

ject to the risk of long sustained anxieties growing out of business troubles and necessities would act as a dilution of this undesirable element of risk, and is, in my judgment, very much to be desired.

The more extended the geographical distribution of the business, the more free would it be from adverse local influences, whether they arise from climatic, sanitary, or moral considerations or are due to the personal habits or occupations of the insured. In respect of a diversity of occupation alone, it is most difficult to gauge the benefit that would accrue to the life companies, although there is no doubt that benefit would accrue to them in no mean measure.

Separating the usual avocations into three main groups, we may class business men, manufacturers and professional men in the first; those engaged in mechanical occupations in the second; and the rural and agricultural population in the third.

Those embraced in the first named group would, from superficial indications, be regarded as belonging to a preferred class in life insurance, provided their business operations are circumscribed by such reasonable restrictions as keep them free from too much of the wear and tear of financial responsibility. Under favorable conditions life companies would naturally expect the most gratifying experience with such risks. If, however, the ambition or necessity of those so engaged plunges them into too fierce a struggle for business existence, or engenders in them too rabid a desire for the rapid accumulation of wealth under circumstances not favorable to the accomplishment of their desires, it is no difficult thing to imagine that conditions of mind unfavorable to longevity will follow.

If operations be engaged in, so vast in their extent and so far-reaching in their financial necessities as to be beyond their ready control, they become the easy prey of circumstances that they are powerless to guide, and are threatened by hostile influences such as always grow out of unsettled times and financial stringency. The greater the interests involved, the more intense the strain, and the more unfavorable subjects for life insurance do they become.

Men engaged in the so-called liberal professions should be, and generally are, good life insurance risks, according as they observe the rules necessary to keep the mental occupation from effecting too great a drain upon the physical resources. These men require well-balanced minds—sound minds in healthy bodies.

I believe that, in the long run, it is in the mechanical class that we find the salt that most effectually savors our business; and that solicitations of risks should reach out so far as to bring in a large proportion of men personally identified with the life-giving and life-sustaining soil of the land.

I should judge, however, that probably two-thirds, or more, of all of the insurance written covers risks of the first class, and that more nearly three-fourths of all the insurance in force is on the lives of men living in important centres of business industry. An enormous amount, therefore, is subject to what we may term an

unduly harassing commercial risk. Beyond this it appears that if we individualize, we must admit that the greatest individual risks are subject to the very worst of the unfavorable influence I have referred to, as attaching to men who have too great a stake in continued prosperous conditions.

Furthermore, it is an undoubted fact that the moral risk on lives carrying the largest amounts of insurance is year by year becoming greater. I cannot say that any positive element of dishonesty is apparent, or susceptible of proof; but I do assert that there is a growing number of such cases in which the companies feel that they have been in some way or other victimized and not treated in perfectly good faith—seldom as it is that the evidence of wrong doing is sufficient to effect a final breaking down of the claims growing out of them.

I think, therefore, that the line of safety, and more particularly the line that divides a profitable business from an unprofitable one, must be sought in a reduction of the limit of individual risk rather than in an increase of the amount carried as a limit on any one life—in spite of the outcry that the field workers might raise against such a course.

I cannot help thinking that this particular trouble is also clearly directly due to the growth of that system of centralization, complained of in my last contribution. Managers or general agents having very large territories can very rarely boast of possessing sufficient executive ability to be able to thoroughly cover these territories, and effectually use an adequate canvassing force such as would get all the good business possible out of their vast field. The tendency, therefore, is to concentrate their efforts in the large cities and in the most dense centres of population, with the idea of economizing time and effort so as to accomplish what they believe to be the best result.

Such general agents or managers may be actuated by a very conscientious conception of their duties, but if they go upon the idea that the greater the amount of business they give to their companies, irrespective of its quality, and without regard to where or how obtained, they are certainly on the wrong track. The best results to their companies can only be secured by giving them a clean, healthy business, scattered broadcast throughout their territories, and free from the preponderance of any one particular kind of hazard. Instead of this, however, the apparent necessity of building up the *volume* of business is allowed to overcome every other valuable consideration. Judicious distribution of risks is ignored, and the very largest lines of individual risks are placed on such individual lives as are subject to the most constant grinding against adverse financial conditions. Surely these are not the common sense elements of success—but still we have blindly adhered to them. Surely they are not the conditions that should surround a business capable of developing surplus-earning power—and yet we persist in them as fatuously as though no preferable conditions could be found.