

table is that the present standard of the Dominion Government (the Hm) provides for a heavier mortality than is likely to be experienced by any well managed Canadian company. If the Government standard errs at all, it does so in the direction of undue severity. This, however, is a fault on the safe side; and since it is beyond question the most suitable standard at present possessed by us, it must continue to retain its position, at least until the publication of the new experience tables at present being prepared by the Institute of Actuaries.

The following table should furnish some food for reflection to those believers in the assessment plan who argue that there will be no increase in the cost of assurance as policies get older.

Annual Cost of Assurance per \$1,000 for Central Ages at entry, by quinquennial years of assurance.

Central Age at Entry.	Years of Assurance.						
	1—5	6—10	11—15	16—20	21—25	26—30	Over 30.
20...	\$ 5.66	\$ 6.44	\$ 7.20	.....	.....	.....	.....
25...	4.50	6.39	6.37	8.98	13.45	13.62	.....
30...	4.35	6.73	7.34	9.56	14.65	25.91	36.29
35...	4.99	8.49	10.85	11.46	19.33	40.07	46.46
40...	5.08	8.70	11.57	17.32	28.88	40.18	62.77
45...	7.32	13.35	13.84	23.04	32.79	53.81	131.11
50...	9.13	19.94	26.92	33.80	74.07	112.97	205.36
55...	10.89	25.27	30.86	69.77	94.53	.....	.....
60...	20.38	23.87	60.11	.....	.....	.....	.....

The author well says: "The rapid rise in the rates of mortality as the life grows older and further away from the point of selection is strikingly shown in this table. For example, taking age 40 at entry, the rate for the first five years is only 5.08 per thousand. For the third five years (11 to 15) the rate is more than doubled, being 11.57 per thousand, while for the fifth five years (21 to 25) the rate is more than five times what it was the first five years, being 28.88 per thousand; and after thirty years' duration the

original rate, 5.08, has increased to 62.77 per thousand, or more than twelve times the rate for the first five years. To wilfully ignore these facts and to mislead innocent persons by disregarding their ultimate effects is to commit a crime against Society."

The advocates of assessment assurance also have a nut to crack in connection with the fancied gains from lapses about which they speak so much. The Canada Life had 11,634 discontinued policies, which were distributed as under:—

## DISCONTINUANCES.

Year of Assurance in which cancellation occurred.	Number discontinued	Year of Assurance in which cancellation occurred.	Number discontinued.
Less than 1 year.	1,241	End of 9th year.	204
End of 1st "	4,836	" 10th "	177
" 2nd "	1,780	" 15th "	77
" 3rd "	1,147	" 20th "	33
" 4th "	699	" 25th "	8
" 5th "	721		
" 6th "	497		
" 7th "	412		
" 8th "	307		

"In view of the many fallacious arguments used in Canada and the United States as to the rate of discontinuance and the effect thereof, it may be well to emphasize the fact that out of 12,891 discontinuances in 46 years of the Canada Life experience, 6,077 withdrew within one year (or at most within one year and a half) from entry. Now, when the cost of procuring these assurances is considered—the medical fee, the agent's commission, issue of policy, and the proportionate amount of other general expenses, together with the cost of carrying the risk—it cannot truthfully be said that a Company makes large gains from these lapses."

The experience with regard to rated-up lives is treated separately from that on healthy lives which we have been reviewing. The total number of such cases accepted was 754, of whom 89 had died. The average loading was approximately an addition of  $3\frac{1}{4}$  years to the age.

## EXPERIENCE ON RATED UP LIVES.

Ages.	At actual ages.				Ages.	At assumed ages.			
	Exposed.	Died.	Expected Deaths by			Exposed.	Died.	Expected Deaths by	
			Canada Life General Experience.	Hm. Table.				Canada Life General Experience.	Hm. Table.
13-19	16	..	0.0	0.0	15-19	11	..	0.0	0.0
20-29	708	6	3.5	4.9	20-29	344	4	1.7	2.4
30-39	2,094	20	12.1	18.7	30-39	1,770	13	10.2	15.8
40-49	2,086	19	16.8	25.1	40-49	2,302	24	18.6	27.7
50-59	1,388	17	19.7	28.0	50-59	1,658	17	23.5	33.5
60-69	524	15	15.8	21.3	60-69	670	14	20.3	27.2
70-79	92	12	6.3	7.8	70-79	149	17	10.1	12.6
80-83	5	..	.9	.8	80-87	9	..	1.6	1.6
Under 50	4,904	45	32.4	48.7	Under 50	4,427	41	30.5	45.9
Over 50	2,009	44	42.7	57.9	Over 50	2,486	48	55.5	74.9
Total .....	1113	89	75.1	106.6	Total .....	6,913	89	86.	120.8

These results are instructive. They show: (1) that the Canada's experience in regard to these risks has on the whole been favorable; and (2) that in the class of under-average lives which the Canada accepted, the extra mortality is chiefly in the early years of life and probably

in the early years of assurance. After fifty, the death rate is very favorable. In this respect there is striking resemblance to the experience of the Metropolitan Life of England. We believe that the Canada's impaired lives were rated up chiefly on the ground of family history.