

CAN IMPAIRED LIVES BE ASSURED ?

We have more than once discussed in these columns the practicability of assuring lives which, measured as to expectancy by the ordinary standard of the medical examiner, stand rejected. Of the fallibility of this examination standard we need not now speak, for no one knows better than the competent examiner himself that at best it is only an approximate measure of probabilities. It is one which cannot safely be dispensed with, however, so long as our present plans and rates prevail. There is no valid reason, however, why the large number of people who fall below the standard—many of them by but a single notch—should be deprived of the benefits of assurance protection for which they are willing to pay. Theoretically, it is just as scientific to assure a class of persons whose expectancy of life is one-half or two-thirds that of the accepted class as it is to assure the latter. Practically, of course, the difficulty lies in correctly fixing the expectancy. And yet, if we take the expectancy from the wide experience, not of selected, but of all lives, it ought not to be so very difficult to approximate tolerably close to the probability in each individual case.

The fact is, experience has shown that a considerable proportion of those rejected or subject to rejection by the medical examiner live fully up to or beyond the expectancy of those of like age who are accepted ; and it is plain enough that any company taking these risks at a rate based on a curtailed expectancy will have realized a handsome surplus from over-payments ; while if the shortened expectancy assumed of other lives should be met by a corresponding mortality, still the transaction is a safe one. There are two or three plans for the assurance of impaired lives which are entirely practicable, but we desire at this time to call attention to the plan long in use by the Clerical, Medical and General Life Assurance Society of London, established in 1824. Since that time the company has assured six thousand impaired lives, and the result enables its managers to say, in the last report, that this feature "now forms a successful part of the company's operations." The plan, in brief, is to deal with each individual applicant according to the facts revealed on examination, adding five or more years to the actual age and charging a premium according to the increased age. The company declares dividends, or bonuses, to its policyholders at the end of each five year period, when all over-payments, if any, by the impaired as well as healthy lives, are returned, and thus the cost to the assured is equitably adjusted according to the actual experience in each individual case. It is manifest that, though more years be added to the real age of the applicant than actual demands require, as is the case, yet the periodical bonus acts as an equalizer, and the assured in the end pays only for his assurance what it costs. In order to show the practical working of the plan and how abundantly safe the assumed expectancy has proved to be, we compile from a table of results, quoted in full by *The Chronicle* of New York, from the company's last annual report (July, 1889) the following comparison :—

Duration of Policy.	HEALTHY LIFE. Real Age, 40. Prem., \$158.02 Reduced Prem.	IMPAIRED LIFE.—Real Age, 40. Assumed age as below :—	
		Assumed age, 50 ; Premium, \$218.79. Reduced Premium.	Assumed age, 60 ; Premium, \$351.79. Reduced Premium.
5 years.	\$140.94	\$189.94	\$280.15
10 "	121.90	153.16	188.63
15 "	100.11	108.17	66.30
20 "	73.73	50.89	Premium extinguished and bonus added of
25 "	38.88	Premium extinguished and bonus added of 158.27	432.54

From the above it will be seen that the life entering at age 40, with assumed age 50, will at the end of ten years pay a smaller premium (\$153.16) than the healthy life entering at the same time, real age 40 (\$158.02), and in 25 years will pay nothing, with a surplus of \$158.27 to his credit. In the other example, where 20 years are added to the real age, the difference is more marked, as will be seen. Judging from these examples, the addition of five years to the real age at entry would presumably entail an extra premium for only about 15 years, though in the absence of definite data we can arrive at no certain conclusion. At all events, the plan is equitable for the assured, safe for the company, and a triumphant vindication of the theory, after more than a half century of experience, that impaired lives may safely be taken, as well as that the cost is not so burdensome as to forbid entrance to the insurant. From the experience of the Clerical, Medical and General, it is evident that a more liberal assumption as to curtailed expectancy may easily be adopted for judiciously selected impaired lives by any good company, which may thereby add to its business and reputation without hazarding its safety.

A COMPANY RESPONSIBLE TO NOBODY.

The policyholders of La Canadienne Life of this city must either be gifted with sublime faith or environed by dense ignorance, for they evidently are willing to "go it blind" as regards the ability of the company to carry out its contracts. We have looked vainly for some kind of official statement from the Quebec Government concerning the condition of the company at the close of 1889. The usual annual report of the Inspector of Insurance is out, but his supervision seems to extend only to the purely mutual organizations. Upon inquiry of that official we are informed that he has called the attention of the Minister of Finance at Quebec to the absence of any Government report as to La Canadienne, and in response received the information that *the charter of that company does not require it to report its business and condition to the Government!*

The company's statement last year, for 1888, claimed that \$25,000 was on deposit with the Government at Quebec, thus raising the fair presumption that if a deposit was required an annual report of its affairs was also required. It seems, however, that this company, for reasons best known to the parties interested, is exempted from all supervision such as other life companies in Canada and everywhere else not only expe-