

I have heard, but have not seen in print, is that in a small locality supported by a large manufacturing establishment, the lodges are depleted of a large proportion of their members when the employer places a group insurance contract. In the report of the Committee on Statutory Legislation of the Associated Fraternities of America to 1913 Annual Session held at Chicago, August 18th, 1913, appeared the following reason for prohibiting group insurance: "As a field of effort it is imprudent, unsafe, and only promises disastrous experience to the group and is a chimerical experience fraught with possibility of most disastrous nature to companies allowed to launch therein."

Arguments advanced in such terms need hardly be considered especially when betraying such tender solicitude for the welfare of a most dearly beloved rival.

Another argument advanced is that group insurance constitutes a discrimination, whether the discrimination arises by reason of the fact that there is no medical examination, or because of the fact that the rate of premium is fixed for each group on its merits is not always stated.

The charge that waiving of medical examination constitutes a discrimination may be met in two ways: First, among lives selected by the test of individual medical examination the effect of the selection wears off in a short period, commonly considered to be about five years, and after that period the rate of mortality rises and the mortality of the entire body on the average deteriorates. In the other case, that of group insurance, the effect of selection is a continuous one since the bad lives are automatically thrown out, because as soon as a man becomes impaired, as soon as his habits become such that he cannot do his work he is discharged. The group is being continually freshened by new lives. There is thus on one hand a fading selection and on the other a constant selection, and a selection too which is so effective that in the words of Mr. Day, president of the Equitable Life Assurance Society, "The mortality on this class of business is much lower in fact than that on regularly medically examined risks." I think the charge of discrimination on this point is not proven.

Second—The entire structure of life insurance is reared on the law of averages. We can insure the individual only by considering him as a member of a group, by associating him with others so that the law of average may have effect. We deal with the individual as our unit, but why can we not change our unit of measurement from the individual to the group of individuals and apply our law of averages to the groups. It does not seem to me to be a great step in advance to make the group the unit of insurance and to base a contract of insurance upon it. Admitting, therefore, the group as the unit, the same standards of selection do not necessarily apply to the group as a unit to the individual taken as the unit. If we set up a standard of selection for the group as the unit of insurance and live up to the standard, treating all groups having exactly the same character, in precisely the same way then I think that the charge of discrimination in this particular fails.

DISCRIMINATION IN MATTER OF PREMIUMS.

The idea of discrimination in the matter of premiums is presented in two ways—first, two groups having the same age and salary distribution and the

same number of members might be charged different premiums due to the circumstances under which the groups live their daily lives; one may have excellent sanitary surroundings; the other not as good, in fact it might be so bad as to cause the rejection of the group. The charge of discrimination might be made, but that is due to the difficulty, owing to its newness, of setting up a standard to measure the weight to be given to the features that are peculiar to each group. This is, at present, a question that must be left to the individual judgment of each company. The other is that a member, or an outsider of the same age, is not permitted to take out more insurance at the same rate. It is claimed that this is legal discrimination, but there is no real discrimination since the two things compared are not the same, in one case the individual is the unit, and in the other the group is the unit, and different methods of selection are employed. But after all, if group insurance fills a real need and does a real work in the community, no wording of present anti-discrimination laws, and no present legislation should be allowed to block its progress. New legislation should be drafted to meet the new ideas.

WHY NOT IN CANADA?

There is one further point. Is this business limited only to the large companies? If the mortality experienced in the group is superstandard, and companies writing the business claim that so far it is, then there seems to be no reason why Canadian companies shouldn't engage in the business. A Canadian company will carry 25 to 50 thousand on one single risk, which, though it may pass a rigid, medical selection, yet is liable to immediately become a claim, through accident or a disease such as typhoid fever. Does it not seem reasonable to say that a risk on a group of one hundred individuals carrying \$1,000 each, with a superstandard mortality for the whole group is better underwriting? It would need a catastrophe to have this risk fall in *in toto*.

If the present demand for group insurance is a real and lasting one, an outcome of the conditions of our time, then all the opposition of bodies of men even though bitter and strenuous, cannot block its progress or prevent its fulfilling, in common with other kinds of insurance, its mission to mankind.

LONDON & LANCASHIRE FIRE INSURANCE COMPANY, LIMITED.

It is announced that Mr. Colin E. Sword, secretary of the Quebec Fire Assurance Company, of Quebec, has been appointed manager in Montreal of the London & Lancashire Fire Insurance Company, Limited, in succession to Mr. T. F. Dobbin.

In his new capacity Mr. Sword will control the interests of the London & Lancashire Fire Insurance Company, Limited, and its allied Companies, the London & Lancashire Guarantee & Accident Company, the Quebec Fire Assurance Company and the Mercantile Fire Insurance Company, in the Province of Quebec and the Maritime Provinces.

Mr. James A. Allan, of Liverpool, England, sub-manager of the London & Lancashire Fire, who has been in Canada for the past couple of weeks returned to Montreal this week from the West, and has left for the Maritime Provinces, accompanied by Mr. Sword.