

Whole Life premium at age 40 is but 32 cents; but if the insured be entitled to dividends, then the net published premium is insufficient, since it must be increased by a percentage equal to the percentage of the net life premium which will be payable as dividends from the loadings of subsequent years. After premiums are waived much collection expense may be saved, but if dividends are paid, net extra premiums must be raised to provide such dividends. After computing this enlarged net premium, the proper loadings for expense should be made. There are many little pitfalls of this nature, open for the unwary, and the entire subject is one which needs careful scientific study, instead of being treated with that looseness of method with which it has been surrounded in the past.

#### DISABLED LIVES.

Many, indeed most, lives insured become disabled before they die. Except in the case of very sudden deaths there is always some period of disability; but a large proportion of these cases have no effect on the premium for this extra benefit. In some cases, where a premium falls due while the insured is in a moribund condition, the company will lose that individual premium; and, in like manner, cases will arise in which the insured will die during the grace period and the premium cannot be collected; but the intent of the provision seems clear that such cases are not meant to come within the scope of this particular feature, which is designed to cover the more lasting forms of disability and to lighten the hardship of prolonged sickness. But there are also disability claims which arise from causes not necessarily leading to an early death. For example, a man becomes blind, or loses both arms by accident; or, again, certain types of insanity while they unfit a man for business yet seem conducive to longevity, perhaps because of the care a patient receives in a sanitarium and his regular life. Such are the expensive cases from the disability standpoint. Such cases are comparatively rare; by far the more common forms of invalidity bring an early death, as tuberculosis, paralysis and most forms of insanity. The death benefit is already covered for the full sum insured by the regular premium, and the extra for disability covers only the premium waiver during the interval, short on the average, between disability and death.

#### MORTALITY OF DISABLED.

There are some interesting features shown by the mortality of disabled lives. As might be expected, the rate is highest during the year immediately following disability. But strangely enough it is higher at the younger than at the older ages. It has been shown that the mortality during the first year of disability at age 25 is about 40 out of 100; about 20 p.c. the second year; about 10 p.c. the third year; and only about 5 p.c. the fourth year. (T.A.S.A., Vol. VII, p. 79). On the other hand, if disability takes place at age 65, the mortality in the first year is less than 20 p.c.; in the second year, about 13 p.c.; in the third year, about 12 p.c.; in the fourth year about 10 p.c.; and at no time comes much below 10 p.c. These figures show that at the younger ages disability is usually a precursor of death, but at the older ages the lives, having less recuperative power, disability is more likely to be long drawn out and expensive from the disability standpoint. Doubtless many of the claims at young ages arise from tuberculosis or serious accidents

which are liable to result fatally soon after. Those who survive for two or three years after disability occurring at a young age become fairly good lives on the average—showing the recuperative power of youth. We may see in this also that selection against a company may be a potent factor at the older ages; and of course the figures confirm the condition, already explained, that the risk of permanent disability, viewed as an addition to the regular life insurance risk, is immensely greater at old than at young ages.

#### PLEA FOR CONCORD AND HARMONY.

Summing up the general thoughts and weighing the advantages and the difficulties of this new and popular feature, we have to recognize that we are now confronted by a maze of ideas and divergences in practice—yet scientific possibilities run clear through them all. There is also some indefiniteness as to the exact meaning of permanent and total disability. There may be cases under which the insured may consider himself aggrieved in having to continue premium payments. This condition will arise in spite of the fact that the best advised companies have made the policy provisions clear and explicit, although this cannot be said of all. There is, however, little doubt but that all companies will recognize the necessity for a liberal interpretation of such clauses when claims arise, not only because of the principle of fair dealing, generally recognized, but also from the purely selfish standpoint that liberal treatment pays.

There is a crying need for greater uniformity in practice. Those who have had most opportunity and have applied most ability to a study of the question are in reasonable agreement, so far as the writer can see; but many of the smaller companies have gone ahead without adequate advice, and it is unfortunate that a subject like this, capable of scientific treatment, should be handled in the amateurish way in which it now exists in this country. This is especially noticeable in the variety of benefits granted, in the so-called options which are often out of harmony with one another, and in the treatment of hazardous occupations, women, and other special risks. It can easily be seen that the benefit cannot be granted to married women with the freedom it can be to men in responsible positions, because women spend much of their time at home anyhow, and a condition of chronic invalidism is relatively common amongst those who are well-to-do; while, on the other hand, men have a greater incentive to earn a living, retain their business interests, and provide by insurance for others. A free exposition of difficulties and dangers is usually the best means of arriving at greater concord and harmony, for the attainment of which this subject has now been thus discussed.

I should like to see the better class companies combine to tabulate their experience and put forth new and authoritative tables as a guide for all who study this subject. Unfortunately it takes several years for an experience of this kind to accumulate, and meantime it seems the part of wisdom to move forward cautiously so long as the light is dim, and we are not fully advised of the pitfalls in the way.

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The Canada Permanent Mortgage Corporation is as usual, to the point with their calendar for 1914—a reproduction by a famous Spanish artist of a spirited painting entitled "A Roman Holiday." The calendar is an ornament to any office where it is hung.