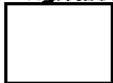


SECRET

13 January 1971

NOTE FOR: Mr. Coffey via Mr. Wattles via



25X1

The following are answers to your attached questions:

Para 3b - During "open periods" no plan can refuse to accept applicants based on either pre-existing conditions or claims experience.

Para 4f - Even if our underwriter would agree to provide this additional coverage, the added monthly cost to each insured individual would be substantial. We do not believe that employees would willingly pay a large additional cost to insure against a remote contingency.

Para 4g - This paragraph has been amended to include the information you mention.

Para 5a - Our Insurance Branch knows of only four cases in which employees have exceeded the \$30,000 limitation. We have no means of knowing the extent to which it was exceeded since reimbursement was discontinued at this point.

Para 5b - This paragraph has been clarified to indicate that we are talking about individual cost.

Para 5c - This paragraph has been entirely rewritten to be more precise.



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