

to become informed, to a reasonable extent at least, as to every risk written, is blameworthy."

Regarding the relation of the agent to his business and the need for expert knowledge, it is said:

"The agent who cares and knows little or nothing about the principles of insurance, and the essentials needed for its being conducted safely and profitably, is a mere peddler of catch-pennies so far as he himself is concerned. His goods may be well worth the price placed on them by his company, but he doesn't know why. So he can quote a rate, but there he stops. If he tries to go further he probably flounders and reveals to the prospective patron that he doesn't know his business. If confronted with the lower price of a cut-rate company, he cannot demonstrate the problem of relative values, and must acknowledge himself beaten. It is the man who saturates himself with all there is to be learned about this many-sided business that can encounter the worst rate-cutter and defeat him, not by cutting his own price, but by proving his own goods to be worth what he asks.

"The agent himself is thus a part of the goods he sells. The acquirement of business in many branches of insurance does not consist merely of the issuance of a policy by the company and its acceptance by the assured, and then waiting for the law of chances to work. There should be constant contact between the agent and the assured. Inspections and adjustments give the agent numerous occasions, without officiousness, to serve the policyholder and the company so as to promote and fix the conviction of mutuality of interest and of the fairness of the bargain to both sides. Therefore, if he knows his business as a professional, he adds to the value of his goods; but if he is only a peddler he detracts from their value. When he becomes an element of added value, he makes his goods more saleable. He sells more at better prices, and so increases his own commissions."

**The Royal Ready for Life Business.** The life department of the Royal Insurance Company is now ready for business. The new life policy form it has prepared for use in the Dominion is a very attractive document, being beautifully printed on heavy parchment paper with the "Royal" shield handsomely embossed in the centre in red, its appearance is rich and business looking. The wording is short and to the point, all dubious and unnecessary clauses having been omitted. The conditions and privileges are broad, comprising among other features re instatement within 12 months after lapse; unrestricted freedom as to travel and residence after two years: Loans, Paid up Insurance and Cash Values written in the policy, and non-forfeitable clause providing payment of the premium so long as the reserve is sufficient. Profits are available under one of these options, cash, paid up insurance or reduction of future premiums.

#### MR. EMORY McCLINTOCK'S PAPER ON FIRST YEAR MORTALITY.

In the last number of the "Transactions of the Actuarial Society of America" are published the papers presented at the meetings on 15th and 16th May last, also the address of the president, Mr. Oscar B. Ireland, and a report of the discussion which followed the papers. The following is the paper contributed by Mr. Emory McClintock, ex-president of the Actuarial Society, which we give complete:

It has been in the past so much the custom to collect mortality experience by calendar years that when I wrote my paper on Selection (*Transactions*, Vol. III, 1893) I was able to include only five experiences on male lives which had appeared in print as having been collected by policy years rather than by calendar years. These five experiences taken by policy years were, in the paper referred to, together with a greater number taken by calendar years, worked up in voluminous tables so as to show the actual loss for each year of duration for each one of four groups taken according to age at issue. The Committee having in charge the specialized mortality investigation authorized by this Society and now in progress is reporting at the present meeting that it has concluded to compute for each class of risks the expected loss by a standard table and to compare with this expected loss the actual number of deaths. This will be done for four separate groups taken according to age at issue. In doing this it is stated to be necessary, when it comes to making certain summations, to reduce the expected loss during the first year of insurance to a mere fraction of that expected by the standard table, in order to make allowance for the effect of selection, and to make similar allowances during the second and succeeding years of insurance, up to the fourth or fifth year, when the chief effects of medical selection may be assumed, not indeed to disappear, but to become fairly stationary. The Committee adopts as the standard table the Healthy English Male Table, with minor modifications of the rate of mortality at certain ages where that table is not found satisfactory. The Committee finally states that the question of the exact percentage of the standard mortality to be taken as normal during the first year of insurance, the somewhat higher percentage to be taken for the second year, and so on, has been deferred for further consideration.

In this juncture it has occurred to me that since the computations made some years ago and published in the paper referred to were based upon the Healthy English Male Table as a standard expected mortality, it may now be of use to reproduce the statistics then tabulated for the first year of insurance, for the five experiences then available on the basis of policy years, and to supplement these statistics by supplying additional calculations based upon the recently published experience of the British Offices. The tables which are appended to this paper include therefore the expected and the actual mortality on three different classes of lives embraced in the new