

which has fallen due, the company will advance him that premium *as a loan* provided that the overdue premium is not greater than the cash surrender value. When the next premium falls due, the company will advance that, too, if the cash surrender value is large enough to cover the two premiums and interest. And so on—the company continuing to advance money to pay the premiums as they fall due, until at length the premiums and interest thereon accumulate to a larger amount than the cash surrender value; and when that happens, the policy lapses. The whole transaction is simply a loan to the assured on the security of the policy, the only difference between an *automatic* loan and an ordinary policy loan being that in the former case the company advances the premium *automatically*; that is, without waiting to be requested to do so by the assured.

Of course, the policyholder has the privilege of stepping in at any time and paying off the amount which the company has advanced to him under this automatic non-forfeiture provision. It may be pointed out that the rate of interest charged by the company on *automatic* loans is generally a little higher than that charged on ordinary policy loans.

The automatic non-forfeiture provision is a splendid "talking point" for the agent. Its chief beauty, of course, is that it relieves the assured from the fear of his policy lapsing at any time through forgetfulness, illness, etc. It might happen—in fact, it *has* happened, in the old days when the provisions in insurance policies were less liberal than they are now—that the assured should be seriously ill at the time when the premium fell due, and in the resulting worry and confusion no one might think of paying the premium; consequently, if the assured died a few days later, the policy would have already lapsed and