

really necessary for the purpose of the scheme. If the school board could not act as trustees, the remedy would be, not to declare the trust invalid, but to appoint other trustees, for the Court never permits a trust to fail for want of a trustee. It would be wrong to say that subscribers who received nothing from the fund had no consideration for their contributions. It was, of course, well known that some of them would never earn a superannuation grant, but that fact lies at the root of every scheme of mutual insurance. Those who do not earn a grant help to pay those who do, and it is the possibility of a grant, and not the grant itself, which forms the true and sufficient consideration for the contribution. 1898, 2 Q. B. 447.

SELECTION IN LIFE INSURANCE.

In more than one of the papers read before the meeting of the British Medical Association, held at Edinburgh some weeks ago, the subject dealt with was the question of extra rating in life insurance, more especially with regard to collateral risks, arising from unfavorable points in the family history. In these papers, which we presume may be taken as an indication of the general trend of insurance opinion in this direction, more or less elaborate investigation was made into the effect of a weak family history upon otherwise good lives, and the desirability of extra rating on account of these remoter causes, and hardly traceable influences, was prominently brought forward. It occurs to us that to anyone unacquainted with the intricacies and thousand and one factors involved in life insurance contracts, these discussions and investigations might appear somewhat superfluous. The life offices occupy at the present time a stronger position than ever before, the great majority not only offering ample security, but having also at their command large surpluses, the accumulations of the skill and foresight of a prosperous past. Does not, it may be asked, this minute inquiry into considerations apparently of little moment savour of over-caution, and is it not unnecessary and even vexatious? Are not the offices strong enough to neglect these smaller adverse influences; influences of which little account was taken by the predecessors of the present insurance leaders? Such questions, it must be admitted, are not unnatural. We shall attempt, by bringing forward a few of the reasons for taking the present course, to justify the policy now contemplated, if not yet adopted, by the companies.

No one who has even to a slight extent studied life insurance can fail to have been struck by the changes which have been made during the last few years in the nature and scope of the policy contract. The old system of continuous payments until death, at whatever age occurring, of disproportionately small surrender values, and unequal and inequitable distribution of bonuses, has given place to "the genial manners of a wealthier time." Largely owing to the ex-

ample set by our Transatlantic cousins, an almost complete change has been brought about in the treatment of the insured by the companies. Endowment assurance already forms a large section of the business of many offices, and grows in public estimation year by year. With regard to surrender values, they are not only calculated on broader lines if the policy absolutely lapses, but are not infrequently automatically employed to keep a policy in force. The restrictions with regard to residence abroad have been largely done away with, a point of no small importance to a race whose wandering and colonising instincts are so largely developed as our own. And besides all these, there are numerous options in many cases offered, which allow the insured to reap the benefits of his foresight, just at the time when he stands most in need of them, instead of withholding them until a period when, the circumstances which led him to insure having changed, they would be comparatively useless. All this liberalisation of conditions means concession, and, on the whole, reduction of profit; for though calculation has been brought to bear so as to provide against loss from these causes, as far as possible, yet the number of new factors introduced can hardly fail to increase the absolute risk. Another feature—perhaps the greatest—which has had a marked effect upon insurance business, has been the fall in the rate of interest which, by materially decreasing the earning power of the accumulated funds, has rendered necessary large augmentations of these in order to preserve the standard of solvency previously maintained. It is undoubtedly desirable, nay indispensable, to the stability and success of the great life offices that the future should rest upon a sound basis, and that ample provision should be made for all possible contingencies. Since competition forbids any considerable increase in the premiums, the need for the utmost care in selection is now more imperative than ever before, and increased stress must be laid upon the necessity for careful discrimination of every possible factor affecting each individual life. Thorough investigation into the obscure causes which produce abnormal mortality among those apparently desirable becomes, therefore, of vital importance. The vast strides made by industrial insurance, a department in which little attention is given to selection, and in which lives uninsurable according to the older ideas are readily accepted, might be urged in reply to the arguments above adduced; but the heavy mortality inevitably experienced under this system, a mortality twice as great as that among the members of an ordinary life office, necessarily involves higher premiums. Though this fact is disguised by the trifling individual amount of the sums received by the weekly collectors, yet it is no less true that in this, as in other matters, where through inability to pay a large amount at any given time they are compelled to purchase retail, the poor pay more than the rich in proportion to the benefit obtained. The competition prevailing among the companies insuring the better