

GRADUATED LIFE RISKS.

It may safely be asserted that of all the lives which may come under consideration by doctor or actuary, no two will be found to correspond in every particular. Taking this as a text, "The Insurance Record" proceeds to make the following comments, which it suggests:—

Just as no two faces are alike in every feature, but differ so widely that when seen in juxtaposition it is easy to distinguish one from the other, so do physical constitutions differ. All the vital organs may be healthy enough to pass muster; yet in one instance the heart, in another the liver, may betray symptoms of weakness or a tendency to degenerate, but not serious enough to prevent both from being included in the same class of good average lives. But the present of the two lives, as well as their probable future, is easy to recognize. Each, in fact, has its own special weak point, and the future alone can determine the extent to which these points may succeed in resisting the inroads of disease. Equally great may be the difference between the habits of two or more lives. One may be a moderate drinker, the other a total abstainer; one may lead an active, the other a sedentary, life; one may reside in a healthful place, the other in a locality not distinguished for salubrity. Still wider must inevitably be the difference between the respective family histories of the two; yet both are placed by doctor and actuary in the same category of good average lives.

It is here that the line is drawn between good and bad. Those who reach the boundary are pronounced eligible at table rates; albeit, they differ to a limitless extent. For tabulated rates we are bound to have. The alternative of rating all risks "on their merits," as the non-tariff fire offices profess to do, is too revolutionary to be contemplated for a moment. It is only when the official eye detects a risk unable to "toe the line" that the merits, or to speak accurately, the demerits, come under consideration. For such unfortunates there is no table of rates, the premiums they have to pay are mere arbitrary deviations from the normal. For them there is no fixed rule, for not only do they differ as widely as the cases to which they apply, but they vary according to the individual judgment of those who apply them. Here is an illustration of the principle of the graduation of life risks, but its application is so irregular that, no sooner does the luckless proponent show his inability to reach the haven of eligibility than he finds himself in a sea of uncertainty, and has no data from which he can reckon his future fate. To drop metaphor, the powers that be may impose an addition of three years, or five years, or even ten years, according to their discretion.

Such is the course of what may be termed graduation "downwards," and any alternative system in rating sub-standard lives seems to be impossible, for it is hopeless to attempt the formulation of a distinct rate for every case. But it has begun to dawn upon some speculative minds that, if we admit the principle of graduation under the line of safety, it is inconsistent to evade its extension to cases which are above it—that there are lives superior, to judge from present appearances, to those which simply reach the line can hardly be denied. This view of the matter seems to have struck forcibly a recent writer in an American Journal—"The Medical Fortnightly." He says:—

"I wish to make a plea for the establishment of another class of risk than the two already existing, and which for want of another or a better name I will call the super-standard class. This class shall possess all the good qualifications of the standard risk, namely, good family history, free from taint of disease, bad habits, longevity, personally good health, and in addition to all this they must be teetotallers.

"There are a sufficiently large number of these who take life insurance to justify the creating of such a class of super-standard risks, to whom policies should be issued at reduced rates. This is no more than just to them, as they should not be compelled to pay for the short-comings of that large majority who, aside from what good traits they possess from a life insurance standpoint, are most of them drinkers of intoxicants, who vary all the way from the worst inebriates up to the regular everyday tippler and the so-called thoroughbred sport."

The idea seems novel, but even if allowance be made for the writer's *penchant* for total abstinence—in which not every one, perhaps, will follow him—there is much to be said in favour of his theory. As a mere theory its consistency with the practice in the case of under-average lives seems perfectly clear and logical. But introduced into practice many objections would be met with, which to say the least are serious, if they are not insurmountable.

In the first place, there is little doubt that the conclusion arrived at is not borne out by experience. Medical men, accustomed to the life assurance branch of their profession, assert that the very robust are not necessarily the longest livers. For, when attacked by any form of zymotic disease, they suffer as a rule with exceptional severity, proportioned apparently to their exceptional strength. Besides this, it is said that the strong man, conscious of his strength, too often exposes his health to risks which the man who knows himself to be vulnerable would be likely to avoid. For these reasons it is generally held in insurance circles that the good average life is more profitable than the super-standard life. The suggestion to apply reduced rates opens up an illimitable vista of graduations from which both actuary and doctor, already oppressed with responsibility, might well shrink with dismay.