

## DISABILITY BENEFITS

(Actuary A. R. Grow, New York Life.)

The New York Life introduced the "waiver of premium" benefits in its policies in July, 1910. Previous to that time the feature was comparatively rare in life insurance policies.

Since 1910 the popularity of this feature has brought about a remarkable increase in the number of companies that include disability benefits in their policies. During 1913, out of 250 doing business in the United States, 160 were offering disability benefits, and the time is not far distant, in my opinion, when every company which claims to be at all progressive will include some such feature in its policies.

It was a perfectly natural thought that a man should have the option of buying a limited-payment life policy so that, by paying a little more each year, he might be free from the risk of losing his insurance when old age comes with all its possibilities of diminished income. The idea of provision against loss of income has developed. To-day the companies are offering a policy that furnishes sure relief when the bread-winner, through complete disablement, is unable to earn the money with which to support his family. Without the disability provision, the insurance would sometimes be lost just at the time when there is the greatest need for it.

### TOTAL DISABILITY IS OFTEN A LIVING DEATH.

It is as reasonable to provide that when a man becomes completely disabled he shall have no more premiums to pay as it is to issue a 20-payment life policy at thirty-five in order that the premiums shall cease at fifty-five. When a man is totally disabled, he becomes a care and expense to his family; his income is cut off; he must have proper care and medical attention; the sympathies of the family are deeply stirred; they find it difficult, and sometimes impossible, to pay the premium—in fact, they are often in dire distress and have not the means to secure the daily necessities of life. Without the disability benefits the family will find themselves obliged to borrow on their insurance policies in order to pay the premium, while, in many instances, to meet current expenses they have already borrowed to the limit. With no means of meeting the premium, the family would lose the insurance at a time when its value had been largely increased by disability.

While the calamity of complete disability overtakes only a small proportion of the total number of insured, the addition to the premium is such a trifle that any one can afford to pay for it, while he can get it.

### LIFE COMPANY CANNOT CANCEL THE POLICY.

I think agents do not realize how much there is in the words—"while he can get it." For there is one point in which disability benefits combined with life insurance are very different from the benefits granted in the policies of companies transacting accident or health insurance. Accident insurance policies, like fire insurance policies, give the company the option of canceling the policy. The insured therefore does not have the right to renew the benefit each time a premium falls due. Sickness or health insurance policies usually contain a provision allowing the company the option of cancellation. This is a point which should not be forgotten in canvassing. The disability feature in our policies, being simply a part

of the insurance policy, is renewed and continued in force with the rest of the contract every time the premium is paid, and the company must continue this benefit even if the individual risk has greatly increased, due to poor health or to change in occupation.

### PREMIUMS ALWAYS THE SAME.

Another fact which must not be forgotten in connection with the disability benefit in life insurance policies when compared with accident or health insurance is that even when an accident or health insurance company might not go so far as to cancel the policy, they will surely increase the premium if they find that the risk is increased, due to change in occupation or to ill-health. In our policies, once the policy is issued the premium remains the same no matter if the insured changes his occupation or becomes ill and therefore more liable to become completely incapacitated.

### BENEFITS IF DISABILITY OCCURS BEFORE AGE SIXTY.

If the insured becomes totally and permanently disabled before age sixty, and submits proofs to that effect before default in the payment of the next premium, that premium will be waived, and the company will continue to waive each future premium as it becomes due during disability. One year after proofs are received the company will begin to pay the amount of the policy in instalments, one-tenth being payable at that time and one-tenth in each succeeding year until the company has paid an amount equal to the face amount of the policy and any additions from dividends.

The right to receive the full benefits, including waiver of premium and installment payments, continues until the company has paid the full amount insured. It does not matter if, during the time when the premiums are being waived and when the installment payments are being made, the insured should reach the age of sixty or not.

An example may serve to make this provision of the policy clearer. Let us assume that a man takes a policy at age thirty-five and becomes disabled at age fifty-eight. He would then receive all the installment benefits just the same as if he had become disabled at age forty. The fact that during the time of instalment payments he may or may not pass age sixty has no effect on this provision of the policy.

(To be continued.)

### PRESENTATION TO MR. J. W. BINNIE.

On the occasion of his severing his connection, as deputy manager, with the Liverpool & London & Globe Insurance Company, on the 28th ult., Mr. J. W. Binnie was made the recipient of a handsome gold watch and chain from the officers and staff, as a token of esteem and good will. Mr. J. Gardner Thompson, manager for Canada, made the presentation in the presence of the whole staff, and made reference to Mr. Binnie's eleven years' service with the Company in a very appreciative manner, and also alluded to Mr. Binnie's former association with himself in the Lancashire Fire Insurance Company.

Mr. Binnie has already assumed his new duties as manager for Canada of the Globe and Rutgers Insurance Co., New York.