

MORAL HAZARD IN LIFE ASSURANCE.

Continuation of Summary of Paper read before
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OCCUPATION.

The specialized mortality experience of the Actuarial Society of America contains a valuable fund of information in regard to a great many different classes of lives. Among those found very unprofitable are: common labourers, persons engaged in theatrical occupations, those engaged in manufacture or sale of liquor.

HABITS.

The very injurious effect upon the constitution of the excessive use of intoxicating liquors makes it desirable to institute the most careful enquiries into the habits of every applicant for insurance. If there is the slightest suspicion that the amount of liquor is at all excessive, the most painstaking enquiries should be made to arrive at the exact facts, and this is particularly necessary if there are any other suspicious features connected with the risk.

PLAN OF ASSURANCE AND PROFITS.

Mortality is found to vary inversely with the premium—the heaviest mortality being under term policies and Whole Life policies without profits. Whole Life policies with profits were more favourable, while Limited Payment Life and Endowment policies exhibited surprisingly low rates of mortality.

Deferred Dividend policies have invariably shown a remarkably favourable experience as compared with the 5-year Distribution and Annual Dividend plans, while the latter have proved more favourable than non-participating policies.

WHETHER SOLICITED BY AGENT.

It is unusual for a person to voluntarily offer to take out a policy. Human nature is so sanguine that it generally requires the most resourceful tactics to bring home to a person in possession of health and vigour, the fact that he as well as other men is mortal. When an applicant voluntarily walks into an office and asks to have his life assured, it may be taken for granted that it is a case calling for investigation and caution. Under the same heading may be included applications from persons residing in a locality where the company is not established.

REPEATERS.

In combatting moral hazard of all forms it is necessary that field men should realize the great importance of the question. They as well as head office officials should be thoroughly conversant with the various classes of undesirable risks, and should refrain from soliciting lives that are manifestly unsuitable. Young companies are particularly liable to be imposed upon as regards moral hazard, and to them the results are naturally more serious than to old established offices. But, in the best interests of policy-holders, it is equally incumbent upon all companies to guard against speculative and morally hazardous risks of all kinds, even to the extent of losing an occasional good risk by somewhat stringent rules.

Prominent Topics**Sir Wilfrid on the Preference.**

Sir Wilfrid Laurier has authorized the Daily Chronicle of London to declare that he is perfectly satisfied with the result of the Imperial Conference. He favours the preference, but is not disappointed that it has not been obtained. As it is most unusual for the Canadian Premier to allow himself to be interviewed by press representatives (although on rare occasions he departs from this rule when not in Canada) it may be assumed that Sir Wilfrid has made this statement deliberately and with a definite object in view. Discussing the difficulties in the way of the preference he points out the impossibility of the colonies offering the Mother Country free trade, but he adds that although the colonial duties cannot be extinguished they can be lowered. As an alternative to the preference he suggests quicker and better means of communication between the United Kingdom and the colonies. There is no question whatever about the Premier's cordial acceptance of the principle of the preference and his frank statement upon the subject will tend to silence much hostile criticism, on both sides of the Atlantic. It is impossible to read the reports of the Conference proceedings without being impressed by the tone of Imperialism (using the word in its broadest sense) which characterized the meetings. Evidently as Sir Wilfrid says: "the way has been prepared for good work in the future." Before the next Conference meets it is to be hoped that much good educational work will have been done throughout the Empire.

An Irish Convention has unanimously rejected the Campbell-Bannerman Government's Bill to establish an Irish Council with limited powers of government. The demand is for Home Rule or nothing. The attitude of the Convention has at least the merit of frankness. It will make the Irish question a clear cut issue in the next general election campaign, and will leave no room for ambiguity about the position of either of the great political parties. It is understood and it is altogether likely that the Government will drop the bill and this may lead to an early readjustment of party lines in the present Parliament.

The Streets.

We do not want to exaggerate matters but would again call the attention of the City Council to the importance of putting our streets into proper order and then keeping them constantly cleaned and watered. For a matter of such urgent importance to the welfare of the city and the comfort of the citizens, surely the means can be found. Try!