

case it might be imagined what it would be to distribute profits among one-third of the population of Great Britain and Ireland—thirteen millions of people! The expense would swamp everything. It was quite impracticable to distribute profits.

Mr. Todhunter remarked that a point which practically rendered the gross premium method of valuation inappropriate was the modern system of guaranteeing something which was not ordinarily supposed to be on the face of the policy—that is, the guaranteeing of a free policy. Taking a policy effected on the life of an adult aged 30, assuring £6 for a penny a week, it would be found that it is now usual under stress of competition to allow a free policy of about fifteen shillings after five years. Under the English Table No. III. the cash value would be about eight shillings and sixpence or nine shillings, so that it seemed unsafe—or would be unsafe if the secessions were not so numerous as they are—to neglect or attach only a small value to the liability during the first five years.

Mr. F. J. Vincent thought that the ages in industrial assurance must be taken as only approximate, and in no sense so exact as in ordinary life assurance, inasmuch as the statements of the proposers must be taken on trust to a very great extent, and verification would prove too troublesome and costly. In this respect very curious instances sometimes came to light. It was not unknown in one part of the country, he believed, for the policy to be marked in small figures in the corner in order to give the person who registered the death a hint that at the date of the policy the person insured was of that age, so that he might register the death in accordance with it, and thus avoid any deduction in the sum assured when the claim came to be settled. He instanced a fact that had come before him that very afternoon, when, in examining a file of claim papers, he found some correspondence in which the claimant elaborately explained that if somebody else had registered the death the age at death would have been recorded very differently to what was given on the registrar's certificate.

In an article published in the same number of the *Journal* on the late Mr. Sheppard Homans, the famous American actuary, whose recent death caused such widespread regret, the writer thereof points out that in the year 1870 Mr. Homans attended the statistical congress at The Hague, where he called attention to the remarkable fact that the rate of mortality amongst those assured under endowment assurance policies was much less than among holders of whole life policies, while among the latter, those who held limited payment life policies had a lower death rate than those who took the ordinary continuous premium life policy. From this significant fact Mr. Homans deduced the general proposition that in any particular company the rate of mortality among persons selecting high premium forms of policy would always be found to be less than among those assuring on low premium forms,

a doctrine which probably had never been so clearly demonstrated before, if, indeed, it had ever before been pointed out.—*The Policy-holder.*

THE SELECTION OF LIVES FOR INSURANCE.

In his opening address before the section of Medicine in Relation to Life Assurance, the president, Dr. Claud Muirhead, said that the business of life insurance had of late years made enormous advances, and that huge sums of money were now and again set aside in this way, not merely for their original humane and beneficent purpose—to secure to the widow and her children on the death of the head of the house some means by which they might be saved from the terror of actual poverty—but it was also largely used for commercial purposes. It might astonish some of those present, as it certainly amazed him, to learn that in the United Kingdom the liabilities of life assurance companies amounted to no less a sum than £263,000,000. This sum was so huge that one had difficulty in appreciating it; but it served to give some little idea of the vastness of this enterprise, and of the enormous responsibility imposed upon those who had to administer and find safe and profitable investments for those ever-growing funds. Nearly one-half of the population of the United Kingdom (exactly 43.70 per cent.)—men, women, and children of all ages—was insured in some form. Apart from the purely personal relation to life assurance, the medical profession was and had for long been associated with the companies in enabling them to make judicious selection of lives proposed for assurance. Not much before the commencement of this century were the services of a medical man asked for. On reference to the first proposals of the Scottish Widows' Fund Society in 1814, he found that the applicant had to appear before a medical man, and produce a certificate to this effect:—"I do hereby certify that—— did appear before me this day, and that I have known—— for—— years, and that to the best of my knowledge he hath never been afflicted with gout, asthma, or any disease which tends to the shortening of life, and that I do believe his present state of health to be good, and his habits of living not such as to endanger life." It would be observed that most attention was paid to the general appearance of good health, without apparently any examination of the applicant whatever. It was curious to note how concerned the directors were at that early date to ascertain if the applicant had suffered from gout. It did not appear how they dealt with a case where the man confessed to having been afflicted with gout, but evidently they were impressed with the fact that gout tended to the shortening of life—a fact which was later lost sight of, and had only recently been recognized as a condition calling for a surcharge on the premium. In 1830, these perfunctory reports were no longer considered satisfactory, and a certificate was required from the private medical attendant, to whom a series of specific