coverage, was submitted to the Board for study and any action they deem necessary.

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14. Coverage under the Air Flight Trip policy was changed, as follows:

a. Zones changed to Domestic and Foreign. Domestic zone premiums remain the same with the exception of Principal Sum of \$31,250 being changed to \$37,500; medical expense of \$1,562 now being changed to \$1,875, and premium \$1.25 changed to \$1.50.

b. The Foreign Zone (formerly Zone A) premiums and coverage remain the same except the Principal Sum of \$31,250 is now \$37,500; medical expense was \$1,562 is now \$1,875, and the premium \$2.50 is now \$3.00. The former Foreign Zones B and C have been eliminated.

15. During this reporting period all application forms for GEHA coverage were revised and reprinted.

16. Following is a summary reflecting the operational activities of this Branch for the reporting period.

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Summary of Insurance Activity

1 July 1956 - 31 Dec. 1956

Type of Coverage

WAEPA

New Applications	55
Reinstatements	0
Cancellations	73
Policies in Force	██████████
Insurance in Force	\$15,547,500.00
Claims	\$ 75,000.00 (1)

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New Applications	350
Reinstatements	0
Cancellations	50
Policies in Force	██████████
Insurance in Force	\$22,159,500.00
Claims	0

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Total Life Insurance \$37,707,000.00

(1) Five deaths (\$15,000.00 each)

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Type of Coverage

GHI

New Applications	[REDACTED]	25X9
Transferred Out to GHI	[REDACTED]	
Policies in Force	[REDACTED] (on Dec. 31)	
Cancellations	All GHI contracts cancelled midnight Dec. 31, 1956.	
Claims Paid (Class B only)	\$12,015.30	
No. of Claims	156	
Average per Claim	\$ 77.02	

MUTUAL

New Applications	[REDACTED]	25X9
Cancellations	237	
Policies in Force	[REDACTED] (Single Family)	25X9A2
Claims Paid	\$174,314.07	
No. of Claims	2,006	
Average per Claim	\$ 86.89	

AIR FLIGHT

New Applications 264

DREAD DISEASES

New Applications 647 (238, Single)
(409, Family)

INCOME REPLACEMENT

New Applications 43 (Plan 1 - 7)
(" 2 - 13)
(" 3 - 5)
(" 4 - 18)

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Report of Program Plans

for the Period 1 January - 30 June 1957

1. The Cashier's Office was closed on January 14, 15, and 16 for the purpose of tabulating the advance (prepaid) payments on all of the accounts for the various plans administered by GEHA. This reconciliation has been recommended by the Audit Staff but until this time, due to work loads and limited personnel, its accomplishment has been an impossibility. It is planned to continue such reconciliations at regular intervals from now on.

2. The use of a prenumbered voucher type check, prepared in triplicate, is anticipated. The voucher portion of the check will show the type of insurance, type of disbursement (claim, refund, other), together with a breakdown by payment of the number of days in hospital, hospital extras, doctor's fees, etc. Instead of a transmittal letter to the insured, the original of the voucher section of the check will be dispatched. The duplicate will replace the present voucher, thereby saving the time involved in its present preparation while the triplicate will be used as a file copy, being kept in an alphabetical "claims paid" file thus eliminating the need for the separate posting now made to the individual employee's claims records. The check stub, and the work involved therewith, will no longer be necessary.

3. The inclusion of the Emergency Travel Plan coverage, underwritten by the [REDACTED] with the coverage offered under GEHA will be accomplished. This plan is intended to minimize the financial burden on employees in the event of death or very serious illness of a relative or other named person, thereby resulting in the need for returning from overseas with its accompanying expensiveness. The [REDACTED] of Washington, D. C. are the brokers handling the account.

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4. Negotiations will be completed and issuance begun of the new Travel-Matic policy. Presently there are only six plans available, offering a minimum coverage of \$25,000 to a maximum of \$50,000, with rates ranging from \$18.00 to \$34.25 per year. Under the new plan there will be sixteen plans ranging in coverage from \$25,000 to \$100,000.

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5. Due to the fact that Group Hospitalization, Incorporated, coverage ceased on 31 December 1956, many former holders of GHI have refunds coming for all payments made beyond that date. These refunds will be liquidated as soon as possible.

6. It is anticipated (after discussion with Machine Records and Finance Division) that the four IBM payroll listings which are received from Finance Division each month for deduction of premiums from salaries of employees paid from Unvouchered Funds, be prepared in account number order rather than alphabetical so that the National Cash Register Posting cards can all be filed by account number.

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