

INDUSTRIAL INSURANCE.**Summary of Paper by A. G. Brooke Claxton, K.C.—
Child Insurance Defended.**

Industrial Insurance was treated comprehensively but without undue length by Mr. A. G. Brooke Claxton, K.C., at the last meeting of the Insurance Institute of Montreal. As counsel for the Metropolitan Life, Mr. Claxton is admirably qualified to give an exposition of this increasingly important branch of life insurance.

As some index to the growth of Industrial insurance, which began about half a century ago, the speaker mentioned that within the past generation there have been gathered into the ranks of the industrial companies over 16 millions of policy-holders in Canada and the United States alone. Further he stated that half of the population of Great Britain is insured industrially, and, to come nearer home, that there are 100,000 industrial policy-holders on the Island of Montreal—one to every five of the population. There is over \$2,300,000,000 of such insurance in force in America, and about \$35,000,000 is being paid out annually in death claims. "Industrial insurance is family insurance at retail" was the definition quoted from Mr. Haley Fiske, the Metropolitan's vice-president. The features which distinguish it from ordinary life insurance are: (1) amounts not premiums vary according to age at entry; (2) premiums are payable weekly, being for five cents and multiples thereof; (3) such premiums are called for by collectors; (4) amounts of insurance are based on special mortality tables from industrial experience; (5) insurance is taken upon lives between ages 1 to 70, without distinction of sex as to premium.

Interesting details of the every day work of such a company as the Metropolitan were given by Mr. Claxton:

Number of claims paid per day.....	395
Amount of claims paid per minute of each business day of 8 hours.....	\$105.83
Number of new policies per day.....	6,972
Daily amount of new insurance.....	\$1,502,484.00
Payments each day to policy-holders and additions to Reserve.....	\$123,788.29

In Canada the industrial business is comparatively a new one. However, in 1905, there was \$40,130,403 of industrial and thrift insurance in force on 339,663 policies, calling for average weekly premiums of 12 cents.

The "retail" method of this insurance, and the necessary high proportion of lapses, involve higher rates than those obtaining on ordinary life policies. However, the growth and progress of the business have developed such savings in death and lapse rates that lately the largest American company has almost doubled the benefits under its contracts, besides giving other substantial concessions.

So much detail work is involved that both the home office and field staff of industrial companies

must be very extensive. The agents who do the soliciting are paid a commission on weekly collections made and on net increase. Over every half dozen agents there is an assistant superintendent who instructs and supervises, and who makes a quarterly inspection of each agent's business. Over the agents and assistant superintendents there is a local superintendent who has general charge of affairs in the district.

One of the most interesting features of Mr. Claxton's paper was his treatment of the subject of child insurance. This follows in his own words

CHILD INSURANCE.

Years ago the insurance of children had to bear, and bore successfully many a fierce attack. When one got to the core of the matter, the insurance on children at their younger ages barely covered the cost of their burial. The question, therefore, was would you kill, or neglect, or injure till it died, which is also murder, your child for say \$28. That's the average amount paid on infantile lives, and if you would not do so, dare you accuse one of the industrial class of so doing, a first-class mechanic for instance. For children it is merely the providing of their decent burial by a loving parent. Five cents is the maximum which the Metropolitan will now write on children. But you say, one might insure in several companies for that amount making in all a comparatively large sum on the life of a working man's child. This too has been safe-guarded. There is a stipulation in all contracts that the maximum sum shall not exceed 10 cents a week, and where more than that is carried, the companies return the premiums over and above 10 cents a week, dividing the loss in proportion to the risk carried.

There have been parliamentary investigations in England, several of them, and many in the States, but as yet no case has been proved of any child having been killed or neglected unto death for the insurance. The Dominion of Canada in 1895 refused after a long debate to prohibit child insurance, and in England, in the Province of Ontario, in the States of Massachusetts, New York, Pennsylvania, Ohio, Connecticut, New Hampshire, Tennessee, Missouri, Wisconsin, Michigan, Georgia, Virginia, North Carolina, and California, proposed legislation prohibiting the insurance has been defeated and repeatedly so.

The most recent and perhaps the greatest triumph of industrial insurance was at the enquiry of the Armstrong Committee held in New York. The two greatest industrial companies, their methods and their business, were thoroughly investigated with the result that while there has been passed many a stringent enactment against the business of ordinary insurance, there is not one new line in the Statute Book against industrial insurance.