

ness has been annexed, and in this direction, coupled with revision of risks, will probably be found the most profitable channel for the administrative energy which has been so apparent from the outset. A resolute restraint at this point may go far towards securing a prosperous future."

INSANITY INSURANCE WANTED.

To the Editor of THE CHRONICLE:—

Sir—Could you inform your readers whether any insurance company includes, among its various classes of risks, insurance against insanity? If not, would there not be a large and legitimate new field for some enterprising company?

I broach the subject with some trepidation, lest I myself should be classed among those of unsound mind. However, a few arguments will prove conclusively, I think, that if such insurance does not already exist, it ought to, and there would be as little difficulty in placing it as any other kind.

Firstly, it is a sad fact that insanity is largely on the increase. Owing, probably, to the high pressure of our daily life, both nervous and mental break-downs have become alarmingly common. Every medical man will vouch for this.

Secondly, when a man insures himself against accident, against typhoid, against scarlet fever, the period during which he is laid by is usually a limited one, unless the outcome be fatal. However severe an attack of typhoid may be, a couple of months will generally see the patient convalescent. The drain on the financial resources may be severe, but the bread-winner does not generally lose his position, and his family does not become destitute. Take, however, the case of a man suddenly losing his reason. He naturally loses his position; he has to be provided for, and the charges for keeping him in an asylum are infinitely greater (owing to the length of time he spends there) than the expenses of an illness such as typhoid. How is the family to stand the expense—not only the expense of his keep, but also the loss of income? Is it not infinitely more important for a man to insure against the contingency of insanity, than against a possible attack of a disease which runs its course in five or six weeks?

There is no fear of fraud in the matter, for no man will willingly have himself incarcerated in an insane asylum. The working out of rates would be a simple matter for any actuary armed with all the latest statistics, and giving due attention to age, occupation, family history, etc.

At any rate, there is the idea, and I trust you will give the subject that prominence which I think it deserves. A discussion in your columns would, at all events, prove of interest.

BRITANNICUS.

Montreal, September 28, 1912.

[Insurance against insanity is hardly, we think, on all-fours with ordinary accident or sickness insurance. The average man will admit readily enough the possibilities of accident or sickness affecting himself and accordingly be willing to take a policy to guard against those risks. Would he be equally willing to admit the possibility of his going insane? We rather fancy that the common reply to a suggestion to take out insanity insurance would be of a kind to make

the agent jump for the door, and that social statisticians would have not the slightest hesitation in classing this agent's occupation as extra-hazardous. We shall, however, be glad to print the views of any readers on this subject.—Ed.]

METHODS OF WORKMEN'S COMPENSATION RATE-MAKING.

An interesting comparison of the methods adopted by the stock companies and by the mutual companies for arriving at the rates to be charged for compensation insurance under the new Workmen's Compensation Act of Massachusetts, is furnished by the Insurance Commissioner in his newly-issued report. The stock companies, he says, have for some time had a bureau for collecting statistics relating to accidents under liability and workmen's collective policies, for compiling rates and rules for manuals and generally for storing up valuable information regarding all forms of liability insurance. This bureau in its computation of rates for the Massachusetts Act represented a majority of the stock liability companies which had authority in Massachusetts. Its experts, together with a committee of liability underwriters, who are officials of some of the well-known companies, undertook the work. The old method in vogue in liability insurance, of charging for a risk a certain amount per \$100 of pay roll, was adopted as the basis and this amount per \$100 was varied according to the degree of hazard. It runs from 15 cents for office employees to \$25 for blasting.

The figures are the result of estimates based on experience, as shown by the statistics of other countries which have adopted compensation acts, and upon personal accident, workmen's collective and employers' liability policies in the United States as far as deemed pertinent. No one pretends that the rates are anything but the very best guesses of the best guessers in the business, who in making their guesses have had the advantage of a thorough knowledge of the proper rates to be charged for kindred lines of insurance.

It was for some time a subject of interest as to whether the stock companies not belonging to the statistical bureau would individually work out a manual of rates. The filing showed, however, that all of the stock companies are to use the same manual, setting forth the same rates under the same rules, and providing for the same compensation of agents, which is 17½ per cent. for general agents, 12½ per cent. for local agents, and 10 per cent. for brokers, no extras for rent, clerks or otherwise to be allowed in any case. The stock companies are therefore all operating under the same rates and rules.

The rates for the mutual association were computed by a well-known insurance expert and actuary, who was employed for that purpose. He concluded upon a study of the problem that the pay roll could not be taken as the basis for computing the premium as a whole on account of the benefit requirements of the act, which provides that the compensation of injured employees after the first two weeks, shall be \$4 per week for those receiving wages of \$8 per week or under, half-time wages for those receiving \$8 per week and not over \$20 and \$10 per week for those whose wages are in excess of \$20 per week. In addition there must be medical and hospital service for the first two weeks, whether or not other benefit